**Australian Property vs. S&P 500 (1990–2024): A Comparative Analysis**

Australian property and the S&P 500 (in AUD) represent two of the most popular investment options for wealth creation. This article compares their performance over the past three decades (1990–2024), analyzing returns, risks, and key drivers like interest rates, migration, and wage growth. Whether you're an investor, homeowner, or policy enthusiast, understanding these trends can inform better financial decisions. We’ll explore:

* Annual return trends and volatility
* Impact of interest rates and migration on property prices
* Divergence between wage and housing price growth
* Risk-reward trade-offs between Australian property and the S&P 500

**1. Housing Price Growth vs. Wage Growth (1990–2024)**

A graph of a house price

AI-generated content may be incorrect.

**Figure 1:** Annual Housing Price Growth vs. Wage Growth. *Sources: ABS, CoreLogic*.

Over the past three decades, Australian housing prices have significantly outpaced wage growth. House prices have averaged an annual growth rate of approximately 6%, while wages have grown at a modest 3% per year. However, housing prices exhibit much higher volatility, with sharp spikes during boom periods (e.g., early 2000s, post-COVID recovery) and occasional corrections.

**Key Insight:** The growing gap between housing prices and wages has strained affordability, particularly for younger Australians...