

MEDIA RELEASE

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1.3 million Australian households in housing need, new research finds

Currently 1.3 million Australian households are in housing need, and this number is estimated to rise to 1.7 million households by 2025, new AHURI research has found.

The research, '[Modelling housing need in Australia to 2025](#)', undertaken by researchers from Curtin University and The University of Adelaide has delivered for the first time in Australia a consistent and replicable model for housing need assessment.

'Housing need' covers existing households that need support so that they aren't paying more than 30 per cent of their income in housing costs, as well as an estimate of the number of households that would likely have formed if not for housing affordability constraints.

The model estimates that in Australia today 527,400 households are unable to enter market housing and a further 806,100 households require some form of housing assistance to make their housing affordable, which equates to around 15 per cent of all current Australian households.

The lead author of the research, Associate Professor Steven Rowley from Curtin University, says housing need is set to rise in most states and territories by 2025.

'Our findings show the scale of affordable housing necessary to meet housing need and the challenge faced by state and local governments to deliver such housing,' says Professor Rowley. 'In NSW, the number of households estimated to be in need by 2025 rises from 373,000 to 677,500 while in Victoria, the number will approach half a million'.

The majority of current households in housing need will require Commonwealth Rent Assistance (CRA) to assist them in the private rental market, while a sizeable minority (around 40%) require public and community housing or some other form of subsidised affordable rental housing.

The model also shows that while greater levels of housing supply do reduce price growth, the effect is very small and that policies to increase supply have limited impact on reducing housing prices.

The research, 'Modelling housing need in Australia to 2025', developed a simulation based around five interrelated models of the housing market, labour market, labour market earnings, household formation and tenure choice. It utilised HILDA, ABS and house price data.

The research report is available to download from the AHURI website at <http://www.ahuri.edu.au/research/final-reports/287>

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