

**Comments on**

**Property Prices, Lending and Vulnerability to  
Financial Crises**

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25 September 2006

# House Prices to Household Income\*



\* Average annual household disposable income, excluding unincorporated enterprises. Income is after tax and before the deduction of interest payments.

Sources: ABS; RBA; REIA

# Household Debt

Per cent of household disposable income\*



\* Income is after tax and before the deduction of interest payments.

Sources: ABS; RBA

# Household Net Worth\*

Per cent of household disposable income\*\*



\* Includes financial assets of unincorporated enterprises.

\*\* Income includes unincorporated enterprises and is after tax and before the deduction of interest payments.

Sources: ABS; RBA

# Household Interest Payments\*

Per cent of household disposable income



\* Includes the imputed financial intermediation service charge. Income is after tax and before the deduction of interest payments.

Sources: ABS; RBA

# Why did it happen?

- Lower inflation and lower interest rates
- Lack of substitutability
- Land release policies
- Taxation

# Investor Loan Approvals

Per cent of total\*



\* Net of refinancing; excludes approvals for investor new construction

Source: ABS

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