



AUSTRALIANS FOR
**AFFORDABLE
HOUSING**

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HOUSING COSTS THROUGH THE ROOF: AUSTRALIA'S HOUSING STRESS



Introduction

Across Australia more than one in ten households are in housing stress. That's over 850,000 households who, after paying for housing costs, are at risk of financial hardship and poverty. The highest rates of housing stress are felt by renters and first home buyers with 26 per cent of renters and 15 per cent for first home buyers in housing stress.

These figures are revealed in the following summary of research commissioned from the National Centre for Social and Economic Modelling (NATSEM) on housing stress in Australia.

NATSEM's figures are derived from the Australian Bureau of Statistic's *Household Income and Income Distribution, Australia, 2009-10*, and calculate rates of housing stress defined as households on the lowest 40 per cent of equivalised household incomes who spend more than 30 per cent of their income on housing costs.

This 30/40 measure is used because it is households on lower incomes who, when spending more than 30 per cent of their income on housing, face difficulties meeting the other basic costs of living.

The report breaks down housing stress across each state by tenure type¹. The data has shown some surprising results:

- first home buyers in Melbourne are more likely to experience housing stress than those in Sydney
- Commonwealth Rent Assistance (CRA) recipients in Adelaide had the highest rates of rental stress
- unlikely opponents Hobart and Sydney were battling it out for cities that put the tightest squeeze on renters (however, while Hobart has the highest rate of renters in housing stress at 33 per cent, Sydney has by far the highest number at over 100,000 households)

The following data paints a picture of housing stress and the kinds of obstacles different households face in today's housing market across each state in Australia.

¹ Unfortunately the report cannot provide housing stress numbers for the Australian Capital Territory and Northern Territory as data on the territories is reported together.

New South Wales

Almost **300,000** households in NSW are in housing stress. After paying for housing costs they're at risk of financial hardship and poverty.

Renters

	Sydney		NSW	
	Number	Percentage	Number	Percentage
Renters in housing stress who receive Commonwealth Rent Assistance (most in receipt of pensions or allowances)	34,787	58%	78,818	59%
All other renters	72,071	20%	101,383	19%
Total renters in housing stress	106,860	25%	180,201	27%

Home buyers

	Sydney		NSW	
	Number	Percentage	Number	Percentage
First home buyers in housing stress	15,134	15%	22,109	16%
Total mortgagees in housing stress	73,450	12%	112,266	12%

Sydney housing at a glance

Median rent = \$490 pw

Median established house price = \$637,400

Average first home loan in NSW = \$307,000

Weekly income at a glance

Income at the top of the 40th percentile in NSW = \$612

Minimum wage = \$589.30 pw

Newstart allowance = \$243.40

Single parenting payment
(1 child under 5) = \$473.14

Victoria

Over **180,000** Victorian households are in housing stress. After paying for housing costs they're at risk of financial hardship and poverty.

Renters

	Melbourne		Victoria	
	Number	Percentage	Number	Percentage
Renters in housing stress who receive Commonwealth Rent Assistance (most in receipt of pensions or allowances)	30,282	48%	53,022	50%
All other renters	54,898	18%	63,200	17%
Total renters in housing stress	85,180	23%	116,222	24%

Home buyers

	Melbourne		Victoria	
	Number	Percentage	Number	Percentage
First home buyers in housing stress	14,354	21%	18,685	20%
Total mortgagees in housing stress	56,786	10%	86,145	11%

Melbourne housing at a glance

Median rent = \$360 pw

Median established house price = \$557,000

Average first home loan in Victoria = \$284,200

Weekly income at a glance

Income at the top of the 40th percentile in Victoria = \$602

Minimum wage = \$589.30

Newstart allowance = \$243.40

Single parenting payment
(1 child under 5) = \$473.14

Queensland

Over **184,031** households in Queensland are in housing stress. After paying for housing costs they're at risk of financial hardship and poverty.

Renters

	Brisbane		Queensland	
	Number	Percentage	Number	Percentage
Renters in housing stress who receive Commonwealth Rent Assistance (most in receipt of pensions or allowances)	26,188	58%	54,843	52%
All other renters	23,350	14%	66,552	19%
Total renters in housing stress	49,537	23%	121,395	27%

Home buyers

	Brisbane		Queensland	
	Number	Percentage	Number	Percentage
First home buyers in housing stress	4,448	13%	10,291	15%
Total mortgagees in housing stress	23,758	8%	62,636	10%

Queensland housing at a glance

Median rent = \$370 pw

Median established house price = \$443,100

Average first home loan in Queensland = \$275,600

Weekly income at a glance

Income at the top of the 40th percentile in Queensland = \$626

Minimum wage = \$589.30

Newstart allowance = \$243.40

Single parenting payment
(1 child under 5) = \$473.14

South Australia

Over **46,000** households in South Australian are in housing stress. After paying for housing costs they're at risk of financial hardship and poverty.

Renters

	Adelaide		South Australia	
	Number	Percentage	Number	Percentage
Renters in housing stress who receive Commonwealth Rent Assistance (most in receipt of pensions or allowances)	16,563	68%	19,986	57%
All other renters	11,082	15%	12,833	14%
Total renters in housing stress	27,645	28%	23,819	26%

Home buyers

	Adelaide		South Australia	
	Number	Percentage	Number	Percentage
First home buyers in housing stress	1,716	7%	2,9134	10%
Total mortgagees in housing stress	15,983	9%	22,184	9%

Adelaide housing at a glance

Median rent = \$340 pw

Median established house price = \$406,700

Average first home loan in South Australia = \$246,300

Weekly income at a glance

Income at the top of the 40th percentile in South Australia = \$605

Minimum wage = \$589.30

Newstart allowance = \$243.40

Single parenting payment
(1 child under 5) = \$473.14

Western Australia

Almost **90,000** households in Western Australia are in housing stress. After paying for housing costs they're at risk of financial hardship and poverty.

Renters

	Perth		Western Australia	
	Number	Percentage	Number	Percentage
Renters in housing stress who receive Commonwealth Rent Assistance (most in receipt of pensions or allowances)	20,078	64%	22,860	59%
All other renters	15,807	13%	21,598	14%
Total renters in housing stress	35,884	24%	44,405	23%

Home buyers

	Perth		Western Australia	
	Number	Percentage	Number	Percentage
First home buyers in housing stress	5,106	12%	5,921	12%
Total mortgagees in housing stress	37,919	13%	44,822	9%

Perth housing at a glance

Median rent = \$380 pw

Median established house price = \$4835,00

Average first home loan in Western Australia = \$282,200

Weekly income at a glance

Income at the top of the 40th percentile in Western Australia = \$663

Minimum wage = \$589.30

Newstart Allowance = \$243.40

Single Parenting Payment
(1 child under 5) = \$473.14

Tasmania

More than **18,000** Tasmanian households are in housing stress. After paying for housing costs they're at risk of financial hardship and poverty.

Renters	Hobart		Tasmania	
	Number	Percentage	Number	Percentage
Renters in housing stress who receive Commonwealth Rent Assistance (most in receipt of pensions or allowances)	3,497	58%	6,218	52%
All other renters	2,603	21%	4,196	18%
Total renters in housing stress	6,100	33%	10,415	29%

Home buyers	Hobart		Tasmania	
	Number	Percentage	Number	Percentage
First home buyers in housing stress	596	26%	1,235	18%
Total mortgagees in housing stress	3,489	10%	7,601	10%

Hobart housing at a glance

Median rent - houses = \$320 pw
 Median established house price = \$373,400
 Average first home loan in Tasmania = \$194,700

Weekly income at a glance

Income at the top of the 40th percentile in Tasmania = \$539
 Minimum wage = \$589.3
 Newstart Allowance = \$243.40
 Single Parenting Payment (1 child under 5) = \$473.14

Notes and sources

Rates of Commonwealth Rent Assistance recipients in rental stress differs from the rates reported by FAHCSIA and the Australian Institute of Health and Welfare. This could be because the ABS survey uses self-reported data, and the calculations on this report are based on equivalised household income.

Allowance recipient income calculated using *A Guide to Australian Government Payments September to December 31 2011* [http://www.centrelink.gov.au/internet/internet.nsf/filestores/co029_1109/\\$file/co029_1109en.pdf](http://www.centrelink.gov.au/internet/internet.nsf/filestores/co029_1109/$file/co029_1109en.pdf)

Minimum wage sourced from Fair Work Ombudsman, *National Minimum Wage*, <http://www.fairwork.gov.au/pay/national-minimum-wage/pages/default.aspx>

Income rates at the 40th percentile derived from the Australian Bureau of Statistics *Household Income and Income Distribution, Australia, 2009-10* detailed tables.

Median weekly rent sources from Australian Property Monitors, *Rental Report June 2011*, median weekly house rents.

Average first home loan derived from Australian Bureau of Statistics - *Housing Finance, Australia, Aug 2011*.

Median capital city established house price derived from Real Estate Institute of Australia *Median House Price Data Cube*, using the moving annual median as at June 2011.