Home loans becoming more affordable for Territorians

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New figures show home loans are becoming more affordable in the Territory.

The Home Loan Affordability Indicator (HLAI), produced by the Real Estate Institute of Australia and the Adelaide Bank, shows the Territory has the fourth most affordable home loans in the country.

The HLAI measures the proportion of median weekly income needed to meet average weekly home loan repayments. The higher the indicator number the more affordable is the home loan.

The Affordability Indicator for the Territory improved by 2.4 per cent in the March quarter 2014 and by 4.5 per cent in year on year terms.

Treasurer Dave Tollner said the improvement in home loan affordability showed the Giles Government is bringing down the cost of living in the Territory.

“Without a doubt, the cost of housing is a major issue in the Territory. This data shows significant improvement in home loan affordability, meaning more Territorians are able to afford to buy a home,” Mr Tollner said.

Only the ACT, Tasmania and Western Australia have more affordable home loans than the Territory.

Rental affordability in the Territory has also improved in annual terms, with the proportion of median weekly income needed to meet average weekly rent payments in Darwin declining by nearly 1.4 percentage points.

Nationally, the proportion declined by 0.4 percentage points over the same period.

Rental affordability is expressed as the proportion of median weekly family income required to meet weekly rent for a three bedroom house.

Mr Tollner said housing affordability was set to improve as the largest ever land release program ever undertaken by a Territory Government is rolled out.

“The Giles Government will release land to support the construction of 6500 dwellings across the Territory,” Mr Tollner said.
“This plan is the most ambitious land release program ever undertaken by a Territory Government and is a key way to drive down the cost of living.

“By increasing the supply of housing we can ensure home ownership is within reach of Territory families today and tomorrow.

“That’s why the Country Liberals are investing $45 million to accelerate brand new residential suburbs in Palmerston North and Berrimah Farm and to fast track existing land release in Palmerston East,” Mr Tollner said.