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Sydney Buyers Need \$300k to Afford a Home.

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Australians now need to earn over \$200,000 annually to afford a typical house in any of the nation's capital cities, following a fresh surge in property prices this year. The steep rise is largely attributed to increased buyer competition sparked by the Reserve Bank's interest rate cuts in February and May.

New data from Finder.com.au, based on PropTrack and ABS loan figures, reveals that 83 per cent of Australian suburbs are now unaffordable for households earning the average pre-tax income of \$100,000 a year. A few years ago, many of these same areas were within reach for middle-income families.

National property prices have jumped approximately 5 per cent year-on-year, with most of the growth occurring after the February rate cut. Lower interest rates expanded borrowing power for many Australians, which intensified competition and drove up offers, pushing average prices even higher.

According to the report, a household income of \$203,000 is now the minimum required to purchase an average house across Australia's capital cities without falling into mortgage stress, defined as spending more than 30 per cent of income on repayments.

In Sydney, the threshold is even higher. A buyer would need to earn nearly \$300,000 per year to afford a median-priced house, which now sits at \$1.56 million. In Brisbane, the required income is around \$201,000 for a median-priced home at \$1.06 million. Melbourne buyers would need at least \$185,000 annually to purchase a home at the median price of \$983,000.

Graham Cooke, head of consumer research at Finder, described the figures as a “sobering reality.”

“Even a six-figure income isn't enough to comfortably service a mortgage in most suburbs. For solo buyers, it's becoming almost impossible unless they have a second income or family support,” Cooke said.

The current environment means many Australians may be locked out of home ownership for the foreseeable future. The situation underscores the widening affordability gap, where even those earning what were once considered high incomes are now struggling to enter the market.

With continued demand and limited supply, property prices remain elevated. The affordability crisis raises important questions about housing policy, borrowing limits, and the future of home ownership in Australia's major cities.