

# New Study Reveals Australians Struggle to Afford Homes Nationwide

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In a recent study conducted by the Parliamentary Library and commissioned by the Greens, it has been determined that the average income earner in Australia faces significant challenges in purchasing a home, regardless of location. Utilizing data from esteemed sources such as property researcher Core Logic and the Australian Bureau of Statistics, the study sheds light on the daunting reality that homeownership remains out of reach for many Australians.

According to the report titled **"Housing Affordability in Australia: A Comprehensive Analysis,"** the average annual income required to purchase a house without succumbing to housing stress—defined as spending less than 30% of income on mortgage repayments—

stands at a staggering \$164,400. This figure surpasses the average income by more than 1.5 times. Even for those considering apartment living, the threshold remains daunting, with an average annual income requirement of \$130,599. However, the disparity becomes even more pronounced for prospective homeowners eyeing houses in capital cities, where the income requirement surges to over \$186,000.

The report's findings paint a bleak picture, asserting that there is not a single city or region in Australia where an average single-income earner can afford a house without facing financial strain. While Perth and Darwin emerge as comparatively more affordable options for unit purchases, the overarching trend signals a nationwide crisis in housing affordability.

The methodology of the report hinges on assumptions that prospective buyers are equipped with a 20% deposit and are repaying both principal and interest on a mortgage with a standard variable rate of 6.49%. Greens MP Max Chandler-Mather, a vocal advocate for housing reform, emphasizes the urgency of addressing the systemic issues plaguing Australia's housing market. Chandler-Mather asserts, *"When you need to earn \$186,000 a year and have a \$173,000 deposit to buy a house in a capital city in Australia, then you know the system is broken."*

In line with their longstanding stance on housing policy, the Greens renew their calls for the government to revisit measures such as negative gearing and capital gains tax concessions, which they argue disproportionately favor property investors at the expense of aspiring homeowners. Chandler-Mather underscores the necessity for collaboration between political parties, particularly urging Labor to join forces with the Greens in implementing substantive reforms. He insists, *"The only way we are going to fix this crisis is if Labor finally works with the Greens to phase out the massive tax handouts for property investors, like negative gearing, that are denying millions of renters the chance to buy a home."*

Conversely, the government has proposed its own initiative aimed at assisting low-income homebuyers—the **"Help to Buy" scheme**. Under this program, the government would provide equity contributions for up to 10,000 qualifying individuals annually, enabling them to secure homes with deposits as low as two percent. While proponents of the scheme argue that it offers a pathway to homeownership for those otherwise excluded from the market, critics, including the Greens, caution against potential repercussions. Describing the scheme as a *"housing lottery,"* the Greens express concerns that it could exacerbate existing affordability challenges by driving up home prices.

As the debate surrounding housing affordability intensifies, policymakers face mounting pressure to enact meaningful reforms that address the systemic barriers hindering Australians from achieving homeownership. With no immediate solutions in sight, the plight of aspiring homeowners underscores the urgent need for collaborative, evidence-based approaches to ensure housing remains accessible for all Australians.

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