



MEDIA RELEASE

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2018

14th ANNUAL DEMOGRAPHIA INTERNATIONAL HOUSING AFFORDABILITY SURVEY

<http://demographia.com/dhi.pdf>

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HOW DOES YOUR CITY RATE ?

293 URBAN MARKETS
OF
AUSTRALIA * CANADA
HONG KONG-CHINA * IRELAND
JAPAN * NEW ZEALAND
SINGAPORE * UNITED KINGDOM
UNITED STATES

The 2018 14th Annual Edition ...

The 14th Annual Demographia International Housing Affordability Survey covers 293 metropolitan housing markets (metropolitan areas) in nine countries (Australia, Canada, China, Ireland, Japan, New Zealand, Singapore, the United Kingdom and the United States) for the third quarter of 2017.

A total of 92 major metropolitan markets (housing markets) --- with more than 1,000,000 population -- are included, including five megacities, which are defined as having more than 10,000,000 residents (Tokyo-Yokohama, New York, Osaka-Kobe-Kyoto, Los Angeles, and London).

Middle-Income Housing Affordability

The Demographia International Housing Affordability Survey rates middle-income housing affordability using the "Median Multiple," which is the median house price divided by the median household income.

The Median Multiple is widely used for evaluating urban markets, and has been recommended by the World Bank and the United Nations and is used by the Joint Center for Housing Studies, Harvard University. The Median Multiple and other price-to-income multiples (housing affordability multiples) are used to compare housing affordability between markets by the Organization for Economic Cooperation and Development, the International Monetary Fund, *The Economist*, and other organizations.

Historically, liberally regulated markets have exhibited median house prices that are three times or less that of median household incomes, for a Median Multiple of 3.0 or less.

Housing Affordability in 2017

There are 10 affordable major housing markets, all in the United States. There are 28 severely unaffordable major housing markets, including all in Australia (5), New Zealand (1) and China (1). Thirteen of the major markets in the United States are severely unaffordable (out of 54), six in the United Kingdom (out of 21 major markets) and two out of Canada's six.

The most affordable major housing markets are in the United States, with a moderately unaffordable Median Multiple of 3.8, followed by Japan (4.2), Canada and the United Kingdom (4.3), Singapore and Ireland both have Median Multiples of 4.8.

Overall, the major housing markets of Australia (6.6), New Zealand (8.8) and China (19.4) are severely unaffordable.

There are 10 affordable major housing markets, all in the United States. Rochester is the most affordable, with a Median Multiple of 2.5, followed by Cincinnati and Cleveland (2.7), Oklahoma City, Pittsburgh and Buffalo (2.8), St. Louis and Detroit (2.9) as well as Indianapolis and Grand Rapids (3.0).

There are 26 severely unaffordable major housing markets in 2017. Again, Hong Kong is the least affordable, with a Median Multiple of 19.4 up from 18.1 last year.

Sydney is again second, at 12.9. Vancouver is third least affordable, at 12.6, followed by San Jose, with a Median Multiple of 10.3 and Melbourne, with a Median Multiple of 9.9. The least affordable 10 also includes Los Angeles (9.4), Honolulu (9.2), San Francisco (9.1), Auckland (8.8) and London (8.5).

London School of Economics Professors test the [median multiple measure](#) ...

The Introduction to this year's *Survey 'Measuring Affordability: Alternative Perspectives'* is contributed by Felipe Carozzi, Paul Cheshire & Christian Hilber of the London School of Economics .

This Introduction is a summation of massive research work by the LSE team, exploring if the broad based Median Multiple measure is robust when tested against the following ...

1. Replication
2. Housing Markets
3. Does adjusting for the size of houses make a difference ?

4. Affordability for the poor compared to the rich
5. Affordability before or after tax

New Zealand global leader restoring housing affordability ...

The co-authors of this *Survey*, Wendell Cox and Hugh Pavletich, have short commentaries within the Introduction section.

Within his commentary, Wendell Cox outlines that the principal reason for concern about housing affordability, is its impact on the cost of living and therefore the standard of living.

New Zealander Hugh Pavletich briefly outlines the massive evolutionary political progress underway in his country, since the time of the release of the [2005 1st Annual Demographia International Housing Affordability Survey](#) (full schedule accessible via www.PerformanceUrbanPlanning.org).

Housing has been a major issue these past 4 elections.

A Labour-led government won the recent late 2017 election, with a [comprehensive housing policy](#) ... that includes ...

‘Remove barriers that are stopping Auckland growing up and out

Labour will remove the Auckland urban growth boundary and free up density controls. This will give Auckland more options to grow, as well as stopping landbankers profiteering and holding up development. New developments, both in Auckland and the rest of New Zealand, will be funded through innovative infrastructure bonds.’

Labour has a proud tradition as the ‘Party of Reform’ in New Zealand.

www.demographia.com

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