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Severe overcrowding:

Hidden homelessness and the limits of a one-size-fits-all response

7 October 2026

Acknowledgement

We acknowledge the Larrakia people as the Traditional Custodians of the land on which we gather today.

We pay our respects to Elders past and present, and acknowledge the enduring cultures and connections to Country of Aboriginal and Torres Strait Islander peoples.

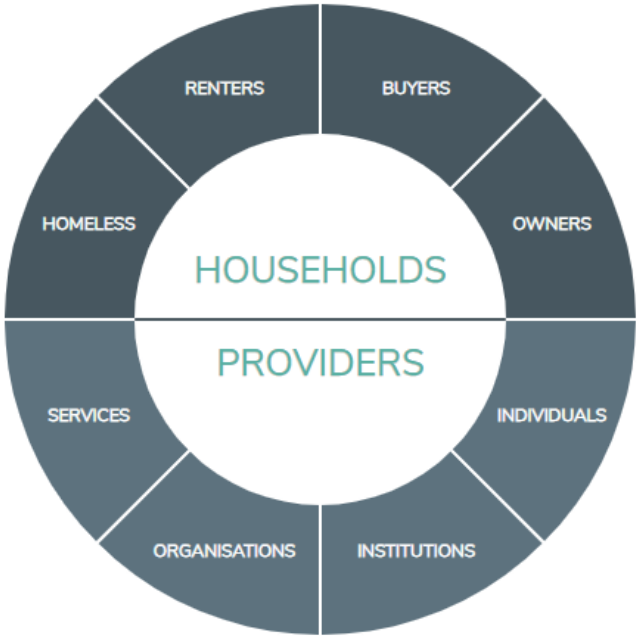


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About Shelter NSW

Shelter NSW has been advocating for better housing outcomes for 50 years. We represent the broad interests of a diverse network of members, partners and aligned industry stakeholders who share our vision of a secure home for all NSW residents.

We are especially concerned with housing insecurity, increasingly experienced by people on low and very low incomes.



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Why this work was undertaken

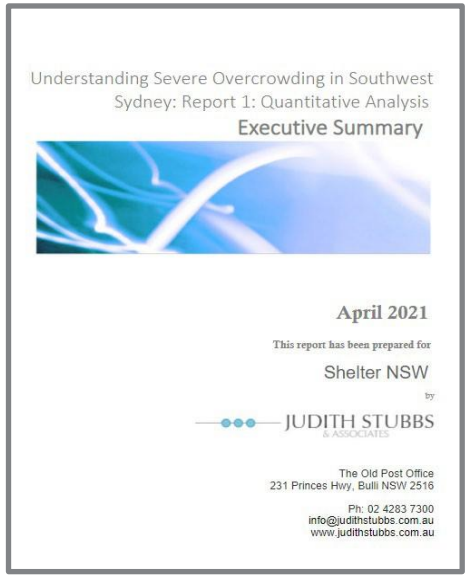
Shelter NSW commissioned a two-stage study to:

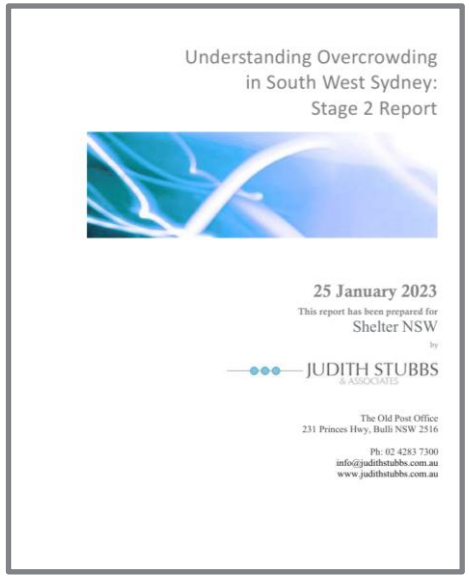
- Identify who was experiencing severe overcrowding in South West Sydney;
- understand its structural, policy, social and cultural drivers;
- examine the lived impacts on households; and
- identify more tailored policy responses.

Stage 1 provided the quantitative analysis

Stage 2 updated the data and added interviews, service consultations and focus groups with affected communities

Disclaimer: This presentation focuses on Shelter NSW's commisoned research in South West Sydney. It is not intended to describe or generalise the experience of overcrowding in remote communities or Aboriginal households in the Northern Territory or any other geography. Those contexts require locally grounded evidence and First Nations leadership.





How the ABS presents homelessness estimates

The ABS uses six operational groups to present estimates of people experiencing homelessness on Census night:

- 1: Persons who are in improvised dwellings, tents or sleep out
- 2: Persons who are in supported accommodation for the homeless
- 3: Persons staying temporarily with other households
- 4: Persons staying in boarding houses
- 5: Persons in other temporary lodgings
- **6: Persons in severely crowded dwellings.**

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Hidden, but a major part of the challenge:

Table 1: Share of people experiencing homelessness, by operational group, Census night 2021	
Type of homelessness	Number
Persons living in improvised dwellings, tents, or sleeping out (rough sleepers)	6%
Persons in supported accommodation for the homeless	20%
Persons staying temporarily with other households	14%
Persons living in boarding houses	18%
Persons in other temporary lodgings	3%
Persons living in severely crowded dwellings	**39%**
All homeless persons	122,494

Source: AHURI, ABS (2021)

Note: The 2021 estimates reflect accommodation circumstances during COVID-19 restrictions and associated government responses.

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How severe overcrowding is currently defined:

- A dwelling is classified as severely overcrowded when it requires four or more additional bedrooms under the **Canadian National Occupancy Standard (CNOS)**

- The ABS classification reflects the lack of adequate personal space, privacy and space for social relations.

- Dwellings needing three additional bedrooms are classified as “other crowded dwellings” and treated as marginal housing rather than homelessness.

- Importantly, CNOS tells us whether a dwelling meets a bedroom standard. What it doesn't tell us is whether overcrowding is temporary or long-term, voluntary or constrained, or how different households experience it.

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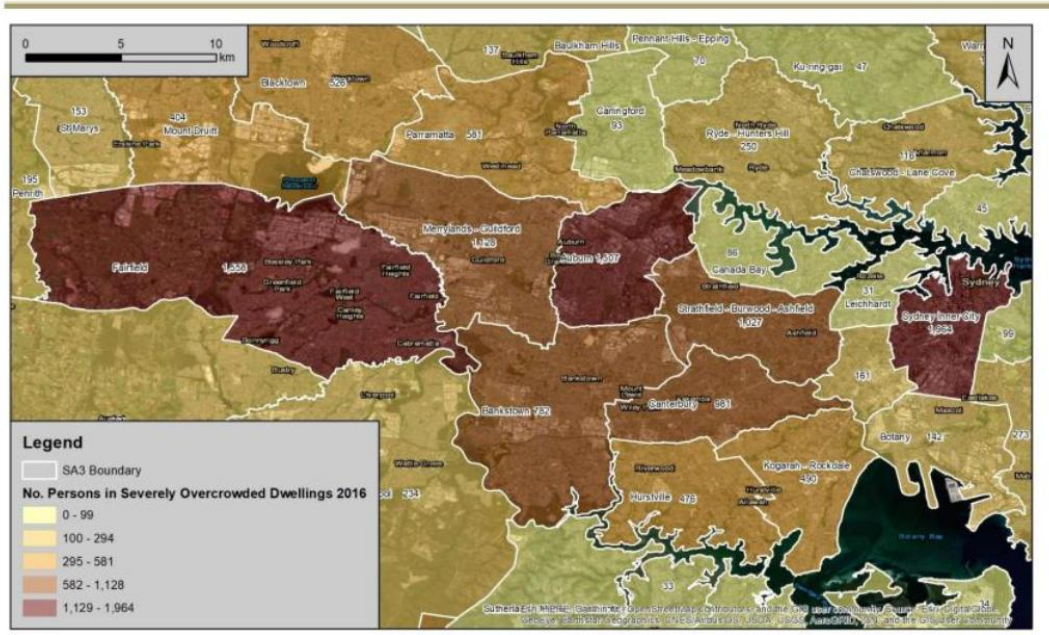


What the quantitative research found

- **Severe overcrowding was concentrated in the private rental market,** with around 66% of people living in severely crowded dwellings renting privately, compared with 29% across Greater Sydney. This points to the importance of rental affordability, availability and access.

- **Overseas-born residents were disproportionately represented,** accounting for around 76% of people living in severe overcrowding. Nearly half had arrived in Australia during the preceding decade, suggesting overcrowding may be closely linked to settlement pathways, housing access and migration patterns.

- **People living in severe overcrowding were generally younger,** with a median age of 26 years compared with 36 years across Greater Sydney, reflecting the concentration of younger adults, students, recent arrivals and larger family households



Map 3: Number of Persons Living in Severely Crowded Dwellings by ABS Statistical Area Level 3 in 2016
Source: JSA 2020, based on data from ABS Census of Population and Housing: Estimating Homelessness, 2016

Greater Sydney profile: 2016 Census findings

The evidence suggested severe overcrowding was often less about culture alone and more about the interaction between housing affordability, settlement patterns, household structure and access to suitable housing

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The central finding: overcrowding not one experience

Acute constraint	Intersecting considerations	More agency, but still constrained
Low incomes, humanitarian arrivals, limited English, disability, rental exclusion	Large or multigenerational families balancing space against support and location	Students, group households, temporary arrangements or households saving toward ownership

The same statistical classification can describe different household circumstances, durations, impacts, levels of agency and access to alternatives.

The research found that severe overcrowding has complex, interacting structural, policy, social and cultural drivers; affected households are not homogeneous, and a single policy response is unlikely to work for all groups.

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What households said, mattered

On one side:

What households were trying to preserve

- family and caring support;
- cultural and community connections;
- trusted services and language support;
- proximity to education, employment and places of worship.

The choice households were often making was not simply between a crowded home and an uncrowded home. It was between overcrowding close to family and services, and more space accompanied by dislocation.

On the other:

Potential impacts of inadequate space

- privacy and quiet space;
- health and wellbeing;
- children's study and play space;
- household relationships;
- the ability to socialise at home.

The Stage 2 research found important benefits associated with shared living, family support and community connection, alongside potentially serious impacts when available space, amenity, privacy or household functioning were inadequate.

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The housing system mismatch

Need

- larger and sometimes adaptable homes;
- affordable private rental;
- social housing appropriate for extended and multigenerational households;
- housing near established community and service networks.

System response

- concentration of new supply in smaller dwellings;
- limited larger social housing;
- private rental barriers;
- long transfer and waiting times;
- renewal projects that may dislocate households from support networks.

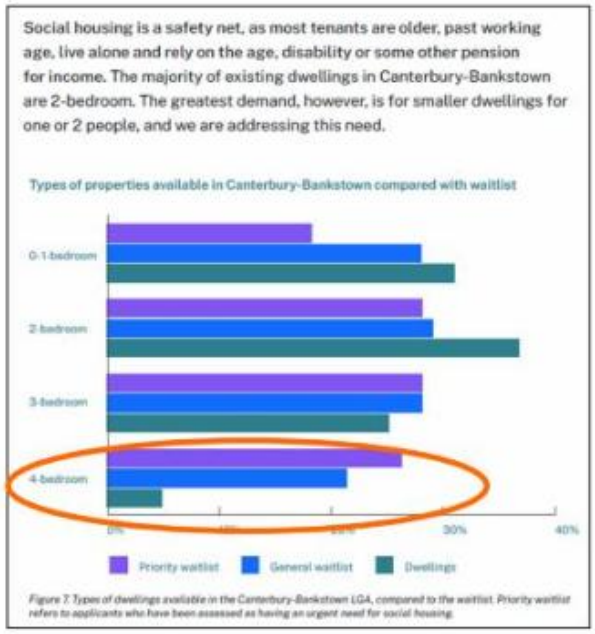


Figure 5.1: Type of LAHC properties in Canterbury-Bankstown LGA compared with waitlist

Source: NSW LAHC (2021), Pg 18.

At the time of the Stage 2 research, published expected waiting times for four-plus-bedroom social housing in the Bankstown, Canterbury and Riverwood allocation zones were 10 years or more.

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Where future policy might go in these areas:

1. **Recognise and respond to hidden homelessness**: Prioritise severe overcrowding in homelessness planning, particularly in gateway communities and areas of concentrated disadvantage.
2. **Build the housing that households need:** Increase the supply of appropriately sized social and affordable housing, including larger and adaptable homes (i.e., 4-6 plus bedrooms) where demonstrated local need exists.
3. **Preserve place and connection**: Plan around community, family, service and cultural networks rather than treating relocation as a neutral solution.
4. **Provide tailored pathways**: Improve settlement support, tenancy assistance, culturally appropriate services, private-rental access and responses for young people.

CNOS gives us a necessary and nationally consistent benchmark. The Shelter NSW research suggests it should be supplemented, not discarded, by evidence about duration, impact, household functioning, agency, housing alternatives and local context.

Interestingly, the US, Canada and the UK treat sever crowding through related concepts and not their technical homelessness definition – which can have ultimately shape the policy response.

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Questions for further discussion

1. **Are our measures of overcrowding sufficiently sensitive to duration, household functioning, culture and the degree of housing choice?**

2. **How should policy recognise the value households may place on shared living while also identifying inadequate space, persistent harm and constrained housing alternatives?**

3. **Should planning and housing programs set explicit targets for larger, adaptable and multigenerational homes in high-need locations?**

4. **How can housing interventions reduce overcrowding without severing family, cultural, service and community connections?**

5. **What should governments measure between Census cycles to identify hidden and changing overcrowding earlier?**

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Thank you!

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