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OUR TOP10

DEFAULT LOAN REPORT

Q3 2026

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OUR TOP10

POWERED BY:
DIGITAL FINANCE ANALYTICS.

2026

00 — Q3 2026 AT A GLANCE

Q3 2026 *At a glance*

+3%
RISE IN HOUSEHOLDS AT RISK OF DEFAULT THIS QUARTER (LIKE-FOR-LIKE)

+24%
RISE OVER THE PAST 12 MONTHS

42/70
RANKED POSTCODES ROSE THIS QUARTER

≈24,546
HOUSEHOLDS AT RISK OF DEFAULT ACROSS THE 70 RANKED POSTCODES

+78%
ENCOUNTER BAY (SA 5211) – AUSTRALIA'S SHARPEST POSTCODE JUMP

+13.6%
ADELAIDE – THE FASTEST-GROWING DEFAULT MARKET

WHAT STANDS OUT THIS QUARTER

The pace slowed, the direction didn't. At-risk households rose about +3% this quarter against +18% in Q2 2026, but 66 of the 70 ranked postcodes are higher than a year ago and the national total is up +24% in 12 months.

Adelaide takes the lead. South Australia's ranked postcodes rose +13.6% in three months, the fastest of any market, led by Encounter Bay (+78%), Glenelg North (+52%) and South Plympton (+38%).

Sydney goes backwards. Last quarter's leader slipped -1.2%, with Campbelltown, Hornsby and Wyong all lower. Blacktown (+27%) and Liverpool (+74% for the year) are the new western-suburbs pressure points.

The blue-chip suburbs still aren't here. Drummoyne, Hornsby and Elwood lead severe mortgage stress but, Hornsby aside, are absent from the default rankings. On DFA's 3–5 year lag, they remain the watchlist for 2028.

"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

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01 FOREWORD • NATIONAL OVERVIEW

OUR TOP10 **DEFAULT LOAN REPORT** *Q3 2026*

Mortgage default risk kept rising across Australia's capital cities in Q3 2026, but more slowly. The number of households at risk of default across the 70 ranked postcodes rose around +3% in three months on a like-for-like basis, after an 18% jump in Q2 2026, and now stands at roughly 24,546, the highest reading in this series.

The **OurTop10** Default Loan Report, powered by Digital Finance Analytics, ranks the top 10 postcodes in and around Australia's major capital cities by mortgage default risk, tracking how those figures have changed over the past quarter and year. It is the companion series to the OurTop10 Mortgage Stress Report: stress measures who is under pressure now; default risk measures who may not make it through the cycle.

This quarter the growth corridors that have dominated the rankings are mostly treading water. The movement is at the edges: Adelaide, the Fleurieu Peninsula, Cairns and the Fraser Coast, and Sydney's west. New this quarter, a separate edition for each state so local reporters can go straight to their own postcodes.

MANSOUR SOLTANI

Head of Research, OurTop10



02 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.

03 — DEFAULT RISK INDEX • NATIONAL SNAPSHOT

NATIONAL *Snapshot*

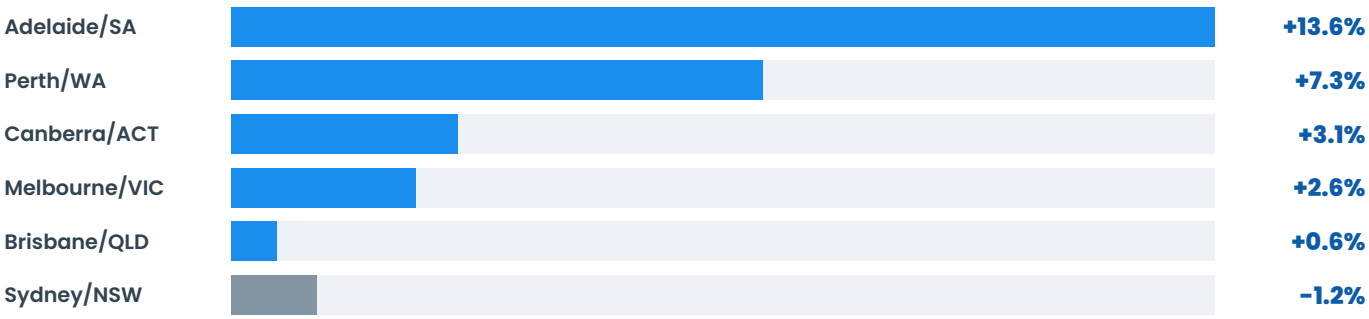
Across the 70 ranked default-risk postcodes nationally, the number of households at risk of default rose by around **+3%** in three months on a like-for-like basis, to roughly **24,546**. A total of **42 of the 70** ranked postcodes recorded an increase over the quarter, and **66 of 70** are higher than a year ago. Over 12 months the national total is up **+24%**.

24,546
HOUSEHOLDS AT RISK OF DEFAULT ACROSS 70 RANKED POSTCODES

+24%
ANNUAL INCREASE IN AT-RISK HOUSEHOLDS

66/70
RANKED POSTCODES HIGHER THAN A YEAR AGO

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



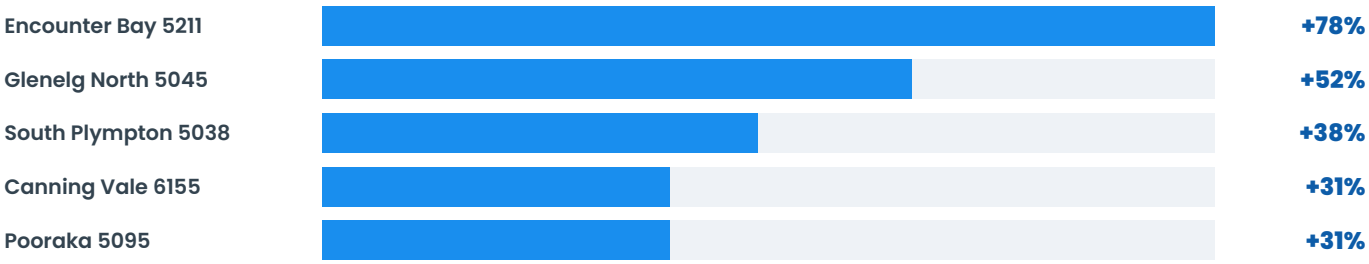
MARKET	AT RISK NOW	3 MOS AGO	QUARTERLY CHANGE	ANNUAL CHANGE	POSTCODES UP (QTR)
Adelaide/SA	1,874	1,650	+13.6%	+31.0%	7/10
Perth/WA	5,895	4,592*	+7.3%	+26.4%	7/10
Canberra/ACT	1,257	1,219	+3.1%	+21.4%	6/10
Melbourne/ VIC	6,026	5,876	+2.6%	+25.4%	7/10
Brisbane/QLD	5,139	5,107	+0.6%	+18.9%	4/10
Sydney/NSW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

*Perth/WA quarterly change is calculated on the nine postcodes with a June reading; Mandurah (6210, 966 at-risk households) has no June figure in the DFA extract. Northern Territory postcodes are included in national totals but not reported individually.

03 — DEFAULT RISK INDEX • BIGGEST MOVERS

BIGGEST *Movers*

TOP 5 QUARTERLY RISERS • % CHANGE IN AT-RISK HOUSEHOLDS



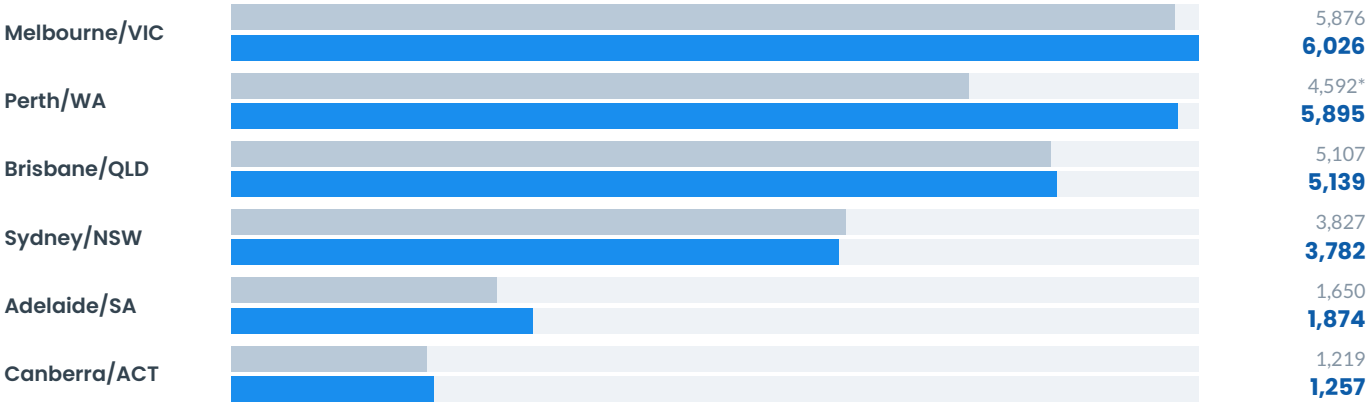
BIGGEST QUARTERLY INCREASES

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%
06	Canberra/ACT's 2611 (Weston)	+29%
07	Sydney/NSW's 2148 (Blacktown)	+27%
08	Brisbane/QLD's 4870 (Manunda)	+25%
09	Melbourne/VIC's 3805 (Narre Warren)	+23%
10	Adelaide/SA's 5085 (Clearview)	+20%

BIGGEST ANNUAL INCREASES

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%
06	Adelaide/SA's 5085 (Clearview)	+49%
07	Brisbane/QLD's 4870 (Manunda)	+46%
08	Brisbane/QLD's 4207 (Yatala)	+45%
09	Perth/WA's 6210 (Mandurah)	+45%
10	Adelaide/SA's 5045 (Glenelg North)	+44%

TOTAL AT-RISK HOUSEHOLDS BY MARKET • Q2 vs Q3 2026



04 THE STRESS-TO-DEFAULT PIPELINE

THE 3–5 YEAR *Lag*

Default is not a sudden event. On Digital Finance Analytics' analysis it takes **three to five years on average** from sustained cash-flow pressure to default. That lag means today's default map reflects yesterday's stress, and today's stress data shows where defaults emerge next.

STAGE 1

MORTGAGE STRESS

≈450,539

households in negative monthly cash flow across 77 ranked postcodes, +8% this quarter

CONCENTRATED IN: Melbourne's west, outer growth corridors, regional Queensland

→

STAGE 2

SEVERE STRESS

DEEP DEFICIT

behind on repayments, in hardship, refinancing or selling

FASTEST RISERS: Drummoyne +610%, Hornsby +289%, Elwood +256%

→

STAGE 3 · 3–5 YRS LATER

DEFAULT RISK

≈24,546

households at risk of default across 70 ranked postcodes, +3% this quarter

CONCENTRATED IN: the growth corridors that led stress in 2021–23, now joined by Adelaide

PRESSURE BUILDS — SAVINGS & BUFFERS ERODE — DEFAULT EMERGES

The default rankings in this report are still dominated by outer growth-corridor postcodes: Cranbourne, Tarneit, Gosford, Toowoomba, Success. The affluent suburbs leading severe stress do not yet appear. The one crossover, **Hornsby (2077)**, eased -8% in default risk this quarter even as its severe-stress count rose 289%, which is exactly the lag DFA describes: the stress arrives first, the default follows years later. And default is not the end of the chain: on DFA's numbers, once a household defaults, **more than half end up selling within the next couple of years**.

> *"Many in the high growth corridors have been under pressure for several years, as flagged by stress. Default is a progressive problem; those tend to follow later."*
>
> **Martin North, Principal of Digital Finance Analytics**

THE 2028 WATCHLIST · TODAY'S SEVERE-STRESS LEADERS

2047	Drummoyne *(Sydney)*	**+610%**
2077	Hornsby *(Sydney)*	**+289%**
3184	Elwood *(Melbourne)*	**+256%**
3122	Hawthorn *(Melbourne)*	**+140%**
6153	Mount Pleasant *(Perth)*	**+111%**

Quarterly change in severely stressed households, Q3 2026. Source: OurTop10 Mortgage Stress Report Q3 2026.

05 — DEFAULT RISK INDEX • TOP 10 POSTCODES

SYDNEY

MORTGAGE DEFAULT RISK • NEW SOUTH WALES

Sydney's run as the fastest-growing default market has stopped. After rising 24.8% in Q2 2026, at-risk households across the region's 10 ranked postcodes slipped **-1.2%** this quarter to 3,782. Only 5 of the 10 rose, and three of its bigger postcodes went backwards: Campbelltown (2560) -8%, Hornsby (2077) -8% and Wyong (2259) -15%.

The year-on-year picture is less comfortable. The region is still up **+25.3%** on a year ago, and the western suburbs are now the pressure point: Blacktown (2148) rose +27% in the quarter and +76% over the year, from 196 to 345 at-risk households, and Liverpool (2170) is up +74% for the year.

Gosford (2250) holds the state's largest count at 592, essentially flat on the quarter. Hornsby, flagged last quarter as the first affluent postcode to appear in the default rankings, eased -8% but is still +42% higher than a year ago.

SYDNEY'S BIGGEST RISER
POSTCODE 2148 · BLACKTOWN

+27%

QUARTERLY INCREASE IN DEFAULT RISK

3 MOS AGO		NOW
272	→	345

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

#	CODE	AT RISK NOW	3MOS AGO	12MOS AGO	%3MOS	%12MOS	SUBURB	REGION
01	**2250**	592	591	577	▲ +0.2%	▲ +2.6%	Gosford	Central Coast
02	**2259**	385	452	387	▼ -14.8%	▼ -0.5%	Wyong	Lake Macquarie
03	**2560**	369	402	291	▼ -8.2%	▲ +26.8%	Campbelltown	Campbelltown
04	**2261**	369	358	297	▲ +3.1%	▲ +24.2%	Bateau Bay	Central Coast
05	**2170**	369	350	212	▲ +5.4%	▲ +74.1%	Liverpool	Fairfield
06	**2155**	347	377	309	▼ -8.0%	▲ +12.3%	Beaumont Hills	The Hills Shire
07	**2148**	345	272	196	▲ +26.8%	▲ +76.0%	Blacktown	Blacktown
08	**2650**	339	355	304	▼ -4.5%	▲ +11.5%	Turvey Park	Wagga Wagga
09	**2077**	336	364	237	▼ -7.7%	▲ +41.8%	Hornsby	Hornsby
10	**2480**	331	306	209	▲ +8.2%	▲ +58.4%	Goonellabah	Byron

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.

05 — DEFAULT RISK INDEX • TOP 10 POSTCODES

MELBOURNE

MORTGAGE DEFAULT RISK • VICTORIA

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.

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.

05 — DEFAULT RISK INDEX • TOP 10 POSTCODES

BRISBANE

MORTGAGE DEFAULT RISK • QUEENSLAND

Queensland is flat. At-risk households across the state's 10 ranked postcodes rose just **+0.6%** this quarter to 5,139, the smallest rise of any market, with only 4 of the 10 rising. The annual figure, **+18.9%**, shows the pressure built earlier in the year has not unwound.

Regional Queensland is where the movement is. Manunda in Cairns (4870), the postcode with the country's sharpest rise in mortgage stress this quarter, also recorded the state's largest increase in default risk, up +25% to 448. Craignish on the Fraser Coast (4655) rose +17% and Yatala in Logan (4207) +11%.

Toowoomba (4350) still carries the state's biggest count at 616, down -5% on the quarter. Coomera on the Gold Coast (4209) recorded the largest fall, -16%, and Bundaberg (4670), up +7% for the quarter, is essentially unchanged on a year ago (+1%).

BRISBANE'S BIGGEST RISER
POSTCODE 4870 · MANUNDA

+25%

QUARTERLY INCREASE IN DEFAULT RISK

3 MOS AGO		NOW
359	→	**448**

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

#	CODE	AT RISK NOW	3MOS AGO	12MOS AGO	%3MOS	%12MOS	SUBURB	REGION
01	**4350**	616	647	516	▼ -4.8%	▲ +19.4%	Toowoomba	Toowoomba
02	**4670**	597	558	590	▲ +7.0%	▲ +1.2%	Bundaberg	Bundaberg
03	**4211**	567	577	447	▼ -1.7%	▲ +26.8%	Pacific Pines	Scenic Rim
04	**4207**	560	503	386	▲ +11.3%	▲ +45.1%	Yatala	Logan
05	**4655**	499	425	411	▲ +17.4%	▲ +21.4%	Craignish	Fraser Coast
06	**4209**	497	589	486	▼ -15.6%	▲ +2.3%	Coomera	Gold Coast
07	**4740**	496	538	455	▼ -7.8%	▲ +9.0%	Mount Pleasant	Mackay
08	**4300**	457	479	376	▼ -4.6%	▲ +21.5%	Bellbird Park	Ipswich
09	**4870**	448	359	306	▲ +24.8%	▲ +46.4%	Manunda	Cairns
10	**4680**	402	432	349	▼ -6.9%	▲ +15.2%	Barney Point	Gladstone

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.

05 — DEFAULT RISK INDEX • TOP 10 POSTCODES

PERTH

MORTGAGE DEFAULT RISK • WESTERN AUSTRALIA

Western Australia has the biggest volume jump in the country, though it comes with a caveat. Mandurah (6210) tops the rankings at 966 at-risk households, the largest count in WA and the second-largest nationally, but DFA's extract carries no June reading for the postcode, so its quarterly change cannot be calculated.

On the nine postcodes with a prior reading, at-risk households rose **+7.3%** for the quarter. 7 of the 10 ranked postcodes rose. Canning Vale (6155) recorded the west's sharpest quarterly rise at +31%, and Armadale (6112) rose +15% to 805.

By volume, Success (6164) at 852, Armadale at 805 and Wanneroo (6065) at 638 follow Mandurah. Every one of WA's 10 ranked postcodes is higher than a year ago, with the state up **+26.4%** on 12 months earlier.

PERTH'S BIGGEST RISER

POSTCODE 6155 · CANNING VALE

+31%

QUARTERLY INCREASE IN DEFAULT RISK

3 MOS AGO		NOW
343	→	**448**

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

#	CODE	AT RISK NOW	3MOS AGO	12MOS AGO	%3MOS	%12MOS	SUBURB	REGION
01	**6210**	966	n/a*	668	n/a*	▲ +44.6%	Mandurah	Mandurah
02	**6164**	852	787	601	▲ +8.3%	▲ +41.8%	Success	Cockburn
03	**6112**	805	699	701	▲ +15.2%	▲ +14.8%	Armadale	Armadale
04	**6065**	638	587	519	▲ +8.7%	▲ +22.9%	Wanneroo	Wanneroo
05	**6110**	456	422	344	▲ +8.1%	▲ +32.6%	Huntingdale	Gosnells
06	**6155**	448	343	388	▲ +30.6%	▲ +15.5%	Canning Vale	Canning
07	**6069**	448	479	383	▼ -6.5%	▲ +17.0%	Ellenbrook	Swan
08	**6027**	441	421	352	▲ +4.8%	▲ +25.3%	Heathridge	Joondalup
09	**6030**	425	461	378	▼ -7.8%	▲ +12.4%	Merriwa	Wanneroo
10	**6171**	416	393	329	▲ +5.9%	▲ +26.4%	Baldivis	Rockingham

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. *Mandurah (6210): no June 2026 reading was supplied in the DFA extract, so its quarterly change is not shown and it is excluded from quarterly % calculations.

05 — DEFAULT RISK INDEX • TOP 10 POSTCODES

ADELAIDE

MORTGAGE DEFAULT RISK • SOUTH AUSTRALIA

Adelaide is this quarter's fastest-growing default market. At-risk households across the city's 10 ranked postcodes rose **+13.6%** in three months to 1,874, and **+31.0%** over the year, the strongest annual rate of any market. 7 of the 10 rose.

Encounter Bay (5211) on the Fleurieu Peninsula recorded the sharpest quarterly rise anywhere in Australia, up +78% from 93 to 166. Glenelg North (5045) was next at +52%, then South Plympton (5038) at +38% and Pooraka (5095) at +31%.

Adelaide's base is small, so individual postcodes can swing, but seven of 10 moving the same way in one quarter is not noise. Happy Valley (5159) holds the city's largest count at 249. Yattalunga (5114) is the one ranked postcode lower than a year ago.

ADELAIDE'S BIGGEST RISER

POSTCODE 5211 · ENCOUNTER BAY

+78%

QUARTERLY INCREASE IN DEFAULT RISK

3 MOS AGO		NOW
93	→	166

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

#	CODE	AT RISK NOW	3MOS AGO	12MOS AGO	%3MOS	%12MOS	SUBURB	REGION
01	**5159**	249	230	193	▲ +8.3%	▲ +29.0%	Happy Valley	Onkaparinga
02	**5162**	241	247	197	▼ -2.4%	▲ +22.3%	Morphett Vale	Onkaparinga
03	**5108**	219	209	167	▲ +4.8%	▲ +31.1%	Paralowie	Salisbury
04	**5158**	184	186	156	▼ -1.1%	▲ +17.9%	Hallett Cove	Marion
05	**5114**	177	209	185	▼ -15.3%	▼ -4.3%	Yattalunga	Playford
06	**5085**	171	142	115	▲ +20.4%	▲ +48.7%	Clearview	Port Adelaide Enfield
07	**5211**	166	93	102	▲ +78.5%	▲ +62.7%	Encounter Bay	Alexandrina
08	**5045**	161	106	112	▲ +51.9%	▲ +43.8%	Glenelg North	Holdfast Bay
09	**5095**	158	121	119	▲ +30.6%	▲ +32.8%	Pooraka	Salisbury
10	**5038**	148	107	85	▲ +38.3%	▲ +74.1%	South Plympton	Marion

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.

05 — DEFAULT RISK INDEX • TOP 10 POSTCODES

CANBERRA

MORTGAGE DEFAULT RISK • AUSTRALIAN CAPITAL TERRITORY

Canberra's default-risk base is small, 1,257 at-risk households across its 10 ranked postcodes, and its growth has slowed to **+3.1%** this quarter. It is still **+21.4%** higher than a year ago, with 6 of 10 postcodes rising over the quarter.

Weston (2611) recorded the territory's sharpest quarterly rise at +29%, from 111 to 143. Amaroo (2914) in Gungahlin carries the ACT's largest count at 250, up +11% for the quarter and +37% for the year.

Last quarter's fast risers have eased: Kaleen (2617) and Banks (2906) both fell over the quarter. Canberra's story remains one of speed off a small base rather than scale.

CANBERRA'S BIGGEST RISER
POSTCODE 2611 · WESTON

+29%

QUARTERLY INCREASE IN DEFAULT RISK

3 MOS AGO		NOW
111	→	143

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

#	CODE	AT RISK NOW	3MOS AGO	12MOS AGO	%3MOS	%12MOS	SUBURB	REGION
01	**2914**	250	226	183	▲ +10.6%	▲ +36.6%	Amaroo	Canberra
02	**2615**	165	181	151	▼ -8.8%	▲ +9.3%	Latham	Canberra
03	**2913**	160	156	123	▲ +2.6%	▲ +30.1%	Ngunnawal	Canberra
04	**2611**	143	111	110	▲ +28.8%	▲ +30.0%	Weston	Canberra
05	**2602**	126	123	106	▲ +2.4%	▲ +18.9%	Ainslie	Canberra
06	**2617**	113	118	107	▼ -4.2%	▲ +5.6%	Kaleen	Canberra
07	**2905**	109	100	91	▲ +9.0%	▲ +19.8%	Calwell	Canberra
08	**2612**	68	73	51	▼ -6.8%	▲ +33.3%	Reid	Canberra
09	**2906**	66	79	56	▼ -16.5%	▲ +17.9%	Banks	Canberra
10	**2604**	57	52	57	▲ +9.6%	· +0.0%	Narrabundah	Canberra

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.

06 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".

07 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/**.



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