

Poverty

& Inequality

IN AUSTRALIA

MEDIA RELEASE

Housing affordability takes a hit – regionally and globally

Tuesday 22 March 2022

A new report from the ACOSS/UNSW Sydney Poverty and Inequality Partnership shows that regional rents are now 18% higher than 2 years ago, at the start of the COVID 19 pandemic. Given that wages have only risen by 6%, the report concludes that regional rental housing affordability has significantly worsened during the public health crisis.

Every Australian capital city and regional area has seen rent rises during this crisis period far in excess of wage increases or CPI-linked payment adjustment, with the exception of Sydney and Melbourne.

State-level figures show that the situation for regional renters in Tasmania and Western Australia is particularly difficult because of even larger housing cost increases.

The report, [*COVID 19: Housing market impacts and housing policy responses – an international review*](#) compared the experiences of Australia and seven other case study countries – Canada, Germany, Ireland, New Zealand, Spain, the UK and the US. It found that all followed similar paths in the early stages of the COVID-19 pandemic by providing emergency income support, along with more direct housing and homelessness interventions.

These temporary actions helped to avoid the housing market disorder, mass insecurity and homelessness which were widely anticipated everywhere at the start of the crisis and meant that vulnerable tenants and homeless people were protected.

However, once the initial moratoriums on rent increases and evictions were lifted, the report also shows that nearly all the countries reviewed experienced rapidly accelerating rent inflation – at rates higher than anything experienced over the previous decade. In Australia, the UK and US, 2021 rent inflation reached levels unseen since the 2008 Global Financial Crisis or GFC.

The report highlights that, with house prices also having risen sharply during the crisis in most of the researched countries, housing affordability pressures are now generally even more acute in 2022 than when COVID first hit. And this after a decade when Australia, like most of the other countries covered, had already seen intensifying rental housing stress.

According to ACOSS CEO, Dr Cassandra Goldie:

“Soaring regional rents are compounding financial stress for many people on low incomes or receiving income support payments. Regional rents are rising at rates far above the national average yet are only indexed to capital city rents. This means regional renters on social security will be facing cost of living hikes well above their CPI-linked benefit increase.

“With private rentals already in short supply before the recent devastating floods, soaring rents, and a severe shortage of social housing options, we’re in the middle of a renting crisis in many parts of regional Australia. In flood-affected areas, it’s clear the rental market cannot house the families on low and middle incomes who have been made homeless temporarily - the real concern is that this then becomes permanent.

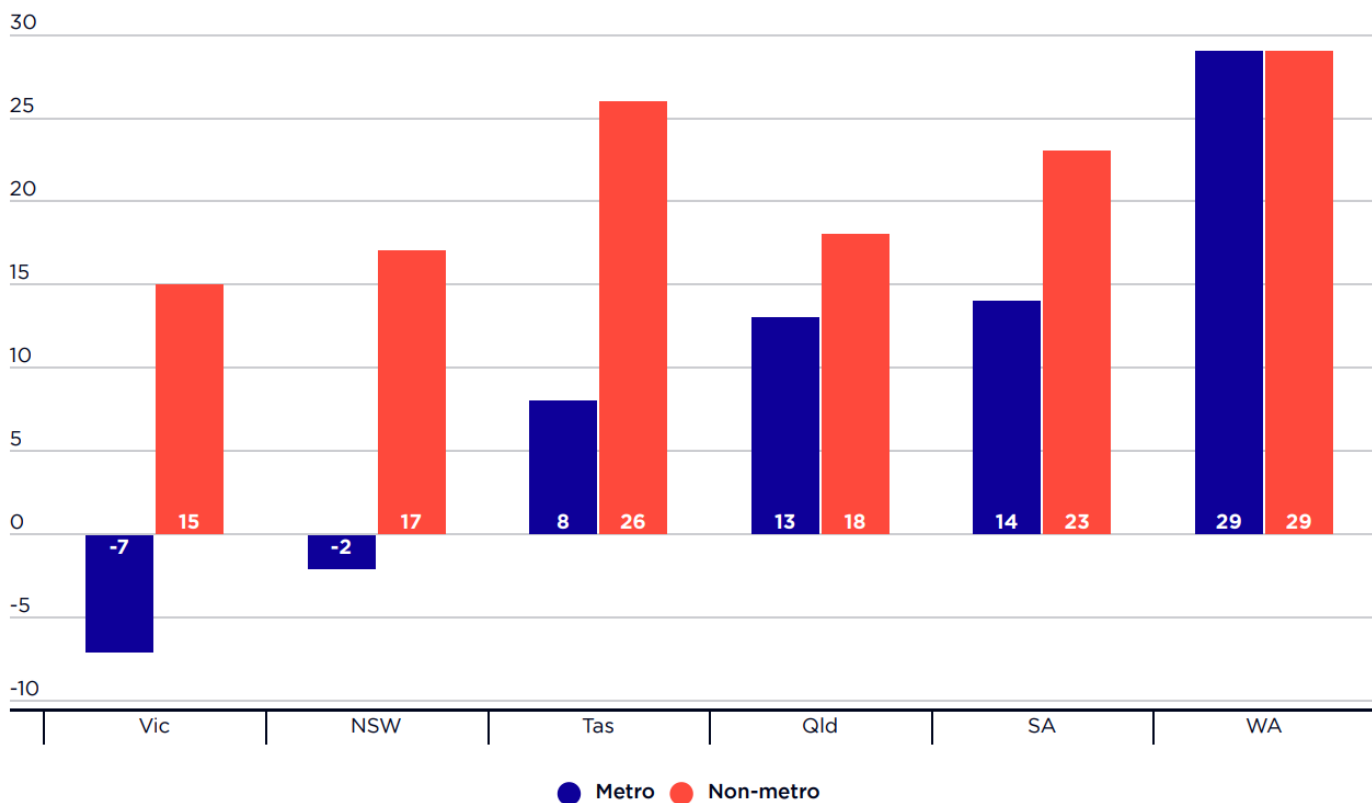
“We need immediate Federal Government action to help house people made homeless in flood-affected communities. But COVID and the floods are only aggravating a national rental problem that has been building for years. After a decade of Commonwealth neglect on social housing we badly need a major national building program that starts to remedy this, with a sizeable part of the investment going to the regional centres facing the greatest stress.”

Report lead author Professor Hal Pawson said:

“Just as in most other countries in our study, Australia’s emergency income protection and also housing policy measures triggered by the pandemic went well beyond what anyone would have previously imagined. Just for a brief moment we had a tantalising glimpse of cities with street homelessness greatly reduced and a rental housing market where evictions were drastically cut. But since the experience has prompted virtually no permanent reforms of social security or rental housing regulation, governments appear to have resisted learning lessons from the episode.”

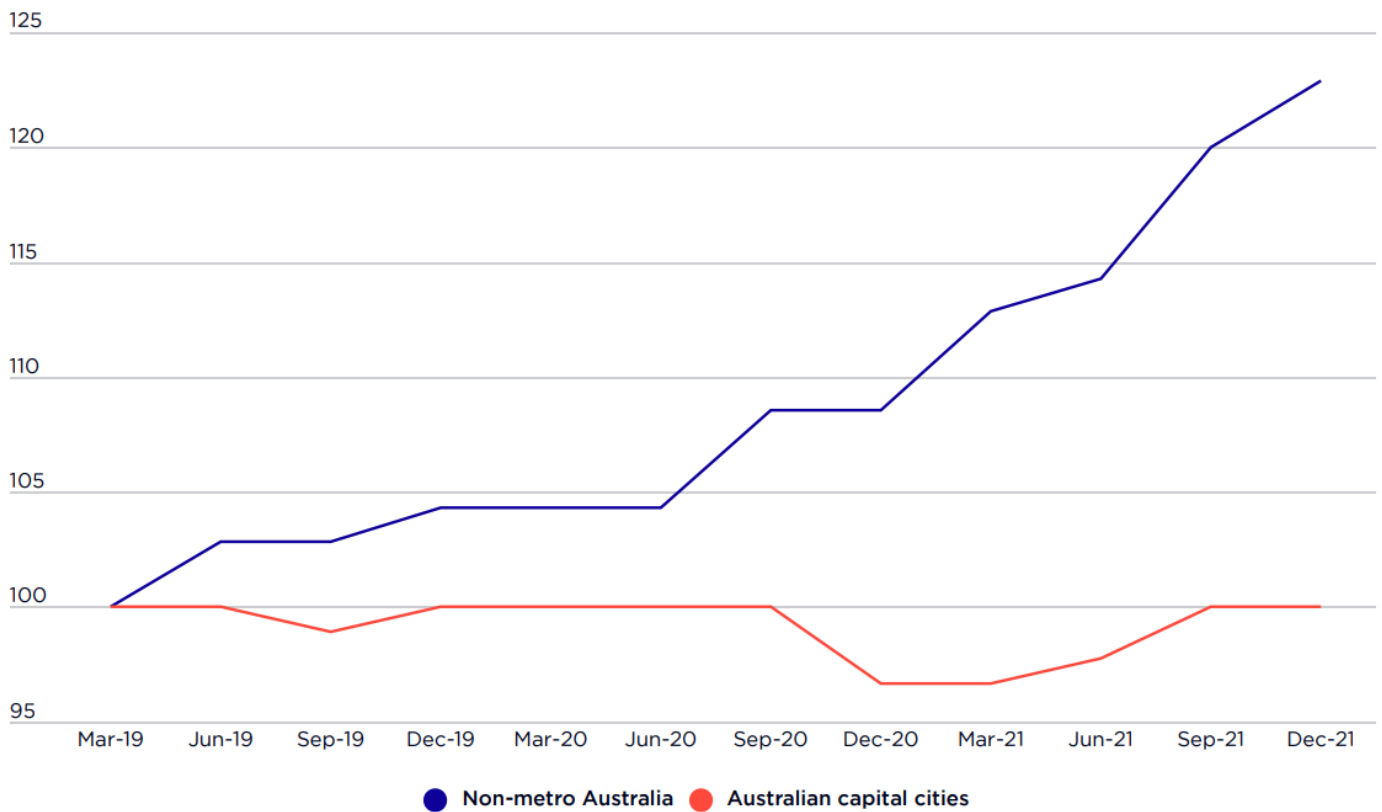
KEY GRAPHS

MEDIAN ADVERTISED RENTS, QUARTER 4 2021, PERCENTAGE CHANGE SINCE QUARTER 4 2019, BY STATE



Source: Domain.com.au - specially commissioned analysis

MEDIAN ADVERTISED RENTS, ALL PROPERTY TYPES, AUSTRALIA, INDEXED
(Quarter 1 2019 = 100)



Source: [Domain.com.au](https://www.domain.com.au) - specially commissioned analysis

Media Contact: Bronwen Reed, 0419 626 155

Read the full report at: <https://bit.ly/3qcpk97>

Find out more about the poverty and inequality partnership at <http://povertyandinequality.acoss.org.au>

Report supporters



ACOSS Partners

the
power of
humanity



Working for an Australia free of poverty



MISSION
AUSTRALIA

cohealth
care for all



St Vincent de Paul Society
NATIONAL COUNCIL OF AUSTRALIA INC.
good works



everyone's family



Anglicare Australia
in every Community