

## **Measuring Housing Affordability in Australia: Recent developments and trends in agreed national performance indicators**

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In December 2008 the Australian Prime Minister, on behalf of the Commonwealth Government, and the heads of each State and Territory government within the federal system of Australia, signed a National Affordable Housing Agreement (NAHA). The NAHA provides a framework for the governments to work together to improve housing affordability and homelessness outcomes for Australians. The Australian Bureau of Statistics is charged with reporting 6 of the 8 outcome performance indicators being included in the first cycle of performance reporting for the agreement in late 2009.

This paper looks at housing affordability in Australia in terms of the affordability of homeownership, rental affordability and measures of income, consumption and wealth that reflect the impact of housing. Trends in the NAHA outcome performance indicators are compared with other indicators of housing affordability (including the ABS's house price index, the housing related components of the CPI, and trends in first home buyers), and housing outcomes for all Australians in the context of addressing the issue of social inclusion and responding to Indigenous disadvantage. Some of the measurement issues are discussed, as well the expected developments in data sources and methods.