

Embargoed until March 14, 2018

Australia needs 1 million new homes to beat rental stress

Australia will need to build 1 million new social and Affordable rental homes for low and middle-income households over 20 years to meet current demand and keep pace with population growth, new analysis UNSW City Futures Research Centre released today shows.

Estimating need and costs of social and affordable housing delivery shows the scale of rental stress across the country means Australia will need 728,600 social housing properties and 295,000 Affordable rental homes by 2036.

Lead researcher, Laurence Troy said 22.5% of all housing growth will need to go towards social housing while a further 10% of growth needs to be below market Affordable rental homes.

One third of all homes – 316 766 – are needed in NSW, however regional Tasmania and South Australia have the highest rate of growth needed in social housing for households in the most chronic rental stress

“Our analysis shows that the sheer number of households in rental stress across the country means that if we’re going to meet the need, at least 12% of all our housing by 2036 will need to be social and affordable housing - which is a very reasonable ambition in global terms,” Mr Troy said.

“To cover the backlog of unmet need and future need in Australia two in ten new homes will need to be for social housing over the next 20 years, and a further one in ten for below market Affordable rental housing.”

The UNSW CFRC research is the first to model current housing shortages and the projected need for Affordable housing across Australia; and look at how the homes can be delivered, using different funding models.

It builds on analysis of social housing need released by AHURI in November.

The study shows it will cost Governments \$8.6 billion a year to deliver the new social and Affordable rental homes in tandem with the not for profit sector.

“To put that into perspective Australia spends \$11.8 billion a year on negative gearing and capital gains tax subsidies,” Mr Troy said.

“Based on our modelling, the best and cheapest way for governments to deliver on our unmet housing need is to fund it through a combination of upfront grants and low interest government supported financing.”

“Delivering below market rental housing through the not-for-profit sector, as opposed to the private equity model, will save \$3 billion a year by removing developer mark-ups and shareholder returns.

The needs analysis and financial modelling was commissioned by the community housing sector.

MEDIA RELEASE



CHIA NSW Chair John McKenna said it was valuable data that would help the sector and governments plan housing where it is most needed.

“The study gives us a very clear picture of exactly what housing is needed in local communities not just in NSW and across Australia, which is invaluable information for developing desperately needed housing strategies at both a state and a federal level,” Mr McKenna said.

“The research indicates that delivering below market rental housing through the not for profit sector is the most cost effective option.

“It also shows is the cost of delivering homes will vary according to land prices - in Sydney for example, land makes up 72% of the cost of development.

“The number of homes that we need is clearly enormous but it can be delivered if all levels of government work together and recognise that subsidised housing is not possible without government subsidy in some form.

“State and local governments need to step up to provide the housing their communities need – either through capital grants in cash or government land, and planning mechanism that recognise housing as critical local infrastructure that will help their local communities thrive.”

Key points:

- Australia will need 1, 023 888 social and affordable homes by 2036
 - 36,400 social housing properties a year
 - 14,800 Affordable rental homes a year
- The scale of rental stress for people on low and middle incomes means that just 46% of Australian households in need of social housing are receiving it.
- The Government will save \$3.2 billion a year delivering the affordable housing through the not for profit sector (\$1.1 billion) than the for profit sector (\$4.5 billion) - because it removes investor return and equity
- The cheapest way to deliver the housing we need is through a combination of capital grants and financing through the National Housing Finance Investment Corporation (NHFIC), which reduces the money CHPs need to borrow, and provides access to cheaper financing.
 - Social housing \$5.3 billion a year
 - Affordable housing \$3.3 billion a year
- The cost of delivering homes needed will vary according to local land prices – the biggest development cost.

NB national and NSW housing needs tables below

Media contact: Hannah Craft 0423 377 965

MEDIA RELEASE

State	Social housing shortfall 2019	Affordable housing shortfall 2019	Protected extra social housing needed by 2036	Projected affordable housing needed by 2036	Total need by 2036
ACT	3,100	2,400	5,200	1,100	11,700
NSW	137,100	79,400	76,100	24,100	316 766
NT	7,500	1,500	7900	500	17,300
QLD	102,700	54,700	73,000	23,900	254,300
SA	33,100	10,200	16,200	2,300	61,900
TAS	11,100	3,400	3,000	500	17,900
VIC	103,800	42,700	62300	16,800	225,600
WA	39,200	19,300	47,200	12,600	118,400
AUSTRALIA	437,600	213,700	291100	81,600	1,023, 888

Region	Proportion of renters in rental stress*	Current shortfall of social housing	Current shortfall of affordable housing	Future shortfall of social housing to 2036	Future shortfall of affordable housing to 2036	Number of social housing homes needed by 2036	Number of affordable housing homes needed by 2036	Total number of new social and affordable homes needed by 2036
TOTAL ACT	8.1%	3100	2400	5200	1000	8300	3400	11700
Greater Sydney	14.2%	73600	51100	56000	18900	129700	70100	199700
Rest of NSW	10.8%	63500	28300	20100	5200	83500	33487	117000
TOTAL NSW	12.9%	137100	79400	76100	24100	213200	103500	316766
Greater Darwin	10.0%	1800	1200	1500	400	3300	1500	4800
Rest of NT	7.2%	5700	300	6400	100	12100	400	12500
TOTAL NT	9.1%	7500	1500	7900	500	15400	2000	17300
Greater Brisbane	12.9%	43700	25800	35800	12300	79500	38100	117600
Rest of QLD	12.7%	59000	28900	37200	11500	96200	40500	136700
TOTAL QLD	12.8%	102700	54700	73000	23900	175700	78600	254300
Greater Adelaide	10.9%	25500	8400	14600	2100	40100	10500	50500
Rest of SA	7.9%	7600	1900	1700	200	9300	2000	11300
TOTAL SA	10.2%	33100	10200	16200	2300	49400	12500	61900
Greater Hobart	10.9%	4700	1600	1800	300	6500	1900	8500
Rest of TAS	9.6%	6400	1700	1200	200	7600	1900	9500
TOTAL TAS	10.2%	11100	3400	3000	500	14100	3800	17900
Greater Melbourne	11.0%	75300	33900	52700	15000	127900	48900	176800
Rest of VIC	8.6%	28600	8800	9700	1700	38200	10600	48800
TOTAL VIC	10.4%	103800	42700	62300	16800	166200	59500	225600
Greater Perth	9.9%	30300	16500	37500	11400	67800	27900	95700
Rest of WA	8.5%	8900	2900	9700	1200	18600	4100	22700

TOTAL WA	9.7%	39200	19300	47200	12600	86400	31900	118400
TOTAL AUSTRALIA	11.5%	437600	213700	291100	81600	728600	295200	1023888

Shortfall of social and affordable housing – Australia-wide

*Taken from ABS Census 2019 measure: *Households with rent payments greater than or equal to 30% of household income* (The number of households where rent payments were 30% or more of an imputed income measure are expressed as a proportion of the total number of households in an area (including those households which were not renting, and excluding the small proportion of visitor-only and other non-classifiable households).

Shortfall of social and affordable housing – NSW breakdown

Region	Proportion of renters in rental stress*	Current shortfall of social housing	Current shortfall of affordable housing	Future shortfall of social housing to 2036	Future shortfall of affordable housing to 2036	Number of social housing homes needed by 2036	Number of affordable housing homes needed by 2036	Total number of new social and affordable homes needed by 2036
Sydney - Eastern Suburbs	18.6%	3300	3000	2800	1100	6100	4200	10300
Sydney - Baulkham Hills and Hawkesbury	5.5%	1300	1400	600	500	1900	1900	3800
Sydney - North Sydney and Hornsby	11.5%	3900	3900	2300	1400	6200	5300	11500
Sydney - Sutherland	8.1%	1700	1700	1400	600	3100	2300	5400
Sydney - Northern Beaches	10.6%	1900	2300	1300	800	3200	3124	6300
Sydney - Inner West	15.9%	4900	3900	3200	1500	8100	5400	13500
Sydney - Outer West and Blue Mountains	11.2%	5000	3300	3500	1200	8500	4500	13000
Sydney - Outer South West	10.4%	3800	2400	3600	900	7400	3300	10600
Sydney - City and Inner South	24.5%	6400	3700	6200	1400	12600	5000	17700
Sydney - Inner	16.7%	13100	8400	9100	3100	22200	11400	33600

South West								
Sydney - Ryde	13.9%	2300	2200	1700	800	4000	3100	7000
Sydney - Parramatta	17.3%	10700	6800	8000	2500	18700	9300	28000
Sydney - South West	15.7%	10200	4700	7200	1800	17300	6500	23900
Sydney - Blacktown	12.2%	5300	3500	5200	1300	10500	4800	15200
GREATER SYDNEY	14.2%	73600	51100	56000	18900	129700	70100	199700
Central Coast	12.0%	7200	4200	4400	1600	11500	5800	17300
Illawarra	12.3%	4900	2792	1900	400	6900	3200	10000
Richmond - Tweed	13.4%	6500	3500	1500	500	8000	4000	12000
Coffs Harbour - Grafton	13.4%	3800	1600	900	200	4700	1900	6600
Newcastle and Lake Macquarie	11.6%	6300	3600	2200	500	8500	4100	12700
Southern Highlands and Shoalhaven	10.0%	2900	1300	800	200	3700	1500	5200
Riverina	8.6%	2800	800	800	100	3600	900	4600
Mid North Coast	11.9%	5900	2400	1400	400	7300	2800	10100
Capital Region	8.8%	4000	1700	1100	300	5100	1900	7000
New England and North West	10.4%	4300	1300	1100	200	5400	1500	6900
Hunter Valley exc Newcastle	10.6%	5900	2300	1500	400	7400	2700	10000
Far West and Orana	8.1%	2200	600	800	100	3000	600	3600
Central West	9.4%	4100	1400	1200	200	5300	1600	6900
Murray	9.1%	2500	800	600	100	3100	900	4000

REST OF NSW	10.8%	63500	28300	20100	5200	83500	33487	117000
TOTAL NSW	12.9%	137100	79400	76100	24100	213200	103500	316800

*Taken from ABS Census 2019 measure: ***Households with rent payments greater than or equal to 30% of household income*** (The number of households where rent payments were 30% or more of an imputed income measure are expressed as a proportion of the total number of households in an area (including those households which were not renting, and excluding the small proportion of visitor-only and other non-classifiable households).

Shortfall of social and affordable housing – Queensland breakdown

Region	Proportion of renters in rental stress*	Current shortfall of social housing	Current shortfall of affordable housing	Future shortfall of social housing to 2036	Future shortfall of affordable housing to 2036	Number of social housing homes needed by 2036	Number of affordable housing homes needed by 2036	Total number of new social and affordable homes needed by 2036
Brisbane - West		1700	1500	1500	700	3200	2200	5300
Brisbane - East		3200	2800	3000	1300	6200	4100	10300
Brisbane - North		3000	2600	3200	1200	6200	3800	10000
Moreton Bay - South		3000	2000	2000	1000	5000	3000	8000
Moreton Bay - North		7000	3300	5200	1600	12200	4900	17100
Logan - Beaudesert		7800	3800	5900	1800	13600	5600	19200
Ipswich		8100	3000	6300	1400	14400	4500	18900
Brisbane - South		5100	3800	4800	1800	10000	5600	15600
Brisbane Inner City		4700	3000	4000	1400	8700	4500	13100
Greater Brisbane	12.9%	43700	25800	35800	12300	79500	38100	117600
Gold Coast		13700	11000	7400	4400	21100	15400	36400
Sunshine Coast		7600	5600	4300	2200	11900	7900	19800
Mackay - Isaac - Whitsunday		3700	1100	2400	400	6100	1600	7600
Toowoomba		3500	1400	2100	500	5500	1900	7400
Townsville		5500	2000	3800	800	9300	2800	12100
Queensland - Outback		1400	200	2800	100	4100	300	4400
Cairns		7000	2800	4500	1100	11600	3900	15400

Wide Bay		9100	2900	5100	1200	14300	4000	18300
Central Queensland		4800	1300	3300	500	8100	1800	9900
Darling Downs - Maranoa		2700	700	1600	300	4300	1000	5300
Rest of QLD	12.7%	59000	28900	37200	11500	96200	40500	136700
TOTAL QLD	12.8%	102700	54700	73000	23900	175700	78600	254300

*Taken from ABS Census 2019 measure: *Households with rent payments greater than or equal to 30% of household income* (The number of households where rent payments were 30% or more of an imputed income measure are expressed as a proportion of the total number of households in an area (including those households which were not renting, and excluding the small proportion of visitor-only and other non-classifiable households).

Shortfall of social and affordable housing – Tasmania Breakdown

Region	Proportion of renters in rental stress*	Current shortfall of social housing	Current shortfall of affordable housing	Future shortfall of social housing to 2036	Future shortfall of affordable housing to 2036	Number of social housing homes needed by 2036	Number of affordable housing homes needed by 2036	Total number of new social and affordable homes needed by 2036
Adelaide – West		4600	1800	3300	400	7900	2200	10100
Adelaide - South		6500	2300	3500	600	10100	2900	13000
Adelaide - North		9800	2300	5500	600	15300	2900	18100
Adelaide - Central and Hills		4600	2000	2200	500	6800	2500	9300
Greater Adelaide	10.9%	25500	8400	14600	2100	40100	10500	50600
Barossa - Yorke - Mid North		2000	500	400	50	2400	600	3000
South Australia – Outback		1600	300	600	50	2200	300	2500
South Australia - South East		4000	1100	700	100	4700	1200	5800
Rest of SA	7.9%	7600	1900	1700	200	9300	2000	11300
TOTAL SA	10.2%	33100	10200	16200	2300	49400	12500	61900

*Taken from ABS Census 2019 measure: *Households with rent payments greater than or equal to 30% of household income* (The number of households where rent payments were 30% or more of an imputed income measure are expressed as a proportion of the total number of households in an area (including those households which were not renting, and excluding the small proportion of visitor-only and other non-classifiable households).

Shortfall of social and affordable housing – Tasmania Breakdown

Region	Proportion of renters in rental stress*	Current shortfall of social housing	Current shortfall of affordable housing	Future shortfall of social housing to 2036	Future shortfall of affordable housing to 2036	Number of social housing homes needed by 2036	Number of affordable housing homes needed by 2036	Total number of new social and affordable homes needed by 2036
Greater Hobart	10.9%	4700	1600	1800	300	6500	1900	8500
West and North West		2500	600	500	100	3000	700	3700
Launceston and North East		3300	900	600	100	3900	1000	4900
South East		600	200	100	50	700	200	900
Rest of TAS	9.6%	6400	1700	1200	200	7600	1900	9500
TOTAL TAS	10.2%	11100	3400	3000	500	14100	3800	17900

*Taken from ABS Census 2019 measure: *Households with rent payments greater than or equal to 30% of household income* (The number of households where rent payments were 30% or more of an imputed income measure are expressed as a proportion of the total number of households in an area (including those households which were not renting, and excluding the small proportion of visitor-only and other non-classifiable households).

Shortfall of social and affordable housing Victoria

Region	Proportion of renters in rental stress*	Current shortfall of social housing	Current shortfall of affordable housing	Future shortfall of social housing to 2036	Future shortfall of affordable housing to 2036	Number of social housing homes needed by 2036	Number of affordable housing homes needed by 2036	Total number of new social and affordable homes needed by 2036
Melbourne - Outer East		6000	3100	4200	1400	10200	4500	14700
Melbourne - North West		6800	2200	4200	1000	11000	3200	14200
Melbourne - South East		14100	5300	8700	2400	22700	7700	30500
Melbourne - Inner East		4700	2900	2900	1300	7500	4300	11800
Melbourne - North East		8000	3100	5600	1400	13700	4500	18100
Melbourne – West		14300	4500	8900	2000	23200	6500	29700
Melbourne - Inner South		5300	3700	3600	1600	9000	5300	14300
Mornington Peninsula		5900	2700	3700	1200	9600	3900	13500
Melbourne - Inner		10200	6300	10900	2800	21100	9100	30200
Greater Melbourne	11.0%	75300	33900	52700	15000	127900	48900	176800
Hume		3100	1000	1100	200	4300	1200	5500
Latrobe - Gippsland		5900	1600	1900	300	7800	1900	9700

Ballarat		3400	1000	1100	200	4500	1200	5700
Geelong		5400	2100	1800	400	7100	2500	9600
Bendigo		3100	900	1100	200	4100	1100	5200
North West		2900	900	1000	200	3900	1000	5000
Shepparton		2700	700	900	100	3600	800	4400
Warrnambool and South West		2100	700	800	100	2900	800	3700
Rest of VIC	8.6%	28600	8800	9700	1700	38200	10600	48800
TOTAL VIC	10.4%	103800	42700	62300	16800	166200	59500	225600

*Taken from ABS Census 2019 measure: *Households with rent payments greater than or equal to 30% of household income* (The number of households where rent payments were 30% or more of an imputed income measure are expressed as a proportion of the total number of households in an area (including those households which were not renting, and excluding the small proportion of visitor-only and other non-classifiable households).

Shortfall of social and affordable housing – Western Australia breakdown

Region	Proportion of renters in rental stress*	Current shortfall of social housing	Current shortfall of affordable housing	Future shortfall of social housing to 2036	Future shortfall of affordable housing to 2036	Number of social housing homes needed by 2036	Number of affordable housing homes needed by 2036	Total number of new social and affordable homes needed by 2036
Perth - North West		7600	4500	9200	3100	16800	7700	24500
Perth - South West		6200	3300	7800	2300	14000	5600	19700
Perth - South East		7700	4200	9800	2900	17500	7200	24700
Perth - North East		3800	2000	4800	1400	8600	3400	12000
Mandurah		2600	900	2600	700	5200	1600	6800
Perth - Inner		2400	1400	3200	1000	5600	2400	8000
Greater Perth	9.9%	30300	16500	37500	11400	67800	27900	95700
Western Australia - Outback (North)		1300	300	2800	100	4000	500	4500
Bunbury		3500	1400	2500	600	6000	1900	8000
Western Australia - Outback (South)		2200	500	2400	200	4600	800	5300
Western Australia - Wheat Belt		2000	600	2000	300	4000	900	4900
Rest of WA	8.5%	8900	2900	9700	1200	18600	4100	22700
TOTAL WA	9.7%	39200	19300	47200	12600	86400	31900	118400

*Taken from ABS Census 2019 measure: ***Households with rent payments greater than or equal to 30% of household income*** (The number of households where rent payments were 30% or more of an imputed income measure are expressed as a proportion of the total number of households in an area (including those households which were not renting, and excluding the small proportion of visitor-only and other non-classifiable households)).