

APPENDIX 1 – Detailed Information on ABS Data Sources

1. Current Rates of Home Ownership

1.1. *Survey of Income and Housing (SIH)*

- 1.1.1. The SIH was conducted annually from 1994–95 to 1997–98, and then in 1999–2000, 2000–01 and 2002–03. Commencing in 2003–04 the SIH has been conducted every two years, and is integrated with the Household Expenditure Survey (HES) every six years. The 2011–12 SIH collected information from a sample of 14,569 households resident in private dwellings throughout Australia over the period July 2011 to June 2012. Housing data for the 2013-14 financial year will be released from September 2015.
- 1.1.2. As part of the core biennial SIH content, detailed information on the economic resources and housing circumstances of households is collected including:
- the tenure under which the dwelling is usually occupied as well as the type of landlord for renters, including the personal level tenure and landlord information for each individual within the household;
 - information about home purchases including when the dwelling was purchased, whether it was the first home purchased or a changeover purchase, and whether the dwelling purchased was new or established;
 - information about the ownership of other properties and whether these are rented out.
 - detailed information about household loans, including amount borrowed and owing, weekly mortgage repayments (separately for interest and principal components) and purposes of loans;
 - the estimated value of owner occupied dwellings and the value of equity in the dwelling;
 - detailed income (for all sources of income) and housing cost information (rent, mortgage payments, rates, body corporate, insurance, repairs and maintenance) allowing for both income and housing data to be used together for affordability analysis (e.g. housing cost to income ratios);
 - the structure of dwellings, i.e. whether they were separate houses, semi-detached, flats or other dwelling types;
 - the number of bedrooms in the dwelling, which can be used in combination with household characteristics (including the size of households) to derive estimates of housing utilisation and crowding;
 - detailed information on the value of assets and net worth of households including the contribution of housing assets to the net worth of households;
- 1.1.3. The survey also provides the ability to analyse the circumstances for specific income groups, such as low income and low wealth households, or by main source of income, or other demographic characteristics such as age, sex, family composition, labour force status, educational attainment, and participation, country of birth, whether has a disability or long term health condition. The SIH sample is designed to produce estimates by state by capital city/balance of state.
- 1.1.4. In addition to this core SIH content, currently every six years the SIH also collects additional housing content, with topics for inclusion selected based on information priorities, to date this has included information on:

- housing mobility, such as desire and barriers to move, length of time in dwelling, number of times moved in last five years, reasons for moving, and characteristics of the previous dwelling occupied;
- additional information on first home buyers, including data on home deposits and monetary assistance to purchase dwellings;
- additional information about loans, including refinancing, and paying more than the minimum repayments; and
- satisfaction with the dwelling, and location of the dwelling;
- dwelling conditions such as any major structural problems, repairs and maintenance, and sources of energy and water;
- additional information about rental arrangements including length of lease, number of years renting, whether refused rental accommodation.

1.1.5. This additional housing content was first collected in the 2007-08 SIH and again in the 2013-14 SIH with results from the 2013-14 survey expected to be published in 2015.

1.1.6. Data is published in:

- *Housing Occupancy and Costs, 2011-12* (cat. no. 4130.0)
- *Housing Mobility and Conditions, 2007-08* (cat. no. 4130.0.55.002)
- *Household Income and Income Distribution, 2011-12* (cat. no. 6523.0)
- *Household Wealth and Wealth Distribution, 2011-12* (cat. no. 6554.0)

Examples of Recent Data

- 1.1.7. Recent data from the SIH shows that the proportion of Australian households that own their own home with or without a mortgage has declined from 71% in 1994–95 to 67% in 2011–12. Over this period there was a decrease in the proportion of households that owned their dwelling outright, from 42% in 1994–95 to 31% in 2011–12. There were increases in the proportion of households that owned their dwelling with a mortgage (from 30% to 37%) and in the proportion of households that were renting privately (from 18% to 25%). (*Housing Occupancy and Costs, 4130.0, Table 3*)
- 1.1.8. Young persons in a couple relationship were more likely to enter into home ownership than young single people. 45% of younger couple households own their home outright or with a mortgage. Couples that have children are more likely than childless young couple households to own a home. 64% of couples with dependent children only and their eldest child under 5 years owned their home outright or with a mortgage. This rose to 72% for couples with their eldest child aged 5 to 14, and to 84% for couples with their eldest child aged 15 to 24 (*Housing Occupancy and Costs, cat. no.4130.0, table 16*).
- 1.1.9. For owners without a mortgage, the average weekly housing costs were \$40, which represented 3% of average gross weekly income for those households (table 1 and 2). Owners with a mortgage paid an average of \$432 per week on housing costs, which represented 18% of their average gross weekly income. Housing costs for owners with a mortgage includes mortgage interest and principal, land and water rates and body corporate fees (*Housing Occupancy and Costs, cat. no.4130.0, tables 1 and 2*)

- 1.1.10. In 2011-12, approximately 988,000 households purchased their dwelling in the three years prior to the survey, down from 1,073,800 in 2009-10. These households are divided into first home buyers (36%) and changeover buyers (64%). Most first home buyers were young households with a reference person aged under 35 years (65%). Only 11% of first home buyer households had a reference person aged 45 years and over. In contrast, 52% of changeover buyer households had a reference person aged 45 years and over. The median value of recently purchased dwellings was \$370,000 for first home buyers and \$500,000 for changeover buyers. Average housing costs for first home buyers and changeover buyers were \$470 and \$443 per week respectively (*Housing Occupancy and Costs, cat. no. 4130.0, table 32*).
- 1.1.11. In 2007-08, 85% of reference persons who were owners without a mortgage had spent more than 5 years in their current dwelling and 44% had spent more than 20 years. For owners with a mortgage, 58% of reference persons had spent more than 5 years in their current dwelling and 9% had spent more than 20 years. Only 15% of private renters had spent more than 5 years in their current dwelling, with 58% having spent less than 2 years. (*Housing Mobility and Conditions, cat. no. 4130.0.55.002, table 2*).
- 1.1.12. The SIH collects data on the number and estimated value of other property owned by households. The data has not previously been published but will be available for 2013-14 from September 2015.
- 1.1.13. Table 1 shows the proportion of owner-occupier households, by states and territories for 1994-95 and 2011-12:

PROPORTION OF OWNER OCCUPIER HOUSEHOLDS, by states and territories, 1994-95, 2011-12

1994-95									
	NSW	Vic.	QLD	SA	WA	Tas.	NT(a)	ACT(b)	Total
	%	%	%	%	%	%	%	%	%
Capital City	67.7	74.4	71.2	69.9	71.3	70.4	51.5	66.3	70.4
Balance of State	74.5	79.0	69.7	67.7	67.7	75.0	np	na	73.2(d)
All owner occupier households	70.3	75.7	70.4	69.3	70.3	73.1	51.5(c)	66.3	71.4
2011-12									
	NSW	Vic.	Qld.	SA	WA	Tas.	NT(a)	ACT(b)	Aust.
	%	%	%	%	%	%	%	%	%
Capital City	63.4	70.6	64.6	72.1	66.6	66.2	51.4	66.6	66.8
Balance of State	69.2	70.9	64.8	72.9	68.5	73.8	np	na	68.5(d)
All owner occupier households	65.7	70.7	64.7	72.3	67.0	70.6	53.2(c)	66.6	67.4
(a) NT estimates are not shown separately since estimates for NT other than Darwin are not considered reliable. See paragraph 56 of the explanatory notes in the 4130.0 Housing Occupancy and Costs 2011-12 publication.									
(b) Capital city estimates for the ACT related to total ACT.									
(c) Excludes households in collection districts defined as very remote, accounting for about 23% of the population in the Northern Territory.									
(d) Includes NT households.									
na not applicable									
np not published									

Table 1 - Source: *Housing Occupancy and Costs, 4130.0*

1.2. Housing Finance, Australia (cat. no. 5609.0)

- 1.2.1. *Housing Finance, Australia* (cat. no. 5609.0) presents statistics on housing finance commitments made by significant lenders. Time series are presented for secured and unsecured housing finance

commitments data for owner occupation, commitments for construction or purchase of dwellings for rent or resale and loans outstanding to individuals/households for housing.

- 1.2.2. For secured housing finance for owner occupation, the number and value of commitments made by banks and other major lenders is included. These commitments are classified by construction of dwellings, the purchase of new and existing dwellings, the refinancing of existing dwellings and alterations and additions to existing dwellings.
- 1.2.3. The publication includes data specific to first home buyer home loan commitments. Total value of investment housing commitments is also included. The data is available by state and is collected from administrative data from the Australian Prudential Regulation Authority (APRA) or directly by the ABS.
- 1.2.4. The data from the housing finance publication only shows increased levels of credit, and not all investment and owner-occupied property ownership are shown as alternative sources of funds may be used to purchase property (e.g. sale of assets to raise capital).

Examples of Recent Data

- 1.2.5. As shown in Figure 1, the trend estimate for the total value of dwelling finance commitments excluding alterations and additions rose 1.4% in April 2015. Investment housing commitments rose 1.4% and owner occupied housing commitments rose 1.3%.

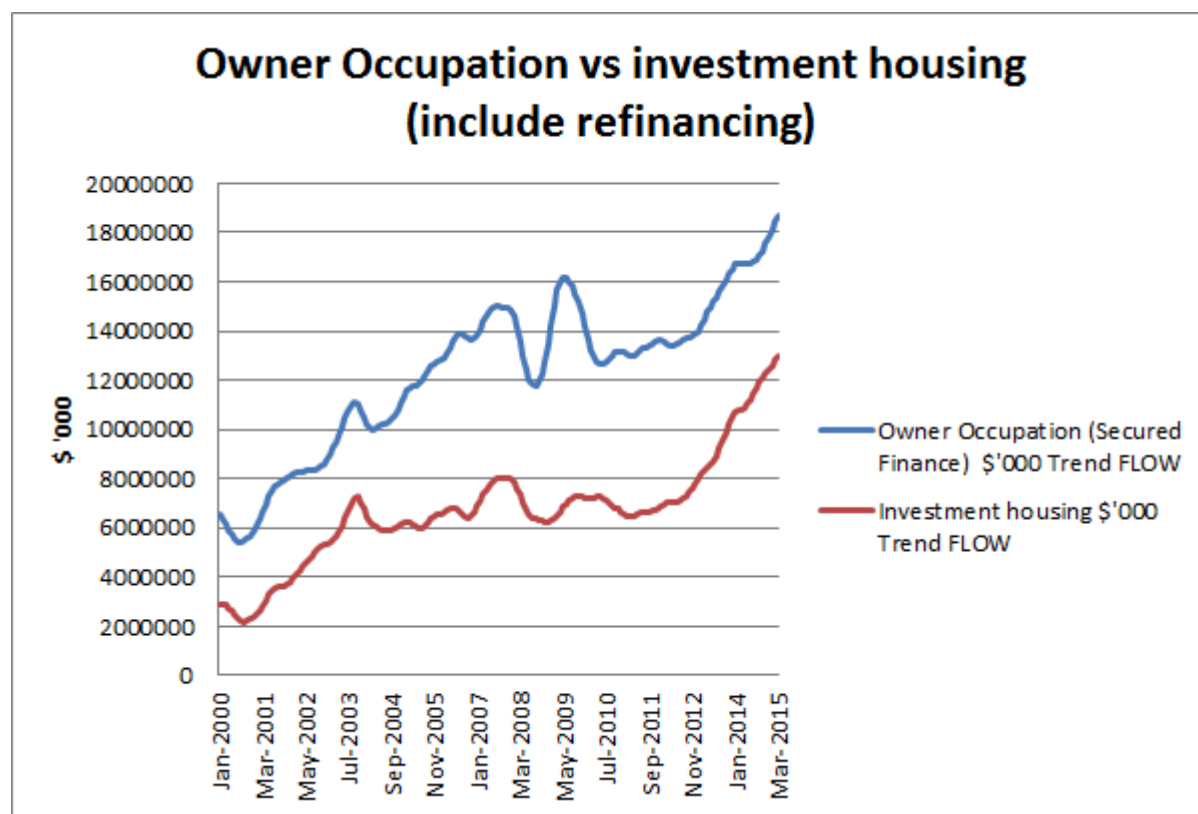


Figure 1. – from *Housing Finance, Australia* (cat. no. 5609.0)

- 1.2.6. In original terms, the number of first home buyer commitments as a percentage of total owner occupied housing finance commitments rose to 15.2% in April 2015 from 15.1% in March 2015 (Figure 2).

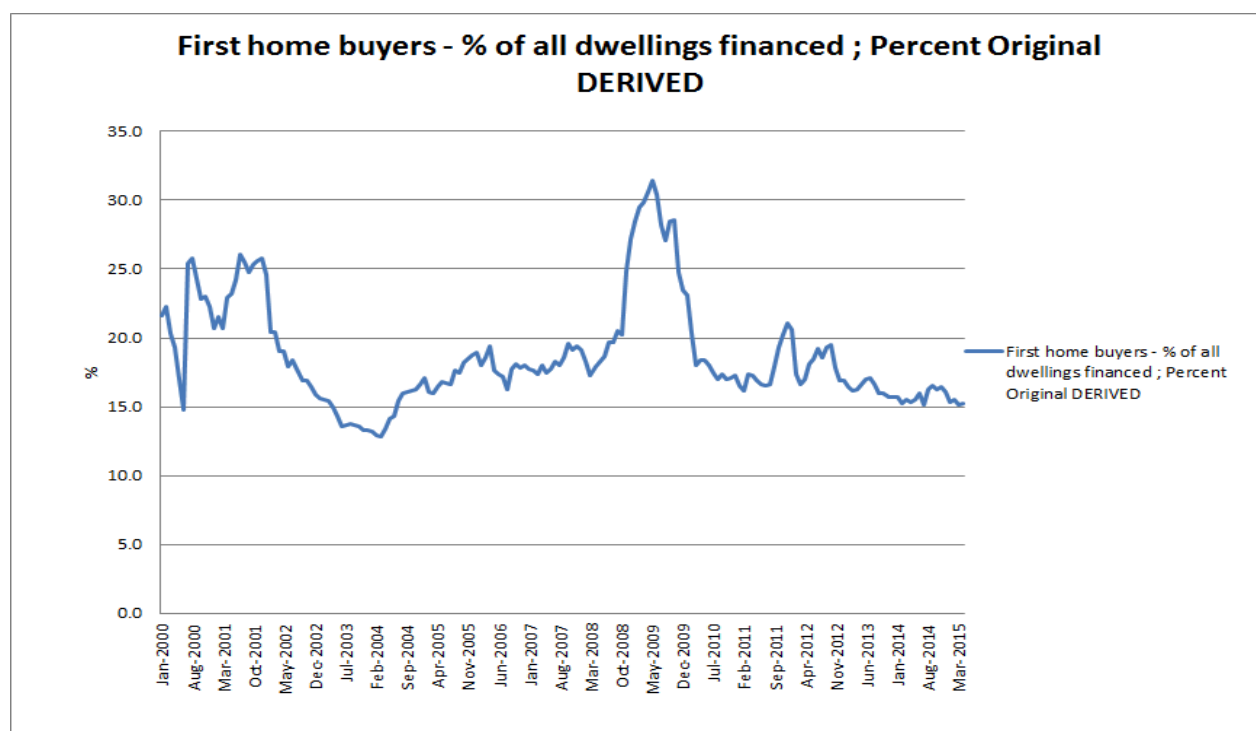


Figure 2. – from *Housing Finance, Australia* (cat. no. 5609.0)

- 1.2.7. Between March 2015 and April 2015, the average loan size for first home buyers rose \$8,500 to \$334,800. The average loan size for all owner occupied housing commitments rose \$9,700 to \$357,500 for the same period (Figure 3)

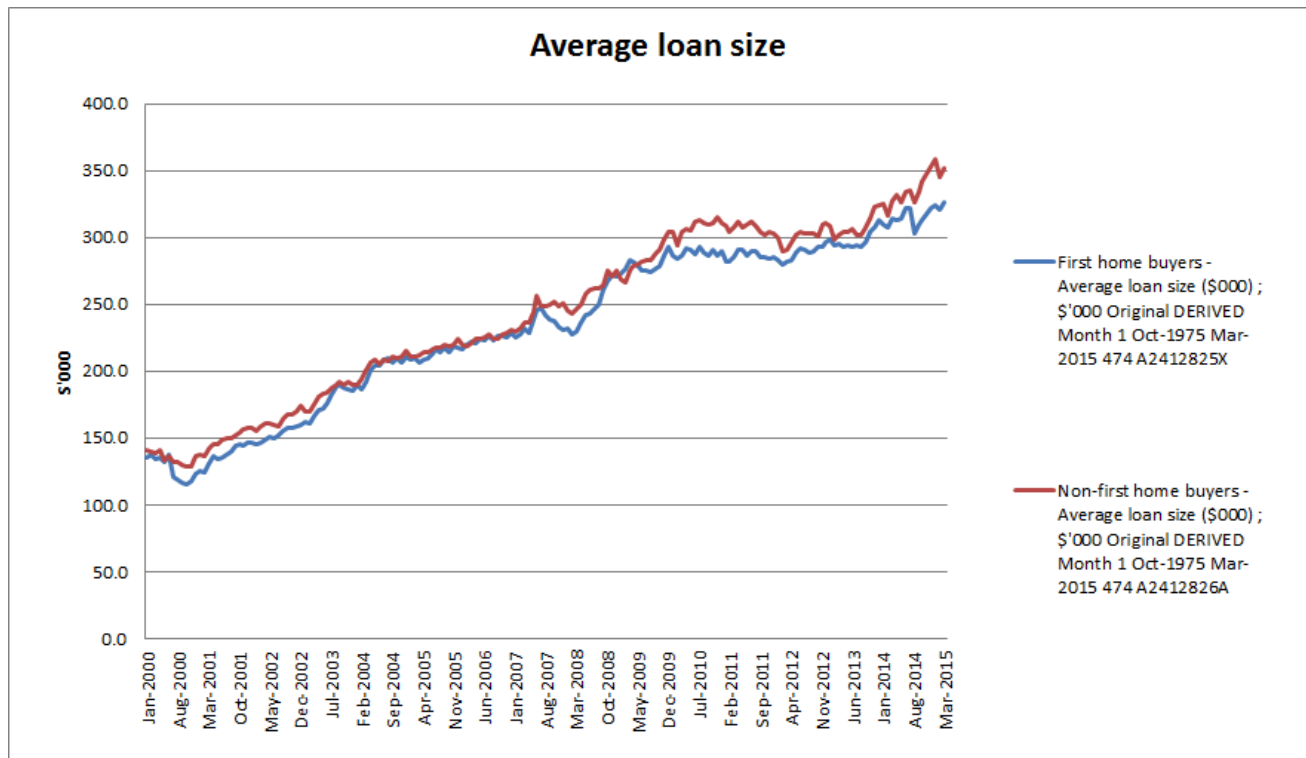


Figure 3. - from *Housing Finance, Australia* (cat. no. 5609.0)

2. Demand and Supply Drivers in the Housing Market

2.1. Census

- 2.1.1. The Census of Population and Housing provides a rich source of information about Australian dwellings and the population. The Census was conducted in 1911, 1921, 1933, 1947, 1954, 1961 and every five years thereafter, with the most recent Census being conducted in 2011.
- 2.1.2. Census is designed to provide a snapshot on the nature of occupancy of the dwelling stock in Australia on Census night. While the Census results show similar trends in home ownership to the SIH it is important to note that it cannot represent a comprehensive picture of ownership and tenure arrangements in Australia due to the snap shot nature of the collection. For example, a household may be away from their usual residence on Census night or Households may own a dwelling but be renting the dwelling they are currently living in after moving for employment for example.
- 2.1.3. Since the Census aims to collect information from the entire population and for all dwellings in Australia, it is not subject to sampling error. Consequently, while less detailed questions are asked, Census data is particularly useful in providing data for small areas, small population groups, and allows more accurate conclusions to be drawn about small differences over time or between groups (as differences over time or between groups may not be large enough to be statistically significant in sample surveys).

2.1.4. In particular, the strength of the Census to inform on housing ownership is in the ability to provide information about Australian dwellings and the characteristics of households within those dwellings for small areas, including:

- the tenure under which dwellings were occupied on Census night as well as the type of landlord for renters;
- the mortgage and rent payments for dwellings occupied on Census Night;
- the number of private dwellings and non-private dwellings (such as hotels, nursing homes and staff quarters);
- whether dwellings were occupied or unoccupied on Census night;
- the structure of all private dwellings, i.e. whether they were separate houses, semi-detached, flats or other dwelling types;
- the number of bedrooms in the dwelling, which can be used in combination with household characteristics (including the size of households) to derive estimates of housing utilisation and crowding; and
- whether occupants of the dwelling have moved in the last year or five years and the location where they previously lived, allowing an understanding of the movement of people into and out of areas.

Examples of Recent Data

2.1.5. From the data collated from censuses from 1966 to 2011, the proportion of owner occupied private dwellings and proportion of renter dwellings can be used to gauge the changes in housing ownership over time. From 1966 to 2011, the proportion of owner occupied private dwellings as a percentage of total dwellings decreased by 2.9 percentage points, while renter dwellings as a proportion of total dwellings have increased by 3.9 percentage points, shown in Figure 1:

Owner occupied and renter dwellings as proportions of total dwellings 1966 - 2011

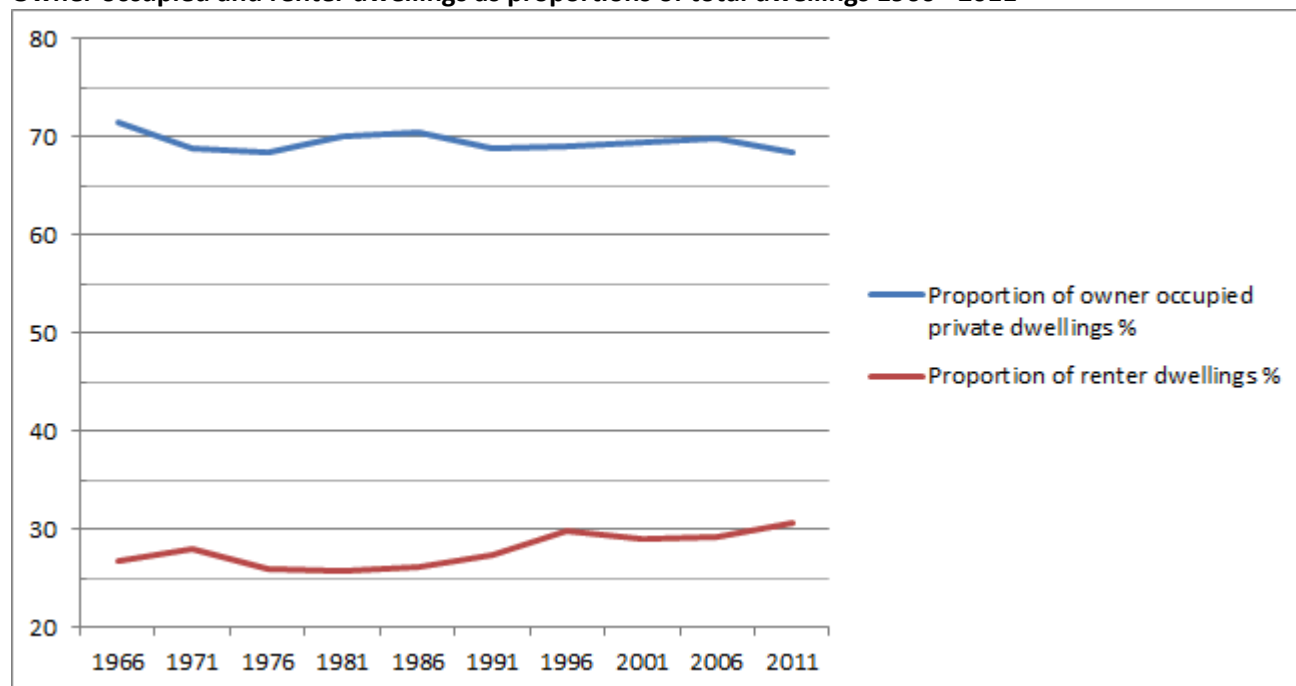


Figure 1 - Source: ABS data available on request, Census of Population and Housing.

- 2.1.6. As of the 2011 Census, the proportion of owner occupied private dwellings to total dwellings and the proportion of renter dwellings to total dwellings by state and territory is shown in Figure 2. This shows that the state or territory with the largest proportion of owner occupied private dwellings in 2011 is the Tasmania with 71.9% followed by Victoria with 71.7%. The state or territory with the largest proportion of renter dwellings in 2011 is Other territories¹ with 61.5% and Northern Territory with 49.4%.

Owner and renter occupied dwellings as proportions of total dwellings by state/territory, 2011

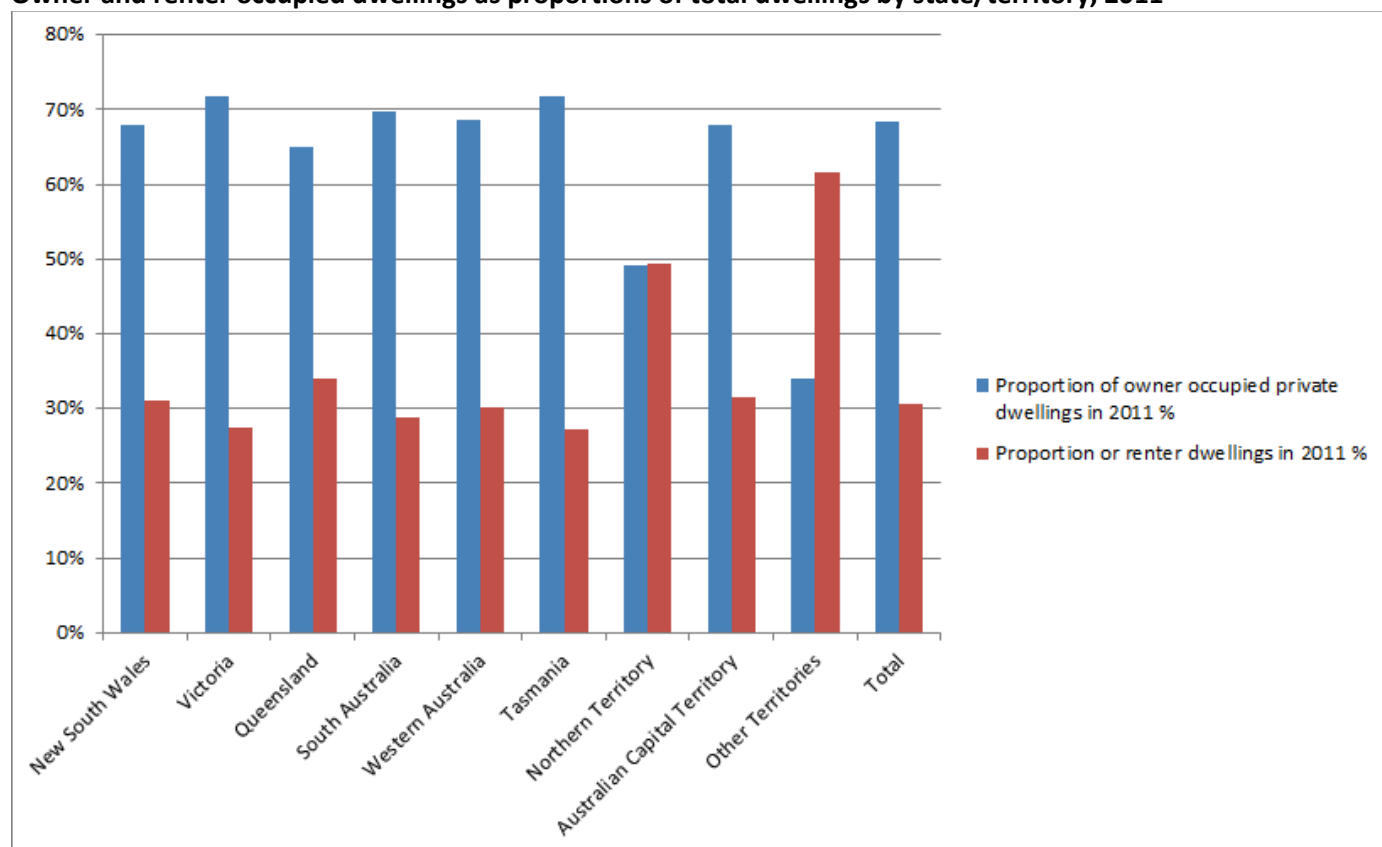


Figure 2 - Source: ABS data available on request, Census of Population and Housing.

¹Other Territories is defined <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/2901.0Chapter45502011>

2.1.7. Table 2 shows the number of all occupied private dwellings by state and territory and tenure type for 2011.

ALL OCCUPIED PRIVATE DWELLINGS, by state, by tenure type, 2011

	Owner without a mortgage	Owner with a mortgage	All owner occupied private dwellings	Renter	Other Tenure	Total	Proportion of owner occupied private dwellings	Proportion of renter dwellings
State	'000	'000	'000	'000	'000	'000	%	%
New South Wales	830	828	1658	757	21.4	2437	68.1%	31.1%
Victoria	671	701	1372	526	15.3	1913	71.7%	27.5%
Queensland	468	537	1005	527	15.7	1548	64.9%	34.1%
South Australia	206	219	426	176	9.3	611	69.7%	28.8%
Western Australia	244	302	547	239	9.7	795	68.7%	30.1%
Tasmania	71	66	137	52	1.6	190	71.9%	27.3%
Northern Territory	13	19	32	32	0.9	64	49.2%	49.4%
Australian Capital Territory	37	51	88	41	0.9	129	67.9%	31.4%
Other Territories (a)	0	0	0	0	0	1	34.0%	61.5%
Total	2539	2724	5263	2349	74.8	7687	68.5%	30.6%
a) items rounded to zero								

Table 2 - Source: ABS data available on request, Census of Population and Housing

2.2. Building and Construction Surveys

- 2.2.1. The monthly publication *Building Approvals, Australia* (cat. no. 8731.0) provides the number and value of dwelling units approved and the number and value of non-residential building jobs approved disaggregated by a range of characteristics including sector of ownership (Public/Private), type of dwelling (Houses/Townhouses/Flats etc.) or building (for non-residential), and location (State/Region/LGA and finer). Statistics are compiled from administrative data including permits issued by local government and other principal certifying authorities; contracts let or day labour work authorised by government and major building approvals in areas not subject to normal administrative approval.
- 2.2.2. *Building Approvals, Australia* acts as an indicator to the supply of housing market, however the actual supply of a particular month cannot be determined from this publication.
- 2.2.3. *Building Activity, Australia* (cat. no. 8752.0), produced quarterly, presents statistics for private and public sector owned projects and includes the number of dwelling units commenced completed, under construction and yet to commence and the value of building work commenced, completed, done and yet to be done. Information is provided for new residential buildings, alterations and additions to residential building and non-residential buildings. Statistics are compiled from a survey of builders and organisations engaged in building activity.
- 2.2.4. Preliminary estimates from the Building Activity Survey of Building Work Done are also made available in quarterly publications (*Construction Work Done, Preliminary* Cat. no. 8755.0). The ABS also collects and releases estimates of engineering construction activity in Australia, including the estimates for the construction of infrastructure (roads, electricity generation etc.) that can accompany residential construction data is published in: *Engineering Construction Activity* (cat. no. 8762.0)
- 2.2.5. Whilst Building and Construction Surveys can provide data on the number and value of gross additions to the dwellings, the data cannot currently be used to calculate a net increase to the residential dwellings in between Census years. This is due to a lack of available data on subtractions from the stock, most notably demolitions data. To improve the availability of data for measuring housing supply, the ABS has investigated the feasibility of producing more frequent (quarterly)

regional dwelling stock estimates. Currently, the Census is the only data source that provides comprehensive dwelling stock data, particularly at lower levels of geography. Between Censuses, many users attempt to model the dwelling stock using various measures of the number of dwellings built and the number of dwellings demolished over a period. Whilst it could be feasible to produce quarterly dwelling stock estimates for regions, this is a significant new statistical series which is not within the scope of current ABS work program.

Example of Recent Data

2.2.6. Figure 3 shows that the total number of dwellings approved fell 0.4% in April 2015, after rising for 10 months (*Building Approvals, Australia*, cat. no. 8731.0)

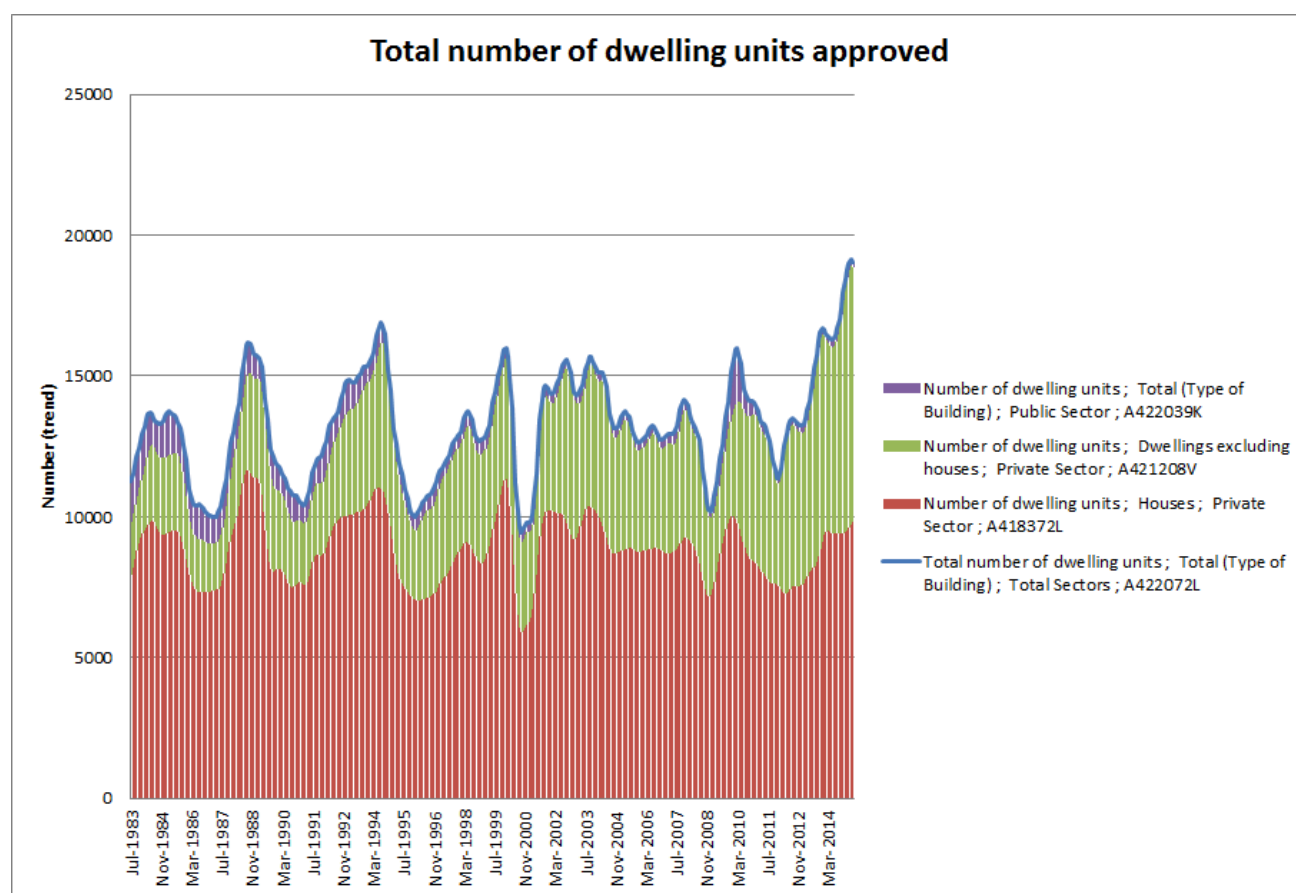


Figure 3.

2.3. Residential Property Price Index

- 2.3.1. The *Residential Property Price Index* (cat. no. 6416.0), formally known as the House Price Index, is a quarterly publication compiled using data provided by State and Territory Land Titles Office or Valuers General Office in each capital city, as well as mortgage lenders data. This publication provides information on the change in price of the stock of residential dwellings over time for Australia's eight capital cities and a weighted average of the eight capital cities.
- 2.3.2. The suite of Residential Property Price Indexes include an Established House Price Index; an Attached Dwellings Price Index (e.g. flats, units and apartments) and an aggregated Residential Property Price Index.
- 2.3.3. Additionally, the publication includes a range of other relevant statistics including:
- estimates of the total value of Australia's dwelling stock by state and by sector;
 - mean price of dwellings by state and by sector;
 - total number of residential dwellings by state and by sector;
 - median price of property transfers and the number of property transfers by Capital City and Rest of State.
- 2.3.4. The ABS has compiled a House Price Index since 1986. The *Attached Dwellings Price Index* and the current headline series, the *Residential Property Price Index* are available from the September quarter 2003.
- 2.3.5. Development of indexes covering areas outside the Greater Capital City Statistical Areas (GCCSAs) is continuing. The provision of rest of state indexes remains a longer term objective of the ABS and is subject to available funding.

2.4. The Australian System of National Accounts (ASNA)

- 2.4.1. The Australian System of National Accounts (ASNA) is a widely used measure of the economy. The national accounts provide a systematic statistical framework for summarising and analysing economic events, and the wealth of the economy and its components. The principle economic events the national accounts records are production, consumption and accumulation of wealth. National accounts also record the income generated by production, the distribution of income among the factors of production and the use of income, either by consumption or acquisition of assets. The accounts additionally record the value of the economy's stock of assets and liabilities, and record the events unrelated to production and consumption, that bring about changes in the value of the wealth stock. The ASNA provides a picture of the economy from an industry and a sectoral perspective, including the household sector. Within the ASNA, estimates can be found relating to residential construction; household saving, consumption and wealth (including residential property and superannuation assets).
- 2.4.2. Quarterly national accounts are published in *National Income, Expenditure and Product* (5206.0) and *Financial Accounts* (5232.0).
- 2.4.3. Annual national accounts are published in *Australian System of National Accounts* (5204.0). Input - Output Tables, which provide detailed information about the supply and use of products in the Australian economy and about the structure and inter-relationship between Australian industries, are also published annually.

- 2.4.4. From the September quarter 2013, the quarterly Financial Accounts includes household balance sheets, which will improve the capacity to understand household assets and liabilities, including how changes in household wealth through fluctuations in property prices or equity values can in turn explain changes in household consumption and saving patterns.
- 2.4.5. ASNA is compiled from a variety of sources, including ABS surveys and administrative data.
- 2.4.6. Data is published in:
- *Australian System of National Accounts (cat. no. 5204.0)*
 - *Australian National Accounts: Financial Accounts (cat. no. 5232.0)*
 - *Australian National Accounts: National Income, Expenditure and Product (cat. no. 5206.0)*

Examples of Recent Data

- 2.4.7. Figure 3 shows the increase in residential housing supply, as measured by private gross fixed capital formation – for total dwellings, new and used, and alterations and additions – from 1981 to 2014.

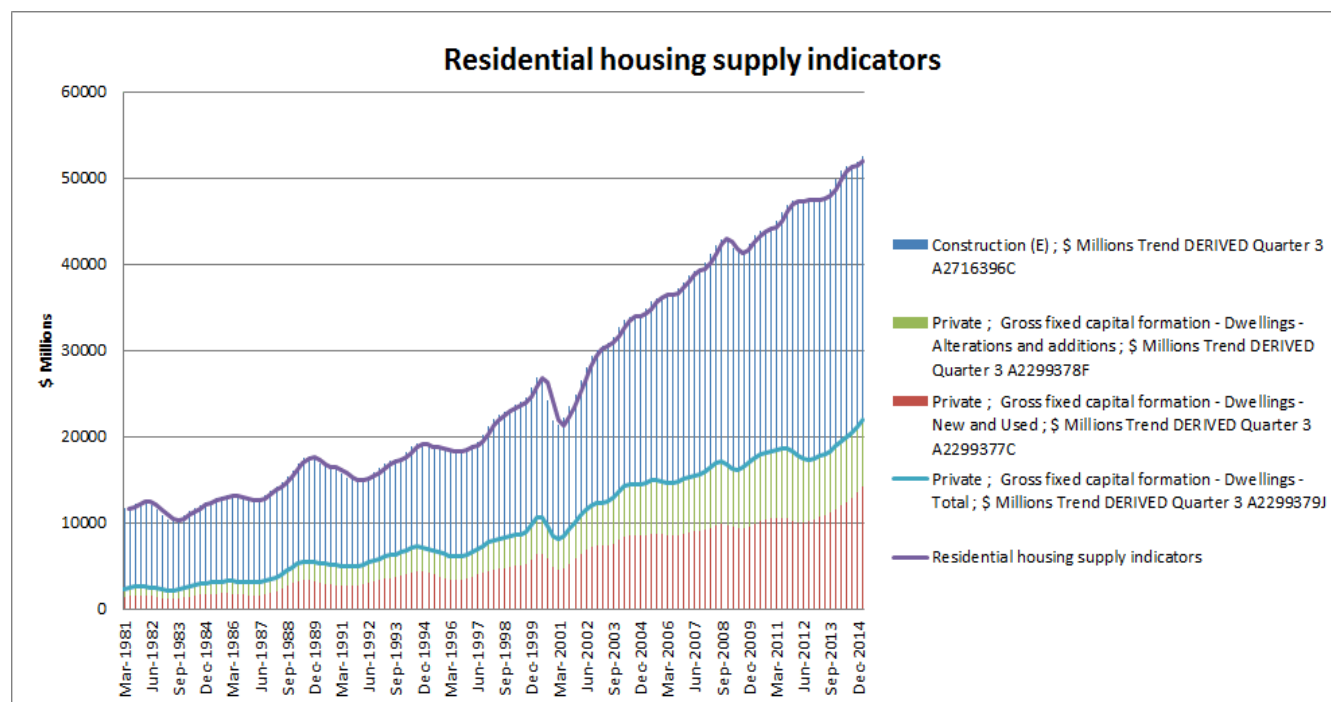


Figure 3 – from *Australian National Accounts: National Income, Expenditure and Product* (cat. no. 5206.0)

- 2.4.8. Figure 4 shows the increase in residential housing demand indicators from March 1981 to June 2014. Private Gross Fixed Capital Formation (GFCF) - Ownership transfer costs – includes stamp duties and real estate charges, which combined contribute over 90% of the Total Ownership Costs. The remaining is attributed to lawyer fees and Government charges. Dwelling and non-dwelling splits are not available.
- 2.4.9. Rent and other dwelling services represent the aggregated total of household expenditure on (1) renting and (2) estimated rents for owner-occupiers (modelled from the Census of population and housing). In the SNA a dwelling is an asset and this provides a service to the owner, so in the national accounts the ABS estimate the monetary rents the owner would pay for the property.

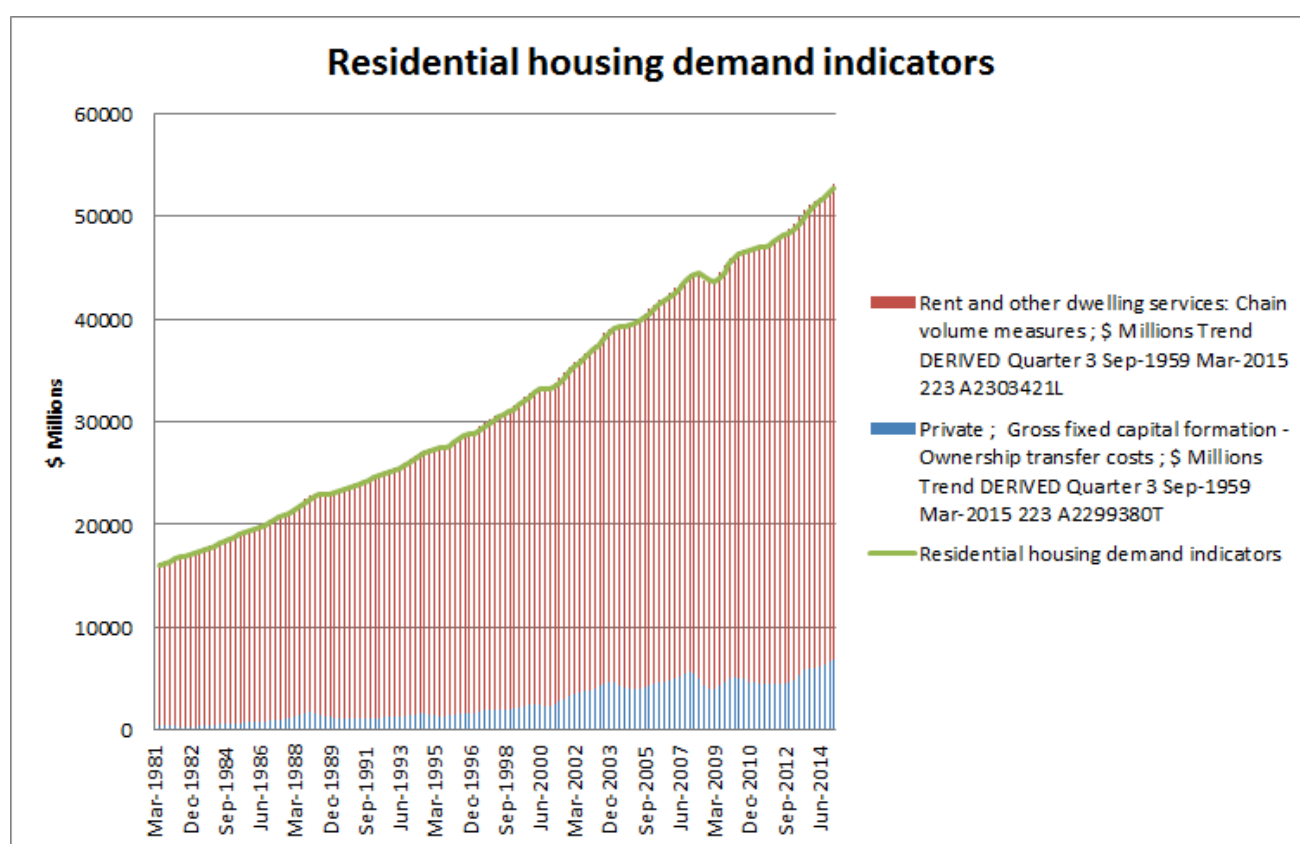


Figure 4 – from *Australian National Accounts: National Income, Expenditure and Product* (cat. no. 5206.0)

3. The proportion of investment housing relative to owner-occupied housing

3.1. Survey of Income and Housing (SIH)

- 3.1.1. SIH collects data on the number of properties owned by households. (Please see above, paragraphs 1.1.1. to 1.1.6. for more detail).

Example of Recent Data

- 3.1.2. In 2011-12 it estimated that 21% of all Australian residential property owner households reported owning two or more properties and 18% reported renting out at least one property for three months or more, in the twelve months prior to being interviewed. This has not changed from 2009-10.
- 3.1.3. In 2011-12, approximately 300,000 households owned residential property but were not currently living in a property that they own.

3.2. Housing and Lending Finance (see Appendix, paragraph 1.2.5 for an example of recent data)

- 3.2.1. ***Housing Finance, Australia*** (cat. no. 5609.0) presents statistics on housing finance commitments made by significant lenders. These commitments are classified by construction of dwellings, the purchase of new and existing dwellings, the refinancing of existing dwellings and alterations and additions to existing dwellings. The publication includes data specific to first home buyers (FHB) home loan commitments. Total value of investment housing commitments is also included. The data is available by state and is collected from administrative data from the Australian Prudential Regulation Authority (APRA) or directly by the ABS. The data series are presented in real, seasonally adjusted and trend terms and is released monthly in both publications
- 3.2.2. ***Lending Finance, Australia*** (cat. no. 5671.0) presents additional data on housing finance provided to individuals and corporations for business or investment purposes, including for the construction or purchase of dwellings for rental or resale, by state level. The data series are presented in real, seasonally adjusted and trend terms and is released monthly in both publications

3.3. International Accounts

- 3.3.1. The ABS publication *Balance of Payments and International Investment Position, Australia* (cat. no. 5302.0) provides detailed quarterly balance of payments tables on current, capital and financial transactions, including seasonally adjusted, trend and chain volume measures of the current account. It also provides a complete international investment position statement with details of the level of investment, investment flows and associated income.
- 3.3.2. International investment statistics published by the ABS in the *Balance of Payments and International Investment Position* publication are compiled under prescribed frameworks defined by the International Monetary Fund's *Balance of Payments and International Investment Position Manual, Sixth Edition (BPM6)*.
- 3.3.3. Foreign investment in real estate is recorded in the Australian Bureau of Statistic's *Balance of Payments and International Investment Position publication* as a component of direct investment in equity as prescribed by the BPM6 and is not identified by ABS publications as a separately published series.
- 3.3.4. The ABS maintains transparency in its compilation practices in order to make aware of assumptions and the limitations of usability of its published data. As there is no appropriate source for the

collection of data on foreign investment in real estate, the ABS series in relation to foreign investment in real estate is compiled using a combination of ABS collected and estimated data.

Examples of Recent Data

- 3.3.5. Foreign investment in property trusts and other real estate investment vehicles is an element of foreign investment in Australian equity. Investment in these vehicles is not separately identified from foreign investment in businesses providing 'other business services' – for example, legal services, accounting services, marketing services, computing and scientific services. As at 31 December 2014, total foreign direct investment in equity of real estate activities was estimated at \$42b, with a net increase over the year of \$12b. This estimate is based on a survey of the businesses involved and is considered to be of high quality. Foreign-owned businesses not classified to this sector may also own real estate, particularly more diversified investment vehicles.
- 3.3.6. Foreign investors can own Australian real estate directly without investing through an Australian corporate structure. In this case, there is no Australian resident to survey and the value of this investment is modelled based on information on investment intentions from the Foreign Investment Review Board and media reporting in the national press and industry-specific periodicals. The modelled value of direct holding of real estate at 31 December 2013 was \$24b, with a net increase over the year of \$3b. This estimate is not separately published and is indistinguishable from other elements of the total foreign direct investment in Australian equity. It does not differentiate between residential, commercial or agricultural real estate. The estimate for real estate is considered to be of sufficient quality for the purposes of compiling Australia's total foreign direct investment liabilities.