

# Housing Australia factsheet

A quick guide  
to housing facts and figures  
for workers in the media

**Shelter NSW**

[www.shelternsw.org.au](http://www.shelternsw.org.au)

January 2008

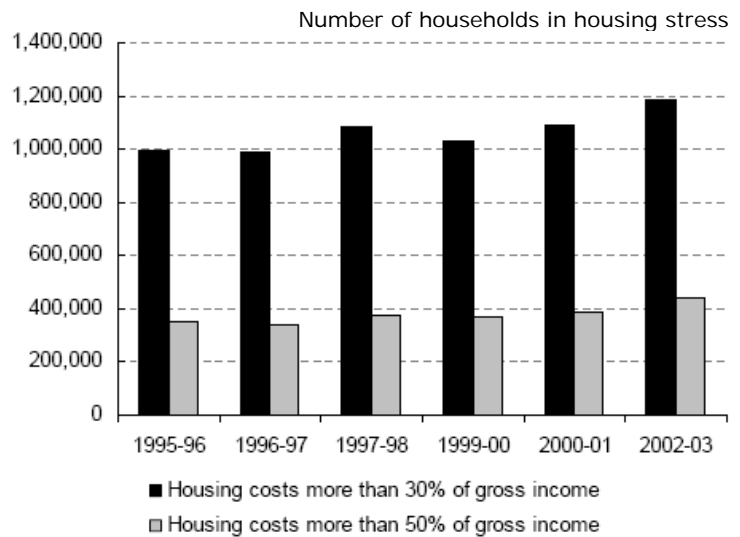
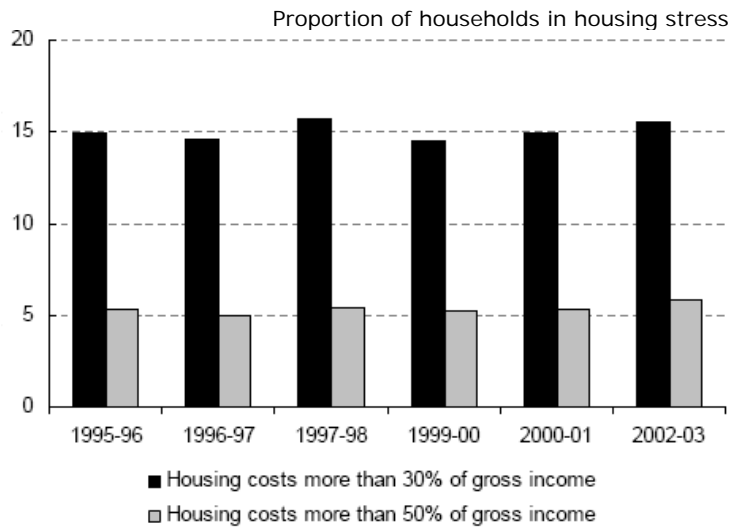
Enquiries: Mary Perkins 02 9267 5733

### Housing stress

Around 15% of Australian households are in ‘housing stress’, i.e. they pay more than 30% of their gross income on recurrent housing costs. This proportion of Australians has been steady over the last decade.

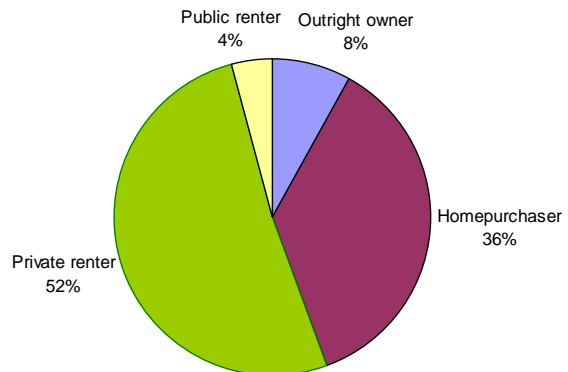
The total number of households in housing stress has increased, as the number of households has increased with population growth and new household formation. There are over 1,000,000 low-moderate income Australian households in housing stress.

Housing stress varies by tenure, with private renters comprising over half of the 1,000,000 low-moderate income households who are in housing stress.



Source: Yates and Gabriel.<sup>1</sup>

Tenure of low-moderate income households in housing stress



Source: Yates and Gabriel.<sup>2</sup>

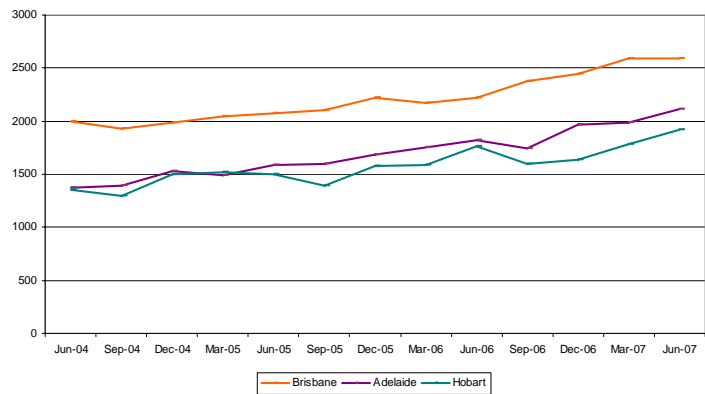
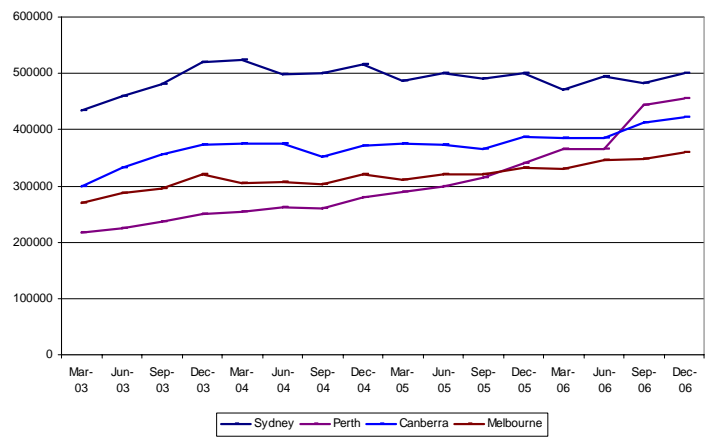
## Home purchase

House prices across Australia have more than quadrupled in the last 20 years.<sup>3</sup>

New South Wales has the most heated market for private housing in Australia, with median house prices in Sydney more than a fifth higher than in Canberra, the second most expensive city for home purchase, followed by Perth.

High house prices present two barriers to homeownership for low-income households: an initial (or 'market entry') barrier when seeking to meet the upfront costs of buying a dwelling, and an ongoing issue with meeting recurrent costs.

Median price of houses, capital cities



Source: ABS.<sup>4</sup>

Required deposit on housing loan as % of household income



Source: Reserve Bank.<sup>5</sup>

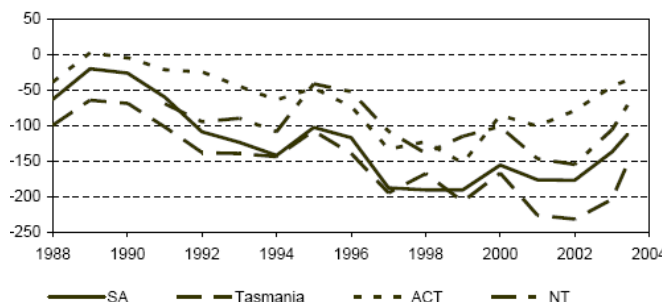
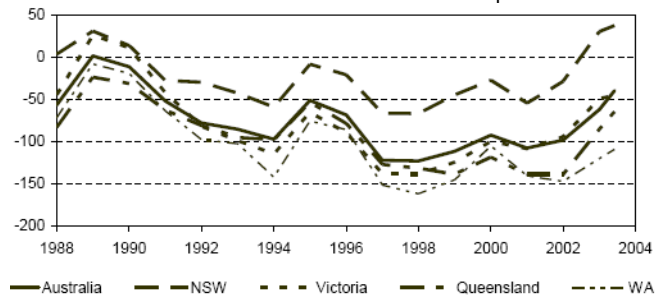
### Home purchase

The deposit required for a first home loan for a median-priced house has risen from an amount equivalent to about 25% of average annual household income to 60% of average annual household income, since the mid 1980s.<sup>6</sup>

The cost of meeting loan repayments is the 2<sup>nd</sup> financial barrier to homeownership for low-income households.

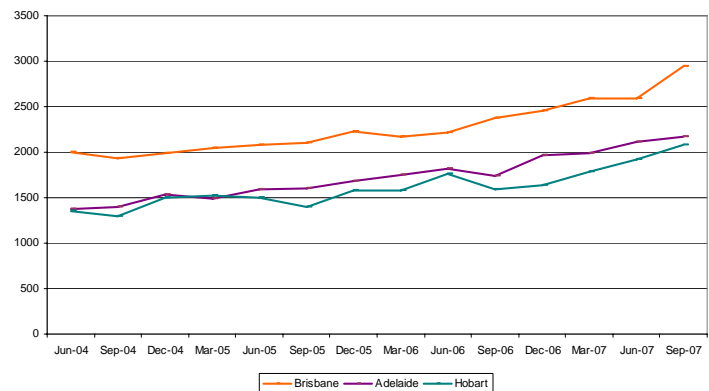
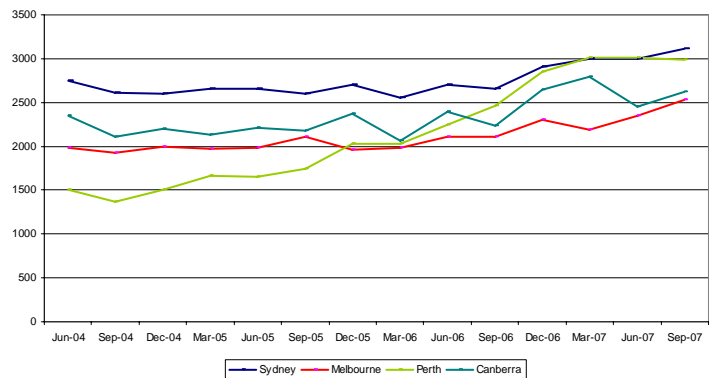
Required loan repayments for dwellings bought at a median price with the help of a loan from the Commonwealth Bank vary from \$2,986 a month in Perth to \$3,113 a month in Sydney.<sup>7</sup>

First-home buyer deposit gap as % of average household disposable income



Source: Productivity Commission.<sup>8</sup>

Loan repayments, \$ per month

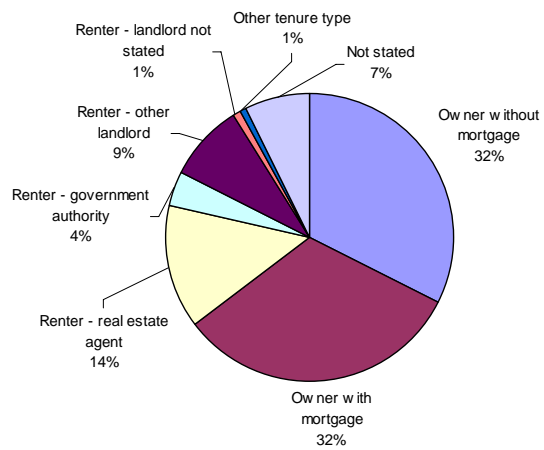


Source: HIA.<sup>9</sup>

### Home purchase

The home ownership rate has been stable in the last 3 censuses, at around 65%.<sup>10</sup>

It has fallen for younger households, however. Home ownership rates for households in the 25-29 and 30-34 age groups have fallen by nearly 10% since the early 1980s, reflecting an increase in the number of single-person households and a rise in the number of sole-parent households.<sup>11</sup>



Source: ABS<sup>12</sup>

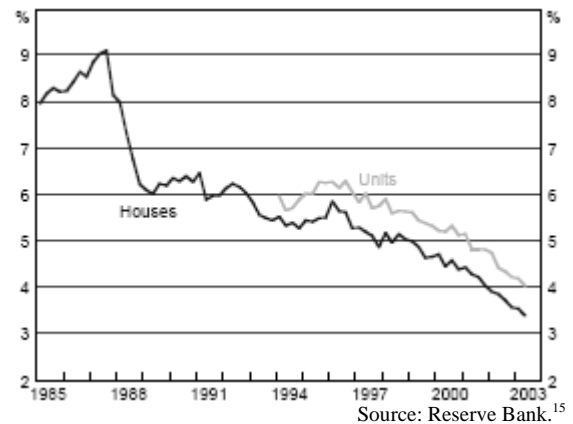
## Rental

The supply of rental housing is dependent on many factors. These include the relative attraction of investment in housing compared with the returns on investment in other areas, which is influenced by the taxation treatment of each. Short-term income from rents has not been a significant driver of investment in this sector. Gross yields from investment in rental dwellings average some 3-3.5% for detached dwellings, which is low compared with similar countries.<sup>13</sup>

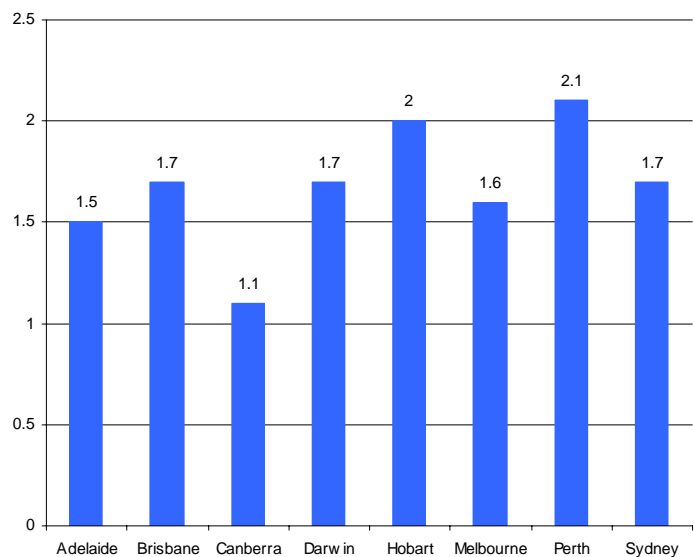
Vacancy rates for dwellings in the private housing market are low. This creates greater competition for those rental dwellings that do become vacant, and encourages rent increases without any corresponding improvement in the quality of the product being provided.

There is a shortage of dwellings for rental in the private market for households with low-moderate incomes in the 3 major cities. There was a shortage of 83,000 such dwellings in Sydney, Melbourne and Brisbane in 2001, for households with low-moderate incomes of up to \$447 a week (the lowest 22% of household incomes).<sup>14</sup>

Rental yields on residential properties

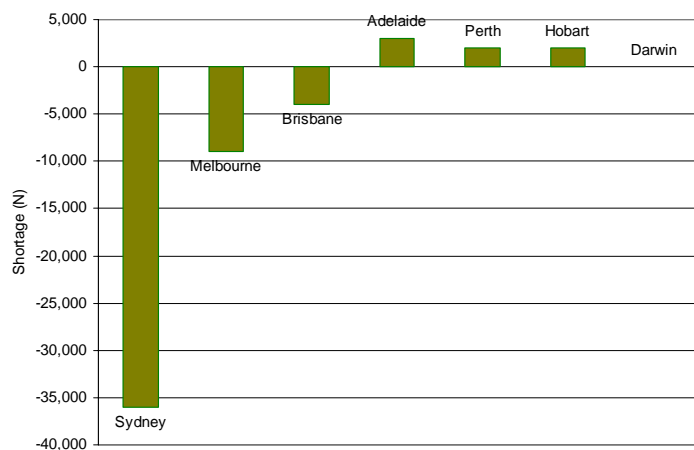


Vacancy rates, major cities



Source: REIA<sup>16</sup>

Shortage of low-rent dwellings



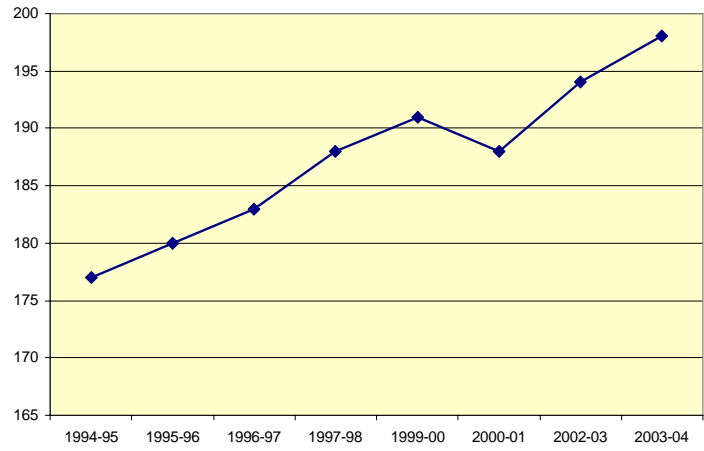
Source: Yates.<sup>17</sup>

## Rental

Rents in private rental housing have been going up in real terms for some years. The mean weekly rent was \$198 in 2003-04.<sup>18</sup>

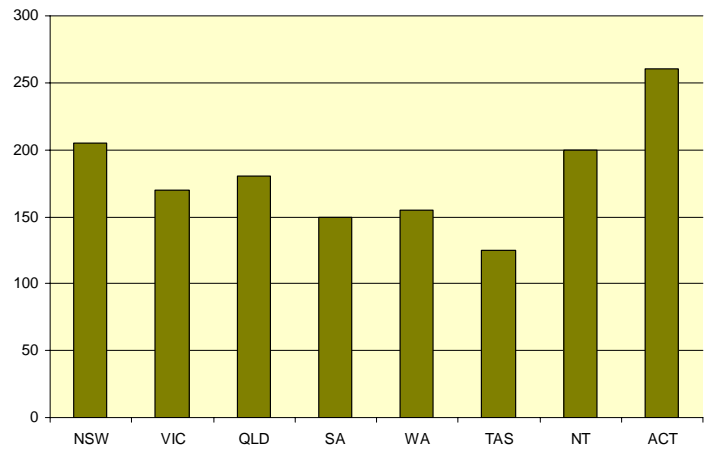
The median weekly rent in private rental varies from state to territory. The highest median weekly rent in 2003-04 was in the ACT at \$260, and the lowest median weekly rent in Tasmania at \$125.<sup>19</sup>

Trends in mean weekly rents



Source: ABS.<sup>20</sup>

Median weekly rents



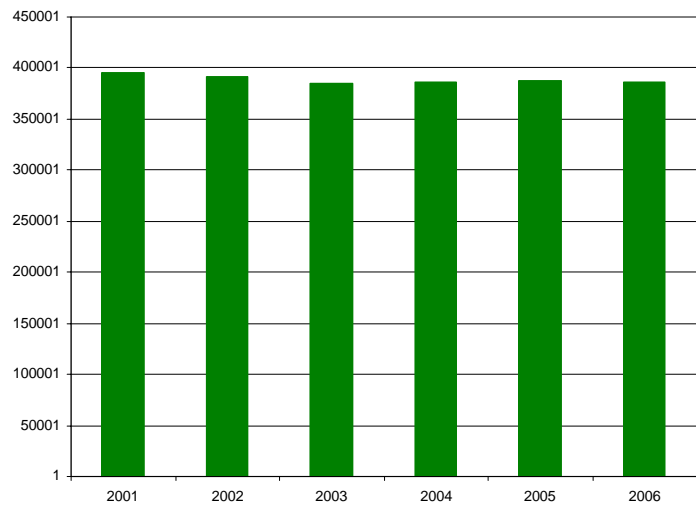
Source: ABS.<sup>21</sup>

## Social housing

There are around 380,000 social housing dwellings in Australia. This figure covers public housing, government-owned and managed Indigenous housing, CSHA community housing, and crisis accommodation program dwellings.<sup>22</sup>

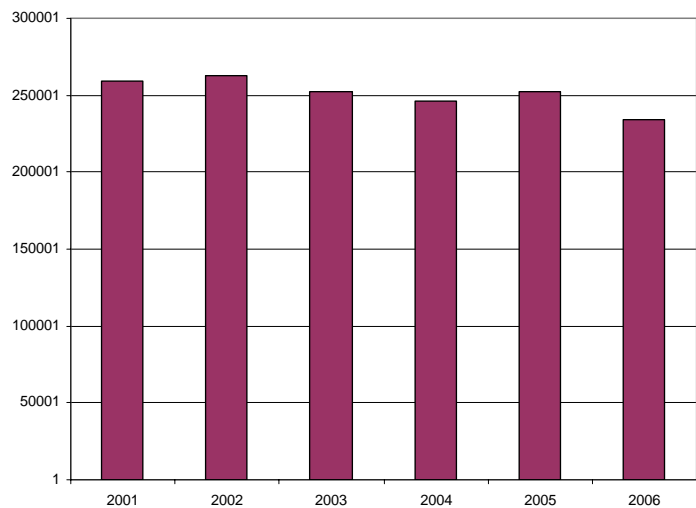
The number of people on the social housing waiting lists has fallen in the last year. The major reasons for this have been tightening of eligibility criteria in some jurisdictions, and reviews of the status of previous applicants. Even so, there are over 230,000 applicants waiting for social housing.

Social housing dwellings



Source: AIHW.<sup>23</sup>

Social housing waiting lists



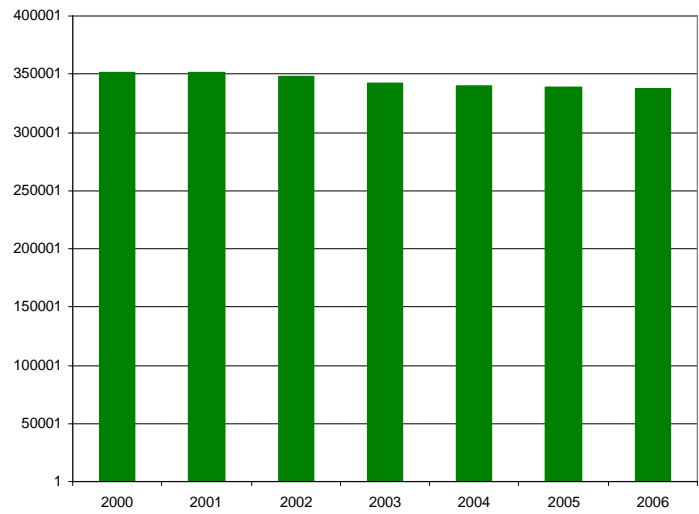
Source: AIHW.<sup>24</sup>

## Social housing

Public housing is the biggest subsector of social housing, providing nearly 90% of social housing dwellings. There has been a 4% decrease in supply in this subsector over the last 6 years.

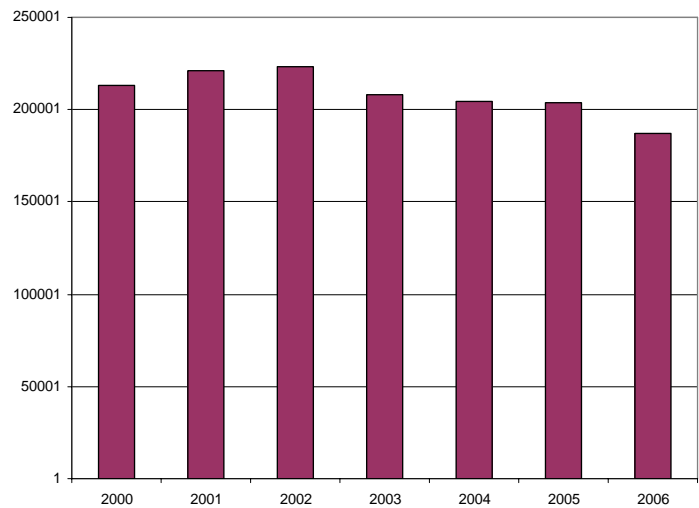
There are nearly 190,000 applicants on the public housing waiting lists. There has been a 12% decrease in the number of applicants on the waiting lists for this subsector over the last 6 years.

Public housing dwellings



Source: AIHW.<sup>25</sup>

Public housing waiting lists



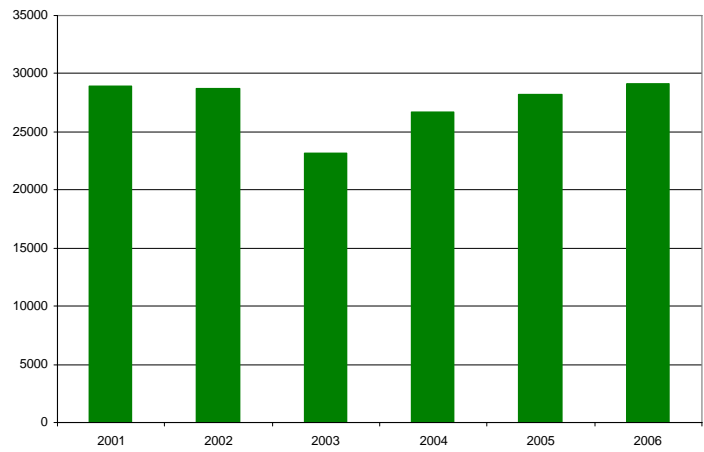
Source: AIHW.<sup>26</sup>

## Social housing

The community housing subsector has around 30,000 dwellings, a number that has been fairly constant over the last 6 years.<sup>27</sup>

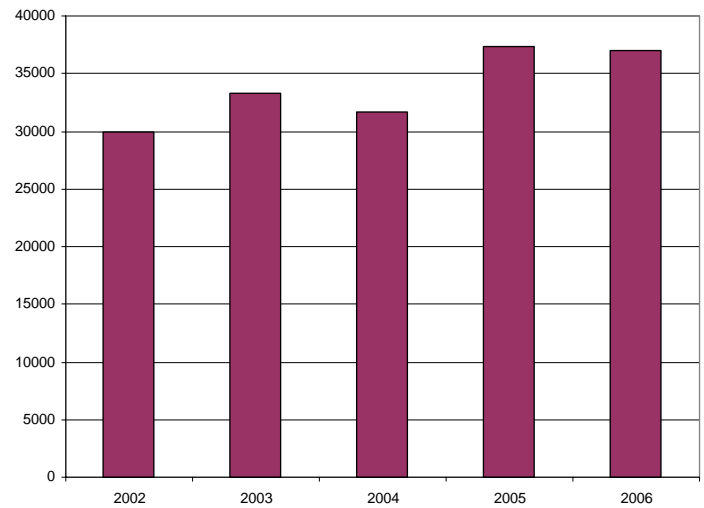
There are nearly 40,000 applicants on the community housing waiting lists.

Community housing dwellings



Source: AIHW.<sup>28</sup>

Community housing waiting lists



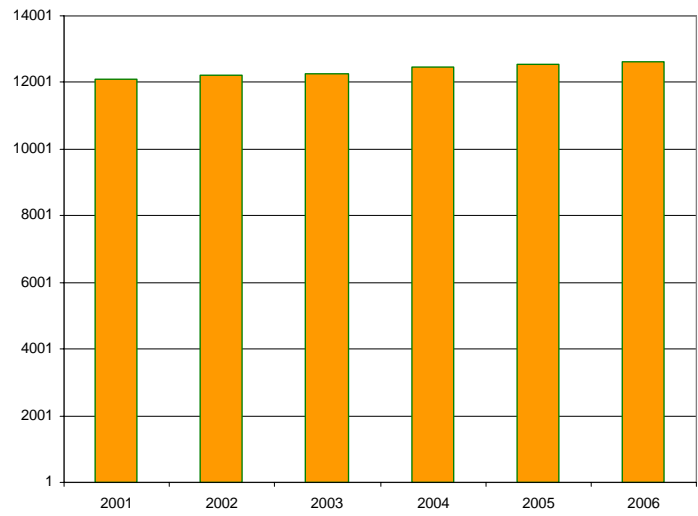
Source: AIHW.<sup>29</sup>

### Social housing

The government-owned and managed Indigenous housing subsector has around 12,000 dwellings.<sup>30</sup>

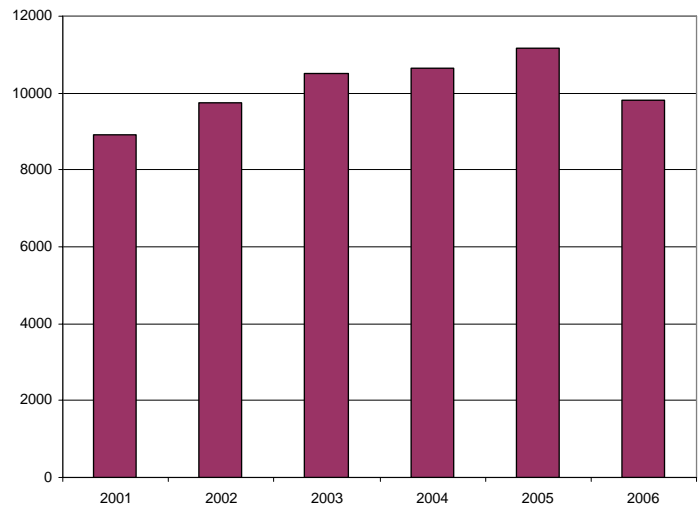
There are nearly 10,000 applicants on the waiting lists for government-owned and managed Indigenous housing.

Indigenous housing dwellings



Source: AIHW.<sup>31</sup>

Indigenous housing waiting lists



Source: AIHW.<sup>32</sup>

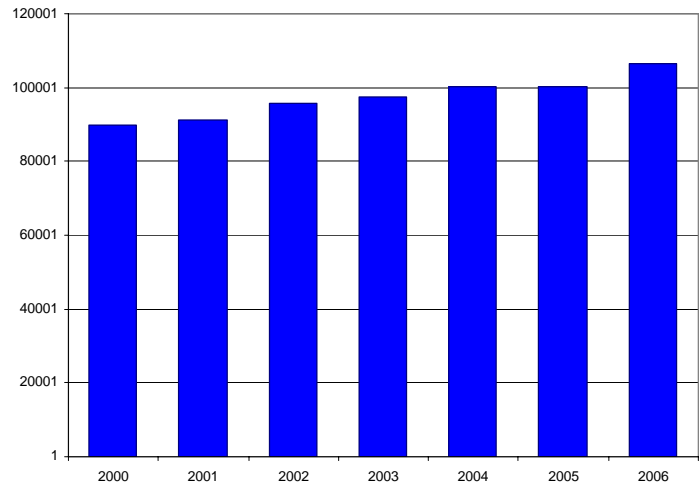
## Homelessness

The number of contacts homeless people have with homelessness services has increased by 18% over the last 6 years, to over 100,000.<sup>33</sup>

Indigenous peoples are heavily 'over-represented' as clients of homelessness services, among which they comprise 17% of the total number of clients while comprising less than 2% of the overall Australian population.<sup>34</sup>

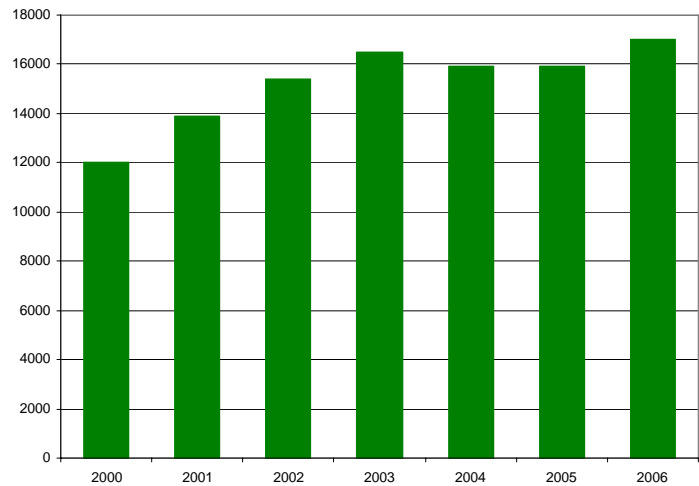
The average daily number of requests for SAAP accommodation that could not be met was 448 in 2004–05<sup>35</sup>, and 497 in 2005–06.<sup>36</sup>

Clients of homelessness services



Source: Australian Institute of Health and Welfare.<sup>37</sup>

Indigenous clients of homelessness services



Source: Australian Institute of Health and Welfare.<sup>38</sup>

## Sources

- <sup>1</sup> Judith Yates and Michelle Gabriel, 'Housing affordability in Australia', research paper, Australian Housing and Urban Research Institute, February 2006, pp.42-43.
- <sup>2</sup> Judith Yates and Michelle Gabriel, 'Housing affordability in Australia', research paper, Australian Housing and Urban Research Institute, February 2006, pp.3-4.
- <sup>3</sup> Tony Kryger, 'House prices', *Research Note*, no.7 200607, Parliamentary Library, Parliament of Australia, 9 October 2006.
- <sup>4</sup> Australian Bureau of Statistics, 'House price indexes: eight capital cities', ABS cat. No. 6416.0, September quarter 2006, p.9. The table presents data for unstratified (city-wide) median prices for established houses, by city, by quarter.
- <sup>5</sup> Reserve Bank of Australia, 'Productivity Commission inquiry on first home ownership: submission by Reserve Bank of Australia', November 2003, p.24. A required deposit is calculated as 10% of the median house price. The household income is annual. The Bank's data sources are the Real Estate Institute of Australia and Australian Bureau of Statistics.
- <sup>6</sup> Reserve Bank of Australia, 'Productivity Commission inquiry on first home ownership: submission by Reserve Bank of Australia', November 2003, p.24.
- <sup>7</sup> *Affordability Report*, September quarter 2007.
- <sup>8</sup> Productivity Commission, *First home ownership*, Productivity Commission Inquiry Report no. 28, Melbourne, 31 March 2004, p.30.
- <sup>9</sup> Data from *Affordability Report*. This figure indicates the monthly loan repayment needed on a typical first-home mortgage with the Commonwealth Bank.
- <sup>10</sup> Data from the 2006 census as reported by the Australian Bureau of Statistics. Some 540,000 Australians did not report their tenure in the 2006 Census, a 'not stated' rate of 7%.
- <sup>11</sup> Reserve Bank of Australia, 'Productivity Commission inquiry on first home ownership: submission by Reserve Bank of Australia', November 2003, p.21.
- <sup>12</sup> Australian Bureau of Statistics, '2006 Census quickstats', 27 June 2007, online at <<http://www.abs.gov.au>>.
- <sup>13</sup> Productivity Commission, *First home ownership*, Productivity Commission Inquiry Report no. 28, Melbourne, 31 March 2004, p.22.
- <sup>14</sup> Judith Yates, Maryann Wulff and Margaret Reynolds, *Changes in the supply of and need for low rent dwellings in the private rental market*, Australasian Housing and Urban Research Institute, Melbourne, June 2004, p.51.
- <sup>15</sup> Reserve Bank of Australia, 'Productivity Commission inquiry on first home ownership: submission by Reserve Bank of Australia', November 2003, p.20. The Bank's data source was the Real Estate Institute of Australia.
- <sup>16</sup> Real Estate Institute of Australia, 'Australia-wide: it's a full house', media release, 11 December 2006, online at <<http://www.reiaustralia.com.au/media/archives.asp>>, viewed 7 March 2007. Data are for the September quarter 2006.
- <sup>17</sup> Judith Yates, Maryann Wulff and Margaret Reynolds, 'Changes in the supply of and need for low rent dwellings in the private rental market', final report, Australian Housing and Urban Research Institute, June 2004, p.51.
- <sup>18</sup> Australian Bureau of Statistics, 'Housing occupancy and costs: 2003-04', ABS cat. no. 4130.0.55.001, March 2006.
- <sup>19</sup> Australian Bureau of Statistics, 'Housing occupancy and costs: 2003-04', ABS cat. no. 4130.0.55.001, March 2006.
- <sup>20</sup> Australian Bureau of Statistics, 'Housing occupancy and costs: 2003-04', ABS cat. no. 4130.0.55.001, March 2006. The data are in 2003-04 dollars.
- <sup>21</sup> Australian Bureau of Statistics, 'Housing occupancy and costs: 2003-04', ABS cat. no. 4130.0.55.001, March 2006. The data are in 2003-04 dollars.
- <sup>22</sup> Government-owned and managed Indigenous housing does not comprise the entire Indigenous social housing sector: it refers to that part financed through the Commonwealth-State Housing Agreement but does not include social housing provided by Indigenous organizations (e.g. land councils) with finance from other sources. CSHA community housing does not comprise all of the nonprofit nongovernment affordable rental housing sector: it refers to social housing provided through the Commonwealth-State Housing Agreement by non-Indigenous organizations and does not include affordable rental housing provided by community organizations with finance from other sources; it specifically does not include submarket rental housing provided under disability and aged care programs.

<sup>23</sup> Australian Institute of Health and Welfare, Commonwealth-State Housing Agreement housing data collections. The number indicates the number of tenable dwellings as at 30 June each financial year.

<sup>24</sup> Australian Institute of Health and Welfare, Commonwealth-State Housing Agreement housing data collections. The data for 2004, 2005 and 2006 do not include the Northern Territory (not available). The data do not include the crisis accommodation program (for which customers do not apply directly).

<sup>25</sup> Australian Institute of Health and Welfare, Commonwealth-State Housing Agreement public rental housing data collections. The number indicates the number of tenable dwellings as at 30 June each financial year.

<sup>26</sup> Australian Institute of Health and Welfare, Commonwealth-State Housing Agreement public rental housing data collections.

<sup>27</sup> Community housing here refers to social housing provided through the Commonwealth-State Housing Agreement by non-Indigenous organizations. It does not include affordable rental housing provided by community organizations with finance from other sources; it specifically does not include submarket rental housing provided under disability and aged care programs.

<sup>28</sup> Australian Institute of Health and Welfare, Commonwealth-State Housing Agreement CSHA community housing data collections. The number indicates the number of tenable dwellings as at 30 June each financial year. The data for 2003 do not include Victoria (not available).

<sup>29</sup> Australian Institute of Health and Welfare, Commonwealth-State Housing Agreement CSHA community housing data collections. The data do not include the Northern Territory. The data for 2002 and 2003 do not include Victoria (not available).

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<sup>31</sup> Australian Institute of Health and Welfare, Commonwealth-State Housing Agreement state-owned and managed Indigenous housing data collections. The number indicates the number of tenable dwellings as at 30 June each financial year. The data do not include the Northern Territory or the Australian Capital Territory (not applicable).

<sup>32</sup> Australian Institute of Health and Welfare, Commonwealth-State Housing Agreement state-owned and managed Indigenous housing data collections. The data do not include the Northern Territory or the Australian Capital Territory (not applicable).

<sup>33</sup> Australian Institute of Health and Welfare, Supported Accommodation Assistance Program national data collection annual reports. A client might have more than one contact with a SAAP agency in a year, though nearly three-quarters do not.

<sup>34</sup> Australian Institute of Health and Welfare, Supported Accommodation Assistance Program national data collection annual reports, NSW supplementary tables.

<sup>35</sup> Australian Institute of Health and Welfare, Demand for SAAP assistance by homeless people 2004–05, AIHW cat. no. HOU 151, 2006, p.37, Table 6.4. The data came from surveys of SAAP agencies in 1–7 December 2004 and 11–17 May 2005. People may make more than one request for accommodation in a day. Only data from agencies that participated in both the Client Collection and the Demand for Accommodation Collection are included; consequently, the figures understate the level of activity in SAAP agencies.

<sup>36</sup> Australian Institute of Health and Welfare, Demand for SAAP accommodation by homeless people 2005–06, AIHW cat. no. HOU 169, 2007, p.24, Table 4.4. The data came from surveys of SAAP agencies in 7–13 December 2005 and 17–23 May 2006. People may make more than one request for accommodation in a day. Only data from agencies that participated in both the Client and Demand for Accommodation Collection are included; consequently, the figures understate the level of activity in SAAP agencies.

<sup>37</sup> Australian Institute of Health and Welfare, Supported Accommodation Assistance Program national data collection annual reports. A client might have more than one contact with a SAAP agency in a year, though nearly three-quarters do not.

<sup>38</sup> Australian Institute of Health and Welfare, Supported Accommodation Assistance Program national data collection annual reports.