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# Australia will need 1 million more social, affordable homes by 2036

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Australia needs to build more than 1 million social and affordable homes by 2036 to arrest the shortfall caused by a lack of investment across decades and anaemic wage growth.

The existing deficit of 651,300 social and affordable homes will blow out to nearly 1,024,000 by 2036, with nearly one-third of the shortfall occurring in NSW, a report to be published on Thursday by the UNSW City Futures Research Centre and Community Housing Industry Association (CHIA) NSW shows.

The figures, based on rental stress numbers revealed in the 2016 census, envisage a boost in the total proportion of social homes - rented to people on social security - and affordable homes - those rented out to designated lower-income earners at about 80 per cent of market rates - from the current 4 per cent of Australia's housing stock to 12 per cent.





A lack of investment in public housing has left the country with a shortfall of more than 1 million dwellings.  
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"The recent housing boom has contributed to the number of households in distress, but the need actually arises from a prolonged lack of investment into social and affordable housing going back two to three decades," said lead researcher Laurence Troy.

"The last time there was any significant boost to that funding – you're talking about the Whitlam government era."

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Low wage growth, a point seized on by the opposition Labor Party, which has said in the run-up to this year's federal election that [it could legislate to raise wages](#), is part of the reason rental stress - typically seen when households spend more than 30 per cent of their income on rent - is so high.

"This is playing into the housing story at the moment," Dr Troy said.

"The low rate of wage inflation is impacting on people's ability to pay more rent and afford houses. If their wages aren't growing but rents and house prices are, then you inevitably see more people enter into rental stress."

Separate figures collated by UNSW show that eight of the top-10 federal electorates in the country ranked by rental stress are in NSW, with two in Queensland.

## Need for social and affordable homes by state

State	Social housing shortfall 2019	Affordable housing shortfall 2019	Projected extra social housing needed by 2036	Projected affordable housing needed by 2036	Total needed by 2036
ACT	3,100	2,400	5,200	1,100	11,700
NSW	137,000	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	62,300	16,800	225,600
WA	39,200	19,300	47,200	12,600	118,400
<b>Total</b>	<b>437,600</b>	<b>213,700</b>	<b>291,100</b>	<b>81,600</b>	<b>1,023,888</b>

SOURCE: UNSW CITY FUTURES RESEARCH CENTRE, CHIA NSW

Fowler, held by Labor's Chris Hayes, tops the list, followed by shadow treasurer Chris Bowen's electorate of McMahon, then Richmond (Labor, Justine Elliot), Blaxland (Labor, Jason Clare) and Watson (Labor, Tony Burke). In sixth place is Lyne, held by the Nationals' David Gillespie, then Hinkler in Queensland (Nationals, Keith Pitt), Page in NSW (Nationals, Keith Hogan), Moncrieff in Queensland (Liberal, Steve Ciobo) and Cowper in NSW (Nationals, Luke Hartsuyker).

The report follows a separate report last year by housing research group AHURI [that the country had a shortfall of 727,300 social homes](#) and estimates that funding the construction by direct grant and low-interest government-supported loans would cost \$8.6 billion a year, in contrast to the annual \$11.8 billion the country spends each year on negative gearing and capital gains tax subsidies.

More than [1.3 million households cannot afford the private rental market](#) or need assistance to rent without putting themselves in financial stress, AHURI said in a [2017 report](#).

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While NSW had the most acute shortage of dwellings for people in the two bottom quintiles by income, Tasmania and South Australia had the highest rate of growth needed in social housing for households in the most chronic rental stress, the UNSW/CHIA report said.

Rental affordability isn't just an Australian problem. Between 2004 and 2014 London lost 8000 social homes as public housing sites that were privately redeveloped, including the [Heygate estate](#) that became [Lendlease's Elephant Park](#), a [London Assembly report](#) showed.

Over the same period, homelessness in London has doubled, said Oliver Wainwright, architecture writer for *The Guardian*, who will next week give the keynote address on housing titled *Form Follows Finance*, at Melbourne Design Week.

"There's not a real housing crisis, it's a crisis of affordability of housing, of distribution of resources," Mr Wainwright said.



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