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13 April 2017

MEDIA RELEASE

Housing Affordability Shows Signs of Improvement

The latest HIA Affordability Report indicates that there has been a steady improvement in housing affordability during the opening months of 2017.

“During the March 2017 quarter, the HIA Affordability Index improved by 1.9 per cent – and is 1.2 per cent better than this time last year,” commented HIA Senior Economist, Shane Garrett.

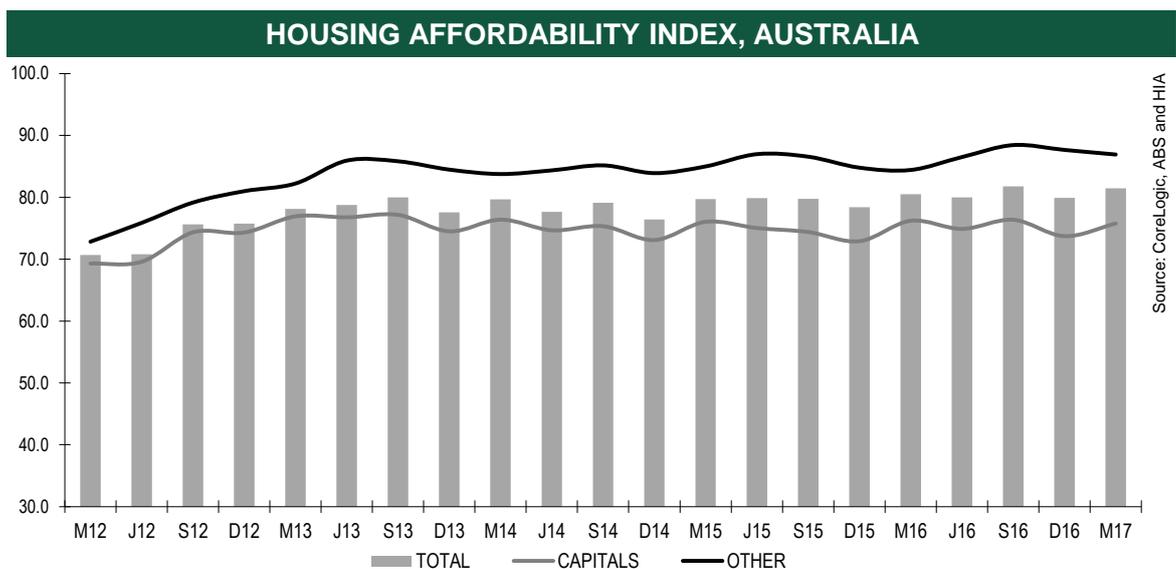
“The improvement in affordability is mostly due to a reduction in the national median dwelling price during the March 2017 quarter,” said Shane Garrett.

“Despite these latest results, housing affordability remains a significant challenge. There are good ways to improve affordability – and bad ways. The right approach to tackling affordability is through continuing to secure the delivery of an appropriate supply of new homes and to reduce the barriers and costs involved in doing this,” explained Shane Garrett.

“With respect to delivering better housing affordability outcomes over the longer term, this week’s comments by the Treasurer in relation to leveraging private investment for affordable housing stock are very welcome,” concluded Shane Garrett.

The largest improvement in housing affordability during the March 2017 quarter occurred in Perth (+5.6 per cent), followed by Hobart (+5.3 per cent) and Sydney (+5.0 per cent). Smaller gains in affordability affected the markets of Brisbane (+0.6 per cent) and Melbourne (+0.4 per cent). Of the capitals where affordability declined, the biggest fall was in Canberra (-7.2 per cent) followed by Adelaide (-4.0 per cent) and Darwin (-0.1 per cent).

The HIA Affordability Index results for the March 2017 quarter indicate that conditions are most challenging in Sydney, which has the lowest score (57.5), followed by Melbourne (70.7) and Canberra (78.5). The fourth most difficult capital city for affordability is Brisbane (86.8) with Darwin in fifth place (89.5) and Adelaide in sixth (90.5). By a wide margin, Hobart (113.9) remains the most affordable capital city in Australia followed by Perth (99.5).



Source: CoreLogic, ABS and HIA

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