

RESEARCH BRIEF: Mortgage stress in Victoria, 2026

Prepared: 17 July 2026 | **For:** 1,250-word newspaper feature **Central question:** How serious is mortgage stress in Victoria, where is it concentrated, and which households are most exposed?

How figures are labelled throughout:

- **[OFFICIAL]** — ABS, RBA, APRA, ASIC, AFSA, Victorian Government, Housing Australia
- **[PRIVATE]** — Cotality/CoreLogic, Roy Morgan, S&P Global, Moody's, Equifax, DFA/OurTop10, Finder
- **[NEWS-REPORTED]** — figure from official/private data but obtained via news coverage; original document paywalled or un retrievable
- **[CALCULATED]** — computed for this brief from cited inputs; assumptions stated

All claims below were checked against primary sources where possible; 21 core claims passed a three-way adversarial verification pass. Known conflicts and gaps are in Section 10.

1. OVERVIEW: THE STRONGEST FINDINGS

The story is a turning point, not a steady state. Through 2025, every official indicator of mortgage distress was easing: the RBA's March 2026 Financial Stability Review (data to December 2025) found only a little over 1% of variable-rate owner-occupier borrowers with expenses exceeding income, 90+ day arrears back to around pre-pandemic levels, and formal hardship arrangements likewise **[OFFICIAL]**. Then the RBA raised the cash rate three times — February, March and May 2026, to 4.35% — with inflation at 4.6%, and the private high-frequency data turned sharply. Roy Morgan's May 2026 reading: 29.0% of Australian mortgage holders "At Risk" (1,538,000 households), rising four months in a row, with 20.4% "Extremely At Risk" against a 20-year average of 16.4% **[PRIVATE]**. Every official dataset in this brief pre-dates the 2026 hikes; every post-hike dataset is private. That gap is itself a finding worth stating in the piece.

Victoria is the stressed state. Victoria lodged more home-loan hardship notices than any other state — 134,204 in the 18 months to June 2025, ahead of NSW's 122,561 — inside a 58% national surge (ASIC REP 815) **[OFFICIAL]**. Victoria has run the highest mortgage arrears rate of any state on S&P Global RMBS data (1.07% vs 0.90% national at Q3 2024; 0.96–0.97% vs 0.89% at mid-2025) **[PRIVATE]**. Roy Morgan puts 27.2% of Victorian mortgage holders At Risk (Oct–Dec 2025), second only to Tasmania and above the 24.5% national figure, and projected ~29.9% once the 2026 hikes flowed through **[PRIVATE]**. Victorian unemployment (4.9%, May 2026) runs half a point above the national 4.4% **[OFFICIAL]**.

The geography is remarkably consistent. Whether measured by S&P arrears postcodes, Moody's delinquency regions, DFA stress mapping or Mortgage Stress Victoria's own client base, the pressure concentrates in Melbourne's three growth corridors: the west (Point Cook, Werribee, Hoppers Crossing, Tarneit, Melton), the north (Craigieburn) and the south-east (Narre Warren, Cranbourne, Pakenham). Melbourne has supplied six of the ten worst arrears postcodes in the nation for 18 consecutive months **[NEWS-REPORTED, S&P data]**. These same corridors carry Melbourne's highest unemployment: Melbourne–South East SA4 6.3%, Melbourne–West 6.2%, Melbourne–North West 5.9% (May 2026) **[OFFICIAL]**.

The most surprising verified findings:

1. **Overcommitment, not job loss, is the top stated cause of hardship.** ASIC found "overcommitment" was the largest reason for home-loan hardship notices (99,852 cases), ahead of reduced income (77,583) **[OFFICIAL]**.
2. **Victoria is under-represented in formal insolvency** — 20.5% of national personal insolvencies in 2024–25 against 25.6% of population **[OFFICIAL]**. Enormous hardship demand is not (yet) converting into bankruptcies. That tension is a genuine analytical point, not a data error.
3. **Stress is climbing the income ladder.** DFA/OurTop10 Q1 2026 mapping shows severe mortgage stress rising 1,024% year-on-year in Carnegie/Glen Huntly/Murrumbidgee, 234% in Hawthorn and 126% in a quarter in Balwyn North — blue-chip Melbourne, not the fringe **[PRIVATE, modelled]**.
4. **First home buyers are the canary.** Victoria has the equal-worst first-home-buyer 30-day arrears of any state (0.89%, with WA; vs 0.3–0.5% for other borrowers), FHB 90-day arrears run near double other borrowers, and FHB delinquencies hit a seven-month high in mid-2026 (Equifax) **[PRIVATE/NEWS-REPORTED]**.
5. **Mortgage stress is the No. 1 issue on Victoria's National Debt Helpline** — 1,572 calls in 2024–25, ahead of credit cards, tax debt and energy bills (Consumer Action Law Centre impact report) — in the helpline's biggest national year since 2018–19 (168,000+ contacts) **[SECTOR REPORTS]**.

2. TIMELINE / CONTEXT (for the writer's own orientation)

- **2022–23:** Cash rate rises from 0.1% to 4.35%; Melbourne prices fall from March 2022 peak.
- **2025:** Three RBA cuts; arrears, hardship and stress all ease. Roy Morgan stress hits a three-year low around Dec 2025–Jan 2026 (national At Risk 24.5%).
- **1 Oct 2025:** Federal 5% deposit First Home Guarantee expansion — unlimited places, no income caps, Melbourne/Geelong price cap lifted to \$950,000 **[OFFICIAL, Housing Australia]**. 21,000+ FHBs use it in the first ~11 weeks nationally **[OFFICIAL via Treasury/news]**.
- **Feb, Mar, May 2026:** Three RBA hikes of 25bp each, back to 4.35%; inflation 4.6% y/y (March qtr). Federal budget changes to negative gearing/CGT weigh on investor demand **[NEWS-REPORTED]**.
- **Q2 2026:** Melbourne dwelling values fall 2.6% in the quarter (June HVI); Morgan Stanley flags potential ~10% national price decline, "sharpest in at least 40 years" **[PRIVATE]**.
- **Roy Morgan models** a possible further hike to 4.60% in August 2026.

3. MOST AFFECTED VICTORIAN LOCATIONS

Method note (important): No single official dataset ranks Victorian suburbs by current mortgage stress. The locations below are selected because they recur across *independent* datasets: S&P postcode arrears, Moody's regional delinquencies, DFA/OurTop10 stress mapping, Equifax FHB arrears geography and Mortgage Stress Victoria's client base. Census incomes/repayments are August 2021 (the most recent Census) and must be dated in print. Current suburb medians are CoreLogic 12-month rolling figures via suburb profiles (end-dates Jan-Apr 2026) — they lag the citywide falls now underway. Insolvency is not published at suburb level in any accessible source (see Section 10).

A benchmark for repayment burden [CALCULATED]: Victoria's average new owner-occupier loan is 675,000(*ABSLendingIndicators, Marchqtr2026—up*7.54,270 a month (~\$985/week). Set against each suburb's median household income below (2021 Census, since grown with wages), that is the arithmetic behind the corridor squeeze. Label any such figure in print as an illustrative calculation, not a measured average.

THE TABLE (best-available figures, mixed vintages — see labels)

Location (corridor)	Median hh income /wk (2021 Census)	Median house value (12m to date shown)	Census 2021: mortgage ≥30% of income	Arrears / stress evidence	SA4 unemployment May 2026
Craigieburn 3064 (north, Hume)	\$1,798	\$721,500 (+8.3%, Apr 26)	22.1% — highest here	S&P: ~3.03% arrears, worst postcode in Australia (data ~Sep 25) [NEWS]	5.9% (Melb NW)
Point Cook 3030 (west, Wyndham)	\$2,392	\$840,000 (+9.8%, Feb 26)	15.1%	S&P Q2 25: 2.19%, top-10 national; DFA: postcode 3030 stress +51.4% in Q1 26	6.2% (Melb W)
Werribee 3030 (west, Wyndham)	\$1,645	\$658,000 (+7.5%, Apr 26)	14.3%	In S&P's most-stressed Melbourne list (Jul 25); DFA 3030 as above; MSV's birthplace (WEstjustice)	6.2%
Hoppers Crossing / Tarneit 3029 (west, Wyndham)	\$1,580 / \$2,103	\$688,250 (+11.0%, Mar 26) / \$671,250 (+3.3%, Apr 26)	16.9% / 18.8%	S&P Q2 25: Hoppers Crossing 1.71%, top-10 national	6.2%
Melton / Melton South 3337-3338 (west, Melton)	\$1,058 / \$1,209 — lowest here	\$550,000 (+14.8%) / \$580,000 (+10.5%, Apr 26)	20.0% / 19.6%	Melton South in S&P's worst-10 national postcodes (Nov 25 reporting); lowest incomes of any hotspot	6.2%
Narre Warren / Narre Warren Sth 3805 (south-east, Casey)	\$1,741 / \$2,158	\$815,000 / \$868,000 (+7.2%, Apr 26)	16.8% / 17.0%	S&P: postcode 3805 (incl. Fountain Gate) Melbourne's worst prime arrears, 2.79% (Jun qtr 25)	6.3% (Melb SE)
Cranbourne 3977 (south-east, Casey)	\$1,477	\$722,500 (+8.7%, Apr 26)	18.0%	S&P Q2 25: 1.74%, top-10 national	6.3%
Pakenham 3810 (south-east, Cardinia)	\$1,664	\$705,000 (+6.8%, Jan 26)	16.7%	S&P: 2.41% (late-25 reporting); 2.16% Q3 24; perennial top-10	6.3%
Frankston 3199	\$1,387	\$850,000 (+14.0%, Apr 26)	14.2%	DFA: postcode 3199 stress +28% in Q1 26; in S&P worst-10 (Nov 25 reporting)	4.4% (Morn. Pen.)
Shepparton (regional SA4)	n/a (regional)	Regional Vic median \$633,838 (+8.0% y/y, Q1 26)	n/a	Moody's: 2.65% 30+ day delinquency (May 25) — worst region in Victoria, rising against national trend	3.9%

Also strong regional candidates: **Warrnambool & South West** (Moody's 2.60%, up 0.93ppt y/y — the fastest-rising delinquency in the state) and **Geelong** (S&P arrears 1.90% at Jun 25, up from 0.63% in Mar 22 — the largest increase of any Victorian region). Note the twist: regional prices are *rising* strongly (Latrobe +15.3%, Mildura +14.8%, Ballarat +14.3% annually, Q1 26 Cotality), so regional borrowers in arrears at least have growing equity — unlike Melbourne's corridors.

Why these places are vulnerable (one line each, evidence-based)

- **Craigieburn:** Australia's worst arrears postcode; 22.1% of mortgaged households already paying 30%+ of income at the 2021 Census (cash rate then 0.1%); young, heavily mortgaged, high migrant population (India 13.5%, Iraq 9.5% of residents); SA4 unemployment 5.9%.
- **Wyndham suburbs (Point Cook, Werribee, Hoppers Crossing, Tarneit):** the state's FHB and new-estate heartland; WoMEDA analysis put nearly 10% of Wyndham households in mortgage stress in 2023 vs 6.5% nationally [NEWS]; Tarneit is 28.8% India-born; DFA recorded the state's sharpest quarterly stress rise here in Q1 2026; Melbourne–West unemployment 6.2%.
- **Melton/Melton South:** lowest household incomes of any hotspot (~\$55–63k/yr at 2021) meeting Melbourne-priced mortgages; persistent S&P worst-10 presence.
- **Casey-Cardinia (Narre Warren, Cranbourne, Pakenham):** Melbourne's worst prime-arrears postcode (3805); highest SA4 unemployment in Melbourne (6.3%); rapid-growth estates full of peak-era (2021–22) buyers.
- **Frankston:** fastest-deteriorating DFA stress reading in the south-east; strong recent price growth cuts negative-equity risk but repayments still bite.
- **Shepparton / Warrnambool & South West / Geelong:** the regional arrears standouts — Shepparton and Warrnambool were *rising* while national arrears fell; Geelong has deteriorated most since 2022.

Do not use: any claim that "Melbourne's west has Australia's highest arrears" — Moody's data shows Far West and Orana (NSW, 2.92%) and Darwin (2.68%) were worse; Melbourne–West (2.45%) ranked ~6th nationally, and three regional Victorian SA4s (Shepparton 2.65%, Warrnambool & SW 2.60%, Hume 2.51%) outranked it within the state.

4. NEGATIVE EQUITY RISK

The national base rate is low — lead with that, then localise. The RBA (March 2026, data to end-2025) estimates **less than 1% of mortgaged households in negative equity** — lower than pre-pandemic — and that ~80% of mortgagors would keep positive equity even under a severe 40% price fall **[OFFICIAL]**. Any negative-equity angle must be framed as a *pocket* risk, concentrated by purchase timing and deposit size.

The pockets, with evidence:

1. **Melbourne unit buyers, 2021–22 vintage.** Cotality's Pain & Gain (Q1 2026): only **81.0% of Melbourne unit resales sold at a profit — 19% at a loss — one of the weakest results in the country.** Loss-making house resales had a median hold of just **4.3 years** (profitable ones: 9.1 years), pinpointing buyers from the **late-2021/early-2022 peak [PRIVATE]**. Melbourne's citywide median is still **3.2% below its March 2022 peak** and fell 2.9% from its brief November 2025 high to May 2026; values dropped a further 1.0% in June (–2.6% for the June

- quarter) **[PRIVATE, Cotality HVI]**.
2. **5%-deposit First Home Guarantee buyers, October 2025 onward.** The scheme expansion removed income caps and lifted Melbourne's price cap to \$950,000; very-high-LVR lending rose immediately after (RBA FSR) **[OFFICIAL]**. A buyer at 95% LVR who settled near Melbourne's November 2025 local peak has since seen values fall roughly 3% citywide — most of their deposit — before selling costs. **[CALCULATED — a defensible arithmetic statement; do not attach it to a named suburb without a suburb-level price series.]** S&P's Erin Kitson warned the expansion raises indebtedness among young buyers without buffers; Equifax's Kevin James: "if they are forced to sell, there is a strong chance the money they originally put into the property may no longer be there" **[PRIVATE via NEWS]**. Applications from 18–25-year-olds rose 22.8% after the expansion (Equifax).
3. **Growth-corridor houses if Morgan Stanley is right.** A ~10% national fall (Morgan Stanley, May 2026 **[PRIVATE via NEWS]**) would put recent 90–95% LVR corridor buyers underwater as a class. Tarneit's 12-month growth (+3.3%) was already the weakest of the hotspot suburbs before the 2026 downturn hit the rolling medians.

What you cannot say: there is no verified suburb-level negative-equity count anywhere in this evidence base. The honest formulation is: *citywide falls + known purchase timing + known LVRs = a cohort at risk*, illustrated with Cotality's loss-making resale shares (which measure realised losses on sale, related to but not identical to negative equity).

5. PERSONAL INSOLVENCY AND BANKRUPTCY

Trend: rising for a third straight year, accelerating into 2026, but still historically low.

- 2024–25: **12,257** new personal insolvencies nationally, **+5.3%**, third consecutive annual rise — but still far below the 10-year average of 19,586 **[OFFICIAL, AFSA]**.
- December quarter 2025: 3,184, **+14.0% y/y [OFFICIAL via news]**. March quarter 2026: **3,161, +6.2% y/y** (1,749 bankruptcies, 1,356 debt agreements; 924 business-related). **Victoria: 721**, third behind NSW (967) and Qld (779) **[OFFICIAL, AFSA Mar-qtr release; figures confirmed via two independent reports]**.
- AFSA forecasts ~**13,000** insolvencies in 2025–26 and **13,750** in 2026–27 **[OFFICIAL]**.
- Leading stated cause: **excessive use of credit (37.3%)**, ahead of unemployment (~22% — verify this one figure against the AFSA report directly before print) **[OFFICIAL]**.
- AFSA CEO Tim Beresford: "Many people entering personal insolvency are employed, but have limited financial buffers." Nearly half of new debtors owed under \$50,000; **49% of all new debtors held BNPL debts (65.2% of debtors under 30) [OFFICIAL via news]**.

The Victorian twist — under-representation: Victoria contributed **20.5%** of national insolvencies in 2024–25 versus its **25.6%** population share; Greater Melbourne 14.7% of the national total **[OFFICIAL, AFSA State of the Personal Insolvency System]**. Victoria leads the country on hardship notices but not on insolvencies. Possible explanations to put to interviewees (do not assert as fact): homeowners exhaust hardship, refinancing and family help before formal insolvency; insolvency is a lagging indicator; Victoria's distress is mortgage-specific rather than general debt failure.

Areas with highest insolvency rates: AFSA publishes quarterly regional (SA3) breakdowns, but the datafiles were unreachable during research (afsa.gov.au and data.gov.au blocks) and no 2025–26 news report ranks Victorian regions. **Gap — obtainable by the newsroom directly from afsa.gov.au/statistics/regional-statistics or AFSA media.** Do not claim a suburb-level insolvency geography without it.

Related enforcement (colour for the piece): the Federal Court fined **Westpac \$26m** (May 2026) over six years of mishandled hardship notices (~695,000 hardship requests 2017–23); **ANZ** copped \$250m combined penalties (Dec 2025) including \$40m for failing struggling home-loan customers; **NAB** \$15.5m (Aug 2025) **[OFFICIAL, ASIC/Federal Court]**.

6. VICTORIA VS THE NATIONAL AVERAGE

Measure	Victoria	Australia	Vintage & source
Roy Morgan "At Risk" mortgage holders	27.2% (2nd of states; projected ~29.9% post-hikes)	24.5% (then; 29.0% by May 26)	Oct–Dec 25 state split; May 26 national [PRIVATE]
S&P prime RMBS arrears	0.96–0.97% — highest state	0.89%	Jun–Jul 25 [PRIVATE]
ASIC hardship notices, 18m to Jun 25	134,204 — most of any state (raw count, not per capita)	58% national increase	[OFFICIAL]
Equifax FHB 30-day arrears	0.89% (equal worst with WA)	NSW 0.75%, Qld 0.66%	~May 26 [PRIVATE via news]
Unemployment	4.9%	4.4%	May 26 [OFFICIAL ABS]
Dwelling values, annual	Melbourne +0.5% (May 26), –2.6% June qtr	National +8.8% annual (May 26)	[PRIVATE Cotality]
Share of personal insolvencies	20.5% (vs 25.6% pop. share)	—	2024–25 [OFFICIAL AFSA]
Moody's 30+ day delinquency	5 of nation's 10 worst regions	national avg 1.45%	May 25 [PRIVATE]

The clean line for print: **on almost every distress measure except formal insolvency, Victoria is at or near the top of the country — while its housing market is the weakest of the mainland capitals.** (Moody's analyst Si Chen attributes it to Victoria's "markedly higher unemployment rate"; S&P's Kitson has pointed to Victoria's longer lockdowns leaving borrowers "in a weaker position" entering the tightening cycle.)

7. WHO IS MOST EXPOSED — COHORT EVIDENCE (no speculation)

- First home buyers:** Equifax — Vic 30-day FHB arrears 0.89% (equal-worst), 90-day arrears near double other borrowers, delinquencies at a seven-month high mid-2026. New mortgage holders (all types) run 0.78% 30-day arrears vs 0.39% for earlier purchasers (Feb 26 Equifax via Yahoo Finance).
- Young families and migrants in growth corridors:** Mortgage Stress Victoria CEO Nadia Harrison: "Our data reflects that mortgage stress is

highest in the growth corridors"; MSV reports a high proportion of young families and migrants among clients [ORG/NEWS, Jul 24]. Census facts you can pair with this — factually, without implying causation: Tarneit 28.8% India-born; Craigieburn 13.5% India-born, 9.5% Iraq-born; Narre Warren South 7.7% Afghanistan-born. The evidence shows *where* stress is and *who lives there*; it does not show migrants default more — do not write that.

- **Family violence survivors:** about one-third of MSV's clients [ORG].
- **Overcommitted rather than unemployed:** ASIC REP 815 — overcommitment the top hardship cause nationally [OFFICIAL].
- **High-income households — yes, with caveats:** Roy Morgan's methodology classifies stress by repayments relative to after-tax income (thresholds 25–45%), so large-loan/high-income households qualify; its CEO notes lower-income mortgage holders are still *more likely* to be Extremely At Risk. The strongest 2026 evidence for the up-market spread is DFA/OurTop10: severe stress +1,024% y/y in Carnegie/Glen Huntly/Murrumbidgee, +234% y/y Hawthorn, +126% q/q Balwyn North; OurTop10's Mansour Soltani: "pressure building in established, higher-income suburbs where households are carrying much larger debt levels" [PRIVATE, modelled]. Add the arithmetic [CALCULATED]: a 950,000FHG — capMelbournepurchaseat95902k loan) costs ~\$5,700/month at 6.5% — about 36% of the gross income of a 190khousehold, beforechildcare(Melbournelong — day — carebenchmark 144/day before subsidy). No survey directly quantifying stress among 150k–200k households was found — frame via loan-size arithmetic and DFA suburb data, not an invented statistic.
- **Note the refuted claim:** an earlier draft finding that the 2025 easing was confined to upper socio-economic quintiles (with ~5ppt rises in the lowest two) failed verification (1-2 vote). Treat Roy Morgan quintile detail as unconfirmed unless you obtain the underlying release.

8. INTERVIEW QUESTIONS

A. Financial counsellor (e.g. via FCVic or Consumer Action Law Centre)

1. Mortgage stress is now the No. 1 issue on the National Debt Helpline in Victoria — when did it overtake credit cards, and what changed?
2. ASIC found "overcommitment" — not job loss — is the biggest stated cause of hardship. Is that what you see in the room?
3. What does a typical mortgage-stress client look like in 2026 — income, suburb, family situation? Has that profile changed since the February–May rate rises?
4. Victorians lodge the most hardship notices in the country but are under-represented in bankruptcies. What happens in the gap between those two numbers?
5. FCVic's budget submission says Victoria has roughly 2,070 households needing help per counsellor — 32 years of casework at current capacity. What does that mean in practice for someone who calls today?
6. What do the banks' hardship processes actually deliver — and what did the Westpac, ANZ and NAB penalties tell you about them?
7. Are you seeing clients on \$150,000-plus household incomes? What tips them over?
8. What's the single policy change that would most reduce the flow of people to your door?

B. Economist / housing analyst (e.g. Cotality, S&P, Moody's, bank economics teams)

1. Official arrears data to March 2026 says stress was easing; Roy Morgan says it has risen every month since February. Which do you trust, and when will the official data catch up with the 2026 rate rises?
2. Why does Victoria — cheaper than Sydney — keep topping arrears and hardship tables? How much is unemployment, how much taxes/lockdown legacy, how much loan vintage?
3. Melbourne has held six of the nation's ten worst arrears postcodes for 18 months. What makes Craigieburn, Point Cook or Narre Warren structurally different?
4. Who exactly bought in late 2021–early 2022, and how underwater is that cohort after the June quarter's falls?
5. Is Morgan Stanley's up-to-10% price fall plausible, and what does it do to 95%-LVR first home buyers from the October 2025 scheme expansion?
6. Regional arrears standouts — Shepparton, Warrnambool, Geelong — are rising even as regional prices boom. What explains stress amid growing equity?
7. If the RBA goes to 4.60% in August, what happens to the ~100,000 borrowers Finder says are one rise from default?

C. Mortgage holder experiencing stress (via MSV/counselling services; interview with care)

1. Walk me through buying the house — when, what deposit, what did the bank say you could afford?
2. What has changed in your repayments since February? What's the number now, and what's coming in?
3. What was the moment you realised it had become unmanageable?
4. What have you cut first — and what are you cutting now?
5. Have you told your bank? What happened when you did?
6. What would selling mean — financially and for your family (schools, work, community)?
7. What do you want people who haven't been through this to understand? (Ethics: use a support service to find interviewees, agree on anonymity terms up front, and have the National Debt Helpline number 1800 007 007 / MSV 1800 572 292 in hand.)

D. Victorian Minister for Consumer Affairs (Nick Staikos, as of mid-2026)

1. Victoria records the most home-loan hardship notices in the country. Does the government accept Victoria has a mortgage-stress problem bigger than other states'?
2. You raised Mortgage Stress Victoria's income-eligibility threshold from \$75,000 to \$90,000 in May. Is that an admission stress has moved into middle-income households?
3. MSV's \$4m from the 2025/26 budget — how far does that go against Roy Morgan's estimate that more than a quarter of Victorian mortgage holders are at risk?
4. The counselling sector says demand equates to 32 years of casework at current staffing. Will Victoria fund more than the 37 positions

- announced in January 2025?
- What is the government's response if Melbourne prices keep falling and recent 5%-deposit buyers slide into negative equity — is that a Commonwealth problem or yours too?
 - Land tax and property tax changes have been blamed by some analysts for Melbourne's weak market. Do you accept any state-policy contribution to the pressure on mortgaged households?
 - Will the government publish Victorian-specific arrears or hardship data so this can be tracked publicly?

E. Mortgage Stress Victoria (CEO Nadia Harrison)

- You've prevented repossession for at least 204 households since 2022. What does a save actually involve?
- Your client base is concentrated in the growth corridors — Wyndham, Melton, Casey, Hume. What do those households have in common?
- A third of your clients are family-violence survivors. How does violence interact with mortgage debt?
- Since the February, March and May rate rises, what has happened to demand? Waiting times?
- The eligibility threshold just rose to \$90,000. Who were you turning away before, and are you seeing genuinely high-income households in trouble?
- Most people reach help late. What are the early warning signs, and what should someone do the first month they can't pay?
- Banks say hardship processes have improved since ASIC's crackdown. Is that your experience on the other side of the table?
- If Melbourne prices fall as forecast, do you expect a wave of clients who owe more than their homes are worth — and what options exist for them?

9. THREE OPENING ANGLES

- The postcode that leads the nation (place-led).** Open in Craigieburn — Australia's worst mortgage-arrears postcode, roughly one in 33 home loans behind — through one household or one street of near-identical 2021-vintage estate homes. Widen to the corridor pattern (six of the nation's ten worst postcodes, 18 months running), then the 2026 rate reversal. Strength: concrete, human, geographically Victorian. Risk: the 3.03% figure is late-2025 vintage; date it honestly.
- The two graphs that disagree (data-led/analytical).** The RBA's March review said borrowers were coming through fine — arrears back to pre-pandemic levels. Since then rates have risen three times, and every private measure — Roy Morgan (29%, four straight monthly rises), DFA, Equifax FHB arrears, Cotality's falling values — points the other way. The feature sits in the gap between official reassurance and real-time distress, with Victoria worst-placed as the cycle turns. Strength: genuinely newsy and fair to both datasets.
- The 5% deposit generation (cohort-led).** Start with a first home buyer who used the expanded scheme after 1 October 2025 — part of a 22.8% surge in under-25 applications — bought near Melbourne's November 2025 peak with \$47,500 down on a \$950,000 cap, and has watched citywide values fall ~3% since. Equifax: Victorian FHB arrears already equal-worst in the nation. The policy that got them in may be the thing that traps them. Strength: forward-looking, accountability angle spanning Canberra and Spring Street.

10. FACT SHEET (≤15 statistics)

- 134,204** — home-loan hardship notices lodged in Victoria, Jan 2024–Jun 2025: the most of any state (NSW 122,561). [OFFICIAL, ASIC REP 815]
- 58%** — national rise in home-loan hardship notices vs the prior 18 months. [OFFICIAL, ASIC]
- 27.2%** — Victorian mortgage holders "At Risk" (Oct–Dec 2025), second-highest state; projected ~29.9% after the 2026 hikes. [PRIVATE, Roy Morgan]
- 29.0% / 1.54m** — Australian mortgage holders At Risk by May 2026, rising four consecutive months. [PRIVATE, Roy Morgan]
- ~1%** — variable-rate owner-occupiers with expenses exceeding income at end-2025, per the RBA (pre-2026 hikes); 90+ day arrears ~0.7%, back around pre-pandemic levels. [OFFICIAL, RBA FSR Mar 26]
- 3 hikes in 2026** — RBA cash rate to 4.35% (Feb, Mar, May); inflation 4.6% y/y. [OFFICIAL rates; context]
- ~3.03%** — mortgage arrears in Craigieburn (3064), Australia's worst postcode (~1 in 33 loans); Melbourne has held 6 of the nation's 10 worst postcodes for 18 months. [PRIVATE S&P via news, data ~Sep 25]
- 0.96% vs 0.89%** — Victoria's prime arrears vs national (mid-2025): highest of any state. [PRIVATE, S&P]
- 6.2–6.3%** — unemployment in Melbourne's West and South East SA4s (May 2026) vs 4.9% Victoria, 4.4% national. [OFFICIAL, ABS via DJSIR]
- 19%** — Melbourne unit resales sold at a loss in Q1 2026 (among the weakest capitals); loss-making house sales had a median hold of 4.3 years — the 2021–22 peak buyers. [PRIVATE, Cotality Pain & Gain]
- 2.6%** — Melbourne dwelling values, June quarter 2026; still 3.2% below the March 2022 peak (May 26); Morgan Stanley flags up to –10% nationally. [PRIVATE, Cotality; Morgan Stanley via news]
- 0.89%** — Victorian first-home-buyer 30-day arrears, equal-worst of any state (vs 0.3–0.5% for other borrowers); FHB 90-day arrears ~double. [PRIVATE, Equifax via news]
- 12,257 / +5.3%** — national personal insolvencies 2024–25, third straight rise; Victoria just 20.5% of them vs 25.6% of population; AFSA forecasts 13,000 in 2025–26. [OFFICIAL, AFSA]
- 1,572** — mortgage-stress calls to the National Debt Helpline in Victoria 2024–25 — its No. 1 issue; 168,000+ NDH contacts nationally, biggest year since 2018–19. [SECTOR, CALC/FCA]
- \$675,000** — average new Victorian owner-occupier loan (Mar qtr 2026, +7.5% y/y) ≈ \$4,270/month at ~6.5% over 30 years. [OFFICIAL ABS; repayment CALCULATED]

11. SOURCES AND CITATIONS

Official

- RBA, *Financial Stability Review*, March 2026, Ch.2 — <https://www.rba.gov.au/publications/fsr/2026/mar/resilience-of-australian-households-and-businesses.html> (and Oct 2025 edition — <https://www.rba.gov.au/publications/fsr/2025/oct/resilience-of-australian-households-and-businesses.html>)
- APRA, *Quarterly ADI Property Exposure Statistics*, March 2026 highlights — <https://www.apra.gov.au/quarterly-authorized-deposit-taking-institution-property-exposure-statistics-march-2026-highlights>
- ASIC, REP 815 *Hardship, not as hard to get help* (25 Sep 2025) — <https://download.asic.gov.au/media/db0d1jmf/rep-815-hardship-not-as-hard-to-get-help-published-25-september-2025.pdf> ; media release 25-216MR — <https://www.asic.gov.au/about-asic/news-centre/find-a-media-release/2025-releases/25-216mr-asic-urges-ongoing-customer-focus-following-welcome-improvements-in-hardship-support/>
- ASIC, Westpac \$26m hardship penalty (May 2026) — <https://www.asic.gov.au/about-asic/news-centre/find-a-media-release/2026-releases/26-107mr-federal-court-orders-westpac-to-pay-26-million-penalty-for-hardship-failures/> ; ANZ \$250m — <https://www.asic.gov.au/about-asic/news-centre/find-a-media-release/2025-releases/25-314mr-federal-court-orders-250-million-combined-penalties-against-anz/>
- AFSA, *State of the Personal Insolvency System 2024-25* — <https://www.afsa.gov.au/about-us/statistics-and-insights/system-insights/state-personal-insolvency-system> ; March qtr 2026 release — <https://www.afsa.gov.au/news/afsa-reports-increase-personal-insolvencies-march-quarter-2026> ; regional statistics — <https://www.afsa.gov.au/statistics/regional-statistics/quarterly-regional-personal-insolvency-statistics-reports>
- ABS, Lending Indicators (Mar qtr 2026) — <https://www.abs.gov.au/statistics/economy/finance/lending-indicators/latest-release> ; Labour Force (May 2026) — <https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release>
- ABS 2021 Census QuickStats (per suburb): Craigieburn — <https://www.abs.gov.au/census/find-census-data/quickstats/2021/SAL20661> ; Point Cook — <https://abs.gov.au/census/find-census-data/quickstats/2021/SAL22086> ; Werribee — <https://abs.gov.au/census/find-census-data/quickstats/2021/SAL22750> ; Hoppers Crossing — <https://www.abs.gov.au/census/find-census-data/quickstats/2021/SAL21203> ; Tarneit — <https://www.abs.gov.au/census/find-census-data/quickstats/2021/SAL22451> ; Melton South — <https://abs.gov.au/census/find-census-data/quickstats/2021/SAL21643> ; Melton — <https://abs.gov.au/census/find-census-data/quickstats/2021/SAL21642> ; Narre Warren — <https://www.abs.gov.au/census/find-census-data/quickstats/2021/SAL21893> ; Narre Warren South — <https://www.abs.gov.au/census/find-census-data/quickstats/2021/SAL21896> ; Cranbourne — <https://www.abs.gov.au/census/find-census-data/quickstats/2021/SAL20662> ; Pakenham — <https://abs.gov.au/census/find-census-data/quickstats/2021/SAL22027> ; Frankston — <https://abs.gov.au/census/find-census-data/quickstats/2021/SAL20947>
- Victorian Government (DJSIR) regional unemployment dashboard (ABS-derived, May 2026) — https://djsir-data.github.io/djprecodash/tables/djsir_regional_unemployment_rate
- Premier of Victoria: \$15m counselling package, 22 Jan 2025 — <https://www.premier.vic.gov.au/supporting-more-victorians-facing-rental-and-mortgage-stress> ; *4mforMSV, 28May2025*—<https://www.premier.vic.gov.au/critical-funding-delivered-relieve-mortgage-stress> ; *MSVbackground/31.1m*, 11 Dec 2024 — <https://www.premier.vic.gov.au/free-financial-help-victorians-facing-mortgage-stress>
- Housing Australia, First Home Guarantee expansion (1 Oct 2025) — <https://www.housingaustralia.gov.au/media/unlimited-places-higher-property-price-caps-first-home-buyers-1-october-2025>
- Housing Australia data portal, non-performing loans — <https://www.housingdata.gov.au/visualisations/financial-market/non-performing-residential-property-loans>

Private-sector data

- Roy Morgan: state breakdown (Dec 2025, pub. 9 Feb 2026) — <https://www.roymorgan.com/findings/10128-mortgage-stress-risk-by-state-december-2025> ; May 2026 — <https://www.roymorgan.com/findings/10258-mortgage-stress-risk-may-2026> ; April 2026 (methodology) — <https://www.roymorgan.com/findings/10238-mortgage-stress-risk-april-2026> ; Aug 2025 — <https://www.roymorgan.com/findings/9998-mortgage-stress-analysis-press-release-august-2025>
- Cotality: Pain & Gain Q1 2026 — <https://www.cotality.com/au/resources/downloads/pain-gain-report> ; HVI June 2026 — <https://www.cotality.com/au/insights/articles/housing-market-downturn-deepens-as-demand-headwinds-build> ; HVI May 2026 PDF — <https://discover.cotality.com/hubfs/Article-Reports/COTALITY%20HVI%20JUNE%202026%20FINAL.pdf> ; regional Vic insights (NAB-published, Q1 2026) — <https://www.nab.com.au/content/dam/nab/documents/reports/loan/vic-regional-property-market-insights.pdf>
- S&P Global RMBS (paywalled originals): March 2026 arrears statistics — <https://www.spglobal.com/ratings/en/regulatory/article/rmbs-arrears-statistics-australia-including-noncapital-market-issuance-march-2026-s101684840>
- Equifax, 5% Deposit Scheme / Gen Z release (20 May 2026) — <https://www.equifax.com.au/knowledge-hub/news-and-media/5-first-home-buyer-deposit-scheme-drives-22-surge-gen-z-buyer-demand>

Community sector

- Consumer Action Law Centre, Impact Report 2024-25 — https://consumeraction.org.au/wp-content/uploads/2026/01/CALC038-Impact-Report-2024-25_FA3_WEB.pdf
- Financial Counselling Australia, NDH six-year high (8 Aug 2025) — <https://www.financialcounsellingaustralia.org.au/demand-for-support-via-the-national-debt-helpline-hits-a-six-year-high/>
- Joint Financial Counselling Sector Budget Submission (Jan 2026, incl. FCVic) — https://fcvic.org.au/wp-content/uploads/2026_Joint-Financial-Counselling-Sector-Federal-Budget-Submission.pdf
- Mortgage Stress Victoria — <https://www.mortgagestress.org.au/about-us/> ; WEstjustice launch (2022) — <https://www.westjustice.org.au/media-and-events/mortgage-stress-victoria-helps-stressed-homeowners-in-victoria>

News reports of private/official data (secondary — cite the underlying data owner in print)

- Domain (S&P postcode arrears, 30 Sep 2025) — <https://www.domain.com.au/news/the-suburbs-where-home-owners-cant-afford-their-mortgage-s-1432762/>
- Broker Daily (S&P Q2 2025 postcode figures, 29 Aug 2025) — <https://www.brokerdaily.au/borrower/20771-arrears-fall-alongside-interest-rates>
- The Nightly (Moody's regions, 21 Oct 2025) — <https://thenightly.com.au/business/moodys-new-data-shows-why-melbourne-is-australias-mortgage-arrears-capital-c-20422730> ; Your Mortgage (names the five Vic regions, 22 Oct 2025) — <https://www.yourmortgage.com.au/mortgage-news/mortgage-relief-spreads-nationwide-but-melbourne-lags-behind>
- MPA (DFA/OurTop10 Q1 2026, 19 May 2026) — <https://www.mpamag.com.au/news/general/mortgage-stress-spreads-to-australias-affluent-subu>

- rb/575603 ; Australian Broker (Victorian affluent postcodes, 20 May 2026) — <https://www.brokernews.com.au/news/breaking-news/suburbs-wit-h-the-highest-mortgage-stress-289382.aspx> ; MPA (Craigieburn package, ~Dec 2025; page 403s) — <https://www.mpamag.com/au/news/genera-l/victoria-grapples-with-nations-worst-mortgage-arrears-crisis/557751>
- MacroBusiness (Equifax FHB arrears & negative equity, 2 Jun 2026) — <https://www.macrobusiness.com.au/2026/06/aussie-first-home-buyers-lef-t-stranded-in-negative-equity/> ; (S&P "six of ten"/Kitson, 28 Nov 2025) — <https://www.macrobusiness.com.au/2025/11/first-home-buyers-risk-wa-ves-of-negative-equity/> ; (Morgan Stanley forecast, 24 May 2026) — <https://www.macrobusiness.com.au/2026/05/australian-home-prices-face-g-enerational-decline/>
 - Real Estate Business (S&P Q3 2024: Vic highest-arrears state, 2 Dec 2024) — <https://www.realestatebusiness.com.au/industry/29122-victoria-b-ecomes-state-with-highest-arrears>
 - Accounting Times (AFSA Mar qtr 2026) — <https://www.accountingtimes.com.au/economy/afsa-reports-6-2-per-cent-rise-in-personal-insolvencies> ; Dynamic Business (state split) — <https://dynamicbusiness.com/topics/news/3161-personal-insolvencies-filed-in-the-march-quarter-with-hospita-lity-and-retail-hardest-hit.html> ; Accountants Daily (AFSA annual, 20 Nov 2025) — <https://www.accountantsdaily.com.au/business/21938-person-al-insolvencies-rise-for-third-consecutive-year-afsa> ; (Dec 2025 spike) — <https://www.accountantsdaily.com.au/business/22137-personal-insolve-ncy-spike-reflects-ongoing-economic-pressure>
 - Finder (one-rise-from-default, 4 May 2026) — <https://www.finder.com.au/news/borrowers-one-rise-away-from-default-2026>
 - Star Weekly Wyndham (MSV client profile/WoMEDA, 26 Jul 2024) — <https://wyndham.starweekly.com.au/news/mortgage-stress-high-in-wyndha-m/> ; Werribee News (MSV \$4m / \$90k threshold, ~May 2026) — <https://www.werribeenews.com.au/news/victorian-government-injects-4-million-into-mortgage-stress-victoria>
 - Yahoo Finance (Equifax new-borrower arrears, 3 May 2026) — <https://nz.finance.yahoo.com/news/rba-decision-interest-rate-hikes-pushing-rece-nt-buyers-to-the-brink-as-borrowers-face-58000-hit-222357157.html>
 - Suburb medians (CoreLogic-sourced): Your Investment Property suburb profiles, e.g. <https://www.yourinvestmentpropertymag.com.au/top-subu-rbs/vic/3064-craigieburn> (equivalents per suburb, end-dates Jan–Apr 2026)

12. DATA LIMITATIONS AND CONFLICTING ESTIMATES

1. **The definitional gulf is the biggest trap.** RBA "cash-flow shortfall" (~1%), APRA arrears (0.49% early-stage / 0.99% non-performing), ASIC hardship-notice counts, S&P/Moody's RMBS arrears (~1–1.45%) and Roy Morgan's survey "At Risk" (27–29%) measure different things. The ~1% vs ~28% gap is methodology, not contradiction — say so explicitly in print.
2. **Vintage mismatch.** All official data (RBA FSR, APRA, ASIC) pre-dates the Feb/Mar/May 2026 rate rises; everything that captures the post-hike deterioration (Roy Morgan, DFA, Equifax, Cotality) is private and mostly survey- or model-based.
3. **Victoria's hardship-notice lead is a raw count, not per capita** (Victoria is the second-most-populous state), and ASIC attributes part of the 58% surge to better lender detection and customer awareness, not purely worsening hardship.
4. **The Craigieburn 3.03% package is late-2025 vintage.** It traces to realestate.com.au/News Corp reporting of ~27–28 Nov 2025 (S&P data ~Sep 2025); the original article and the MPA write-up are inaccessible (paywall/403). Earlier trajectory (2.47% May 2024 → 2.96% Dec 2024 → 3.03% late 2025) is consistent, but no 2026 postcode-level S&P/Fitch data is publicly accessible. Also note the sequence conflict: at Q2 2025, S&P had postcode 3805 (Fountain Gate) leading Melbourne at 2.79% with Craigieburn at 1.75% — different quarters of the same series produce different leaders.
5. **No official Victorian arrears rate is quotable.** APRA/housingdata.gov.au hold state NPL data only in an interactive dashboard (claims that figures were extractable were refuted 0–3 in verification). S&P's March 2026 state tables are paywalled. Fitch 1Q26 (via news): national prime 90+ arrears 0.59%, steady, "yet to reflect the March and May 2026 hikes".
6. **Census income/repayment data is August 2021** — cash rate then 0.1%. Use for relative comparisons between suburbs, not current burdens. Suburb "median house value" figures are CoreLogic 12-month rolling medians (via YIP) with varying end-dates — they show annual *growth* even where the citywide quarterly trend is now negative; the Q2 2026 downturn is not yet in suburb rolling medians.
7. **DFA/OurTop10 postcode stress is modelled survey data** (~0.5% population rolling survey; postcodes under 200 borrowing households excluded). Percentage-change figures (e.g. +1,024% y/y Carnegie) come off small bases. Broadmeadows "~7% delinquency" and similar blog-reported figures were NOT verified — avoid.
8. **AFSA regional (SA3) insolvency data exists but was unreachable** (site/data-portal blocks). The newsroom should pull it directly before naming insolvency hotspots. The "unemployment 22.0%" cause figure needs checking against the AFSA report itself.
9. **Loss-making resales ≠ negative equity.** Cotality's Pain & Gain measures realised losses on sale; negative equity (loan > value) is estimated by the RBA at <1% of mortgaged households nationally. Keep the two distinct.
10. **Refuted in verification — do not use:** an October 2025 "2% cash-flow shortfall" RBA figure (0–3); state-level NPL data being available on housingdata.gov.au (0–3); AFSA's "mortgage stress indicator uptick" (1–2); Roy Morgan quintile claims about stress rising 5ppt in the lowest quintiles (1–2).
11. **Cohort caution held throughout:** MSV/WEstjustice client data and suburb demographics show stress concentrates where young families and migrant communities live; no source shows any cultural or migrant group defaults at higher rates. The brief contains no per-suburb negative-equity counts and no per-suburb insolvency rates because none reliably exist.

Support lines for publication: National Debt Helpline 1800 007 007; Mortgage Stress Victoria 1800 572 292.