

## Housing Affordability

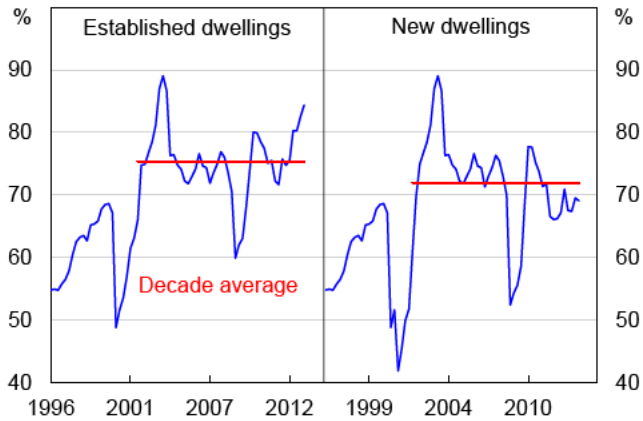
**Access** to the *established* housing market is estimated to have deteriorated in the September quarter, with the share of average household disposable income required for a typical first home buyer deposit for an established dwelling rising by around 2 percentage points to 84½ per cent, well above the average of the past decade (Graph 3). Accessibility is expected to continue to deteriorate in the September quarter, reflecting recent increases in dwelling prices. In contrast, access for *new dwellings* is estimated to have been little changed in the quarter and remains below the decade average.<sup>1</sup> These trends in accessibility follow changes to first home incentives over the past year to make new dwellings relatively more attractive than established dwellings.

Related to the deterioration in established housing accessibility, the **first home buyer** share of owner-occupied loan approvals has fallen sharply over the past 18 months despite sentiment towards buying a dwelling being at a relatively high level (Graph 4).

---

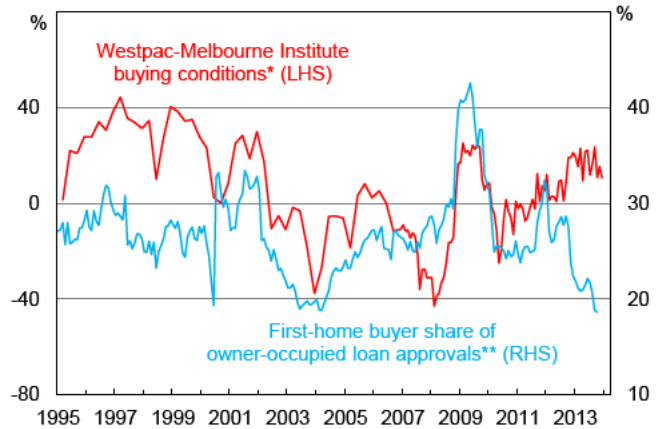
<sup>1</sup> These estimates include first home buyer grants and stamp duty concessions and assume that new dwelling prices are equal to established dwelling prices.

**Graph 3**  
**First Home Buyer Deposit\***  
 Per cent of annual disposable income



\* Assumes 20 per cent deposit on dwelling purchased for 80 per cent of the capital city median price; incorporates stamp duty and first home buyer incentives  
 Sources: ABS; APM; RBA; state government agencies

**Graph 4**  
**Sentiment Regarding Buying Conditions**  
 Non-seasonally adjusted



\* Percentage deviation from average since 1999; monthly estimates up to December 2013

\*\* Monthly estimates up to October 2013  
 Sources: ABS; Westpac/Melbourne Institute Survey

Economic Analysis Department  
16 December 2013