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OUR TOP10

DEFAULT LOAN REPORT

VICTORIA EDITION

Q3 2026

PUBLISHED BY:
OUR TOP10

POWERED BY:
DIGITAL FINANCE ANALYTICS.

2026

00 — VIC • Q3 2026 AT A GLANCE

Melbourne *At a glance*

+2.6%
CHANGE IN HOUSEHOLDS AT RISK OF DEFAULT THIS QUARTER

+25.4%
CHANGE OVER THE PAST 12 MONTHS

7/10
RANKED POSTCODES ROSE THIS QUARTER

≈6,026
HOUSEHOLDS AT RISK OF DEFAULT ACROSS THE 10 RANKED VIC POSTCODES

+23%
NARRE WARREN (3805) – VIC'S SHARPEST QUARTERLY RISE

1,364
CRANBOURNE (3977) – VIC'S LARGEST AT-RISK COUNT

WHAT STANDS OUT IN VIC THIS QUARTER

Melbourne and surrounding regions remain the largest default-risk market in the country, with 6,026 at-risk households across the 10 ranked postcodes, up **+2.6%** for the quarter and **+25.4%** for the year. 7 of the 10 rose.

Cranbourne (3977) is still the single largest default-risk hotspot in Australia at 1,364 at-risk households, up +8% in three months and +36% on a year ago. The sharpest quarterly rises were Narre Warren (3805) at +23% and Deer Park (3023) at +19%, both in the south-east and west growth corridors.

Two of last quarter's big risers have cooled. Tarneit (3029) fell -13% to 869, and Ferntree Gully (3156), which jumped 166% in Q2 2026, has dropped out of the top 10 altogether. Movements like these are consistent with DFA's view that defaults sometimes self-cure, but Melbourne's list is still +25.4% higher than a year ago.

Nationally, at-risk households rose about +3% this quarter on a like-for-like basis to roughly 24,546 across 70 ranked postcodes, and +24% over 12 months. Victoria is the fourth-fastest-growing of the six reported markets this quarter.

"A slower quarter is not a better quarter. Twenty-four thousand households at risk of default is a record for this series, and the pressure is now spreading from the growth corridors into Adelaide and regional Queensland."

Mansour Soltani, Head of Research, OurTop10

"Stress is a precursor to default, which is a precursor to a forced sale."

Martin North, Principal of Digital Finance Analytics

01 FROM DIGITAL FINANCE ANALYTICS

"

The slower rise this quarter should not be read as the pressure easing. Default is a lagging measure. The households flagged here have typically been in cash-flow stress for several years, and the growth corridors that led stress in 2021–23 are still where default risk is concentrated.

What is new is the breadth. South Australia and the regional centres are now showing the same pattern the growth corridors showed two years ago. Some more affluent households have cash-flow pressures, but they are not at risk of default yet. They have more options and more time to cope.

Once defaulted, more than half end up selling in the next couple of years. So stress is a precursor to default, which is a precursor to a forced sale."



MARTIN NORTH
Principal of Digital Finance Analytics

DEFINITION:
A default is a missed payment that flags the loan with the lender as out of order. DFA estimates the likelihood of default over the next 12 months, combining more than 25 years of loan history with current and future household cash-flow stress. Counts are modelled estimates of households at risk, not loans currently in default.

Note: Hobart/TAS is excluded from the default rankings as sample sizes are too small for reliable estimates. Northern Territory postcodes are included in the national totals but are not reported individually. Figures reflect each state/territory's top 10 ranked postcodes for default risk, which extend beyond strict metro boundaries in several cases. City/state labels reflect the ranking group, not metro-area totals.

02 — DEFAULT RISK INDEX • TOP 10 POSTCODES

MELBOURNE

MORTGAGE DEFAULT RISK • VICTORIA

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MELBOURNE'S BIGGEST RISER

POSTCODE 3805 · NARRE WARREN

+23%

QUARTERLY INCREASE IN DEFAULT RISK

3 MOS AGO	→	NOW
299		368

TOP 10 MELBOURNE POSTCODES – RANKED BY DEFAULT RISK • Q3 2026

#	CODE	AT RISK NOW	3MOS AGO	12MOS AGO	%3MOS	%12MOS	SUBURB	REGION
01	**3977**	1,364	1,259	1,003	▲ +8.3%	▲ +36.0%	Cranbourne	Casey
02	**3029**	869	994	669	▼ -12.6%	▲ +29.9%	Tarneit	Wyndham
03	**3064**	759	775	626	▼ -2.1%	▲ +21.2%	Roxburgh Park	Hume
04	**3030**	606	611	528	▼ -0.8%	▲ +14.8%	Derrimut	Wyndham
05	**3978**	474	464	424	▲ +2.2%	▲ +11.8%	Clyde	Cardinia
06	**3810**	418	402	334	▲ +4.0%	▲ +25.1%	Pakenham	Cardinia
07	**3216**	415	409	378	▲ +1.5%	▲ +9.8%	Highton	Greater Geelong
08	**3754**	386	355	306	▲ +8.7%	▲ +26.1%	Doreen	Whittlesea
09	**3805**	368	299	277	▲ +23.1%	▲ +32.9%	Narre Warren	Casey
10	**3023**	367	308	262	▲ +19.2%	▲ +40.1%	Deer Park	Brimbank

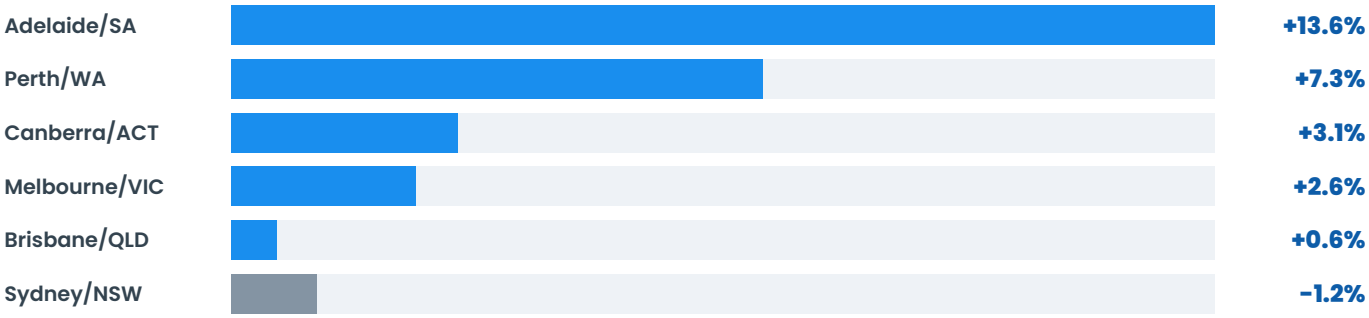
Note: household counts are modelled estimates of households at risk of default over the next 12 months. Movements off small bases can be volatile quarter to quarter.

03 — NATIONAL CONTEXT

HOW VIC *Compares*

Across the 70 ranked default-risk postcodes nationally, at-risk households rose around **+3%** in three months on a like-for-like basis to roughly **24,546**, and **+24%** over the year. **42 of 70** postcodes rose over the quarter; **66 of 70** are higher than a year ago.

GROWTH IN AT-RISK HOUSEHOLDS BY MARKET • QUARTERLY % • Q3 2026



MARKET	AT RISK NOW	3 MOS AGO	QUARTERLY CHANGE	ANNUAL CHANGE	POSTCODES UP (QTR)
Adelaide/SA	1,874	1,650	+13.6%	+31.0%	7/10
Perth/WA	5,895	4,592*	+7.3%	+26.4%	7/10
Canberra/ACT	1,257	1,219	+3.1%	+21.4%	6/10
Melbourne/ VIC	6,026	5,876	+2.6%	+25.4%	7/10
Brisbane/QLD	5,139	5,107	+0.6%	+18.9%	4/10
Sydney/NSW	3,782	3,827	-1.2%	+25.3%	5/10

BIGGEST QUARTERLY INCREASES • NATIONAL

01	Adelaide/SA's 5211 (Encounter Bay)	+78%
02	Adelaide/SA's 5045 (Glenelg North)	+52%
03	Adelaide/SA's 5038 (South Plympton)	+38%
04	Perth/WA's 6155 (Canning Vale)	+31%
05	Adelaide/SA's 5095 (Pooraka)	+31%

BIGGEST ANNUAL INCREASES • NATIONAL

01	Sydney/NSW's 2148 (Blacktown)	+76%
02	Adelaide/SA's 5038 (South Plympton)	+74%
03	Sydney/NSW's 2170 (Liverpool)	+74%
04	Adelaide/SA's 5211 (Encounter Bay)	+63%
05	Sydney/NSW's 2480 (Goonellabah)	+58%

*Perth/WA quarterly change is calculated on the nine postcodes with a June reading; Mandurah (6210) has no June figure in the DFA extract. Northern Territory postcodes are included in national totals but not reported individually. Full national report: ourtop10.com.au/reports/default-loan/

04 METHODOLOGY

METHODology

The data behind this report comes from research carried out by **Digital Finance Analytics (DFA)**, drawn from the same rolling survey program that powers the OurTop10 Mortgage Stress Report: around 4,500 households surveyed each month, scaled to reflect Australia's roughly 10 million households and benchmarked against Census data and RBA lending exposure figures.

A default is a missed payment which flags the loan with the lender as out of order. Sometimes these self-cure; often they are an indicator of trouble ahead. DFA's default estimate is a projection that combines the history of loans over more than 25 years with current and future household cash-flow stress, expressed as the number (and percentage) of borrowers estimated to be at risk of default over the next 12 months. Counts are modelled estimates, not loans currently in default or arrears figures reported by lenders.

Because default is a lagging outcome, on average three to five years from sustained cash-flow pressure, default risk moves more slowly than mortgage stress and is the more forward-looking of DFA's severity measures: a household flagged here has typically already been under pressure for an extended period. And once a household defaults, more than half end up selling within the next couple of years: stress is a precursor to default, and default is a precursor to a forced sale.

The analysis is done at a postcode level, not suburb, and smaller areas can be less reliable simply because there are fewer households to draw from. Hobart/TAS is excluded from the default rankings for this reason. Suburb and LGA pairings are representative localities; DFA's geographic mapping is derived from detailed ABS statistical zones (around 28,000 nationally), which split across adjacent postcodes.

Quarterly and annual percentage changes for each market and for the national total are calculated on a like-for-like basis: only postcodes with a reading in the comparison period are included. One postcode this quarter (Mandurah, WA 6210) has no June 2026 reading and is excluded from the quarterly percentage, though its 966 at-risk households are included in the current totals.

The point of the data is not to predict prices. It is to show where the pressure that has been building in the stress data is beginning to convert into something harder to recover from.

> **Data attribution:** All data in this report was produced by Digital Finance Analytics from its rolling household survey program and is reproduced here with permission. When reporting on these findings, please attribute to "the OurTop10 Default Loan Report, powered by Digital Finance Analytics".

05 ABOUT • MEDIA CONTACT

ABOUT *OurTop10*

OurTop10 is an Australian comparison and research platform dedicated to helping consumers identify leading mortgage brokers, accountants, conveyancers and buyer's agents across Australia's major cities.

Our mission is to simplify the research process, reduce decision-making friction, and provide Australians with trusted rankings of top-performing professional service providers.

In addition to comparison services, OurTop10 delivers market research, property insights and industry news to support informed financial and property-related decisions. The Default Loan Report is published quarterly alongside the OurTop10 Mortgage Stress Report at **ourtop10.com.au/reports/**.



MEDIA CONTACT · PRE-BRIEFINGS & INTERVIEWS

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