First Home Buyer Report
2025

Contents

Key statistics

60%

Most first home buyers say recent interest rate cuts influenced their decision to buy now

2in3

spend or expect to spend 30% or more of their income on mortgage repayments

70%

are buying or have bought with less than a 20% deposit

Financial help is rising, with **17% receiving parental support** for a deposit (up from 11% in 2022)

Savings are tight: 14% of recent buyers have nothing left, while 33% have under

$10,000

47%

exceeded their budget, up from 38% in 2022

Regret is common:

45%

of recent buyers unhappy with their purchase

1in4

buyers are looking interstate or in a different region

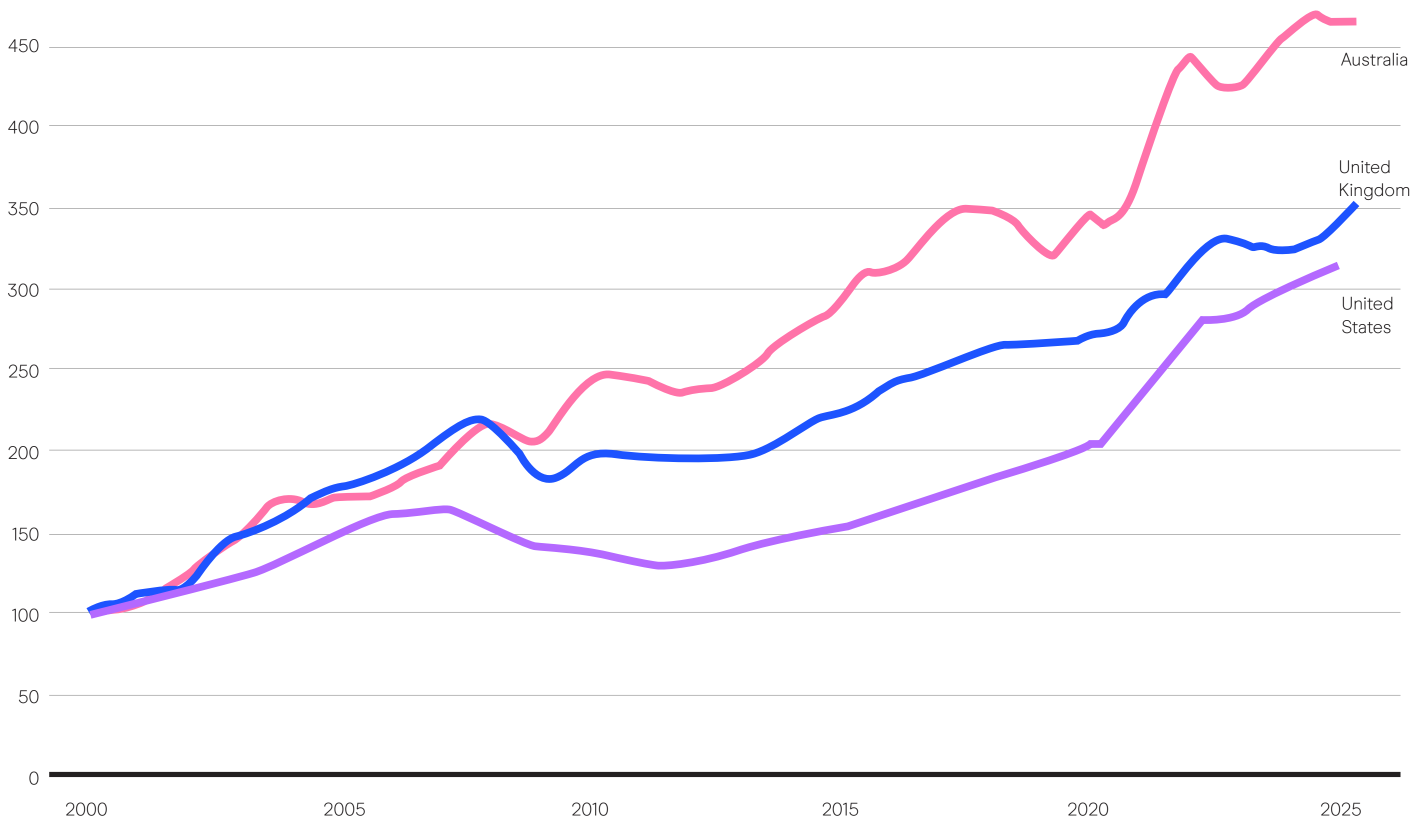
Introduction:

This pattern has repeated itself over the past two decades: everyone, from pundits to punters, reach a consensus that property prices can't rise any further – then they do exactly that.

The Australian housing market is in a league of its own. Residential property accounts for 64% of household wealth[1], compared to a global average of less than 50%[2] and when adjusted for population, the value of Australian property is double that of the United States.

Since the Global Financial Crisis (GFC) in 2008, Australian house prices have consistently outpaced both the United States and the UK[3]. Australia's exceptional housing market makes the experience of first home buyers especially important to examine. This report investigates the challenges of saving for a deposit and managing a mortgage, the role of family and government assistance, and the pressure from all sides to "climb the property ladder".

Nominal national house price index (2000 to 2025)



2000 Q1 = 100
Chart: Finder • Source: OECD National and regional house price indices

First home buyer fears

First home buyers haven't exactly taken a break over the past two years. Each quarter, around 28,000 new first home buyer loans have been issued, totalling more than 253,000 since March 2023. Higher interest rates – and certainly higher property prices – haven't deterred buyers. In fact, the average loan size has increased by a steady 12% over the same period[4].

With the Reserve Bank of Australia (RBA) delivering two cuts to the cash rate already this year, many anticipate a surge in demand from Australians who were previously unable to afford mortgage repayments. These forecasts aren't unfounded: Finder modelling suggests an additional 210,000 renting households could afford to service the average first home buyer loan after two more rate cuts. In line with this, 60% of first home buyers say the recent cuts have influenced their decision to purchase now.

However, cheaper loans aren't the only factor motivating new buyers. When Finder last surveyed first home buyers in 2022, many cited the "fear of missing out" as a key driver. A mix of peer pressure and concern that property prices would rise faster than wages prompted some to buy before they were priced out. Since then, property price anxiety has only grown, rising from 31% in 2022 to 38% today.

There are real benefits to escaping the rental market and owning your own home. Housing security and freedom to make adjustments to your home are the strongest psychological advantages. Finder research shows that these do translate into tangible outcomes: mortgage holders report higher happiness levels than renters and owning a home outright increases this further[5].

Happiness levels by type of property tenure

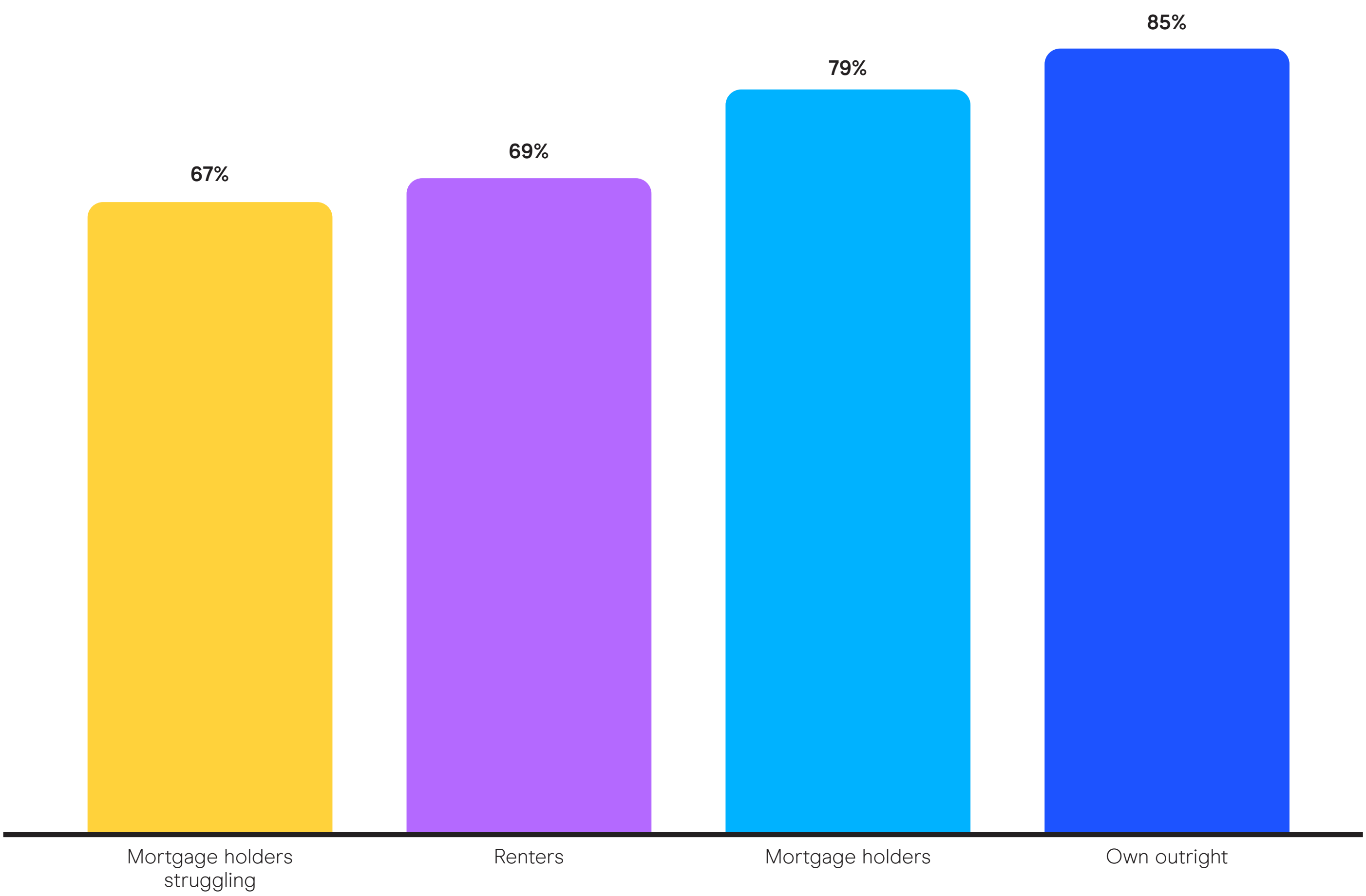


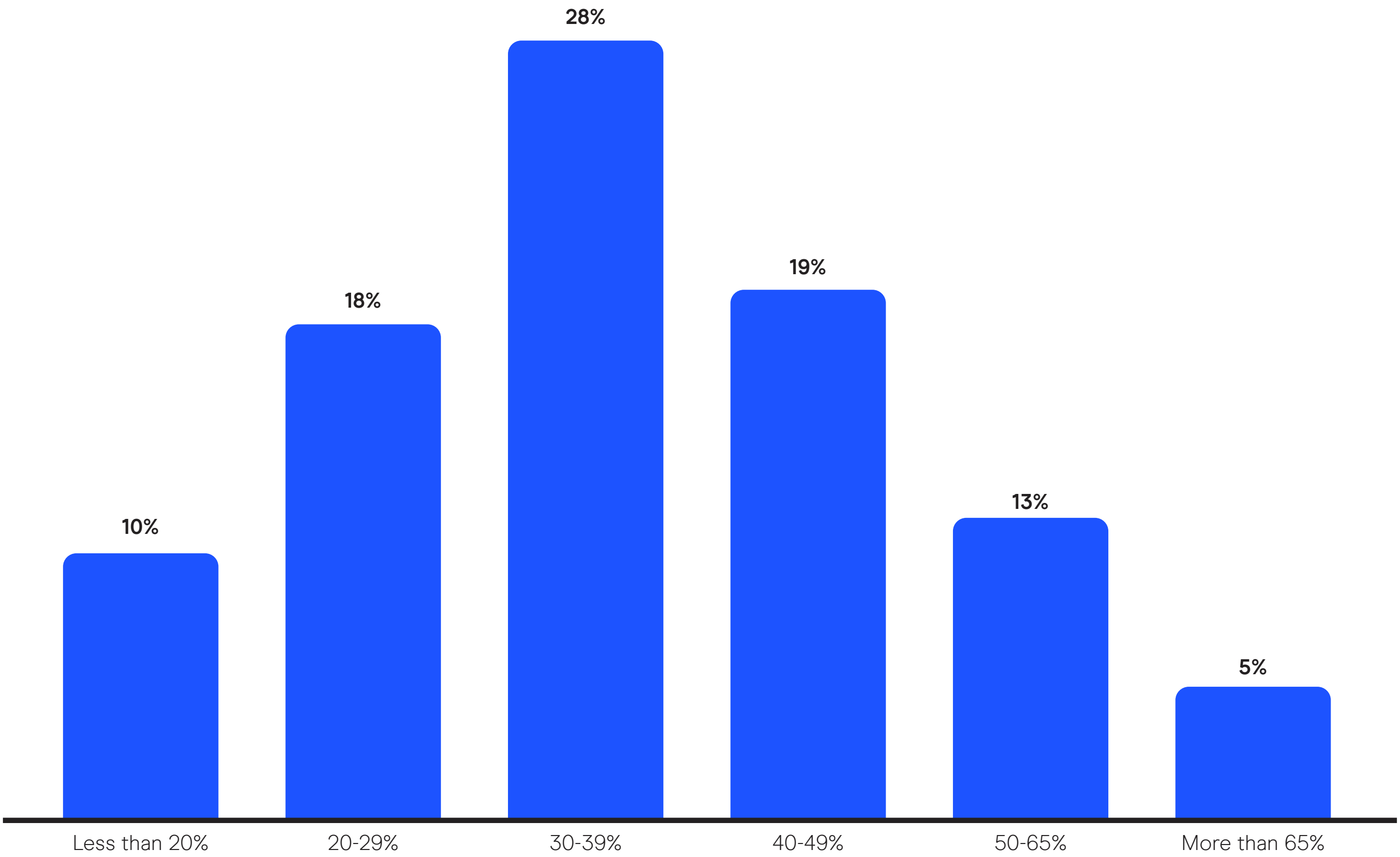
Chart: Finder • Source: Finder Consumer Sentiment Tracker 2023 - 2025

However, if mortgage holders are struggling to meet their repayments, their happiness levels drop to match those of the average renter.

Unfortunately, the majority of first home buyers will struggle to pay their mortgage, particularly in the early years of their loan.

Nearly **2 in 3 (65%)** say that **30% or more of their income goes, or will go, towards their mortgage repayments,** placing them in mortgage stress.

Percentage of household income spent on mortgage repayments by first home buyers



Not including 7% of respondents who didn't know
Chart: Finder • Source: Finder First Home Buyer Survey 2025

A homeowner is considered to be in mortgage stress when 30% or more of their gross income goes towards mortgage repayments.

If most first home buyers don't experience an immediate emotional benefit from home ownership, there must be other factors influencing their decisions.

Ownership is deeply embedded in the Australian psyche. When asked why they chose to buy a property now, the most common response was that they had finally saved enough money (42%). The second most common reason was the concern that property prices would soon become unaffordable (38%).

For 42% of first home buyers, it's not even a question. Once they've saved enough, they buy a home without considering other uses for their money.

What is fuelling the fear?

The fear of missing out (FOMO) among first-time buyers has grown alongside rising house prices, which have consistently outpaced wage growth. But FOMO isn't the only factor driving urgency. Almost two in three (61%) buyers say they have missed out on a property they were seriously considering.

Being outbid by a competing buyer is the most common reason, affecting one in three (33%) buyers. However, a surprising number had sufficient funds but still lost out for other reasons.

Almost one in four (23%) missed out to another buyer who made an unconditional offer (agreeing to buy the property outright without contingencies). A further 11% lost their chance because they couldn't secure pre-approval from their lender in time.

Settlement periods are another important factor. Typically ranging from 30 to 90 days, 7% of buyers say they were outmanoeuvred by a competitor who offered a shorter settlement.

Percentage of first home buyers who have missed out on a property they were seriously considering

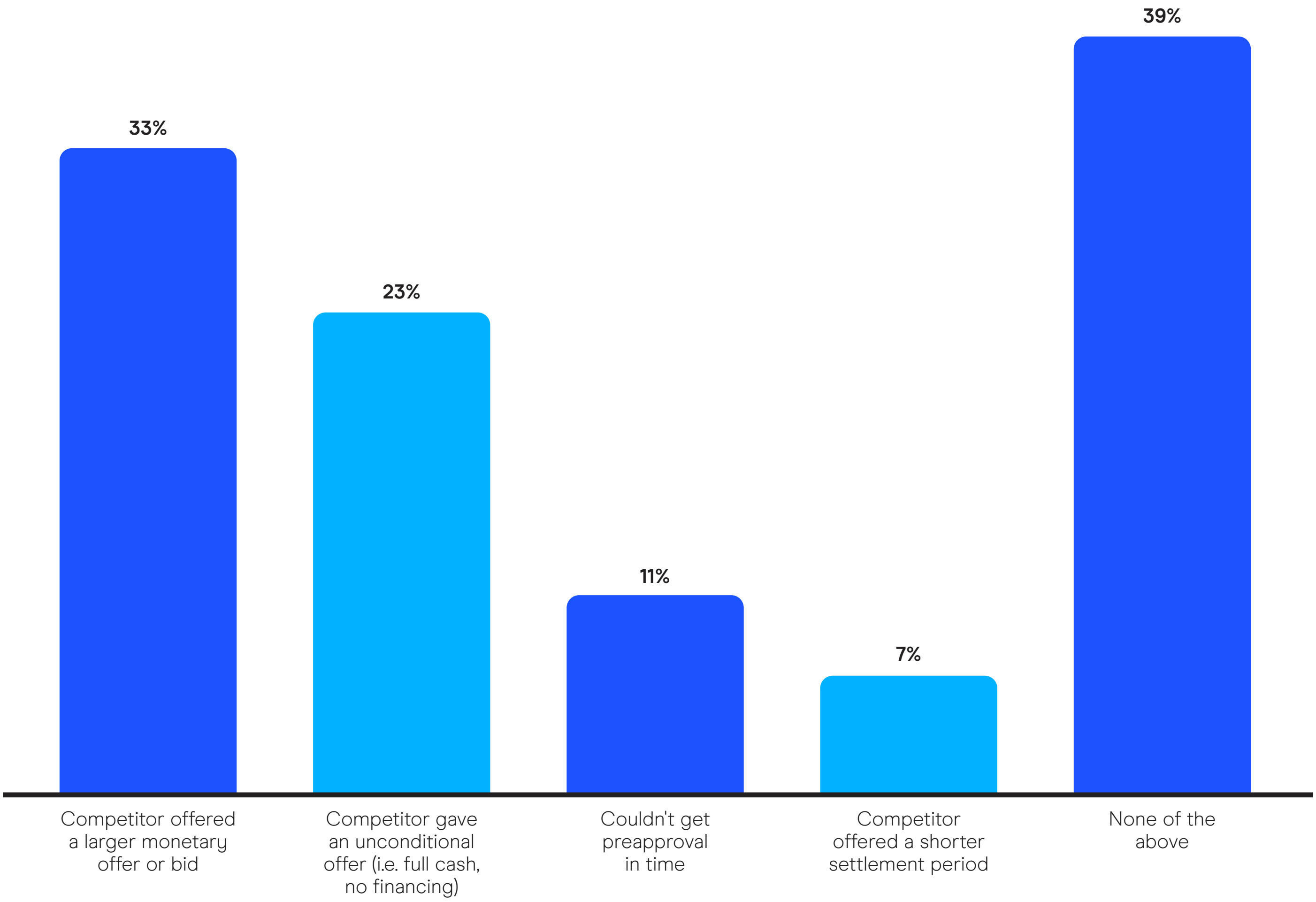


Chart: Finder • Source: Finder First Home Buyer Survey 2025

The time first home buyers spend searching for a home is also increasing, likely due to rising competition. Over the past three years, the number of buyers spending a year or more searching for a home has risen by 24%.

The cost of acting too quick

Building a deposit is the largest hurdle for any Australian looking to buy a property and it's only getting harder, 87% of new buyers say it has gotten harder to save for a deposit in the last 3 years. Given this, it's understandable that 70% of first home buyers in 2025 won't wait to save the typical 20% deposit before purchasing.

Popularity of deposit sizes among first home buyers

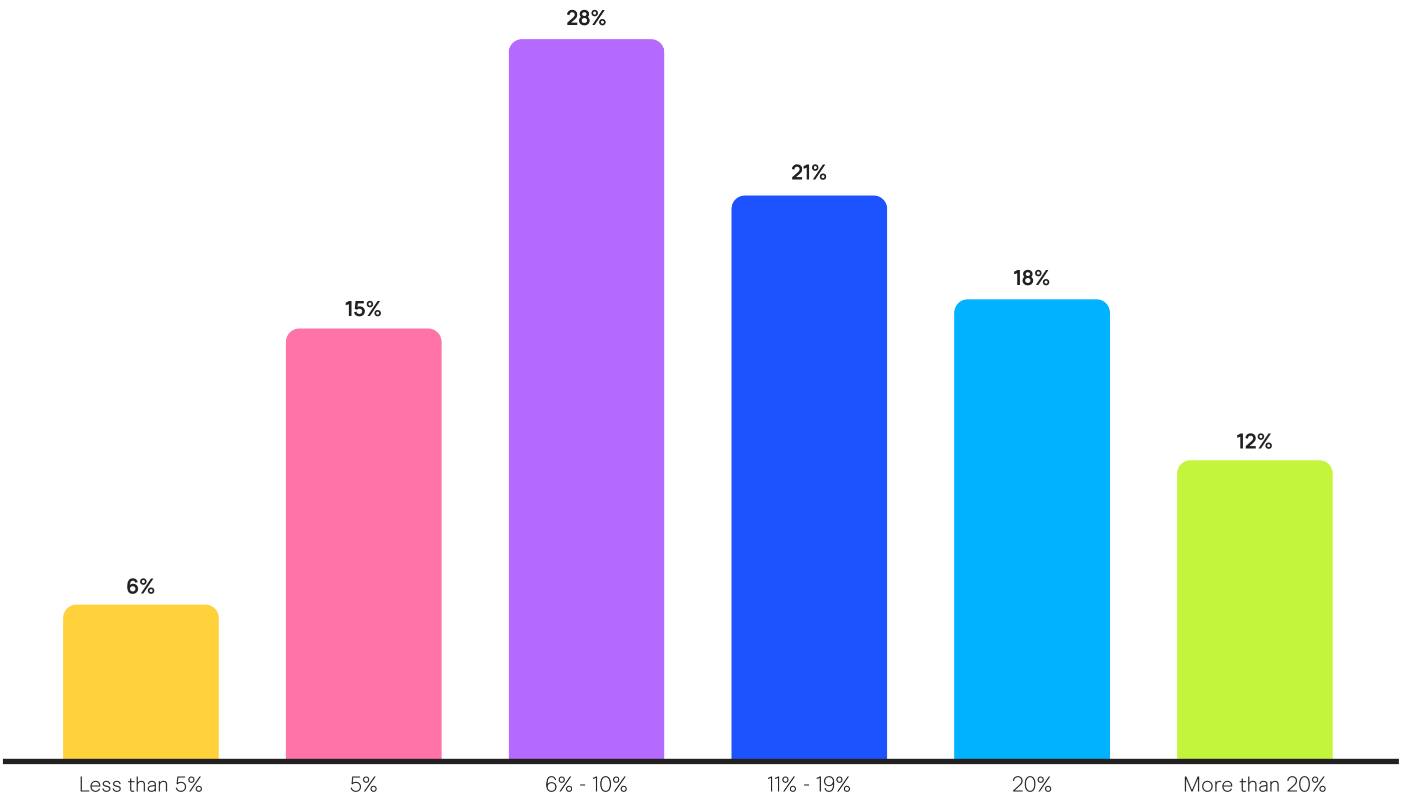
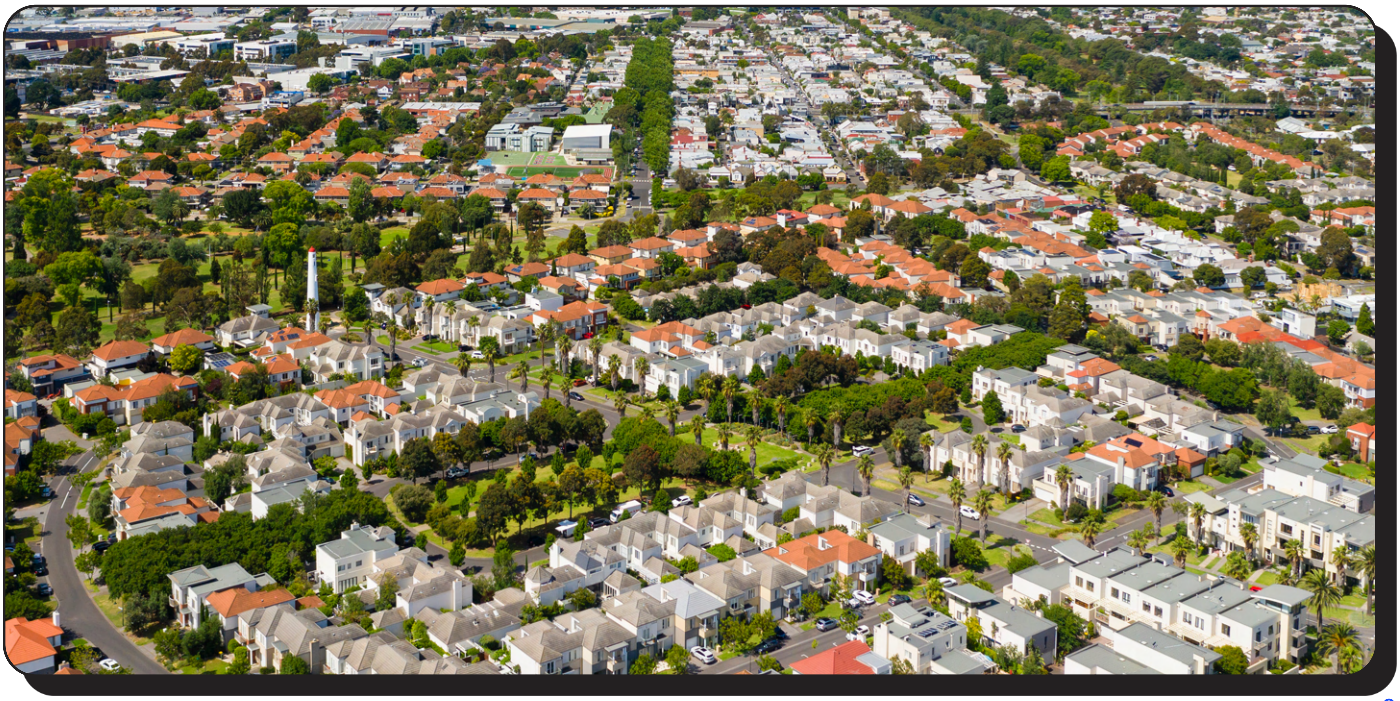


Chart: Finder • Source: Finder First Home Buyer Survey 2025



This strategy makes sense. Australians fear that house prices will become unaffordable once they've saved a full 20% deposit. Finder analysis shows it takes the average Australian four years to save a 5% deposit on the median house and 14 years to save a 20% deposit on the same property. Some mathematically minded readers might wonder why it doesn't take exactly four times as long to save a 20% deposit compared to a 5% deposit. The answer lies in compound interest, underscoring the importance of using a high-interest savings account when building a deposit.

So why doesn't everyone skip the queue and buy a property with a 5% deposit? Mainly because there are additional costs. Loans with deposits under 20% usually carry higher interest rates and lenders often charge an extra fee called Lender's Mortgage Insurance (LMI) to cover the added risk. LMI alone adds an estimated $30,000 to the cost of the average house.

First home buyers aren't just minimising their deposits out of desperation to enter the market, they're also frequently exceeding their budgets.. In another sign that FOMO is influencing buyers, almost half (47%) of first-time buyers paid more than they budgeted, a significant increase from 38% in 2022.

The first consequence of paying over budget is a larger loan size, resulting in higher repayments. A second, hidden consequence is the impact on financial security. Finder discovered that

1 in 7 (14%) Australians who bought their first home in the past **12 months** have no savings left, while **1 in 3 (33%) have less than $10,000 remaining**.

This likely reflects record property prices forcing buyers to compromise financial security to get a foot on the property ladder.

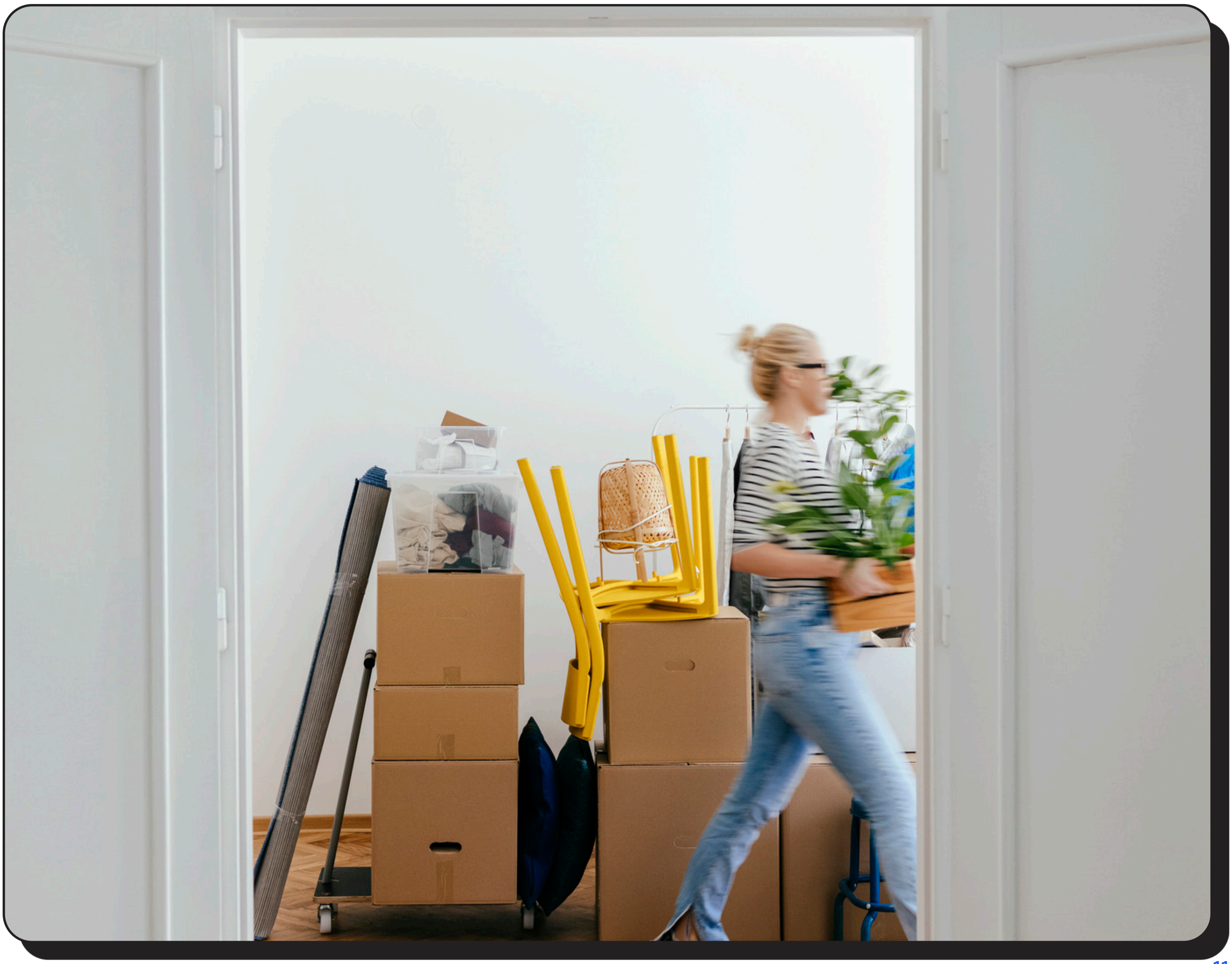
A low savings balance becomes problematic if an emergency expense arises or income suddenly drops. However, a larger loan size has a much more immediate effect on everyday expenses. For example, spending an extra $50,000 over budget, which nearly 1 in 5 (18%) first-time buyers did, adds more than $3,500 to annual loan repayments on an initial budget of $500,000.

The effect of exceeding a budget on mortgage repayments

	House price	Loan size	LVR	Annual repayment	Annual difference
Within budget	$500,000	$400,000	80%	$28,778	
Extra $50,000	$550,000	$450,000	82%	$32,376	$3,597
Extra $100,000	$600,000	$500,000	83%	$35,973	$7,195

Assumes an original 20% deposit that does not increase with the extra budget
Table: Finder • Source: ABS, RBA, Finder

This fear of missing out has driven many first home buyers to put down the smallest possible deposit, consistently exceed their budgets and leave no savings buffer for financial security. As a result of this frantic buying behaviour, almost half (45%) of first home buyers who purchased in the past year say they regret their decision. The two most common regrets are paying too much for the home (26%) and not saving a large enough deposit (11%), which together account for 76% of all regrets. Interestingly, 77% of first-time buyers who bought their house at auction regret their purchase compared to just 37% of buyers who bought off the plan or directly from a real estate agent.



Percentage of first home buyers who regret their purchase

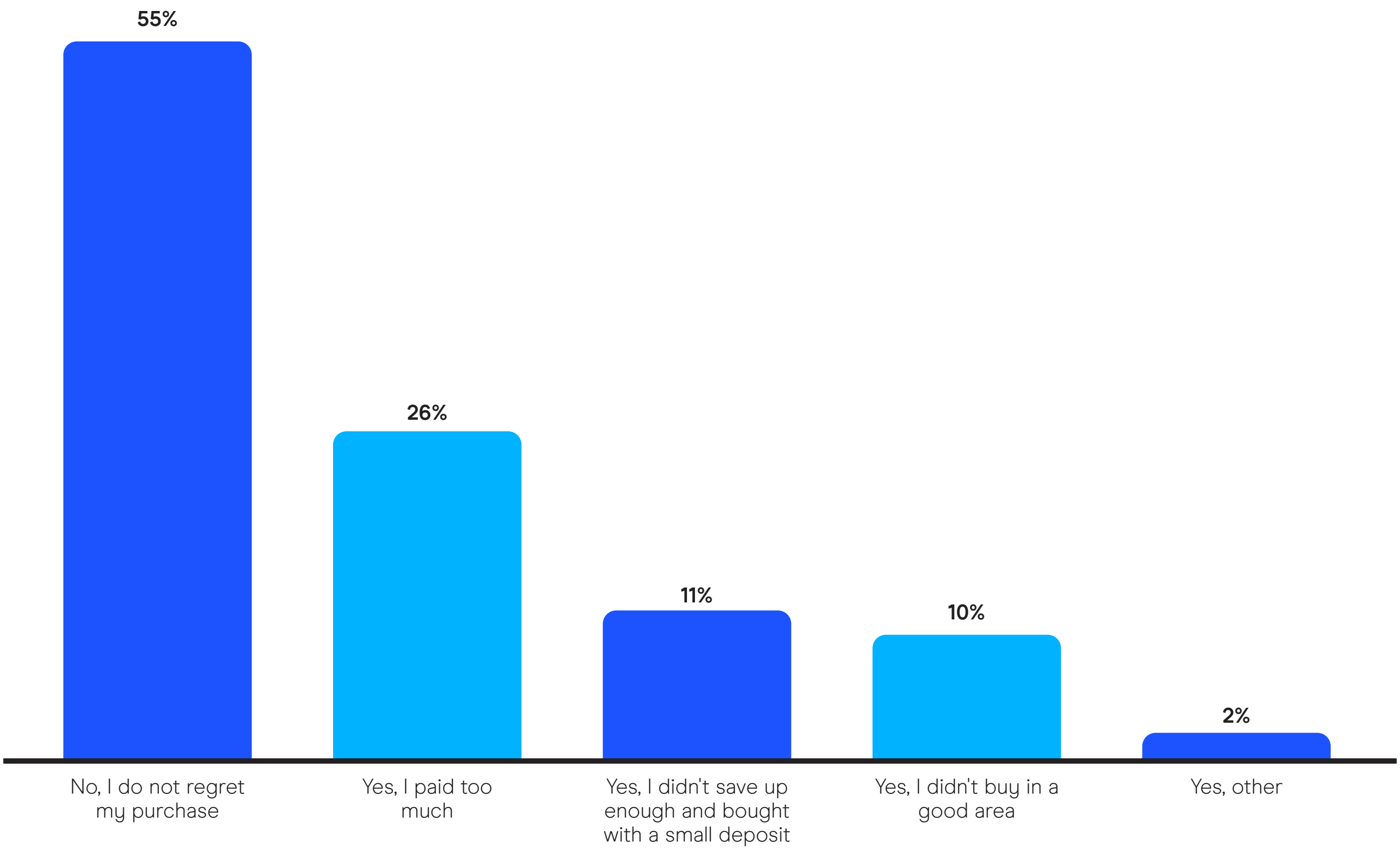


Chart: Finder • Source: Finder First Home Buyer Survey 2025

Keeping the costs down

Bye Big Four

First Home Buyers are expanding their horizons to manage the higher costs caused by elevated interest rates and steadily increasing property prices.

One-third of new buyers (34%) didn't take out their home loan with their usual bank. The Big Four banks are the most prominent losers in this shift. While almost three-quarters of first home buyers (72%) do the majority of their banking with one of the Big Four, only 61% of these buyers have their home loan with a Big Four lender.

How first home buyers allocate their finances by the type of bank

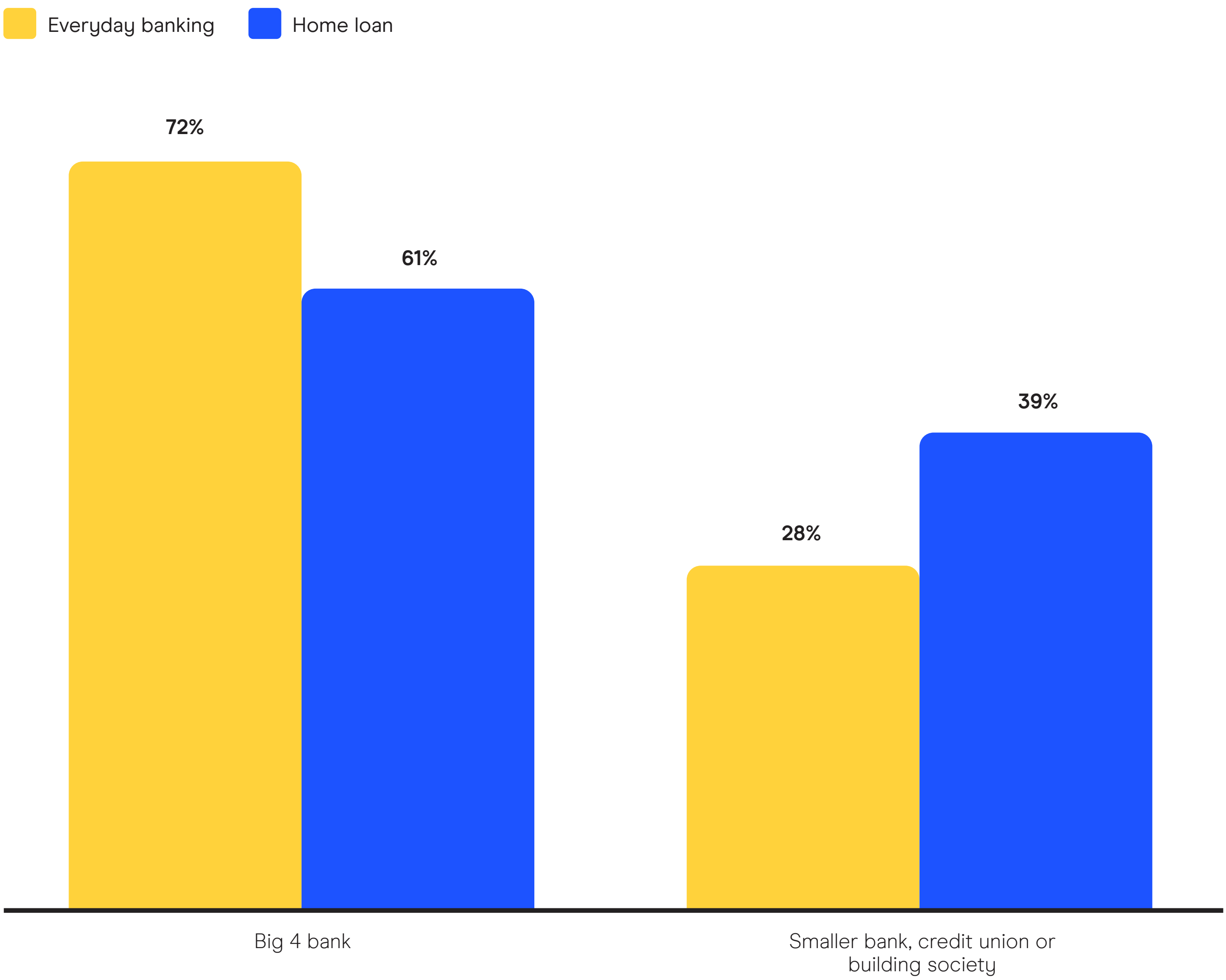


Chart: Finder • Source: Finder First Home Buyer Survey 2025

The majority of first home buyers (74%) compare lenders before deciding who to borrow from, a figure largely unchanged from 72% in 2022.

Interestingly, a similar proportion (82%) said they interacted with at least one lender outside their usual bank when applying for a mortgage. This suggests that most first-time buyers compare and apply with multiple lenders.

Searching for savings

A quarter of first home buyers (24%) are searching for their home in a different region or state to where they currently live. More specifically, 1 in 7 (15%) buyers are looking for homes in another state and almost 1 in 10 (8%) aren't even considering the area where they currently live.

Percentage of first home buyers searching outside of their region

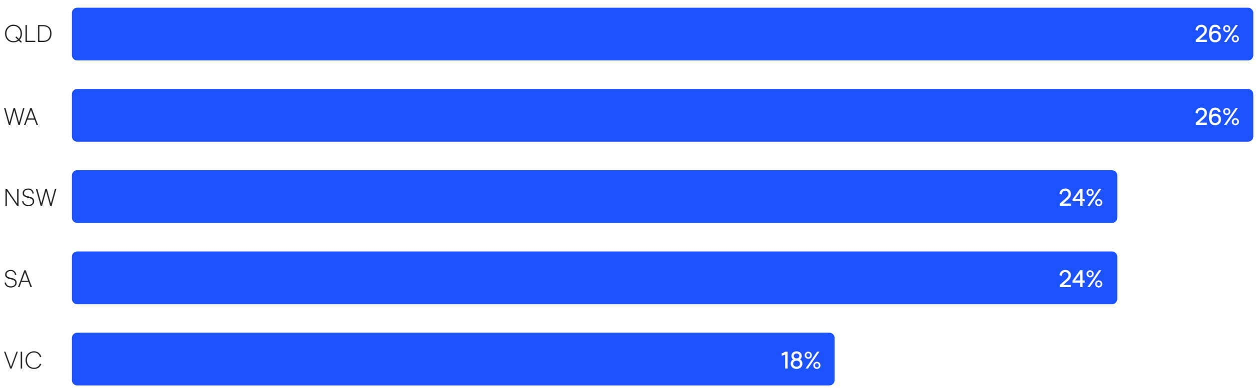


Chart: Finder • Source: Finder First Home Buyer Survey 2025

For buyers considering a move from a capital city to a regional or rural area, affordability is often a key factor. CoreLogic data from May 2025 shows that the median house price in capital cities is 48% higher, and the median unit 17% higher, than in regional areas.

However, this affordability gap may be closing. Regional property prices grew by 5.3% on average in the past 12 months. This is double the average growth in capital cities of 2.6%[6].

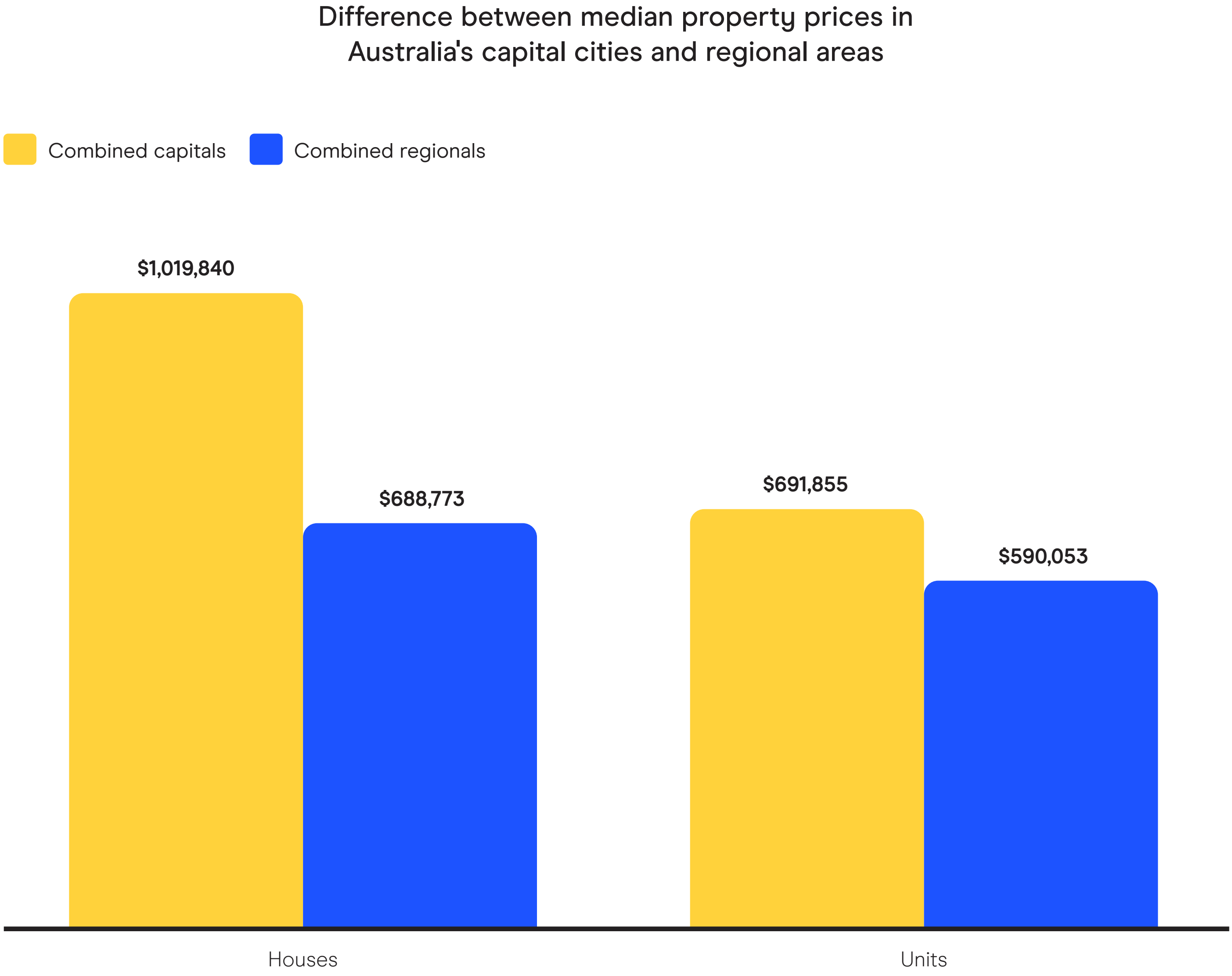


Chart: Finder • Source: CoreLogic May 2025 Hedonic Home Value Index

Moving interstate is typically a more significant decision. While there may be other motivations like increased employment opportunities or family considerations, affordability can also be a key factor. Interestingly, the proportion of buyers looking outside their home state is closely correlated with the price-to-income ratio of property in that state. New South Wales, Queensland and South Australia are the three states with the highest price-to-income ratios and also have the most buyers searching interstate.

Percentage of first home buyers searching outside of their home state

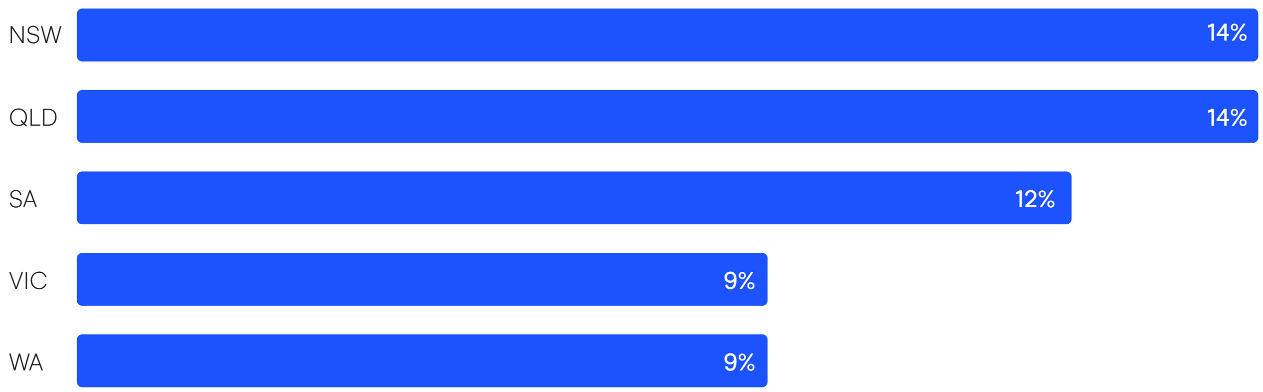


Chart: Finder • Source: Finder First Home Buyer Survey 2025

Property price-to-income ratio by state

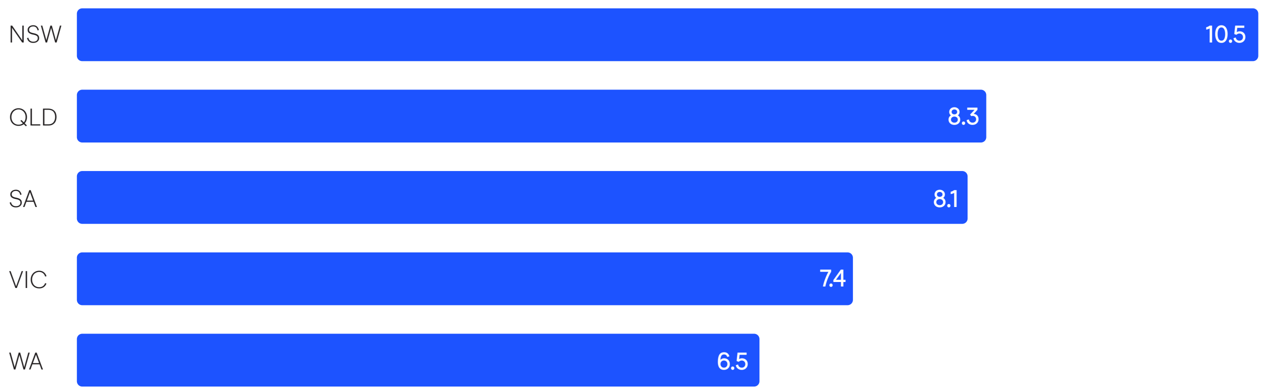


Chart: Finder • CoreLogic, Australian Bureau of Statistics (ABS)

Schemes funding dreams

According to Finder's Consumer Sentiment Tracker, housing affordability was the third most important issue for Australians who voted in the 2025 election, with 43% selecting it among their top five concerns. Only cost of living pressures (75%) and healthcare (48%) ranked higher.

Concern about housing affordability was particularly strong among young Australians, with 54% of Gen Z and 46% of Millennial voters rating it a top priority. For both generations, it ranked second only to cost of living.

Unsurprisingly, both major parties announced new initiatives and extensions to existing schemes aimed at improving housing affordability.

These schemes appear to be resonating, **78%** of first home buyers say they have applied for, or plan to apply for, government support schemes.

The First Home Owner Grant (FHOG) is the most popular, with half of first home buyers applying or planning to apply. One in four (25%) buyers have accessed or plan to access stamp duty exemptions and discounts, while a similar proportion (24%) have used or intend to use the First Home Guarantee (FHBG).

One of the more innovative recent policies is the First Home Super Saver Scheme (FHSS), which allows Australians to make voluntary contributions to their superannuation and later withdraw these to accelerate their deposit savings. However, uptake has been more limited – just 13% have joined or are considering the scheme.

Another 7% are interested in co-purchasing a home with the government through the Help to Buy shared equity scheme.

While some Australians argue that these initiatives don't go far enough, the potential savings for eligible buyers remain significant.

Estimated savings from first home buyer schemes on a $500,000 loan

Scheme	Savings
First Home Owners Grant (FHOG)	Up to $15,000, reducing the initial loan amount, depending on the state.
The First Home Guarantee (FHBG)	Avoids LMI (saving ~$10,000–$15,000) and reduces required deposit from $100,000 (20%) to $25,000 (5%).
First Home Super Saver Scheme (FHSS)	Tax-effective savings strategy, potentially accelerating deposit accumulation by several years.
Help to buy shared equity scheme	Reduces loan amount by up to $150,000 (30% of $500,000), leading to substantial interest savings over the loan term.

Australian Taxation Office (ATO), People's Choice

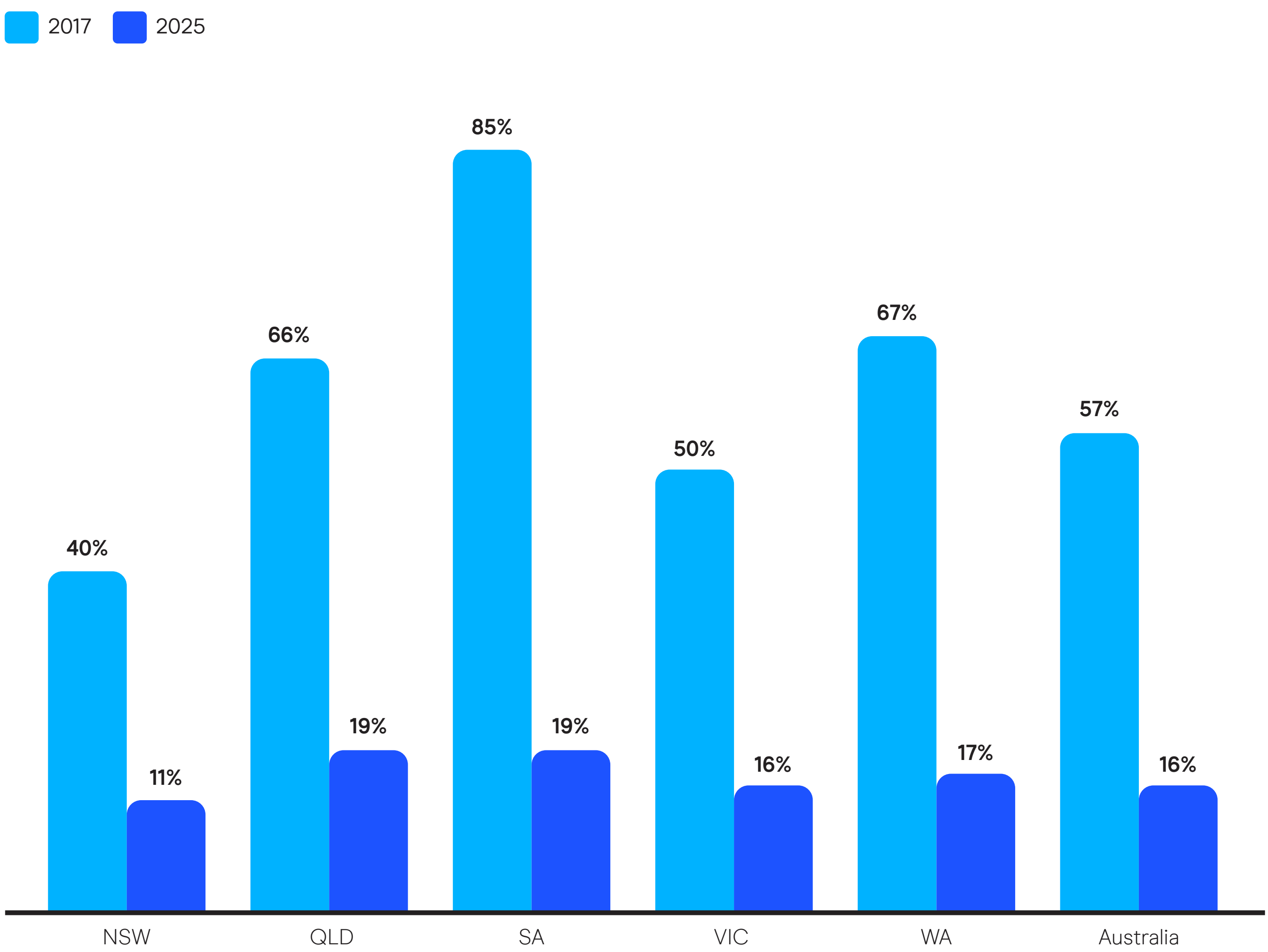
Who are first home buyers and how are they buying?

Solo buyers

Buying on a single income is now unrealistic for most first home buyers. Finder analysed CoreLogic data to identify the number of suburbs where the average Australian could afford mortgage repayments without experiencing mortgage stress (defined as spending more than 30% of gross income on repayments). The proportion of suburbs where the average Australian can afford a mortgage on the median house has fallen from 57% in 2017 to just 16% in 2025. The decline is slightly less severe for units, dropping from 66% in 2017 to 28% currently.

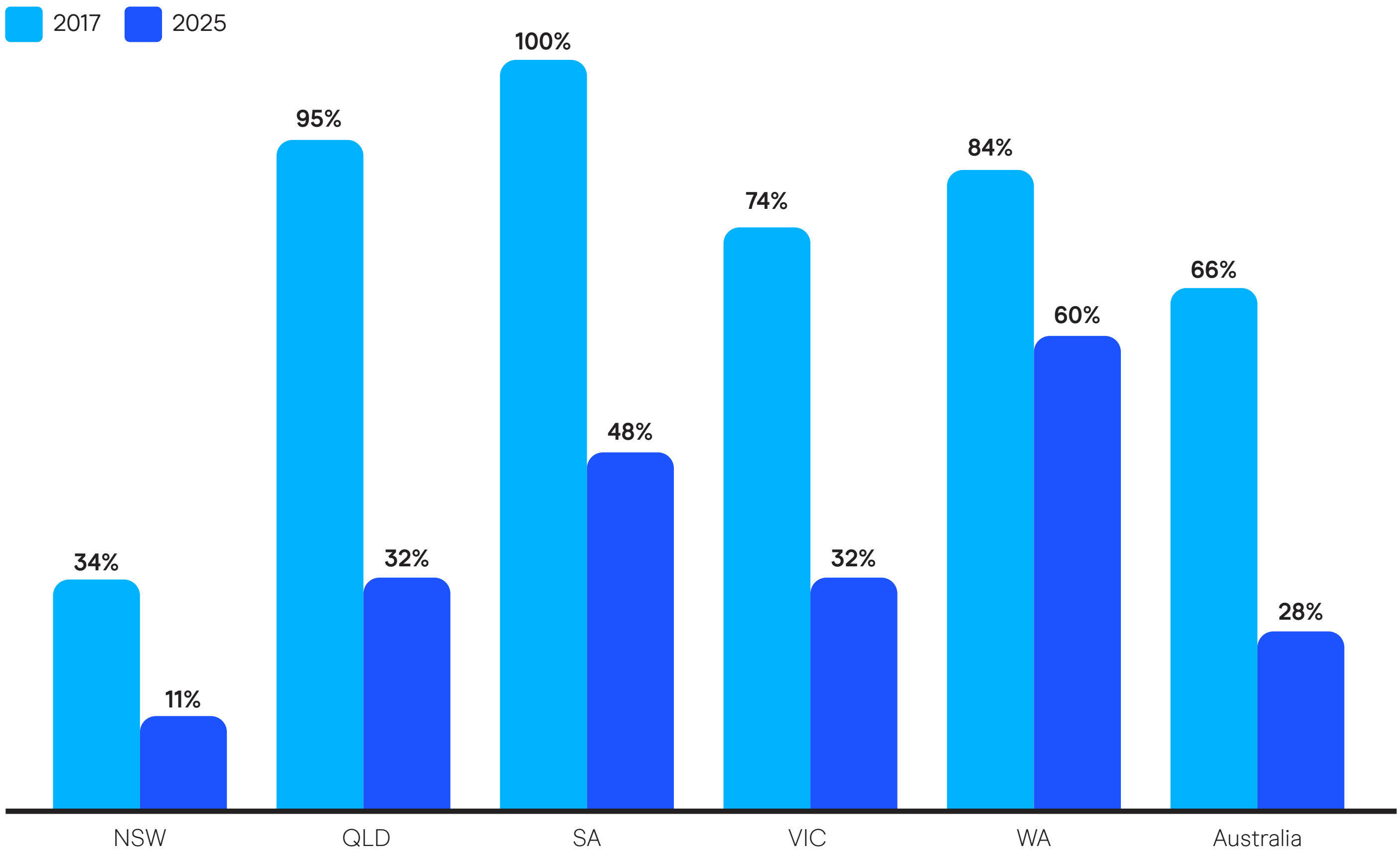
In New South Wales, South Australia and Western Australia, the number of suburbs where the average single Australian could afford mortgage repayments on the median house has fallen by around three-quarters.

Percentage of suburbs where a single Australian could afford the median house by state (2017 - 2025)



Refer to methodology for assumptions used
Chart: Finder • Source: CoreLogic, Finder

Percentage of suburbs where a single Australian could afford the median unit by state (2017 - 2025)



Refer to methodology for assumptions used
Chart: Finder • Source: CoreLogic, Finder

These steep declines in affordability are influencing how Australians purchase their homes.

The proportion of single first home buyers has **fallen from 45% in 2021 to 39% in 2025**

Interestingly, those who might have bought alone are now more likely to purchase with a partner rather than with family or friends.

Percentage of solo and partnered first home buyers

Chart: Finder • Source: Finder First Home Buyer Survey 2025

The decline in affordability has affected women more than men. Our previous report found that men (44%) are more likely to buy independently than women (38%). This gap has widened, with only 34% of women purchasing as sole buyers in 2025.

Percentage of solo first home buyers by gender

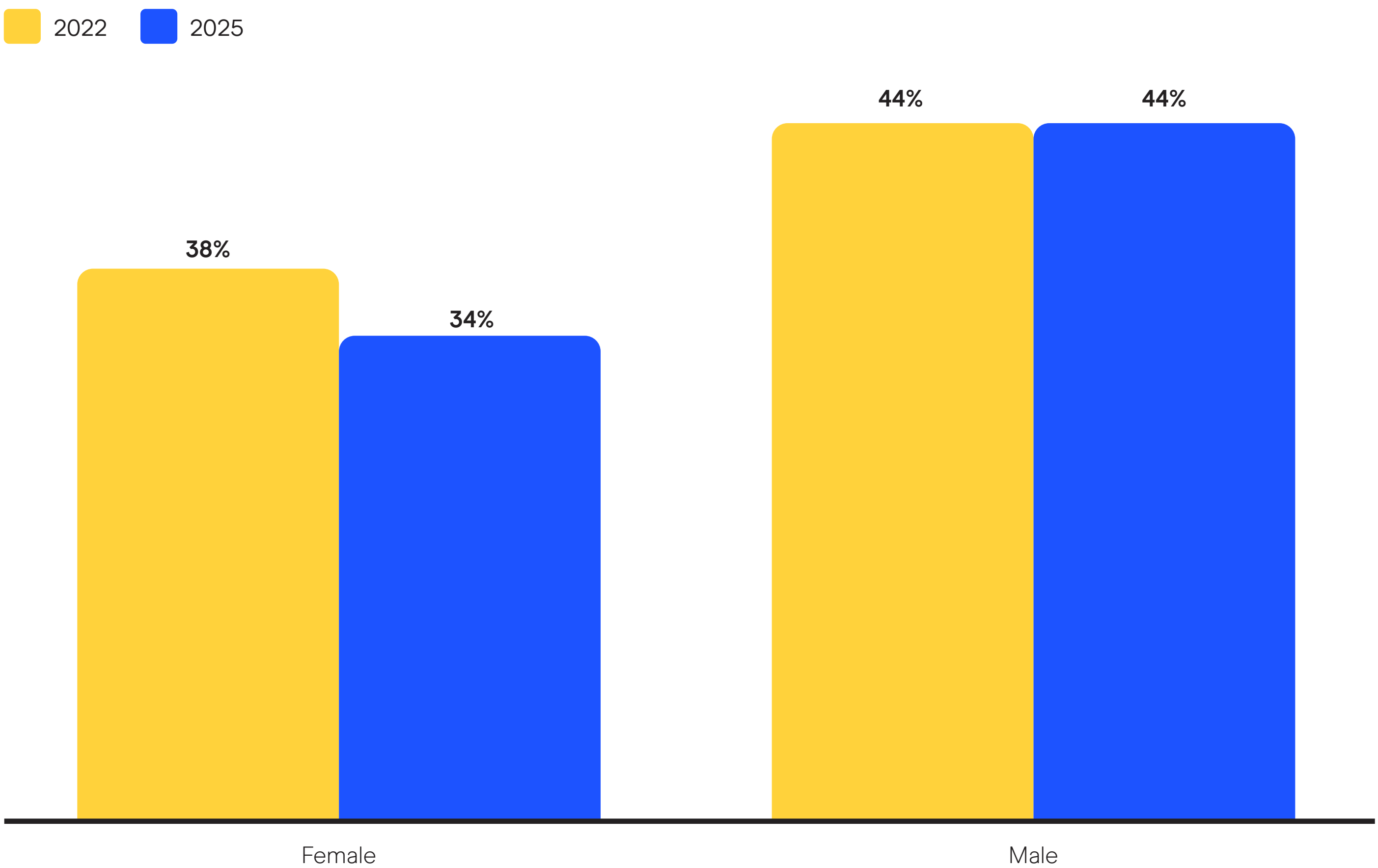


Chart: Finder • Source: Finder First Home Buyer Survey 2025

This gap is also evident among property investors. According to CoreLogic data, residential property investment is higher among men (14%) than women (11%). The largest difference is among Gen Z Australians, where twice as many young men hold at least one investment property compared to young women (14% vs 6%)[7].

Pascale Helyar-Moray
OAM, Superannuation Literacy Expert

"Buying a property together is a real milestone within your relationship. Nothing says 'commitment' more than sharing a mortgage worth hundreds of thousands of dollars! But be wary: if you can't see yourself making the final mortgage repayment with this person at your side, then you shouldn't be entering into the mortgage with them now. So before you are swept up in the romance of moving to this next relationship milestone, here are a few questions to ask yourself before you embark on this financial commitment:

1. Does your partner have a stable income or do they seem to flit from contract to contract, employer to employer? If the latter, then there is a good chance that it will be you carrying the sole responsibility of repayments
2. Are you aware of any debts that they owe and whether they have repayment plans in place for them? Their outstanding monies - particularly those that are 'off-book' (ie via gambling) - could present a risk when it comes to meeting mortgage repayments.
3. Do you think your partner would have any issue with documenting how much you are each putting into the mortgage, and reflecting both your names on the contract? If you answer yes to either of these, this is a red flag.

Remember - we want to plan for the worst and hope for the best."

Renovators

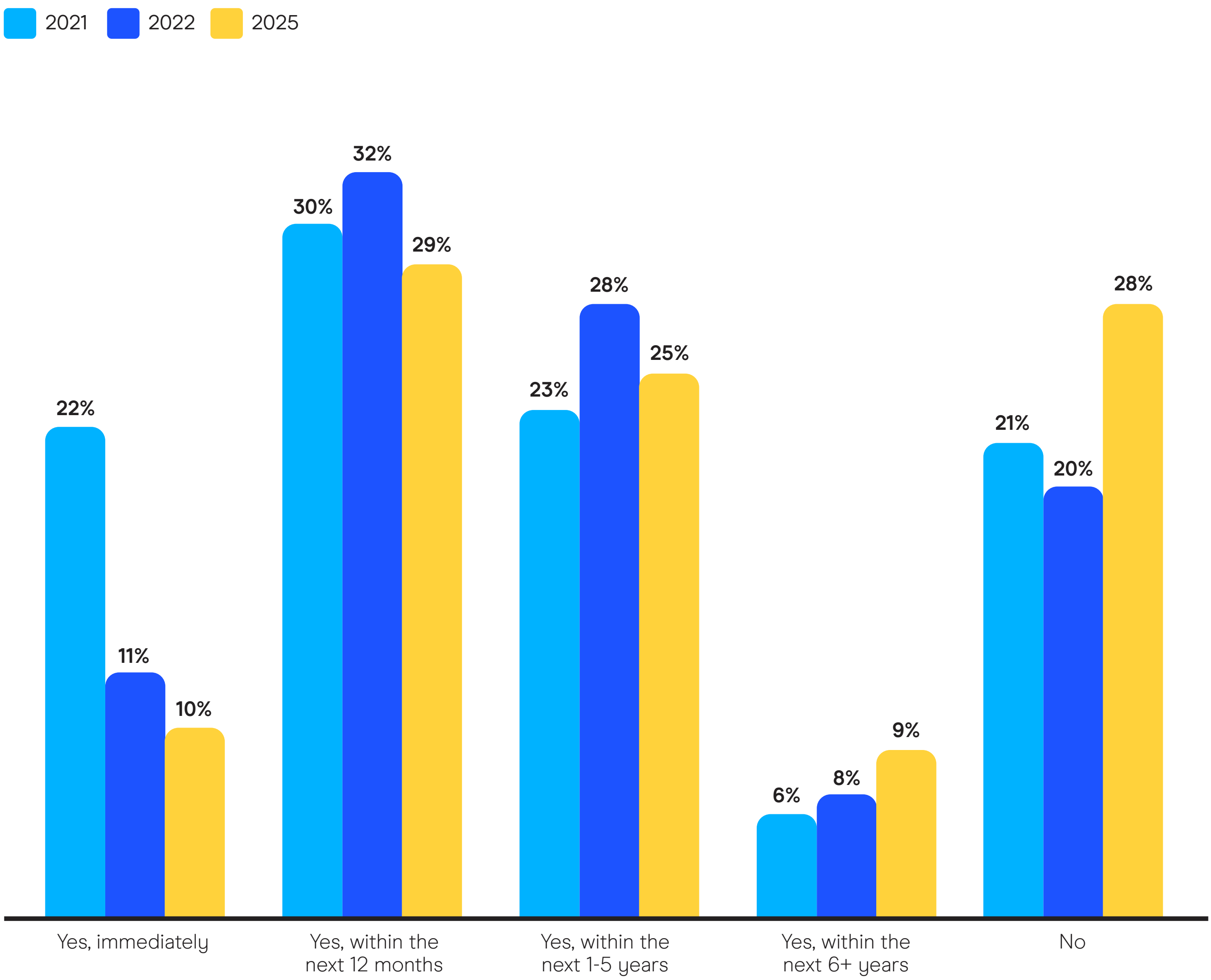
Buying to renovate is surprisingly common, especially among Australians purchasing their first home. Renovating allows buyers to purchase cheaper, more affordable properties and upgrade them incrementally as their financial situation improves.

When this research was last conducted in 2022, the proportion of first home buyers considering renovation remained unchanged from 2021, but there was a significant increase in those delaying renovations. The number of buyers planning to renovate immediately after purchase fell from 22% to 11%.

This trend has remained steady in 2025, though the share of buyers considering renovations has dropped from 80% in 2022 to 72% today.

With 47% of buyers paying over budget and 65% in mortgage stress, some are now abandoning their renovation plans entirely.

Percentage of first home buyers planning to renovate



Refer to methodology for assumptions used
Chart: Finder • Source: CoreLogic, Finder

Further evidence of stretched first home buyer budgets is the rising number of buyers financing their renovations through credit. The proportion of buyers using a credit card, personal loan or adding the cost to their mortgage has risen from 62% in 2022 to 69% in 2025.

How first home buyers are choosing to finance their renovations

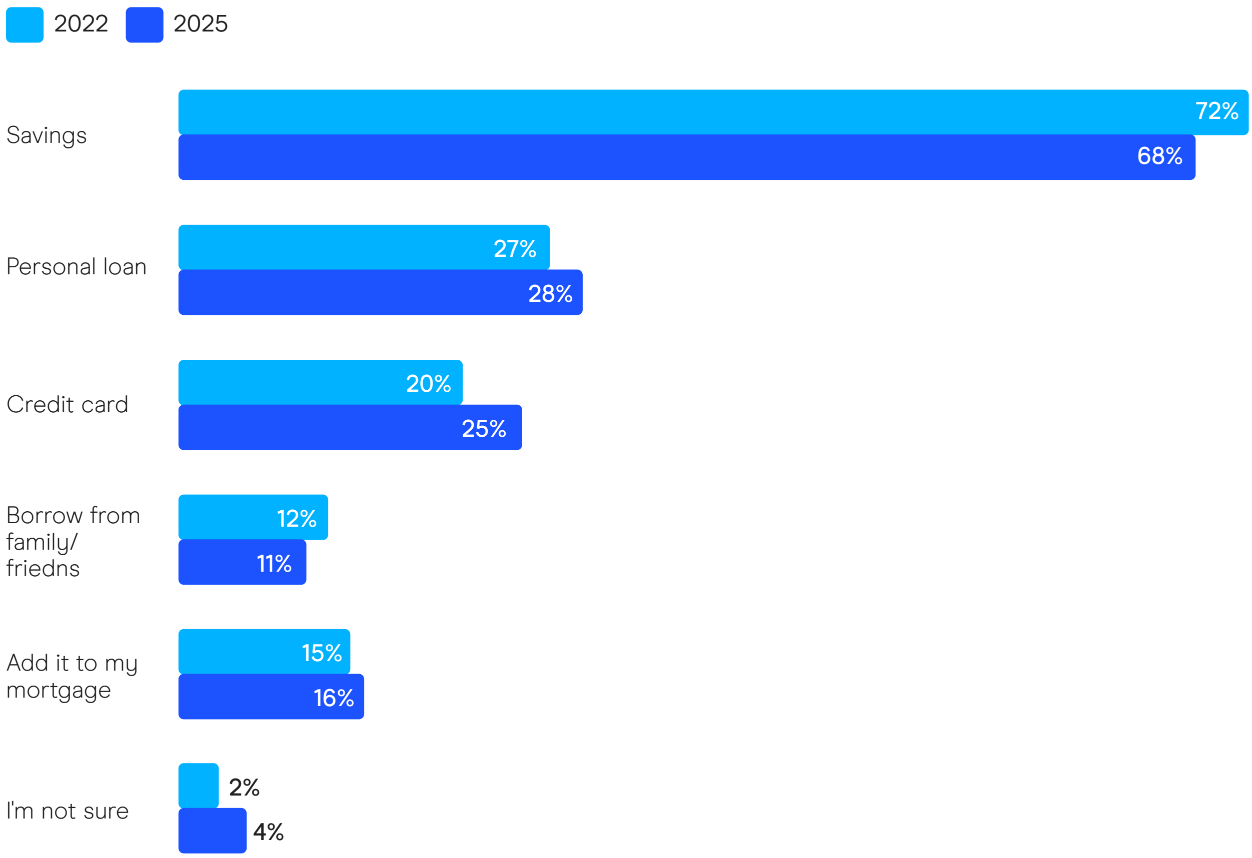


Chart: Finder • Source: Finder First Home Buyer Survey 2025

The bank of Mum and Dad

Two trends emerge when comparing how first home buyers saved for their deposit in 2022 and 2025. The first is a decline in those saving their deposits slowly over a long period. Only 17% say they saved this way in 2025, down from almost 1 in 4 (23%) in 2022.

The second trend points to a likely reason for this shift: the bank of Mum and Dad.

In **2025, 17%** of first home buyers say they received **money from their parents, up from just 11% in 2022.**

The top 5 strategies first home buyers used to save for a deposit

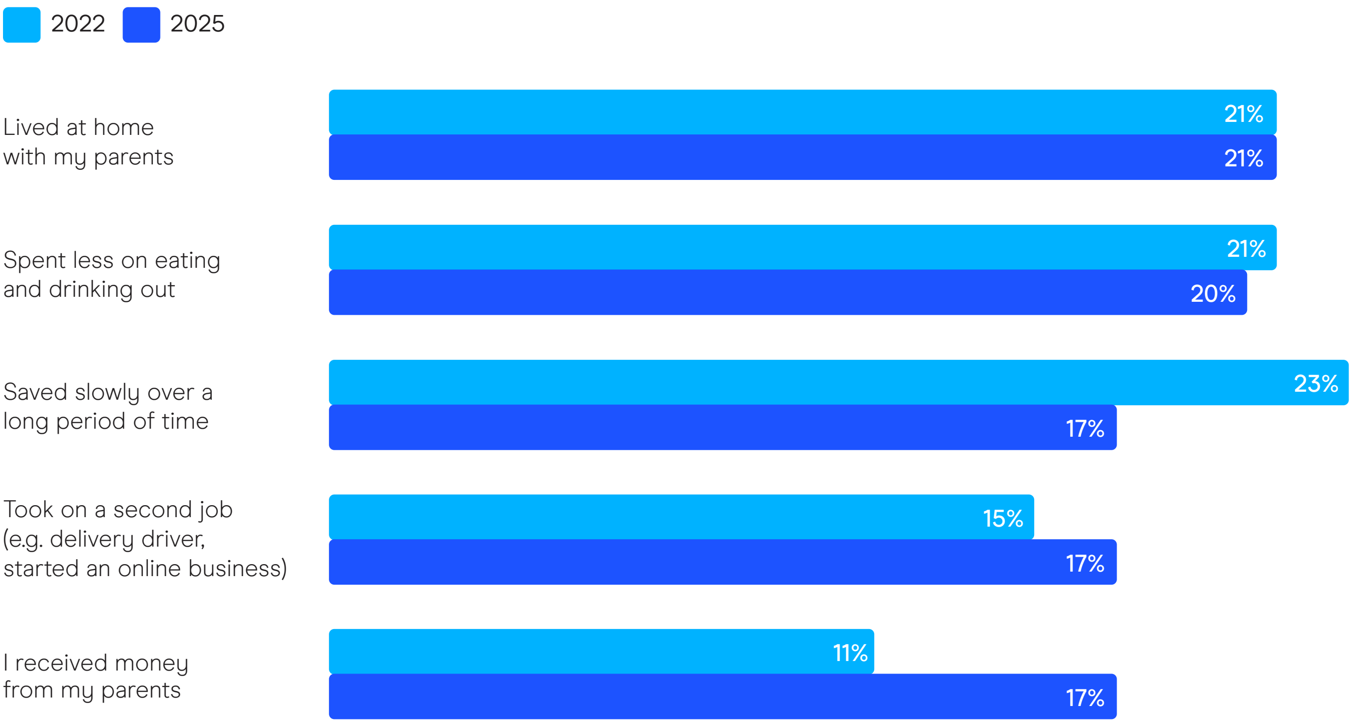


Chart: Finder • Source: Finder First Home Buyer Survey 2025

First home buyers who are lucky enough to receive parental support are generally better off. Buyers who received support from their family are 2 years younger when they enter the property market.

A headstart of 2 years could mean savings of as much as $220,000 on the median house in Perth.

Parental help house price savings by capital city

Capital city	2-year house price difference
Sydney	$140,000
Melbourne	-$38.000
Brisbane	$160,000
Adelaide	$165,000
Perth	$220,000
Hobart	-$7,500
Camberra	-$20,000
Darwin	-$34,000

Source: CoreLogic February 2023 - February 2025

First home buyers who received financial support are twice as likely to have avoided saving for a deposit entirely. Even when parents can't cover the full deposit, the advantages are substantial. Among buyers without support, 40% took 5 years or more to save a deposit, compared to just 29% of those who received family assistance.

Banking with Mum and Dad clearly offers considerable time savings. However, it also greatly improves the financial security of those first home buyers. It was found that the average assisted buyer has 41% more leftover in their savings after buying their first home.

How long it took first home buyers to save for a deposit by parental assistance

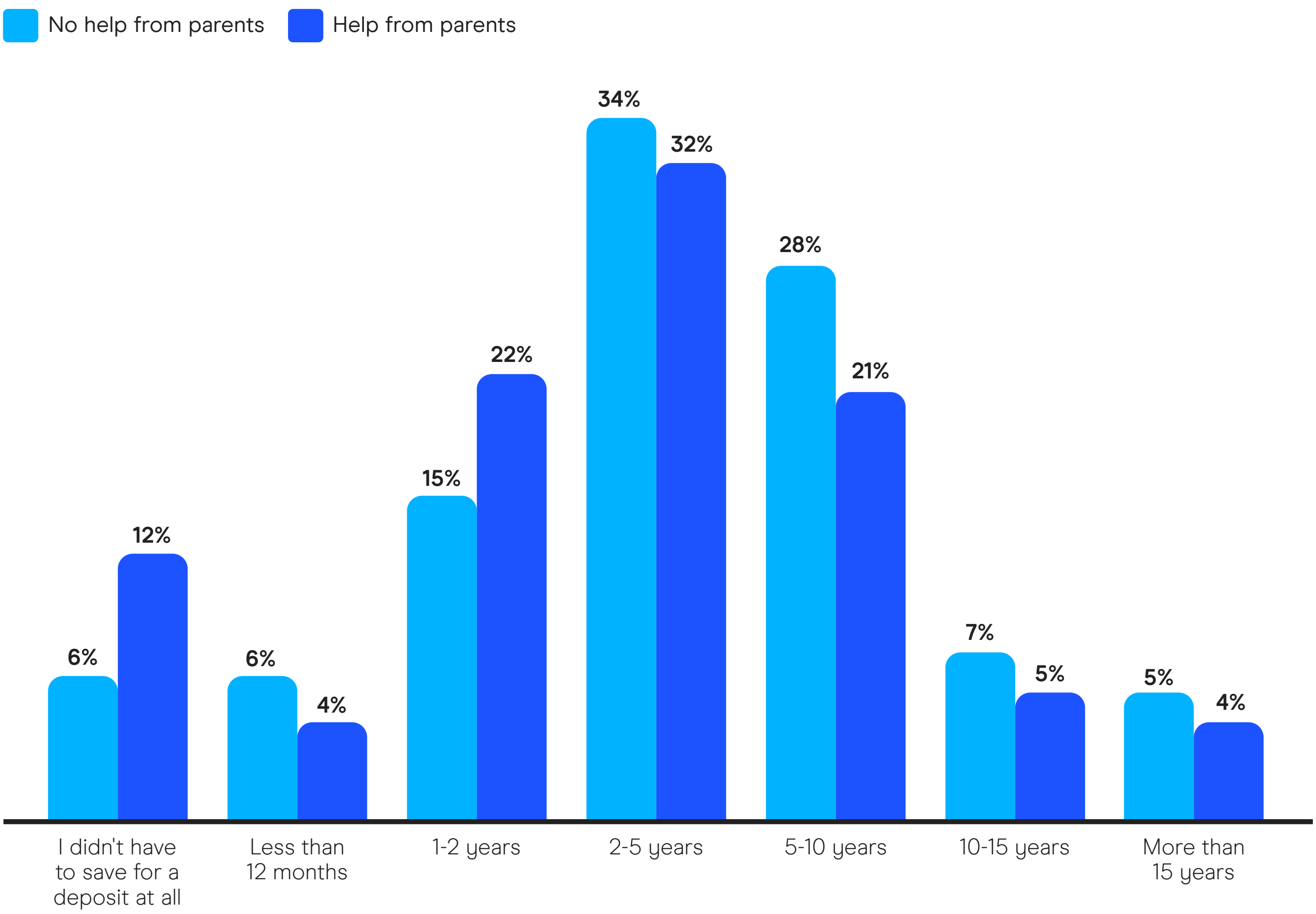


Chart: Finder • Source: Finder First Home Buyer Survey 2025

Conclusion

Graham Cooke

First home buyers in 2025 are facing a brutal reality: the Australian property market remains as competitive, costly and emotionally charged as ever. Housing affordability has deteriorated markedly in the past decade, and rising property prices continue to outpace wage growth. Yet despite these hurdles, hundreds of thousands of Australians continue to dive headfirst into the housing market, driven by a complex mix of economic rationale and emotional urgency.

The dominant motivator, as this report has shown, is no longer just the aspiration to own a home – it is the fear of missing out. FOMO, fuelled by rising prices and social pressure, has overtaken traditional financial planning for many buyers. More than half of all first home buyers are taking on high levels of mortgage stress, and a concerning number are purchasing over budget and depleting their entire savings to get on the ladder. This kind of financial risk-taking reflects not just ambition, but anxiety – the belief that if you don't buy now, you may never be able to.

While some buyers are lucky enough to receive financial support from their families, many are left to navigate one of the world's most unaffordable housing markets alone. The number of single buyers is falling, with many Australians now forced to buy with partners or delay their purchase altogether. Renovation plans are being shelved, savings buffers are vanishing, and short-term affordability is being sacrificed for long-term ownership. The emotional toll of such financial precarity should not be underestimated.

Yet this pressure has also made first home buyers more savvy. They're ditching their usual banks, shopping around for better mortgage deals and accessing government schemes at record rates. Three-quarters are actively comparing lenders, and a growing number are considering new regions or even new states in their search for affordability. These are rational responses to an irrational market – small acts of agency in a housing system that often feels stacked against them.

Government schemes like the FHOG, FHBG and FHSS are proving crucial. While not without limitations, these initiatives have made homeownership possible for tens of thousands of Australians who might otherwise still be renting. Even more encouraging is the evidence that these schemes are working as intended: reducing deposit requirements, avoiding costly LMI and delivering real, bankable savings to eligible buyers.

Still, there's no doubt the current system asks too much of buyers, particularly younger Australians and those without family wealth to draw on. Owning a home should not require a decade of saving, the help of your parents or the acceptance of mortgage stress as a norm. The fact that so many Australians are willing to take on that challenge anyway is a testament to the enduring cultural power of homeownership – and the hope that things might get easier.

There are signs that hope may soon be justified. The Reserve Bank has already delivered two rate cuts in 2025, with market forecasts pointing to three or even four more before year's end. For first home buyers, this could mean real relief – lower repayments, greater borrowing capacity and a slightly less hostile path to ownership. It won't fix structural affordability overnight, but it may provide the breathing room needed for more Australians to enter the market on safer, more secure terms.

In a year marked by economic strain, housing insecurity and rising anxiety, this glimmer of monetary easing offers a much-needed note of optimism. First home buyers have shown remarkable resilience – now, with a bit of policy support and continued rate relief, their dreams of homeownership may not just be possible, but sustainable.

Expert commentary

Sarah Megginson
Personal finance expert

When I bought my first home a little over 20 years ago, I believe it was easier for first-timers to get into the market than it is today.

That doesn't mean it was easy. I still had to make sacrifices and I couldn't afford to buy in the area I really wanted to - I lived on the Gold Coast, and apartments there were well out of my price range. When I moved to far north regional Queensland for a job, I discovered that the weekly mortgage repayment was pretty close to a rental payment. So, I bought my first home in Townsville using around $8,000 worth of savings and a first homeowners grant worth $7,000. I had to find another $1500 for Lenders Mortgage Insurance (LMI).

Those numbers sound almost quaint compared to the price points people are dealing with today. The purchase price of the very basic two bedroom brick home I bought was $153,000. Two decades on, you need to spend at least 3 to 4 times this amount in regional Australia - and even more again for more populated cities.

That said, the path to homeownership in 2025 is not impossible. It starts with a mindset shift to remain open to what that pathway might look like. It might include something like: buying a property as a joint-venture with parents or relatives. Buying in partnership with a friend or friends. Investing in a property somewhere you can afford to buy, while you continue to rent where you want to live. Or, like me 20+ years ago, moving to a more affordable regional town where prices are more reasonable compared to your income.

One thing that helps is how many grants, incentives and programs there are now for first homebuyers. There are stamp duty waivers, government-backed LMI exemptions, first homeowners grants, and superannuation schemes that help you pay less tax and save more for your deposit. My advice is to get to know each and every one of these options, as you might be able to take advantage of multiple "helping hands" to get you into a property sooner than later.

Tim Bennett
Personal finance expert

First home buyer schemes are great in principle - only the most tyrannical, Heathcliffian landlord wouldn't want to help young people get on the property ladder. Heck, even the Ebenezer Scrooge's of the world would be on board if it meant more mortgages to collect on.

Trouble is, many of the first home buyer schemes we've seen have been fundamentally inflationary. If you give thousands of young people $10,000 or $20,000 extra to spend, the market will react by raising prices - often just for the cheaper homes first home buyers might be able to afford.

This doesn't mean all assistance is futile, but it underscores the need for caution and smarter design. Simply injecting cash grants into a supply-constrained, high-demand market often has the unintended consequence of further inflating prices, potentially leaving first home buyers no better off, often worse.

The main alternative to grant-based help-to-buy schemes is a well structured shared equity scheme. These aim to reduce the initial deposit burden and ongoing mortgage stress, but without adding the same kind of direct inflationary fuel to the fire as straight grants.

However, this approach isn't without drawbacks. For example, they typically still add new buyers to the market without increasing supply. They also tend to have fairly restrictive eligibility requirements, so won't have the necessary scale to make a real impact. They also leave new buyers with less exposure to the investment benefits of home ownership, when compared to other buyers, so do little to reverse generational disparities in privilege or disadvantage.

The key is ensuring these programs genuinely level the playing field, rather than just raising the stakes for everyone involved. Unfortunately, in a market where cheaper homes for first home buyers necessarily means smaller returns for more politically powerful property owners, leveling the playing field becomes a hard square to circle.

RBA panellist advice to first home buyers from the May RBA survey

References and methodology

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In-text

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Supplementary

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Survey methodology

We surveyed 1,006 first home buyers in Australia in April 2025 through a survey distributed by Pureprofile. The survey sample was nationally representative in gender and location, but skewed towards younger Australians as first home buyers are naturally younger.

Our sample consisted of 392 individuals who had purchased their first home within the previous 12 months and 670 individuals who intended to purchase a home within the next 12 months.

We compare this year's findings to a similar survey of 1,001 first home buyers conducted in April 2022 and a survey of 1,028 first home buyers conducted in March 2021. All surveys were designed in SurveyMonkey and distributed through Pure Profile. All surveys include a sample of buyers who have either purchased their first home in the past 12 months or plan to do so within the next 12 months.

Potential first home buyer demand modelling

To calculate the minimum income required to afford the average first home buyer loan the following assumptions were used:

- Average owner-occupier variable rate for new loans funded in the month of January (6.25%) from the RBA
- Average first home buyer loan size from the ABS for the most recent quarter (March 2025)
- A loan term of 30 years
- Repayment to gross income ratio of 30% as the mortgage stress threshold

It was then assumed that 4 rate cuts (of 25 basis points each) were passed on in full to drop the interest rate to 5.25%.

These two scenarios were applied to renter income data from the ABS Survey of Income and Housing which had the WPI applied to produce estimations for 2025.

AIHW data was used to calculate the number of households that do not own a home.

How long to save for a deposit

This is based on a 3.5% annual growth on home prices, 3% average savings interest rate, 3.5% annual growth in the median household income, and assuming households save 25% of their income after spending on rent, groceries, utilities, internet, phone and transport.

Spending data on groceries, utilities, internet and phone was taken from Finder's nationally representative Consumer Sentiment Tracker. Rental costs were taken from CoreLogic data.

Suburbs where a single Australian could afford the median house

A loan term of 30 years, 20% deposit and repayment to gross income ratio of 30% as a mortgage stress threshold were used to calculate the minimum income required to afford the median house or unit price in each suburb.

The average owner-occupier variable rate for existing loans from the RBA was used for the 2025 calculations, however this data series does not date back to 2017. As a result, the rate was estimated using other interest rate data from the RBA.

CoreLogic data on the median sales price from the last 12 months was used. Suburbs with no data or less than 50 sales in the last 12 months were excluded.

The minimum income calculations were then applied to seasonally adjusted income data for the average full-time adult from the ABS to calculate if each suburb was affordable for the average full-time adult.

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