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mortgage



Renting vs Buying in 2025

Which Is More Affordable
in Australia's Capital Cities?

Executive Summary

Housing affordability has long been a central debate among property owners, renters, economists, and market watchers.

Homeownership rates – particularly among young Australians – have been declining for decades, while the proportion of renters has risen from 20% in 1999–2000 to 26% in 2019–2020.

While many young Australians and renters aspire to own a home, affordability remains a major barrier. But is renting always the cheaper option?

Using the latest CoreLogic and ABS data, Your Mortgage has examined whether renting or buying is more cost-effective in each Australian capital city, based on property values, rental costs, median incomes, and mortgage repayment assumptions.

Key findings

1. Owning a house is more expensive than renting one in every capital city

Assumed mortgage repayments take up a larger share of income than rent for houses in all cities, though in Darwin, the gap is minimal.

2. Hobart and Perth units are cheaper to own than rent

Assumed mortgage repayments on units in these cities are lower than the median rent.

3. Sydney remains the least affordable city to buy in

Assumed mortgage repayments on a median house equal 102% of a full-time employee's income, and saving a 20% deposit takes nearly 11 years – the longest of any capital.

4. Melbourne, Brisbane, and Adelaide also pose affordability challenges

House repayments exceed 60% of a median income, while units require 40–50%.

5. Perth, Darwin, and Canberra offer better affordability

Perth and Darwin have the lowest price-to-income ratios for houses, while Canberra's high median income improves affordability despite steep property prices.

6. Saving a 20% deposit is a major hurdle

Even for units, saving a deposit takes three to six years in most cities. For houses, Sydney, Melbourne, and Brisbane buyers face seven to 11 years of saving, assuming they set aside 30% of their income.

Of course, there are more costs to homeownership than simply mortgage repayments.

Homeowners generally need to account for council rates, home insurance, maintenance, and body corporate fees. These ongoing expenses can add up to thousands of dollars per year, making ownership a much greater financial commitment than it may initially appear.

Conversely, rent is a more predictable, fixed cost. Though, rents are subject to market fluctuations – something seen during the recent rental crisis, where record-low vacancy rates led to sharp rent increases. However, renters generally avoid the additional expenses that come with homeownership, limiting their total housing costs.

These findings highlight the ongoing affordability challenges across Australia's capital cities, with homeownership requiring a significant financial commitment. While renting remains the more affordable short-term option in most cases, saving for a deposit continues to be a major hurdle – especially in higher-priced markets.



Brooke Cooper
Editor – Your Mortgage

Methodology

Your Mortgage used the most recent CoreLogic data available in February 2025 to calculate the cost of renting and buying in various cities across Australia.

But that only paints part of the picture. After all, what good is a cheap house if you can't earn a decent wage?

So, we also factored in the median weekly earnings of a full-time employee in each greater capital city area using data collected by the Australian Bureau of Statistics in August 2024.

Additionally, our assumptions on the cost of owning a home assume a homebuyer can put down a deposit worth 20% of their property's value and takes out a 30-year mortgage with an interest rate of 6.00% p.a.

Since we've assumed that a buyer was able to save a 20% deposit, we also calculated how long it would take to accumulate such savings if a typical earner was to save 30% of their weekly income.

Document Details

Publication

Research Report

Title

Renting vs. Buying in 2025: Which Is More Affordable in Australia's Capital Cities?

Publisher

Your Mortgage Pty Ltd trading as Your Mortgage ACN 161 358 363 AFSL Australian Credit Licence number 515843
Brisbane, Australia

Publication Date

February 2025

Issue Number

2025.2

Format

PDF, online only

URL

www.yourmortgage.com.au/mortgage-research/

Survey Methodology

Data used within this report is sourced from CoreLogic Home Value Index (February 2025), CoreLogic Quarterly Rental Review (released January 2025) and Australian Bureau of Statistics (ABS) Employee earnings (August 2024).

Attribution

All commentary from this report to be attributed to Brooke Cooper, Your Mortgage Editor.

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Your Mortgage

Your Mortgage is one of Australia's leading independent home loan comparison websites.

Published by the InfoChoice Group, Your Mortgage was established in 1995 and is a trusted partner for numerous Australian financial institutions.

Acknowledgements

This material was produced with funding from Firstmac Limited ACN 094 145 963.

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Is it cheaper to buy than rent in Sydney?

Sydney is famously the most expensive city to purchase real estate in Australia – and it's also costly to rent in the harbourside city. But is one option more affordable than the other?

It turns out that, yes, it is notably more expensive to own in Sydney than it is to rent.

Fortunately, Sydney also typically offers higher wages than other Aussie cities. Full-time workers living in Sydney bring in a median of **\$1,732 per week**, or around **\$90,000 per year**.

Here's how the numbers stack up:

How much does it cost to rent or buy in Sydney?

| | Houses | Units |
|------------------------------|-----------------|-----------|
| Median rent per week | \$811 | \$710 |
| Median value | \$1.474 million | \$857,969 |
| Mortgage repayment per week* | \$1,768 | \$1,029 |

*Assumes a 20% deposit, a 30-year loan term, and a 6% p.a. interest rate

What portion of a median income is needed to afford rent/mortgage repayments?

Straight away, we can see that a household on a single median income likely won't be able to purchase a house in the city:

| | Houses | Units |
|------------------------------------|--------|-------|
| Mortgage repayments as % of income | 102% | 59.4% |
| Rent as % of income | 46.8% | 41% |

How long would it take to save a deposit for a property in Sydney?

Sydney's property market demands some of the longest saving periods in the country.

For a median earner, Sydney's price-to-income ratio is **9.5 for units**—meaning it would take nearly a decade's salary to buy a property outright. And for houses? A staggering **16.4 years**.

Here's how long a typical earner might need to save a 20% deposit if setting aside 30% of their income:

| | Houses | Units |
|----------------------------|---------------------|-------------------|
| Time taken to save deposit | 10 years, 11 months | 6 years, 4 months |

Is it cheaper to buy than rent in Melbourne?

Melbourne is Australia's second-largest property market, and while it's cheaper than Sydney, housing affordability remains a significant challenge. But is it more expensive to buy or rent in the city?

Fortunately, Melbourne offers relatively strong wages, with full-time employees earning a median income of **\$1,799 per week**, or around **\$93,500 per year**.

The data suggests that, yes, owning a home in Melbourne is still more expensive than renting – especially for those buying houses.

How much does it cost to rent or buy in Melbourne?

| | Houses | Units |
|------------------------------|-----------|-----------|
| Median rent per week | \$633 | \$566 |
| Median value | \$917,132 | \$602,602 |
| Mortgage repayment per week* | \$1,099 | \$723 |

*Assumes a 20% deposit, a 30-year loan term, and a 6% p.a. interest rate

How much does it cost to rent or buy in Melbourne?

A household on a single median income would struggle to afford a house in Melbourne, with mortgage repayments eating up over 60% of earnings.

| | Houses | Units |
|------------------------------------|--------|-------|
| Mortgage repayments as % of income | 61.1% | 40.2% |
| Rent as % of income | 35.2% | 31.5% |

While houses remain expensive, units present a more affordable option, with mortgage repayments sitting at 40.2% of income, compared to 31.5% for rent.

How long does it take to save a deposit for a home in Melbourne?

Melbourne remains expensive, but it's noticeably more affordable than Sydney.

For a median earner, Melbourne's price-to-income ratio is **6.4 for units** – meaning it would take just over six years of salary to buy a unit outright. Houses, however, require a much higher ratio of **9.8**.

Here's how long a typical earner might need to save a 20% deposit if setting aside 30% of their income:

| | Houses | Units |
|----------------------------|-------------------|-------------------|
| Time taken to save deposit | 6 years, 6 months | 4 years, 3 months |

Is it cheaper to buy than rent in Brisbane?

Brisbane's property market has grown steadily in recent years, attracting both investors and homebuyers. But when it comes to affordability, is it cheaper to rent or buy in the city?

Full-time employees in Brisbane earn a median income of **\$1,700 per week**, or around **\$88,400 per year**.

The data shows that owning a home is more expensive than renting, particularly for houses, though units provide a more affordable entry point into the market.

How much does it cost to rent or buy in Brisbane?

| | Houses | Units |
|------------------------------|-----------|-----------|
| Median rent per week | \$681 | \$593 |
| Median value | \$977,343 | \$685,291 |
| Mortgage repayment per week* | \$1,172 | \$822 |

*Assumes a 20% deposit, a 30-year loan term, and a 6% p.a. interest rate

What portion of a median income is needed to afford rent or mortgage repayments?

A household on a single median employee's income would struggle to afford a house in Brisbane, as mortgage repayments take up 68.9% of earnings.

| | Houses | Units |
|------------------------------------|--------|-------|
| Mortgage repayments as % of income | 68.9% | 48.3% |
| Rent as % of income | 40.1% | 34.9% |

While houses remain costly to own, units present a more manageable option, with mortgage repayments taking up 48.3% of income, compared to 34.9% for rent.

How long does it take to save a deposit for a home in Brisbane?

For a median earner, Brisbane's price-to-income ratio is **7.8 for units**, meaning it would take nearly eight years of salary to buy a unit outright. For **houses, the ratio increases to 11.1**.

Here's how long a typical employee might take to save a 20% deposit if setting aside 30% of their income:

| | Houses | Units |
|----------------------------|-------------------|-------------------|
| Time taken to save deposit | 7 years, 5 months | 5 years, 2 months |

Is it cheaper to buy than rent in Adelaide?

Adelaide's property market has remained strong in recent years, with steady price growth across both houses and units. But is it more affordable to rent or buy in the city?

Full-time workers in Adelaide earn a median income of **\$1,579 per week**, or around **\$82,100 per year**.

The data shows that, as in other capital cities, owning a home in Adelaide is more expensive than renting. However, mortgage repayments for units are relatively close to rental costs.

How much does it cost to rent or buy in Adelaide?

| | Houses | Units |
|------------------------------|-----------|-----------|
| Median rent per week | \$630 | \$525 |
| Median value | \$872,553 | \$590,953 |
| Mortgage repayment per week* | \$1,046 | \$709 |

*Assumes a 20% deposit, a 30-year loan term, and a 6% p.a. interest rate

What portion of a median income is needed to afford rent or mortgage repayments?

A household on a single median employee's income would find it difficult to afford a house in Adelaide, with mortgage repayments taking up 66.3% of earnings.

| | Houses | Units |
|------------------------------------|--------|-------|
| Mortgage repayments as % of income | 66.3% | 44.9% |
| Rent as % of income | 39.9% | 33.2% |

While mortgage repayments for houses are significantly higher than rent, units present a more balanced alternative, with mortgage costs taking up 44.9% of income, compared to 33.2% for rent.

How long does it take to save a deposit for a home in Adelaide?

For a median earner, Adelaide's price-to-income ratio is **7.2 for units**, meaning it would take just over seven years of salary to buy a unit outright. For houses, the ratio increases to **10.6**.

Here's how long a typical earner might need to save a 20% deposit if setting aside 30% of their income:

| | Houses | Units |
|----------------------------|------------------|-------------------|
| Time taken to save deposit | 7 years, 1 month | 4 years, 9 months |

Is it cheaper to buy than rent in Perth?

Perth's property market has seen steady price growth, particularly in the housing sector, sparking a conversation on affordability for buyers and renters alike. But is it more expensive to own or rent in the city?

The data shows that while owning a house in Perth costs more than renting, mortgage repayments remain lower than in many other capital cities.

Units are even more accessible, with mortgage costs actually lower than rental prices.

Full-time employees in Perth earn a median income of **\$1,877.50 per week**, or around **\$97,600 per year**.

How much does it cost to rent or buy in Perth?

| | Houses | Units |
|------------------------------|-----------|-----------|
| Median rent per week | \$706 | \$631 |
| Median value | \$843,805 | \$522,971 |
| Mortgage repayment per week* | \$1,012 | \$627 |

**Assumes a 20% deposit, a 30-year loan term, and a 6% p.a. interest rate*

What portion of a median income is needed to afford rent or mortgage repayments?

A household on a single median employee's income would need to allocate more than half of their earnings to cover mortgage repayments for a house in Perth.

| | Houses | Units |
|------------------------------------|--------|-------|
| Mortgage repayments as % of income | 53.9% | 33.4% |
| Rent as % of income | 37.6% | 33.6% |

While mortgage repayments for houses are higher than rent, units in Perth are a more different story, with mortgage costs accounting for 33.4% of income – slightly less than the cost of renting.

How long does it take to save a deposit for a home in Perth?

For a median earner, Perth's price-to-income ratio is **5.4 for units**, meaning it would take just over five years of salary to buy a unit outright. For houses, the ratio increases to **8.6**.

Here's how long a typical earner might need to save a 20% deposit if setting aside 30% of their income:

| | Houses | Units |
|----------------------------|-------------------|-------------------|
| Time taken to save deposit | 5 years, 9 months | 3 years, 7 months |

Is it cheaper to buy than rent in Hobart?

Hobart has long been considered one of Australia's most affordable capital cities, but strong price growth over the past decade has made homeownership increasingly challenging. So, is it now more expensive to own or rent in the Tasmanian capital?

The data shows that, as in other cities, owning a home in Hobart is more costly than renting –

particularly for houses. However, unit affordability is more balanced, with mortgage repayments lower than rental costs.

Full-time workers in Hobart earn a median income of **\$1,500 per week**, or around **\$78,000 per year**.

How much does it cost to rent or buy in Hobart?

| | Houses | Units |
|------------------------------|-----------|-----------|
| Median rent per week | \$573 | \$483 |
| Median value | \$698,345 | \$366,694 |
| Mortgage repayment per week* | \$837 | \$440 |

*Assumes a 20% deposit, a 30-year loan term, and a 6% p.a. interest rate

What portion of a median income is needed to afford rent or mortgage repayments?

A household on a single median income would need to allocate more than half of their earnings to cover mortgage repayments for a house in Hobart.

| | Houses | Units |
|------------------------------------|--------|-------|
| Mortgage repayments as % of income | 55.8% | 29.3% |
| Rent as % of income | 38.2% | 32.2% |

While houses remain more expensive to own than rent, units are a more accessible option, with mortgage repayments requiring just 29.3% of income – less than the general cost of renting.

How long does it take to save a deposit for a home in Hobart?

For a median earner, Hobart's price-to-income ratio is **4.7 for units**, meaning it would take just under five years of salary to buy a unit outright. For houses, the ratio is higher at **9.0**.

Here's how long a typical earner might need to save a 20% deposit if setting aside 30% of their income:

| | Houses | Units |
|----------------------------|---------|------------------|
| Time taken to save deposit | 6 years | 3 years, 1 month |

Is it cheaper to buy than rent in Darwin?

Property price growth in Darwin has lagged over the last decade or so, resulting in it becoming one of Australia’s more affordable capital cities. So, is it now more expensive to own or rent in the Northern Territory’s capital?

The data shows that while owning a house in Darwin is more expensive than renting, mortgage repayments are only slightly more expensive than

rental costs. Units offer an even more accessible entry point into homeownership, but mortgage costs are substantially higher than rental prices.

It’s important to note that income data for Darwin is based on full-time earnings across the entire Northern Territory, not just the capital. The median full-time income in the NT is **\$1,700 per week**, or around **\$88,400 per year**.

How much does it cost to rent or buy in Darwin?

| | Houses | Units |
|------------------------------|-----------|-----------|
| Median rent per week | \$687 | \$545 |
| Median value | \$582,971 | \$522,971 |
| Mortgage repayment per week* | \$699 | \$627 |

**Assumes a 20% deposit, a 30-year loan term, and a 6% p.a. interest rate*

What portion of a median income is needed to afford rent or mortgage repayments?

A household on a single median income would need to allocate nearly 41% of their earnings to cover mortgage repayments for a house in Darwin, making it one of the more affordable capitals for homeownership.

| | Houses | Units |
|------------------------------------|--------|-------|
| Mortgage repayments as % of income | 41.1% | 36.9% |
| Rent as % of income | 40.4% | 32.1% |

Mortgage repayments for houses in Darwin are only slightly higher than rent, which takes up around 40% of a median employee’s wage.

Meanwhile, the mortgage repayments for a typically-priced unit require just 36.9% of the median income, compared to 32.1% for rent.

How long does it take to save a deposit for a home in Darwin?

For a median earner, Darwin’s price-to-income ratio is **5.9 for units**, meaning it would take just under six years of salary to buy a unit outright. For houses, the ratio is lower at **6.6**, reflecting the city’s relatively affordable property prices.

Here’s how long a typical earner might need to save a 20% deposit if setting aside 30% of their income:

| | Houses | Units |
|----------------------------|-------------------|--------------------|
| Time taken to save deposit | 4 years, 5 months | 3 years, 11 months |

Is it cheaper to buy than rent in Canberra?

Canberra's property market is one of the nation's most expensive. But, is it more affordable to own or rent in the ACT's capital?

The data shows that, as in most capital cities, owning a home in Canberra is more expensive than renting. However, mortgage repayments for units are not significantly higher than rental costs.

It's important to note that income data for Canberra is based on full-time earnings across the entire ACT, not just the city. The median full-time income in the ACT is **\$1,927 per week**, or around **\$100,200 per year**.

How much does it cost to rent or buy in Canberra?

| | Houses | Units |
|------------------------------|-----------|-----------|
| Median rent per week | \$716 | \$581 |
| Median value | \$968,907 | \$583,486 |
| Mortgage repayment per week* | \$1,162 | \$700 |

*Assumes a 20% deposit, a 30-year loan term, and a 6% p.a. interest rate

What portion of a median income is needed to afford rent or mortgage repayments?

A household on a single median income would need to allocate more than 60% of their earnings to cover mortgage repayments for a house in Canberra.

| | Houses | Units |
|------------------------------------|--------|-------|
| Mortgage repayments as % of income | 60.3% | 36.3% |
| Rent as % of income | 37.2% | 30.1% |

While mortgage repayments for houses take up a significant portion of income, units present a more affordable alternative, with mortgage costs accounting for 36.3% of income – not too much more than rent.

How long does it take to save a deposit for a home in Canberra?

For a median earner, Canberra's price-to-income ratio is **5.8 for units**, meaning it would take nearly six years of salary to buy a unit outright. For houses, the ratio increases to **9.7**.

Here's how long a typical earner might need to save a 20% deposit if setting aside 30% of their income:

| | Houses | Units |
|----------------------------|-------------------|--------------------|
| Time taken to save deposit | 6 years, 5 months | 3 years, 11 months |



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