

# OUR TOP10 **MORTGAGE STRESS REPORT**

*Victoria*

**Q3 2026**

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## 00 — Q3 2026 AT A GLANCE • VICTORIA

# Victoria *At a glance*

**+11%**RISE IN STRESSED HOUSEHOLDS THIS  
QUARTER (TOP 10 POSTCODES)**+25%**

RISE OVER THE PAST 12 MONTHS

**9/10**RANKED POSTCODES ROSE THIS  
QUARTER**≈104,300**STRESSED HOUSEHOLDS ACROSS THE 10  
RANKED VIC POSTCODES**+54%**DERRIMUT (VIC 3030) – VIC'S  
SHARPEST QUARTERLY JUMP**+39%**SYDENHAM (VIC 3037) – BIGGEST RISE  
SINCE MARCH**WHAT STANDS OUT THIS QUARTER**

**Derrimut is VIC's fastest riser.** Postcode 3030 added 3,500 stressed households in three months, up 54%.

**Roxburgh Park is still the biggest hotspot.** Postcode 3064 has 13,624 stressed households, the most of any VIC postcode in the index.

**Six months of pressure.** Sydenham (3037) is up 39% since March, the biggest six-month rise in the state.

*"Victoria added around 10,500 stressed households across its ten hardest-hit postcodes in three months, and 9 of the 10 rose. Derrimut (3030) stands out, up 54% in a quarter. These are households whose bills now outrun their income every month."*

**Mansour Soltani, Head of Research, OurTop10**

*"Next time, we expect stress to go higher still and continue to spread. We are at a tipping point."*

**Martin North, Principal of Digital Finance Analytics**

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## 01 — FOREWORD

# OUR TOP10 MORTGAGE STRESS REPORT

## *Victoria • Q3 2026*

Mortgage stress kept building across Victoria in the September quarter. The 10 hardest-hit VIC postcodes now hold around 104,300 stressed households, up 11% in three months and 25% over the year.

This state edition of the [OurTop10](#) Mortgage Stress Report, powered by Digital Finance Analytics, ranks the top 10 postcodes in Victoria with the highest levels of mortgage stress, tracks how they moved over the quarter and the year, and for the first time follows each postcode across the six months from March to September 2026.

Melbourne's western growth belt is now moving as fast as the south-east. Derrimut and Tarneit in Wyndham produced the two biggest quarterly rises, while Roxburgh Park in Hume has overtaken the Casey corridor as the state's biggest single hotspot.

VIC sits first of the seven reported markets in the national index by the number of stressed households in its ranked postcodes. Nationally, the 77 ranked postcodes hold around 450,500 stressed households, up 7.5% on the quarter.

## MANSOUR SOLTANI

Head of Research, OurTop10



## 02 — FROM DIGITAL FINANCE ANALYTICS

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This past quarter has seen a marked rise in households experiencing mortgage stress across the country. In June 53.2% of households with a mortgage had greater regular outgoing, including mortgage repayments, than income, rising to 54.9% in September as higher interest rates and living costs outstripped income growth. Stress is spreading into more wealthy areas, who in theory have more buffers and options, but in practice have bigger living expenses, and bigger mortgages to match their bigger incomes. Next time, we expect stress to go higher still and continue to spread. We are at a tipping point.”

**MARTIN NORTH**

Principal of Digital Finance Analytics

**DEFINITION:**

Mortgage stress refers to households in negative monthly cash flow, where regular expenses exceed income, including owner-occupier mortgage repayments.



**Note:** Figures reflect Victoria's top 10 ranked postcodes for mortgage stress, which extend beyond the Melbourne metropolitan area where regional postcodes rank among the state's highest. State labels reflect the ranking group, not statewide totals.

## 03 — VICTORIA • TOP 10 POSTCODES

## MELBOURNE

## MORTGAGE STRESS • VICTORIA

Victoria has the biggest total in the index: 104,325 stressed households across its top 10 postcodes. The quarter added around 10,500, an 11.2% rise, and the annual increase is 25.4%. Nine of the ten postcodes rose.

Derrimut (3030) jumped 54%, from 6,493 to 10,020. Tarneit (3029) rose 26%, from 9,276 to 11,663. Both are in Wyndham, in Melbourne's west.

Roxburgh Park (3064) is the largest hotspot and the fastest grower over the year: 13,624 stressed households, up 15% on the quarter and 53% in 12 months.

VIC'S BIGGEST RISER  
POSTCODE 3030 • DERRIMUT

**+54%**

QUARTERLY INCREASE

3 MOS AGO

**6,493**



NOW

**10,020**

## TOP 10 VIC POSTCODES BY MORTGAGE STRESS – BIGGEST QUARTERLY RISERS FIRST • Q3 2026

| #  | CODE | H' HOLDS | BWR    | STRESSED | 3 MOS AGO | 12 MOS AGO | %3 MOS   | %12 MOS  | SUBURB        | LGA       |
|----|------|----------|--------|----------|-----------|------------|----------|----------|---------------|-----------|
| 01 | 3030 | 41,850   | 22,219 | 10,020   | 6,493     | 7,243      | ▲ +54.3% | ▲ +38.3% | Derrimut      | Wyndham   |
| 02 | 3029 | 41,054   | 24,903 | 11,663   | 9,276     | 8,426      | ▲ +25.7% | ▲ +38.4% | Tarneit       | Wyndham   |
| 03 | 3064 | 35,171   | 23,912 | 13,624   | 11,875    | 8,926      | ▲ +14.7% | ▲ +52.6% | Roxburgh Park | Hume      |
| 04 | 3350 | 28,251   | 10,855 | 10,855   | 9,547     | 9,013      | ▲ +13.7% | ▲ +20.4% | Ballarat      | Ballarat  |
| 05 | 3810 | 20,450   | 11,465 | 11,042   | 10,491    | 8,988      | ▲ +5.3%  | ▲ +22.9% | Pakenham      | Cardinia  |
| 06 | 3806 | 18,324   | 10,357 | 10,357   | 9,878     | 9,036      | ▲ +4.8%  | ▲ +14.6% | Berwick       | Casey     |
| 07 | 3977 | 39,431   | 25,768 | 8,886    | 8,509     | 8,018      | ▲ +4.4%  | ▲ +10.8% | Cranbourne    | Casey     |
| 08 | 3805 | 19,385   | 11,571 | 11,571   | 11,272    | 9,729      | ▲ +2.7%  | ▲ +18.9% | Narre Warren  | Casey     |
| 09 | 3037 | 17,076   | 9,941  | 8,698    | 8,665     | 7,247      | ▲ +0.4%  | ▲ +20.0% | Sydenham      | Brimbank  |
| 10 | 3199 | 23,815   | 10,166 | 7,609    | 7,818     | 6,563      | ▼ -2.7%  | ▲ +15.9% | Frankston     | Frankston |

## 04 — SIX-MONTH TRACKER • MARCH TO SEPTEMBER 2026

# WHERE STRESS IS *Growing*

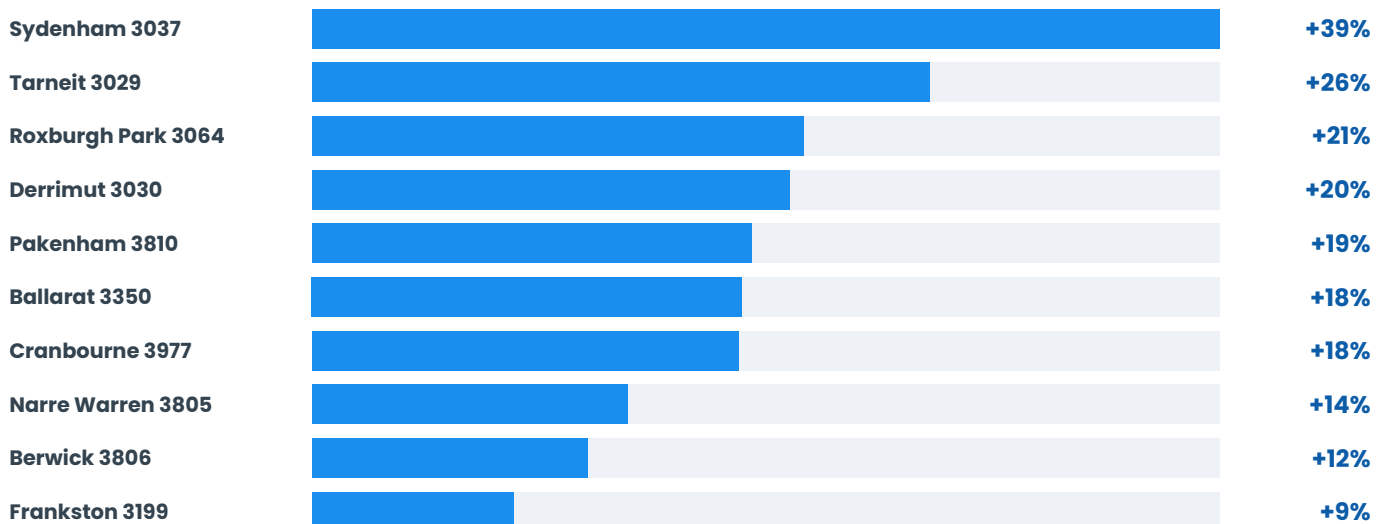
This table follows each of VIC's current top 10 postcodes back through the March and June reports. Across the 10 postcodes with a March figure, stressed households rose from 87,485 to 104,325 — up 19% in six months. All 10 rose.

Sydenham (3037) is the standout, up 39% from 6,263 in March to 8,698 in September. Tarneit (3029) followed, up 26%.

## STRESSED HOUSEHOLDS BY POSTCODE • MARCH → JUNE → SEPTEMBER 2026 • BIGGEST SIX-MONTH RISERS FIRST

| #  | CODE | SUBURB        | LGA       | SEP 2025 | MAR 2026 | JUN 2026 | SEP 2026 | 6-MONTH CHANGE |
|----|------|---------------|-----------|----------|----------|----------|----------|----------------|
| 01 | 3037 | Sydenham      | Brimbank  | 7,247    | 6,263    | 8,665    | 8,698    | ▲ +39%         |
| 02 | 3029 | Tarneit       | Wyndham   | 8,426    | 9,222    | 9,276    | 11,663   | ▲ +26%         |
| 03 | 3064 | Roxburgh Park | Hume      | 8,926    | 11,252   | 11,875   | 13,624   | ▲ +21%         |
| 04 | 3030 | Derrimut      | Wyndham   | 7,243    | 8,318    | 6,493    | 10,020   | ▲ +20%         |
| 05 | 3810 | Pakenham      | Cardinia  | 8,988    | 9,292    | 10,491   | 11,042   | ▲ +19%         |
| 06 | 3350 | Ballarat      | Ballarat  | 9,013    | 9,165    | 9,547    | 10,855   | ▲ +18%         |
| 07 | 3977 | Cranbourne    | Casey     | 8,018    | 7,512    | 8,509    | 8,886    | ▲ +18%         |
| 08 | 3805 | Narre Warren  | Casey     | 9,729    | 10,193   | 11,272   | 11,571   | ▲ +14%         |
| 09 | 3806 | Berwick       | Casey     | 9,036    | 9,263    | 9,878    | 10,357   | ▲ +12%         |
| 10 | 3199 | Frankston     | Frankston | 6,563    | 7,005    | 7,818    | 7,609    | ▲ +9%          |

## SIX-MONTH CHANGE IN STRESSED HOUSEHOLDS • MARCH TO SEPTEMBER 2026



\* March figures come from the March 2026 extract or, where a postcode was not ranked in March, from the June extract's prior-quarter column. The September 2025 column shows whether a six-month rise is new pressure or a recovery of an earlier fall.

## 05 SEVERE MORTGAGE STRESS

# SEVERE *Mortgage stress*

## MORTGAGE STRESS

The household's regular monthly expenses, including the home loan repayment, add up to more than its income. It is running at a cash-flow loss, but is usually still making repayments — by cutting spending, drawing down savings or using credit.

## SEVERE MORTGAGE STRESS

The same cash-flow gap, but much deeper and persistent. These households can no longer paper over it: they are behind on repayments, trying to refinance, seeking hardship help from their lender, or putting the property on the market.

Every household in severe stress is also counted in the mortgage stress figures on page 5. Severe stress is the group most likely to default over the next few years.

In VIC the fastest-growing severe-stress postcode this quarter is Elwood (3184), up 256% from 558 to 1,989 households. Brighton East (3187) holds the largest count at 2,166.

### TOP 10 VIC POSTCODES BY SEVERE STRESS – BIGGEST QUARTERLY RISERS FIRST • Q3 2026

| #  | CODE | SUBURB        | LGA          | SEVERE NOW | 3MOS AGO | 12MOS AGO | %3MOS     | %12MOS    |
|----|------|---------------|--------------|------------|----------|-----------|-----------|-----------|
| 01 | 3184 | Elwood        | Port Phillip | 1,989      | 558      | –         | ▲ +256.5% | n/a*      |
| 02 | 3122 | Hawthorn      | Boroondara   | 1,499      | 624      | –         | ▲ +140.2% | n/a*      |
| 03 | 3124 | Camberwell    | Boroondara   | 2,025      | 1,118    | –         | ▲ +81.1%  | n/a*      |
| 04 | 3146 | Glen Iris     | Boroondara   | 1,661      | 1,797    | –         | ▼ -7.6%   | n/a*      |
| 05 | 3187 | Brighton East | Bayside      | 2,166      | 2,460    | 558       | ▼ -12.0%  | ▲ +288.2% |
| 06 | 3101 | Kew           | Boroondara   | 1,762      | 2,385    | –         | ▼ -26.1%  | n/a*      |
| 07 | 3186 | Brighton      | Bayside      | 1,799      | 2,653    | –         | ▼ -32.2%  | n/a*      |
| 08 | 3104 | Balwyn North  | Boroondara   | 1,554      | 2,865    | 2,385     | ▼ -45.8%  | ▼ -34.8%  |
| 09 | 3163 | Carnegie      | Glen Eira    | 1,835      | –        | –         | n/a*      | n/a*      |
| 10 | 3145 | Malvern East  | Stonnington  | 1,398      | –        | 807       | n/a*      | ▲ +73.2%  |

**Note:** postcodes with no prior-period severe-stress reading show n/a\*; movements off small bases can be volatile.

## 06 — METHODOLOGY

# METHODology

The data behind this report comes from research carried out by **Digital Finance Analytics (DFA)** and is based on a simple idea: what matters isn't how much of your income goes to your mortgage, it's whether you have any money left at the end of the month.

Mortgage stress refers to households in negative monthly cash flow, where regular expenses exceed income, including owner-occupier mortgage repayments. Income is weighed against all regular expenses, not just loan repayments. That includes essentials like utilities, insurance, transport and day-to-day living costs. If a household is consistently spending more than it earns, it's classified as being in 'mortgage stress'. The data applies to owner-occupiers only.

That's a different lens to the usual '30% of income' rule, and it tends to reflect real pressure more accurately. Plenty of households sit under that threshold and still struggle once everything else is factored in.

The data in this report was captured from a rolling survey of around 4,500 households each month, which is scaled up to reflect the broader population. It's been running consistently for years and is aligned with Census and lending data to keep it grounded.

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. It also relies on self-reported information, which is filtered for outliers but can't be independently verified.

The six-month tracker in this edition joins the March, June and September 2026 extracts postcode by postcode. Where a postcode was not ranked in March, its March figure is taken from the June extract's prior-quarter column; where neither exists it is shown as n/a.

**Note:** 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 — postcodes and LGAs are not a 1:1 match.

## 06 — FREQUENTLY ASKED QUESTIONS

## FAQs

### **Why might Digital Finance Analytics (DFA) mortgage stress results differ from other publicly available datasets?**

DFA's mortgage stress model measures household financial pressure at a cash-flow level. It assesses whether regular income is enough to cover all ongoing expenses, not just mortgage repayments. Unlike traditional measures, DFA does not rely on the common rule that defines mortgage stress as spending 30% or more of gross household income on home loan repayments. Instead, it focuses on whether households are running at a cash flow deficit after accounting for all major living costs.

### **Is the mortgage stress data based on actual household data, modelling, or both?**

Both. Around 4,500 households are surveyed each month, a rolling base of about 52,000 or roughly 0.5% of households, optimised using Census data, migration trends and postcode-level demographic updates. Results are scaled to Australia's roughly 10 million households and benchmarked against Census and RBA lending data.

### **Why do some postcodes show close to 100% of mortgaged households in stress?**

As a postcode approaches the upper bound, the model reports approximately 100% (with a margin of roughly  $\pm 2\%$  depending on sample size). In real terms it is possible for nearly all mortgaged households in an area to be cash-flow negative, though with varying severity. In those postcodes the quarterly change tracks the change in the number of borrowing households.

### **What is the difference between mortgage stress and severe mortgage stress?**

Mortgage stress means a household's monthly outgoings, including the mortgage, exceed its income — it is cash-flow negative but generally still paying. Severe mortgage stress means that gap is deep and ongoing, and the household has already fallen behind on repayments, is trying to refinance, has asked its lender for hardship help, or is selling. Severe stress is a subset of mortgage stress, and the group most likely to default.

### **Why is the list for Victoria not limited to Melbourne itself?**

The ranking covers the whole state or territory. Where a regional postcode has more stressed households than a metropolitan one, it ranks ahead of it. That is why centres such as Toowoomba, Cairns, Launceston, Bunbury and Tamworth appear in their state lists.

### **How reliable is the data at postcode versus suburb level?**

Results are reported at postcode level because the sample is more statistically reliable there, particularly in smaller population centres. Suburb-level data is not used, as sample sizes would often be too small to produce dependable results.

## 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.



### MEDIA CONTACT

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