

Why you can't buy a house in Wollongong

GLEN HUMPHRIES
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PRICES LOCKING BUYERS OUT: A new international study has found Wollongong housing market is one of the least affordable in the world.

Believe it or not, it's easier to buy a house in Tokyo, Dallas, New Orleans, Las Vegas, Miami or New York than it is in Wollongong.

According to the 12th annual Housing Affordability Survey from US public policy group Demographia, Wollongong is one of the hardest places to buy a home.

The typical house costs more than eight times the median Wollongong income.

The survey, which makes for frightening reading for those looking to buy a home, assesses the affordability of homes in 367 cities around the world.

The survey calculates affordability using the "median multiple" measure – how many times more the average house costs than the average household income.

Wollongong ranked 350th, with a median house price of \$541,000 and a median salary of \$65,000.

That creates a median multiple of 8.3 – so the typical house costs more than eight times the median Wollongong income.

The situation has worsened compared to last year, where Wollongong was ranked 334th with a housing price of \$430,000 and a salary of \$61,900.

Part of the reason for the fall of 16 places is the widening gap between housing and wages.

In the last 12 months, the median house price increased by 25 per cent while the median salary rose by only 5 per cent.

Bowral-Mittagong comes in 365th, with a higher median house price than Wollongong of \$560,000 but a lower salary – \$63,900.

The least affordable city is Hong Kong, where the standard house price is more than \$5 million and the salary is \$293,000.

That's a whopping 19 times a standard household income.

In second spot? Sydney – with a median house price of \$1.03 million and a salary of \$84,600 for a median multiple of 12.2.

That is a 2.4 median multiple increase on last year, the biggest jump ever seen in the Demographia survey.

It's also the second-highest median multiple ever seen in the survey – after this year's 19 recorded by Hong Kong.

Australia had three cities in the top 10 least affordable – Sydney, Melbourne and Tweed Heads.

The survey rated the Australian housing market as “severely unaffordable”.

Which is something home buyers already knew.