

18 August 2010



## Housing Affordability Sinks in June Quarter

Interest rate hikes and rising home values sent housing affordability close to a record low in the June 2010 quarter.

The latest HIA-CBA Housing Affordability Report shows affordability deteriorated in most capital cities and regional areas in the three months to June.

“As housing affordability slips away, so too does the chance for many Australians to realise their dream of owning a home,” said HIA Chief Economist Harley Dale.

“Unless as a nation we are willing to accept that home ownership is no longer a fundamental tenet of our society worth fighting for, then substantial federal engagement in addressing plummeting housing affordability is required.”

“There has been a dire lack of commitment in this Federal election campaign to address the substantial hurdles aspiring home owners face. Helping Australians afford a roof over their head is surely a fundamental responsibility of government,” Harley Dale added.

The HIA-CBA Housing Affordability Index fell by 6.1 per cent in the June 2010 quarter to be 30.4 per cent lower compared to the same period last year. The Index combines interest rates, household incomes, and home prices to determine affordability conditions.

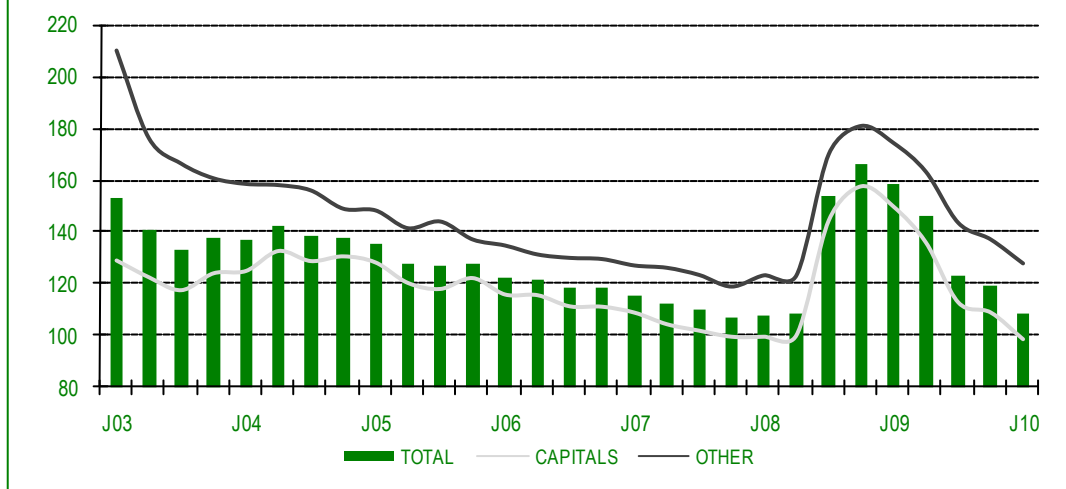
Affordability declined by 6.5 per cent over the June 2010 quarter across the nation’s capital cities and was down by 3.5 per cent in Regional Australia.

The largest falls were recorded in Sydney (-9.1 per cent), Regional Victoria (-9.0 per cent), Regional Tasmania (-8.8 per cent), and Adelaide (-8.7 per cent).

“Key federal policy priorities need to include a program to reduce new housing costs such as inequitable taxes and charges, better planning approvals systems, and a dedicated Federal housing and development ministry to coordinate policy across all sectors and levels of government,” Harley Dale said.

### HOUSING AFFORDABILITY INDEX, AUSTRALIA

Source: HIA Commonwealth Bank Affordability Report



#### For further information contact:

Harley Dale, Chief Economist on 0414 994 186

Graham Wolfe, Chief Executive, Association on 0419 751 188

For copies of the publication please contact: Kirsten Lewis on [k.lewis@hia.com.au](mailto:k.lewis@hia.com.au) or 02 6245 1393