

Sydney the least lifestyle-friendly capital city

- Sky-high mortgage repayments leave Sydneysiders with least potential disposable income
- Top incomes deliver highest potential savings to Perth and Territory capital residents

Tuesday 12 April 2016: Sydney has come dead last in a Mozo.com.au ranking of the most lifestyle-friendly capital cities, with massive mortgage repayments draining incomes that just scrape above the national average.

The financial comparison site deducted the main household expenses from average incomes across the country and found that Perth and the Territory capitals were the most lifestyle-friendly capitals with up to \$82,000 in potential cash to splash.

“Sydneysiders are doing it tough with nearly \$50,000 in average mortgage repayments annually, compared with Hobart which has the lowest repayments at just \$16,284 per year,” says Mozo Director Kirsty Lamont.

“Meeting these monster mortgage repayments doesn’t leave much money for other financial priorities like super contributions, stashing cash in an emergency fund or insurance, much less lifestyle luxuries like new cars or an overseas holiday.”

The analysis revealed that after expenses such as mortgage repayments, groceries, utility bills, vehicle costs and insurance, the average Sydney household would have less than \$40,000, well below the national average of \$53,546.

“While we considered a range of expenses, the rankings really came down to income and mortgage repayments, with massive disparities across the nation likely to translate into how much money households have left to enjoy their downtime,” says Lamont.

“Our analysis shows the top priority for households struggling to stay afloat should be minimising mortgage repayments by shopping around. Refinancing from the average variable rate to the best fixed rate could save around \$5,000 over three years on a \$300,000 loan.”

Australia’s most lifestyle friendly capital cities

Ranking	City	Income	Mortgage repayments	Other major expenses	Potential savings
1	Perth	\$133,224	\$30,228	\$20,840	\$82,156
2	Canberra	\$131,924	\$30,792	\$23,184	\$77,948
3	Darwin	\$127,140	\$32,688	\$22,887	\$71,565
4	Brisbane	\$102,700	\$24,528	\$20,318	\$57,854
5	Melbourne	\$101,608	\$33,372	\$20,584	\$47,652

6	Adelaide	\$87,256	\$23,952	\$19,462	\$43,842
7	Hobart	\$79,404	\$16,284	\$19,439	\$43,681
8	Sydney	\$111,280	\$49,992	\$21,385	\$39,903
National average		\$109,339	\$35,064	\$20,729	\$53,546

Source: Mozo.com.au

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Notes:

Mozo analysed ABS data for average annual household income and factored in typical household expenses over one year, such as mortgage repayments, energy, vehicle registration and insurance, accident and health insurance, food and non-alcoholic beverages and fuel, using data from the ABS Household Income and Wealth Australia 2013-14, ABS Household Expenditure Survey 2009-10, Domain House Price Report June Quarter 2015 and the Mozo database. The savings are comparative only and do not include all expenses.

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