

# Homelessness increasing in the middle and outer suburbs of Australia's capital cities



Based on AHURI Final Report No. 429: The changing geography of homelessness in Australia (2001–21) and its structural drivers

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## What this research is about

**This research investigates the changing geography of homelessness in Australia from 2001 to 2021. It documents the spatial concentration of homelessness, where it was rising and falling, and how those experiencing homelessness move. It examines the relationship between homelessness, specialist homelessness service (SHS) capacity and supplies of affordable rental housing, and also models the area-level factors driving homelessness such housing affordability, labour markets, poverty and demographic profiles.**

**It also considers to what extent are the location of specialist homelessness services and affordable rental housing adequate to respond to this changing geography.**

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## The context of this research

Australia has experienced growing disparity in household incomes and a decline in housing affordability as part of a broader pattern of socio-spatial polarisation. Such changes are leading to the suburbanisation of poverty and concentrations of disadvantage in the middle and outer suburbs of Australia's capital cities and in 'left behind' regional communities. The supply of rental housing affordable to those on the lowest incomes is also worsening. There is also a question about how well located SHSs are relative to local demand. Most SHS capacity is located in inner-city areas, but homelessness rates are increasing in middle and outer parts of capital cities. There are few services in remote areas where homelessness is high.

## The key findings

For this research, smaller area data was analysed at the ABS Statistical Area Level 3 (SA3). In 2021, SA3s had an average population of around 76,000 people. The research defined 'affordable rental dwellings' as those that rent for no more than 30 per cent of the upper threshold of quintile 1 (Q1) household income. Q1 households have incomes in the lowest 20 per cent of the national gross household income distribution.

### **There is a direct relationship between homelessness and supplies of affordable rental housing**

The research found homelessness was higher in areas with a poorer supply of affordable rentals relative to demand from low-income households. An increase in affordable private rental housing by 1,000 dwellings in greater capital city SA3s reduced homelessness rates in those regions by around 10 per cent.

The research considered relationships between Q1 households renting in the private market and the rental houses they can afford (identified as 'R1 stock'). Over the 2001–21 period, there was a growing shortage of R1 dwellings relative to demand from Q1 households.

The research finds that there are more people experiencing homelessness in areas with a greater shortage of R1 dwellings relative to demand and this relationship became stronger over time. These apparent relationships could be because lower levels of affordable rental housing can precipitate homelessness or because a lack of exit options means that people remain homeless for longer periods of time.

Homelessness was higher in areas with smaller supplies of social housing relative to demand. This is the case particularly in 'balance of state' areas. Given the allocation policies used for social housing it is difficult to talk about region specific effects. However, the research suggests that an increase in social housing in a state/territory will significantly reduce homelessness rates within that state/territory.

### **Conditions in local private rental markets influence the effectiveness of SHSs**

In areas with a greater shortage of affordable rental dwellings relative to demand from low-income households, a higher percentage of SHS clients are returning for support after having been assisted. In these areas SHS clients are also more likely to be deemed homeless as opposed to at-risk when they present for assistance.

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### **There is a mismatch between people's location and SHS capacity**

There remains a significant mismatch between the location of people experiencing homelessness and SHS capacity. Up to one-third of SHS capacity (both support places and accommodation places) would need to shift across SA3 boundaries to match the distribution of homelessness across the nation (using 2021–22 data). This represents a mild improvement from 2016–17. This mismatch is most severe in New South Wales and the Northern Territory and least severe in Tasmania. Given that SHSs are chronically unable to meet demand, service capacity needs to be expanded in particular locations rather than moved.

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### **People experiencing homelessness tend to stay in one locality**

The majority of people experiencing homelessness (71.2%), excluding those sleeping rough, were in the same SA3 one year before Census night as they were on Census night; even more were in the same greater capital city or balance of state area (81.3%).

A similar pattern is observed among low income private renters where 84 percent remain in the same SA3 and 94 percent in the same greater capital city or balance of state area.

These findings highlight the importance of place-based approaches to addressing homelessness and also support the use of point-in-time estimates to investigate the changing geography of homelessness and explore factors that may be driving this geography such as local housing supply, labour markets, inequality and local demographic profiles.

### **Some people are more vulnerable to homelessness than others**

Modelling also revealed that the demographic profiles of regions are important predictors of the uneven geography of homelessness rates. Areas with more men, more First Nations people and more people speaking a language other than English have higher rates of homelessness, as do areas with more one-parent households and group-household types. These areas reflect the size of the local population at-risk of homelessness and, when combined with a lack of affordable housing and other structural factors, culminate into higher area-based rates of homelessness.

### **Homelessness is rising in cities**

The rates and raw numbers of homelessness shows that while the largest number of people experiencing homelessness was found in greater capital city areas, the highest rates of homelessness were in remote parts of Australia.

Table 1: Rate and of homeless persons by City and rest of State/Territory: 2001 and 2021

		2001 Rate per 10,000	2001 number	2021 Rate per 10,000	2021 number
<b>NSW</b>	Sydney	38.9	15,364	48.3 ↑	25,154
	Rest of NSW	32.5	7,677	34.6 ↑	9,830
<b>VIC</b>	Melbourne	40.9	13,857	49.1 ↑	24,033
	Rest of Vic	35.0	4,297	41.8 ↑	6,561
<b>QLD</b>	Brisbane	38.1	6,357	35.8 ↓	8,997
	Rest of Qld	67.7	12,959	50.1 ↓	13,451
<b>SA</b>	Adelaide	29.4	3,259	40.4 ↑	5,562
	Rest of SA	74.3	2,585	46.6 ↓	1,848
<b>WA</b>	Perth	29.1	4,008	28.0 ↓	5,795
	Rest of WA	128.5	5,791	66.6 ↓	3,960
<b>TAS</b>	Hobart	26.1	498	44.0 ↑	1,081
	Rest of Tas	29.1	766	40.6 ↑	1,246
<b>NT</b>	Darwin	166.6	1,774	129.7 ↓	1,986
	Rest of NT	1,611.6	15,174	1,037.5 ↓	11,171
<b>ACT</b>	ACT	30.5	943	39.6 ↑	1,789
	Australia	50.8	95,309	48.2 ↓	122,464

The most populous and least affordable state of NSW had the largest growth in the number and share of people experiencing homelessness overtime. Most of this increase occurred in Greater Sydney, especially between 2006 and 2016.

The Northern Territory had the highest rate of homelessness, with rates of homelessness almost 17 times the national average in 2001 (at 844.7 per 10,000 people), although this decreased to being around 10 times the national average in 2021 (504.4 per 10,000).

Although Queensland had the second-highest share of national homelessness in 2001 (at 20.3%), its share has been declining slightly over time (to 18.3% in 2021).

Victoria's share of national homelessness increased over the two decades, from 19 per cent in 2001 to 25 per cent in 2021, such growth being well above its share of the national population. In Victoria, both Greater Melbourne and balance of state areas experienced an increase in homelessness rates, as did Greater Hobart and the rest of Tasmania.

Both Western Australia and the Northern Territory experienced a decline in the share and rate of homelessness in balance of state areas that may be attributable to previous policies to increase the supply of housing in remote First Nations communities. Rates of homelessness declined in almost all areas outside of the nation's capital cities. Exceptions to this pattern include the coastal regions north of Sydney; some central New South Wales areas; south-west Victoria and the regional city of Geelong to the west of Melbourne; northern Tasmania; and Albany, south-east of Perth.

'Rates of homelessness declined in almost all areas outside of the nation's capital cities.'

### Homelessness has become more urbanised and suburban

Homelessness has become more urbanised and suburban over time; just over 60 per cent of those experiencing homelessness were found in Australia's capital cities in 2021 (up from around 48% in 2001).

Homelessness is also becoming more dispersed with decreases in measures of spatial concentration over time evident in the results.

### What this research means for policy makers

#### Increase supply of social and private rental housing

The research findings strongly emphasise increasing the supply of rental housing (both private and social) that is affordable (and available) to very low-income households in addressing homelessness. These issues should be a focus of the National Housing and Homelessness Plan. The scale of need in regional areas suggests a regional housing strategy is needed.

The demand for housing people accessing SHSs over a single financial year (2021–22) alone is substantial; around 158,000 one- to two-bedroom dwellings and 25,000 larger dwellings with three or more bedrooms would have been required to house everyone who accessed a SHS that year. To be effective, these dwellings must be affordable and available to Q1 households.

The research mapping exercise identified where these dwellings were needed and highlighted that housing responses must be planned at the local level.

## Increase lowest incomes to increase access to housing

The low incomes of people experiencing homelessness make a market-based housing (with a rent of \$220 per week or less) solution practically impossible. Increasing income support payments and Commonwealth Rent Assistance should be considered along with increasing the supply of rental housing targeted at this group. Social housing is a priority for this group.

Initiatives to reduce poverty and inequality will also have positive impacts on homelessness.

## Target local resources and responses to homelessness

That The majority of people experiencing homelessness remain in the same SA3 as they were in 12 months before. This highlights the importance of localised responses to homelessness and the importance of targeting resources.

SHS support and accommodation capacity needs to be increased in areas where it is needed. Policy makers should consider not only adequate SHS capacity, but also adequate exit options from homelessness with rental housing available for, and affordable to, those with very low (Q1) incomes.

## Develop homelessness responses targeting vulnerable groups

People speaking a language other than English and those who are in sole-parent households are particularly vulnerable to homelessness, and a dedicated focus on these groups is warranted.

There is a clear over-representation of First Nations people in the homeless population, reflecting cumulative experiences of poverty and intergenerational trauma brought about by Australia's history of colonisation and dispossession as well as cultural kinship practices around shared living. In addition to improving service responses for First Nations people, continued investment in quality housing and infrastructure in remote communities is vital. Modelling suggests that such housing will be effective in reducing homelessness.

## Improve data collecting to improve policy outcomes

Data collections could be improved to ensure better evidence for policy makers. The Census homelessness estimates could be improved by including indicators for place of usual residence one year prior to Census night on the Census short form.

The development of a unique identifier for households who are assisted by SHS would support more robust estimations of the volume and type of housing required to address the homelessness of those accessing the SHS sector. However, this would be an extremely complex task.

'The Census homelessness estimates could be improved by including indicators for place of usual residence one year prior to Census night on the Census short form.'

Given the significant cost and effort in changing existing collections, the development of an integrated dataset on homelessness based on the Census homelessness estimates and the Specialist Homelessness Service Collection (SHSC) may be more feasible. Such data would enable the combination of individual and area-level data with repeated cross sections to explore the drivers of homelessness.

## Methodology

This research draws on ABS Census data over a 20-year period and SHSC data. Detailed descriptive analysis, GIS choropleth mapping and spatial modelling are used to explore the changing geography of homelessness.

### To cite the AHURI research, please refer to:

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