



Experian Housing Pressure Report

Insights into housing pressure through a
credit, spending and consumer data lens



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Executive summary

Australia's housing pressure is becoming more uneven and it's showing up differently across households, locations and stages of the borrowing journey. Property prices, listings and lending activity provide important measures of market conditions. This report complements those measures by examining how housing costs are reflected in household spending, repayment performance, borrowing activity and consumer sentiment.

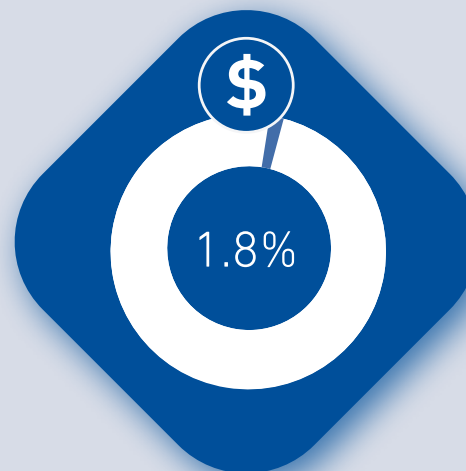
Experian's Housing Pressure Report brings together aggregated and de-identified credit, spending and business data with a national consumer survey of 1,010 Australians to examine how housing costs are affecting Australian households and the organisations that serve them.

Nationally, 1.8% of home loan accounts showed signs of repayment strain in June 2026. The number of home loan accounts under strain increased by 7.3% during the first half of 2026, compared with 2.3% during the equivalent period in 2025. That pressure isn't landing evenly either, regional home loan accounts were 10.5% more likely than the national average to be under strain, while capital city accounts were 3.5% below it.

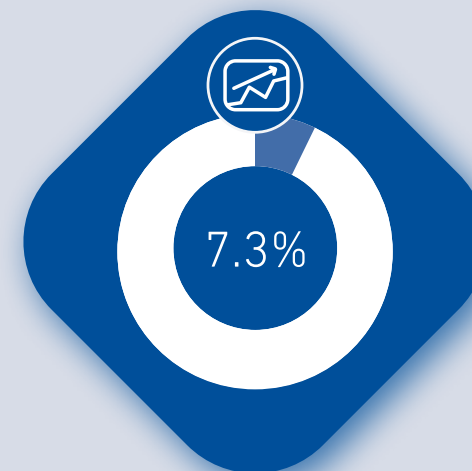
The survey found 55.0% report a fair amount or great deal of pressure from rent or mortgage repayments, and 42.4% aren't confident they could absorb a further 10.0% rise without cutting essentials or borrowing more.

For lenders and consumer-facing organisations, this matters because portfolio-level averages may conceal meaningful variation in customer circumstances.

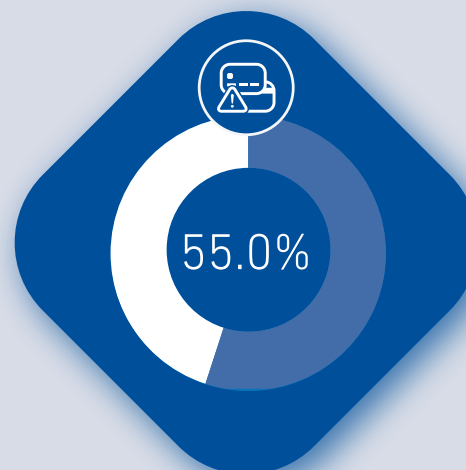
This report includes practical considerations for lenders and consumer-facing organisations, including looking beyond portfolio averages and recognising changing circumstances earlier, so support reflects what customers are actually experiencing rather than assumptions based on age, location or demographic group.



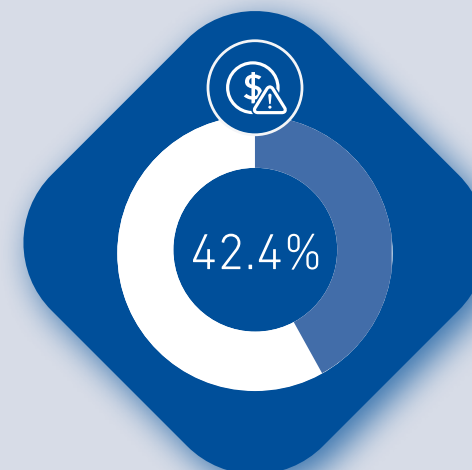
of home loan accounts showed signs of repayment strain in June 2026.



increase in the number of home loan accounts under strain during the first half of 2026.



of Australians surveyed reported a fair amount or great deal of pressure from rent or mortgage repayments.



of Australians surveyed aren't confident they could absorb a further 10.0% rise without cutting essentials or borrowing more.

More than a property story

Property prices, listings and lending volumes provide important measures of housing market activity. They can be complemented by information showing how housing costs are being absorbed within household budgets, how repayment performance is changing and how financial pressure is being experienced by consumers.

This report brings together several perspectives.

Experian's aggregated and de-identified credit data provides a view of repayment performance, loan exposure, hardship events, new housing related borrowings and predicted credit risk into 2027. Aggregated spending data shows how selected home buyers and renters are adjusting to their current circumstances by modifying their essential and discretionary spend. In addition, a national survey of 1,010 Australians conducted in September 2026, captures a qualitative summary of household experience as well as households' expectations for the year ahead. Experian's commercial data and selected external data sources were also consulted to provide additional business and market context.

Each source answers a different question. Market indicators show how housing activity is changing. Credit data shows where repayment pressure is appearing. Spending data illustrates how households are adjusting their day-to-day choices, while consumer research shows how people describe their circumstances and outlook. Viewed together, these sources help lenders and other consumer-facing organisations understand where pressure is emerging and how different households are responding.



One market, complementary lenses



Market conditions

Property activity and independent market context.



Financial outcomes

Repayment performance, hardship indicators and modelled credit risk.



Household behaviour

Essential and discretionary spending patterns.



Household experience

Reported pressure, financial buffers and expectations.



Wider business context

Trading activity and late payment indicators.

Mortgage pressure is rising, but not universally

Of the Australians surveyed, 57.3% said their rent or mortgage payments had increased over the past 12 months, but that increase wasn't spread evenly. Instead, it's concentrating in specific places and stages of life.

In June 2026, 1.8% of home loan accounts were showing some repayment strain (i.e. either from repayments being made at least 30 days late or from consumers requesting a payment arrangement or loan variation from their lender). This represented a 7.3% rise in home loans under strain over the first half of 2026.

The incidence of home loan accounts under strain in regional Australia was 10.5% above the national average, whereas capital cities were 3.5% below it. Victoria stands out most, with Greater Melbourne running at 20.9% above the national average and regional Victoria at 26.4% above.

The incidence of home loan accounts under strain for borrowers aged 45 to 54 sat at 13.6% above the national average in June, while the largest deterioration over the first half of the year came from borrowers aged 35 to 44, up 11.8%, suggesting that housing pressure was not just a 'young person's problem'. Furthermore, Experian's consumer research found that 34.5% of respondents named a change in interest rates as the main reason for a higher repayment obligation, rising to 47.5% among 35–44-year-olds and 45.5% among 45–54-year-olds.

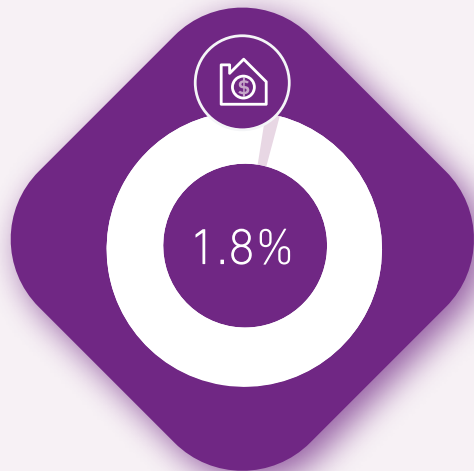
Experian's consumer research also revealed that younger households felt the highest mortgage pressure with 73.5% of 18–24-year-olds and 72.3% of 25–34-year-olds saying their repayments placed a fair amount or great deal of pressure on their finances, compared with 20.6% of those aged 75 and over.

By state, pressure was reported by more than half of the respondents in NSW (58.4%), WA (56.6%), and Victoria (56.5%). Property values in these states are moving in different directions. Cotality data¹ shows Sydney and Melbourne sitting below their early-2026 peaks, while Perth remains one of the few markets still recording growth, reminding us that reported pressure and property prices don't necessarily move together.

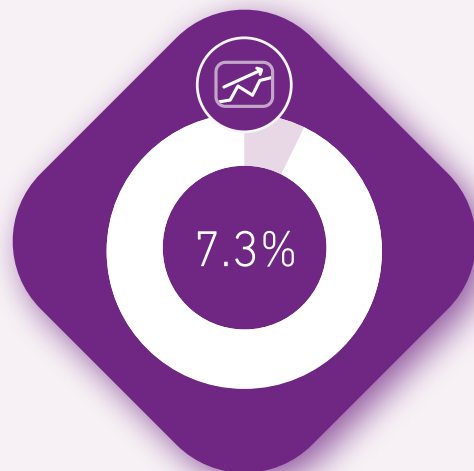
¹ Cotality Home Value Index (August 2026)



Home loan accounts under strain nationally



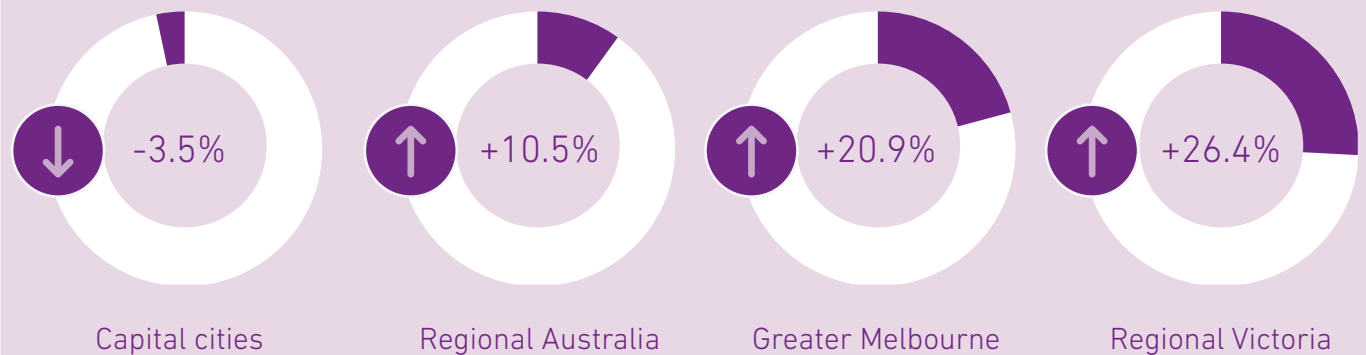
of home loan accounts under strain in June 2026



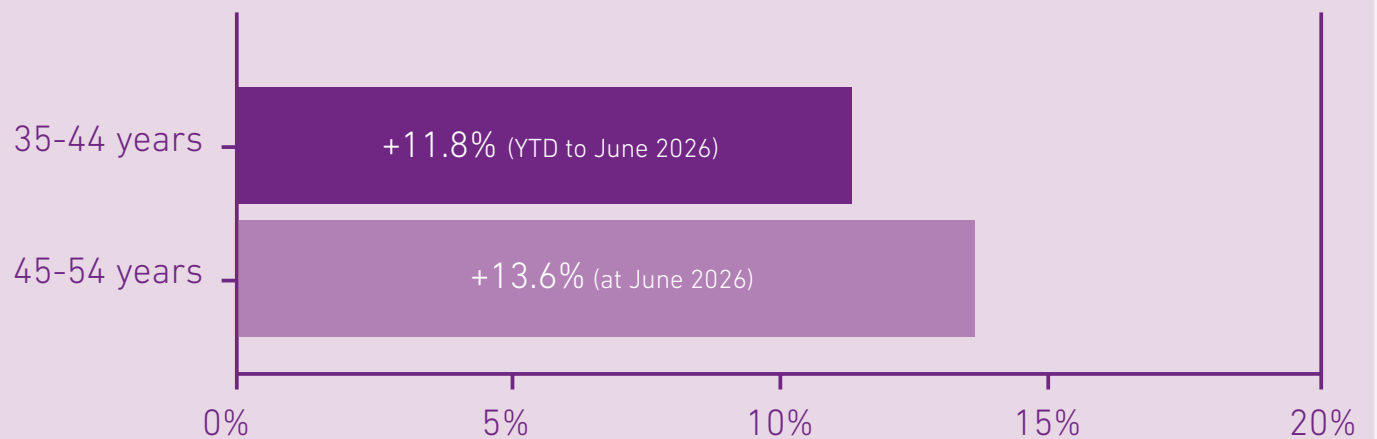
increase in home loan accounts under strain over H1 2026

Home loan accounts under strain vs the national average - By geography

At June 2026



Home loan accounts under strain vs the national average - By age group



Mid-life borrowers showed the strongest deterioration

The household trade-offs and financial buffers behind housing pressure

Average household spending by home buyers rose 2.2% year-on-year in the June quarter, against 10.4% among renters. It's important to highlight that this doesn't mean renters are better off.

On average, grocery and health spending both rose faster among renters than home buyers, while the situation with regard to discretionary spending was even more extreme i.e. clothing and entertainment spending falling among home buyers while continuing to rise among renters. However, the spending behaviour of households that used credit told a significantly different story. When credit was used, in part, for spending, home buyers were more likely to increase their spend while renters were somewhat more likely to decrease their spend. This variation reinforces that tenure alone may not explain household spending behaviour. There may be indications of other contributing factors such as level of income, use of existing debt, the household composition and degree of access to additional credit for example.

In the Experian consumer survey responses, we found that groceries (55.4%) and electricity, gas or water (45.8%) are cited by respondents as placing more pressure on household finances than rent or mortgage repayments themselves (45.4%). These responses suggest that reported cost-of-living pressure extends beyond housing costs alone. Regardless of which cost respondents identified as placing the greatest pressure on their finances, the categories impacted the most were dining or takeaway (43.0% of respondents saying this was reduced) and grocery spending (32.2%), followed by reduced clothing or household purchases (24.8%). A smaller share (18.7%) said that they had delayed healthcare or dental care.

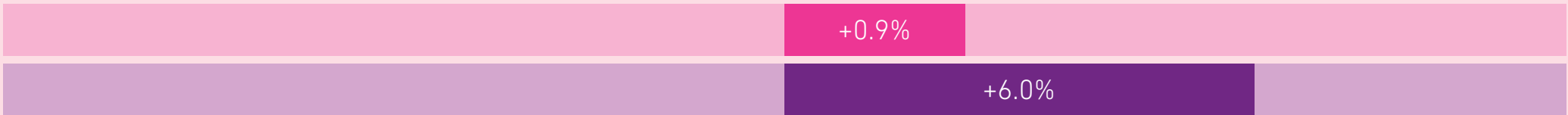
Beyond spending, 20.9% of Australians surveyed said they regularly or sometimes need to draw on savings or credit to get through a typical month, and 25.3% said they would most likely use a credit card, Buy Now Pay Later (BNPL), personal loan or other finance to cover an unexpected \$2,000 expense, rather than draw on savings. Of the Australians surveyed, 42.4% aren't confident they could absorb a further 10.0% repayment rise without cutting essentials or borrowing more. These findings identify limited financial buffers among some respondents. Future pressure will depend on factors including essential costs, borrowing costs and changes in household circumstances.



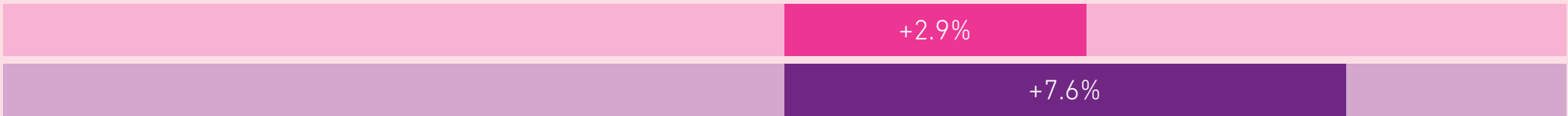
Year-on-year change in household spend among non-credit consumers

Home buyers Renters

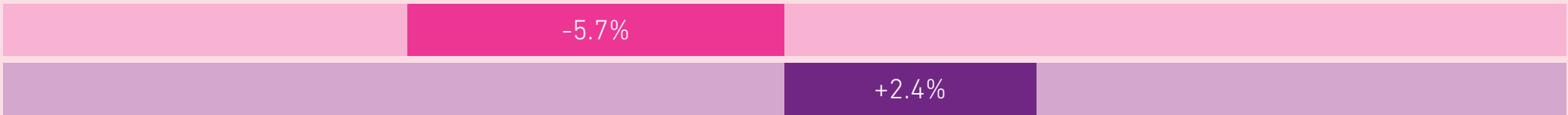
Groceries



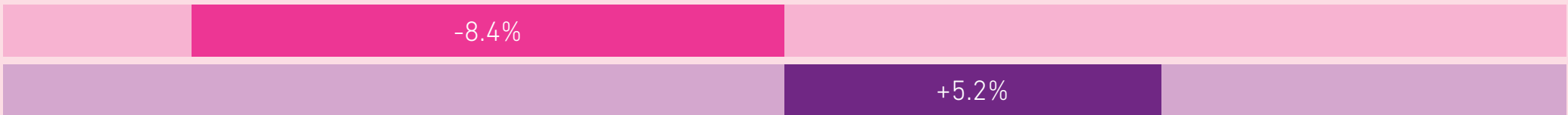
Health practitioners



Clothing



Entertainment



Non-credit consumers are those who don't use credit for household expenditure.

The profile of new lending is changing

New borrowers typically carry a higher predicted default risk than their more seasoned peers. This observation is supported by Experian's credit bureau data for the June quarter, which shows that their risk is 35.0% higher than the average home loan borrower's risk.

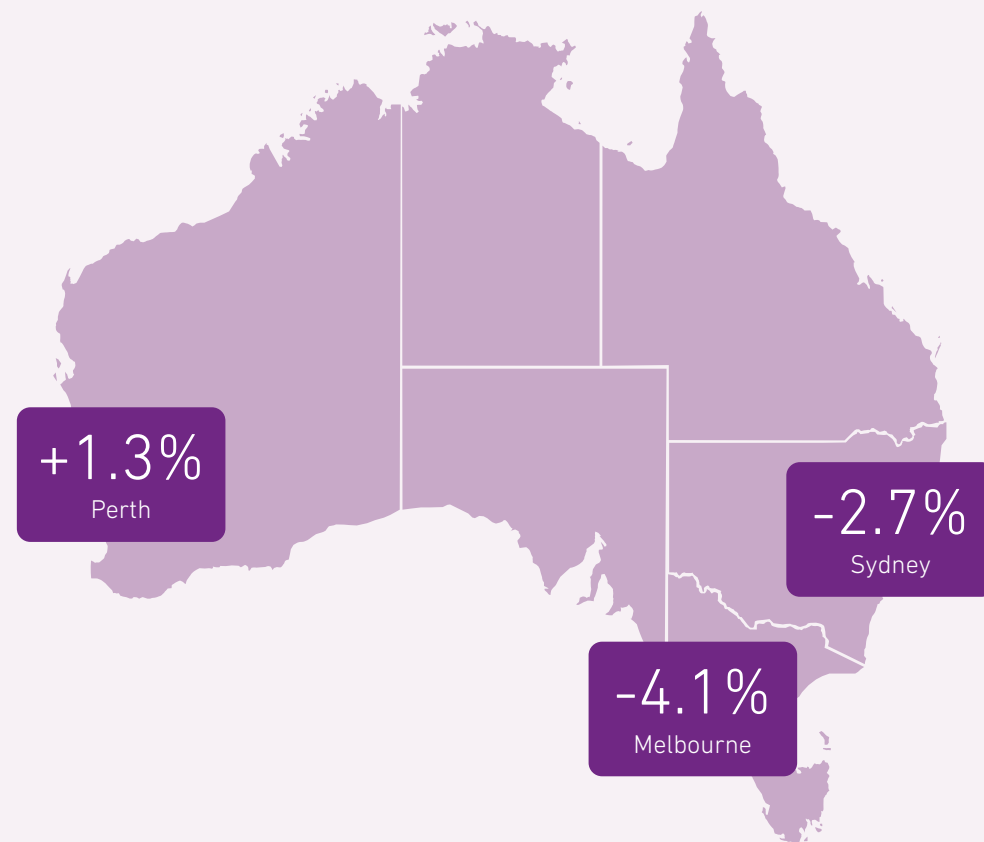
However, the data also shows that this 'new home loan borrower' risk may be easing when compared to past years. To illustrate, the Experian credit bureau data shows that the predicted default risk of newly opened home loans in the June 2026 quarter is 12.9% lower than that of new housing loans opened 12 months earlier. This points to a change in the risk profile of new lending compared with a year earlier. A range of factors may be contributing to this shift, including changes in lending policy and serviceability requirements borrowers need to meet.

Similarly, we also observed that the average 'new loan amount' borrowed fell by 1.7% in the June quarter as compared with the March quarter. This fall in home loan values may also be due to a higher loan serviceability hurdle needing to be met, as higher interest rates reduce the amount that can be borrowed by consumers. New loan values fell most in Greater Melbourne, down 4.1%, followed by Greater Sydney, down 2.7%, while Perth moved against the trend, with average new loan exposure rising 1.3%.

While we can't say conclusively, higher serviceability requirements may mean that consumers need to offer larger deposits, or may need to purchase homes of lower value. In both cases, the expectation would be that borrowings on home purchases would fall and it is this effect that we may be seeing in the current housing market.

Together, these findings are consistent with a more selective lending environment that may be leading to a change in home loan borrower behaviour.

Average new home loan value change



Predicted default risk



12.9% lower

Predicted default risk of newly opened home loans in the June 2026 quarter compared to 12 months earlier

Predicted default risk is a modelled estimate based on historical data and is not a guarantee of future outcomes.

Home loan openings slowed

Experian's credit bureau data shows that home loan demand may be falling when compared to previous years, down 10.5% year-on-year and 12.9% month-on-month in July 2026. This fall appears to be occurring at a time when the market typically prepares for an uptick in buyer activity, i.e. as the market moves into the spring selling season. Whether that seasonal lift shows up in the months ahead, or alternatively, whether home loan affordability dampens this demand will need to be monitored in order to gauge the medium-term outlook for the housing sector.

New home loans, where the borrower repays both loan principal and interest fell 13.5% year-on-year, while new interest-only openings were 1.6% higher over the same period but 17.3% lower month-on-month in July. These movements show differing patterns across repayment types, with principal-and-interest openings lower than a year earlier and interest-only openings falling more sharply in the latest month.

To help provide additional context on home loan demand, Experian's consumer research showed that among people who were asked about their home-buying plans, 18.5% said they had delayed when they planned to buy, 11.4% had reduced their price range, and 8.4% had stopped planning to buy altogether. Among those asked about their current buying plans, 31.9% said they had no plans to buy a home to live in, in the foreseeable future.

As further support of these observations, independently sourced data on real estate listings showed that the number of properties for sale was rising even as sales volumes fell year-on-year (i.e. this is taken from Cotality's Housing Chart Pack²). That combination is consistent with softer buyer activity during the period, rather than suggesting that limited property stock availability was the primary constraint.

² Cotality Housing Chart Pack – August 2026



New home loan openings

July 2026



-10.5%

year-on-year



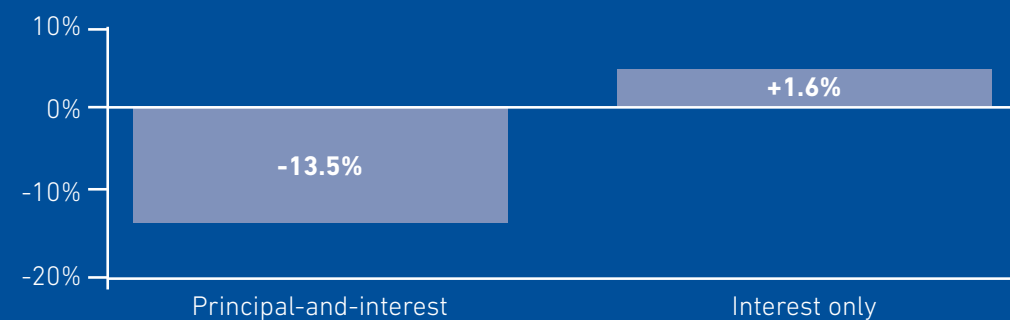
-12.9%

month-on-month



New home loan openings by type

Year-on-year change (July 2026)



How Australians said they changed their home buying plans



31.9% of Australians surveyed said they have no plans to buy a home to live in, in the foreseeable future

Housing pressure is part of a wider business picture

Analysing Experian's commercial trading data, which tracks business trading growth and invoice payment behaviour, we found that several consumer-facing industries examined were experiencing tougher trading conditions by June 2026.

In the hospitality sector trading by pubs and bars shrank 1.5% in real terms over the year to June 2026, while in the entertainment sector, trading by cinemas fell 2.4%. Cafes, restaurants and takeaway food sectors managed only 0.5% real trading growth. Furthermore, cafes, restaurants and takeaway businesses paid invoices slower than other sectors, recording an average of 18.6 days overdue as at June 2026.

The retail sector showed a similar pattern of growth and trading stress. For example, trading in the clothing, footwear and accessories retailing sectors fell 3.4% in real terms, the steepest decline among retail categories, while trading in the department store sectors fell 0.5%. Supermarkets and grocery stores grew at just 0.5%. This occurred alongside the household grocery-spending patterns described earlier in the report. Supermarkets and department stores also paid invoices later than most other sectors on average, at 16.7 and 16.6 days respectively.

Construction and property also showed more muted trading conditions. Trading in the water supply, sewerage and drainage sectors fell 5.3% in real terms, the steepest decline of any business related to construction, while trading in land development and site preparation businesses fell 3.4%. Similarly, business trading in the building installation sector fell 2.4%, and hardware, building and garden supplies retailing fell 1.5%.

Real trading growth grew modestly for residential building construction (1.5%), property operators (2.4%) and architectural, engineering and technical services (2.4%). In terms of business cash flow risk, building installation and land development businesses paid invoices later than many other sectors, at 16.3 and 14.7 days respectively.

These longer payment times may be an indicator of cash flow pressure in parts of the construction sector, although they should be considered alongside other sector conditions.

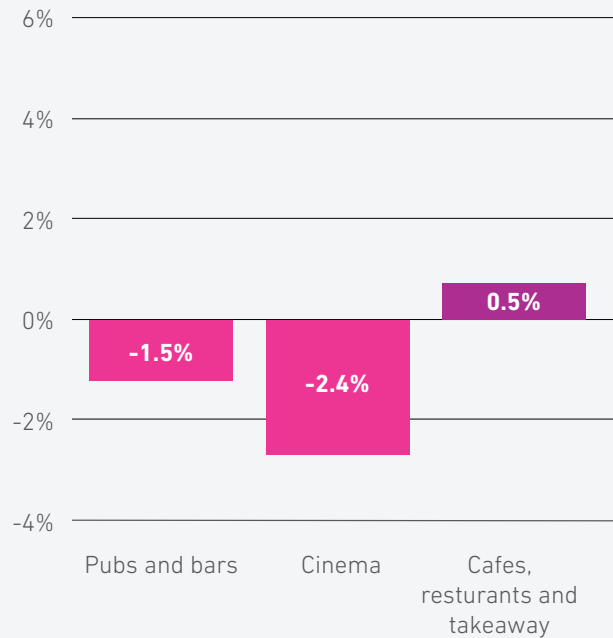
These industries are shaped by more than household spending. Interest rates, input costs and broader economic conditions all play a role alongside the consumer pressure seen elsewhere in this report, together pointing to a wider pattern of economic strain extending beyond the household.



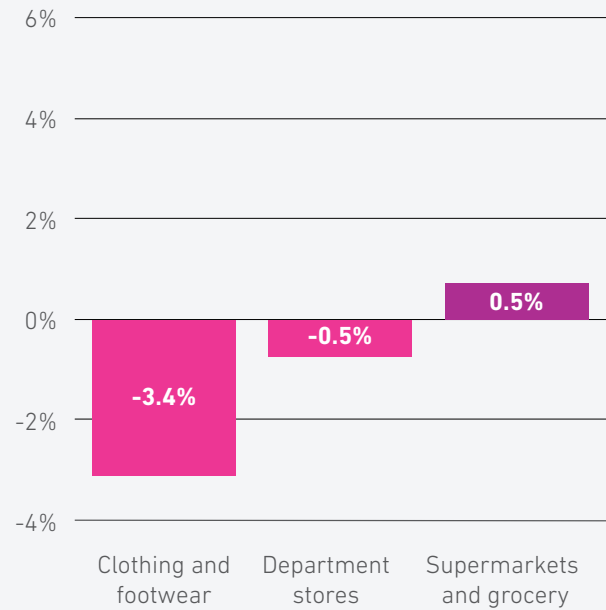
Real trading growth

Benchmarked against CPI (~3.5%) over the year to June 2026

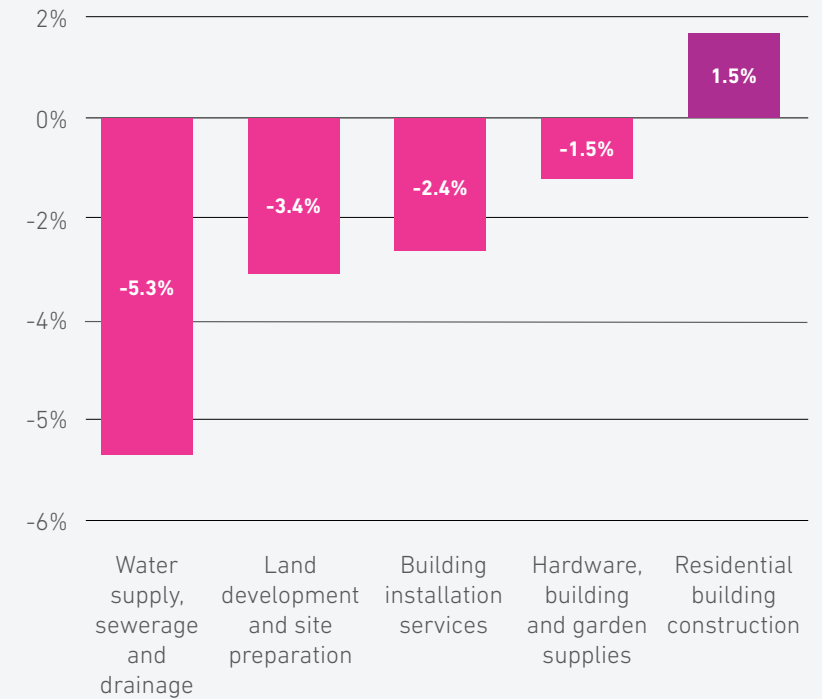
Hospitality and discretionary



Retail and household goods



Residential construction and property



Invoice payment delays

Average days overdue at June 2026



Building installation services

16.3 days



Residential building construction

14.2 days



Building completion services

14.0 days



Land development

14.7 days



Waste treatment, disposal and remediation services

14.0 days



Structural metal product manufacturing

13.8 days

Real trading growth over the year to June 2026. Sector outcomes should be considered alongside other economic conditions

Key considerations for lenders and consumer-facing organisations

Housing pressure isn't affecting every customer in the same way, and changes in financial circumstances may not be fully visible through an organisation's own portfolio data or a single point-in-time measure. Experian can help lenders and other consumer-facing organisations combine broader credit insight, data, analytics and decisioning technology to understand changing circumstances and translate that insight into action.



Look beyond portfolio averages

Internal portfolio data provides an important view of how customers are managing their commitments with one organisation. Experian's **consumer bureau**, **commercial bureau** and **transaction** data and insights can complement that view with information about broader credit commitments, repayment and spend behaviour to help organisations analyse where pressure is concentrated and whether apparently stable portfolio averages are concealing material variation.

Through the **Experian Ascend Platform**, organisations can bring data, analytics, models and decisioning together within a unified environment which can help risk and customer teams move from identifying changes in portfolio performance to applying that insight across the customer lifecycle.



Recognise changing circumstances earlier and make more informed decisions

Repayment performance, hardship events and behavioural indicators can each provide a different signal of changing financial circumstances.

Experian PowerCurve can help organisations combine data and analytics to design, test, deploy and refine decision strategies across the customer lifecycle. Open banking data can further add to the view of income, expenditure and financial commitments. Used alongside credit information and an organisation's own data, this additional information may support an organisation's assessment of affordability and changing circumstances, including where a customer has limited traditional credit history.



Provide more relevant support when customers need it

Recognising changing circumstances is only useful if organisations can respond appropriately.

Experian PowerCurve Collections can help organisations manage hardship applications through digital self-service, agent workflows and two-way messaging. This can help organisations provide digital and agent-assisted pathways for customers experiencing financial difficulty.

For customers entering collections, PowerCurve Collections uses data and analytics to support more personalised collections strategies, including decisions about contact timing and communication channels, including extending that approach through multi-channel communications, helping organisations engage customers in ways that reflect their circumstances and communication preferences.

Outlook: The next phase of housing pressure

Existing borrowers already carrying higher repayment burdens, and aspiring buyers who have delayed or paused their plans, are two groups this report has already highlighted, and both are worth continued attention as conditions evolve.

Considering groups that may be affected by stress in the future, near-prime mortgage holders saw their predicted default risk over the next 12 months increase by 10.6% more than that of prime mortgage holders during the June quarter. In addition, people living in several outer-suburban and regional mortgage belt regions also showed a rise in their predicted risk over the next year. This was apparent among some more mature borrower groups, and some lower-income renter segments also showed early signs of increasing predicted credit risk.

Greater Melbourne, regional Victoria and Perth each show housing stress indicators that may warrant monitoring into 2027, with Victoria impacted by a subdued economy while Experian's earlier **Spend Index Report** also identified rising essential costs in Perth.

Consumer sentiment provides a separate indication of concern about the year ahead with 30.8% of households expecting their ability to manage housing costs to worsen over the next 12 months (against only 18.7% that expect improvement), mainly due to expectations around changes in essential costs. As for life stage, household stress is not a young person's problem, with 35–44 year olds and 45–54 year olds being the most pessimistic about the year ahead: 35.4% and 36.4% expect things to worsen, compared with 16.8–17.9% of those under 35.

With a volatile economy, even these indicators are subject to change. They are signals to reassess as new data becomes available, particularly among the cohorts and locations that are already showing elevated or rising stress.

Predicted default risk is a modelled estimate based on historical data and is not a guarantee of future outcomes.

Signals to monitor



Near-prime borrowers

Predicted default risk over the next 12 months:

10.6% ↑

higher vs prime borrowers during the June quarter



Regional areas

Predicted default risk over the next 12 months:

4.4% ↑

higher for mortgage belt regions

5.3%-7.1% ↑

higher for outer suburban fringe or sea / tree change regions



Mature borrower groups

Mature borrower groups
Predicted default risk over the next 12 months

3.6% ↑

higher for mid-life couples and families in outer suburban homes with high incomes

7.1% ↑

higher for middle-aged families in inner regional areas



Younger renters

Predicted default risk over the next 12 months:

3.2% ↑

higher for young renters in outer suburban apartments

4.9% ↑

higher for young students renting close to universities



Locations to watch

Locations with housing stress indicators to monitor into 2027

- Greater Melbourne
- Regional Victoria
- Perth

Methodology and resources

Consumer research methodology

Consumer sentiment findings are based on a survey conducted by PureProfile between 14 and 17 September 2026 among Australian consumers. The survey included 1,010 Australian responses. The research explored housing situation and tenure, rent and mortgage repayment pressure, home-buying plans and barriers, financial confidence, and outlook for the year ahead.

Experian consumer spending insights

Experian's spend insights are based on aggregated and de-identified transaction data from its consumer spending database. Analysis includes spending behaviour across household categories, borrower cohorts and geographic regions.

Experian consumer credit insights

Experian consumer credit insights are based on aggregated and de-identified consumer credit data observed over the two years to June 2026, drawn from Experian's consumer bureau, covering 94.0% of the active credit population in Australia. Analysis includes credit repayment behaviour and hardship events, new lending activity across household categories, borrower cohorts and geographic regions.

Experian commercial insights

Commercial observations referenced throughout the report draw from Experian's commercial bureau, which holds data on the business demographics and commercial trading activity of Australian businesses, including indicators of late-payment behaviour, business trading growth and sector-level financial stress.

Definitions and notes

"Under strain" refers to home loan accounts that are 30-plus days delinquent, subject to a current hardship arrangement, or subject to a loan variation during 2026. Metro and regional classifications are based on consumer location data. Metro refers to capital cities, Regional refers to regional cities and rural areas. Age bands used in this report are 18–24, 25–34, 35–44, 45–54, 55–64, 65–74 and 75+. Age findings from the consumer research used in this report are based on the following sample sizes: 18–24 (n=113), 25–34 (n=173), 35–44 (n=181), 45–54 (n=165), 55–64 (n=154), 65–74 (n=156), 75+ (n=68). State findings from the consumer research used in this report (Western Australia, New South Wales and Victoria) are based on sample sizes of n=106, n=320 and n=262 respectively. The full state sample from the consumer research is as follows: New South Wales (n=320), Victoria (n=262), Queensland (n=203), Western Australia (n=106), South Australia (n=73), Australian Capital Territory (n=23), Tasmania (n=16) and the Northern Territory (n=7). The Northern Territory sample from the consumer research is too small to report reliably and has been excluded from all state-level commentary in this report; figures from the consumer research for the Australian Capital Territory and Tasmania should be treated as indicative only. Model outputs for the period indicated increases in predicted default risk for certain analysed cohorts. These are aggregate modelled estimates and may change as the new data becomes available. Independent market data is drawn from Cotality's Home Value Index (August 2026) and Housing Chart Pack (August 2026).



About Experian

Experian is a global data and technology company, powering opportunities for people and businesses around the world. We help to redefine lending practices, uncover and prevent fraud, simplify healthcare, deliver digital marketing solutions, and gain deeper insights into the automotive market, all using our unique combination of data, analytics and software. We also assist millions of people to realise their financial goals and help them to save time and money.

We operate across a range of markets, from financial services to healthcare, automotive, agrifinance, insurance, and many more industry segments.

We invest in talented people and new advanced technologies to unlock the power of data and to innovate. A FTSE 100 Index company listed on the London Stock Exchange (EXPN), we have a team of 25,100 people across 33 countries. Our corporate headquarters are in Dublin, Ireland. Learn more at experianplc.com.



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