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BETTING ON THE HOUSE: FOUR CORNERS

Betting on the house: Australia's real estate obsession driving us to the brink

Airs Monday 21st August 2017

"I think it's a powder keg." Investment consultant

The statistics are startling. Australians are carrying more personal debt than ever before. For every one dollar earned, on average, Australians have nearly two dollars of debt. We hold the dubious position of having the second highest level of household debt in the world. Much of this stems from our obsession with buying real estate.

"Housing has never been rational. In Australia, it's probably more akin to a religion or a cult so it's all about faith. You're either a believer in property or you're not." Former banker

On Monday, *Four Corners* investigates the forces driving our debt fuelled housing boom and the risks it poses for the nation.

"I've been studying the market here for a good number of years and I have never seen this perfect storm of issues coming together." Financial analyst

The program draws together key experts to map the danger zones in the housing market and will reveal the Australian suburbs currently experiencing the highest levels of mortgage stress.

"It's the nightmare that you live with all the time. You wake up in the morning and you think, 'How much longer will we be living here?' Constantly." Mortgage holder

Experts are warning that a wave of home owners and property investors will be unable to cope if there's an increase in interest rates or a change in their personal circumstances.

"You're effectively toast if you lose your job or the main breadwinner does. That's the point of fragility that we're at now." Investment consultant

Regulators have been tightening the screws on lending requirements but there are concerns it's too little too late.

"All bubbles really depend on loose credit, that's one of the things that's really fuelled the Australian housing market. Anyone with a pulse could essentially get a mortgage." Economist and investment fund adviser

The program investigates the lending practices that have driven the boom in residential lending, and asks, 10 years on from the global financial crisis, if the banks are prepared for a potential crash landing.

“If there's a shock to the economy, that potentially leads to a rise in sensitivity to the banking sector. The banks could in fact experience higher losses because households are more indebted.” Ratings agency analyst

Betting on the house, reported by Michael Brissenden and presented by Sarah Ferguson, goes to air on Monday 21st August at 8.30pm. It is replayed on Tuesday 22nd August at 10.00am and Wednesday 23rd at 11pm. It can also be seen on ABC NEWS channel on Saturday at 8.10pm AEST, [ABC iview](#) and at abc.net.au/4corners.