

Report
October 2026

Actuaries
Institute.

Australian Actuaries Intergenerational Equity Index Spotlight on Real (e)State – Understanding changes for home ownership and renting



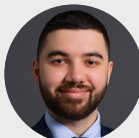
About the Lead Authors



Hugh Miller – Hugh Miller is a principal at Taylor Fry. For the past 15 years he has been applying actuarial techniques to social sector problems spanning welfare, employment, housing, disability and health. He, along with Laura Dixie and Ramona Meyricke, codesigned the Australian Actuaries Intergenerational Equity Index, exploring how wealth and wellbeing differs across time and generations. Hugh was 2021 Actuary of the Year.



Laura Dixie – Laura Dixie is an experienced actuary and a director at Taylor Fry. She works in Taylor Fry's Government practice using quantitative analysis applied to a range of datasets to understand how people interact with services in the health, education and social sectors.



Shams Mehry – Shams Mehry is a consultant at Taylor Fry. He works across government sectors applying his statistical modelling and quantitative analysis skills in a range of health, education and transport contexts.

The Actuaries Institute

As the peak professional body for actuaries in Australia, the Actuaries Institute represents the profession to government, business and the community. Our members work in a wide range of fields including insurance, superannuation and retirement incomes, enterprise risk management, data analytics and AI, climate change and sustainability, and government services.

Actuaries use data for good by harnessing the evidence to navigate into the future and make a positive impact. They think deeply about the issue at hand, whether it's advising on commercial strategy, influencing policy, or designing new products. Actuaries are adept at balancing interests of stakeholders, clients and communities. They're called upon to give insight on complex problems and they'll look at the full picture. Actuaries analyse the data and model scenarios to form robust and outcome-centred advice.

www.actuaries.asn.au

About this Report

This Report has been prepared as part of the Actuaries Institute's [Public Policy and Thought Leadership program](#). Reports prepared in this program involve the Institute Public Policy staff working closely with the lead authors and the Institute's volunteer network in order for the Report to present the Institute's contribution, on behalf of its membership, to the discussion of an important societal topic.

We thank the Actuaries Institute volunteer reviewers and Institute representatives (Elayne Grace and Vanessa Beenders).

Enquiries should be directed to the Institute's Public Policy Team at public_policy@actuaries.asn.au.

Acknowledgement of Country

The Actuaries Institute acknowledges the traditional custodians of the lands and waters where we live and work, travel and trade. We pay our respect to the members of those communities, Elders past and present, and recognise and celebrate their continuing custodianship and culture.

ISBN: 978-1-7643622-8-3

Suggested Citation: Actuaries Institute, Miller, H., Dixie, L., & Mehry, S. (2026). *Australian Actuaries Intergenerational Equity Index: Spotlight on Real (e)State – Understanding changes for home ownership and renting*. Actuaries Institute.

This paper uses unit record data from Household, Income and Labour Dynamics in Australia Survey, HILDA. HILDA is conducted by the Australian Government Department of Social Services (DSS). The findings and views reported in this paper, however, are those of the authors and should not be attributed to the Australian Government, DSS, or any of DSS' contractors or partners. DOI: 10.26193/NBTNMV.

Disclaimer: This Report is provided for discussion purposes only and does not constitute consulting advice on which to base decisions. To the extent permitted by law, all users of this Report hereby release and indemnify the lead authors, the Actuaries Institute and associated parties from all present and future liabilities, that may arise in connection with this Report, its publication or any communication, discussion or work relating to or derived from the contents of this Report. The authors declare that they have provided professional advice to some of the insurers, governments or other entities discussed in this Report.

AI Assistance Disclosure: This publication may have been produced with the assistance of artificial intelligence tools. All content has been reviewed, edited and approved by the authors and the Actuaries Institute. The opinions, positions and conclusions expressed are those of the authors and the Actuaries Institute.

© 2026 Actuaries Institute. All rights reserved.

Contents

	Executive Summary	4
1	Introduction	7
2	The Australian housing market	9
	2.1. Affordability	10
	2.2. Home ownership	12
	2.3. The Bank of Mum and Dad	14
	2.4. The Australian rental market	14
	2.5. Housing stress	15
	2.6. Changes in housing situation	18
3	Are we seeing genuine falls in ownership, or delayed entry into the housing market?	20
	3.1. Introduction	21
	3.2. Housing transition rates into ownership	22
	3.3. Home ownership projection	24
	3.4. Young people living at home and other changes	26
	3.5. Implications	27
4	Can we reduce housing stress in the rental market?	28
	4.1. Commonwealth Rent Assistance	29
	4.2. Are there better ways to target assistance to renters?	30
5	Discussion and policy implications	34
6	Appendices	37
	6.1. Appendix A – Comparison of household and individual home ownership rates	37
	6.2. Appendix B – Methodological considerations	38
	6.3. Appendix C – Material deprivation	39
7	References	40

Executive Summary

Housing affordability has been a persistent concern in Australia, and recent conditions in house prices and rents have sharpened the sense of a housing crisis. The Australian Actuaries Intergenerational Equity Index (AAIEI) showed a widening gap between older and younger Australians, with housing a key driver of this long-term trend.

Given the significance of housing to intergenerational equity, we provide a brief overview of current issues and explore two key topics:

- Are recent ownership patterns indicative of lower lifetime ownership rates, or a delay effect, where people enter later?
- Are there improvements to the design and targeting of Commonwealth Rent Assistance (the broadest form of housing support in Australia) to reduce housing stress?

Key issues in the housing market

Notwithstanding very recent moderations, the affordability challenge is visible in both the home buying and rental markets. Since 1998, growth in house prices has materially outpaced growth in wages, rising from around five times average annual earnings to about ten times by 2024. Rental costs have shot up very quickly relative to income in the past five years. The cost pressures are most acute for renters on lower incomes.

Home ownership rates have fallen, with larger decreases for those in lower income quintiles and for younger people. For individuals aged 25-34, home ownership declined by 7 percentage points between 2001 and 2024. For those in this age range who are in the lowest income quintile, the fall

was 16 percentage points. High prices have proven a barrier in many developed countries; Australia's home ownership rate is third quartile in the Organisation for Economic Co-operation and Development (OECD) and ownership rates in the past 15 years have fallen only modestly when compared to other countries.

Evidence (admittedly incomplete) suggests the Bank of Mum and Dad is becoming increasingly important in helping some first home buyers. According to one survey the rate of first home buyers reporting they received money from their parents increased from 11% in 2022 to 17% in 2025. Those who received support from their family were on average 2 years younger when entering the housing market.

Low vacancy rates for **rental properties** reflect an extended tight market. This tightness has a 'musical chairs' effect where poorer and more vulnerable households are squeezed out of the market – where we then see increased rates of homelessness, overcrowding and other forms of housing precarity.

While measures of housing stress vary, we focus mainly on the well-known 30/40 rule – households are in housing stress if they spend more than 30% of their income on housing and fall within the bottom 40% of the income distribution. Housing stress is most pronounced for renters where housing stress is often deep, not just marginal. Among private renters in the lowest income quintile, 65% spend more than 30% of gross income on rent, with 30% spending more than half of their income on rent. This highlights that rental stress is concentrated among lower-income households and that the depth of stress matters for policy design.



Home ownership – delay or decline?

While there have been some falls in ownership rates (between two and six percentage points for older age cohorts), we can also be forward-looking by examining what current transition rates into home ownership imply for future home ownership rates.

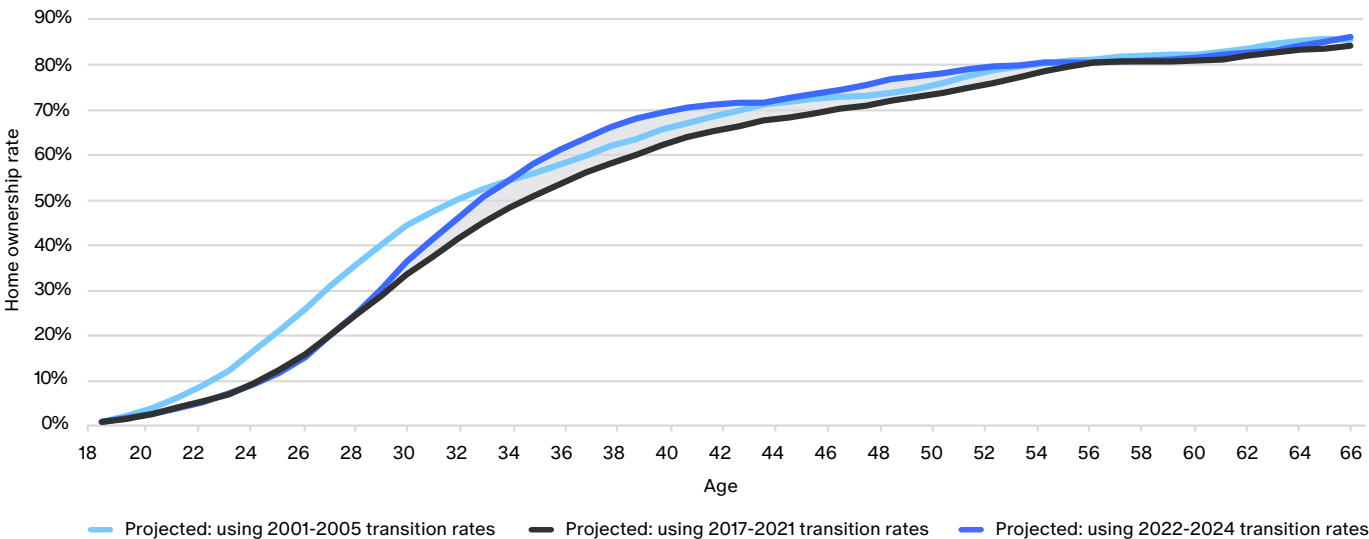
Figure 1 shows these chained transition rates (from different time points) for the lifetime of a notional 18-year-old. The results suggest current transition rates lead to a further delay in home ownership, but not necessarily a further decline in lifetime ownership rates. They reflect a large decrease in ownership for younger people, up to ages in the mid-30s – up to 11 percentage points.

However, we have seen only a slight fall in lifetime ownership rates over the 24 years to 2024 (of two to six percentage points among the 55-64 and 65-74 age groups), albeit including a rising proportion of households who still have a mortgage at age 65.

The 2022-2024 rates showed improvements relative to 2017-2021, consistent with a pickup in first homebuyer activity observed in other statistics and our AAIEI update. In fact, current rates imply ownership rates by age 40 through 65 will be as high as (or marginally higher than) 2001-2005 transitions. If these improved rates are not sustained (falling back to 2017-2021 levels or lower), this may lead to lifetime ownership rates that are slightly lower.

Our transition modelling also allows examination of young people living with their parents. The boomerang rate (the rate at which young people return to their parents' house) has increased markedly, and the proportion of people aged 25-34 living with their parents has increased 20% (from 14% to 17%) between 2001 and 2024.

Figure 1: Home ownership rates, projection of notional cohort of 18-year-olds, smoothed



Source: Analysis of HILDA data

Commonwealth Rent Assistance

Increases to Commonwealth Rent Assistance (CRA) rates in recent years have provided important support to renters. However, as rental costs have increased faster than CRA payments over time, this naturally raises concerns about whether the current CRA design remains the most effective way to reduce housing stress for renters.

Our scenario modelling suggests further redesign of the CRA could reduce the level of rental housing stress. If the redesign needs to be budget neutral, increasing the minimum and maximum rent thresholds could target greater support at those in deep rental stress (paying more than half their income on housing costs) and reduce overall rental housing stress by nearly 5%, or by \$283 million. However, some households currently eligible for CRA would no longer qualify, particularly those paying between \$72 and \$160 per week in rent, and these trade-offs would need careful consideration. We also find that if additional funding were available, expanding eligibility to low-income renters currently outside the CRA system would reduce housing stress more effectively than increasing payments only for existing recipients. These findings support consideration of a broader review of CRA settings, including eligibility and payment design.

Policy implications

Affordability challenges in the housing market have been among the most widely discussed public policy issues in Australia over the past five years. Some action has already been taken, including recent changes to negative gearing and capital gains taxes, and we acknowledge the ongoing debate to understand the full impacts (such as around capital losses) that is being worked through. We highlight a number of further policy proposals which are highly relevant to the discussion in this report.

Increasing housing supply remains an important priority, including through planning and zoning reform, land release, construction workforce capacity, and investment in social and affordable housing. Supply-side reform should also consider long-term climate and hazard resilience, and alignment between migration and construction capacity.

Broader structural reforms could improve housing market efficiency and equity. These include replacing stamp duties with broad-based land taxes, supporting population growth and development outside capital cities, and reviewing how housing wealth is treated in retirement policy settings.

For renters, a holistic review of CRA could be considered alongside continued strengthening of renters' rights.

We also identify data gaps and opportunities:

- Better data is needed on inheritances, parental assistance, trust income and rentvestingⁱ.
- Additional monitoring of home ownership transition rates could provide early insight into home ownership rates as well as mortgage stress among retirees to understand how retirement financial security and housing stress risks are changing.



ⁱ Where people continue to rent in their preferred locations but buy an investment property in another location.

1

Introduction



Housing affordability has been a perennial talking point for Australia over generations. Strong growth in house prices and rising rents, together with low vacancy rates in recent years have led to heightened concern and regular mention of a ‘housing crisis’. The 2026-27 Federal Budget introduced a package of housing and tax reforms. Recently, house prices have softened in some markets, creating greater uncertainty about the future path of housing affordability and home ownership outcomes. Concerns have a generational lens, with many younger people concerned about their ability to ever break into the property market. As Danielle Wood, Chair of the Productivity Commission, put it when discussing the lower rates of home ownership for younger Australians compared to previously observed ownership rates, *“This is building a sense of frustration as these people don’t have the same access to the Australian dream as people in the past had.”*ⁱⁱ

Our recent update to the Australian Actuaries Intergenerational Equity Index (AAIEI) showed overall growth in the gap in wealth and wellbeing between older and younger Australians. The Housing domain was one of the key contributors to that widening gap.ⁱⁱ Within the Housing domain the Index includes two indicators: home ownership rates and rental affordability, which are shown in Figure 2. While the long-term trend is that housing

outcomes have contributed to a widening intergenerational equity gap since 2000, trends over the past five years have been more stable on our indicators. Home ownership rates for 25-34 year-olds have broadly stabilised and recent declines in rental affordability have been more pronounced for older renters.

Home ownership also affects other elements of the Index – the widening wealth gap also reflects the significant growth in home equity that older Australians have (on average) benefited from.

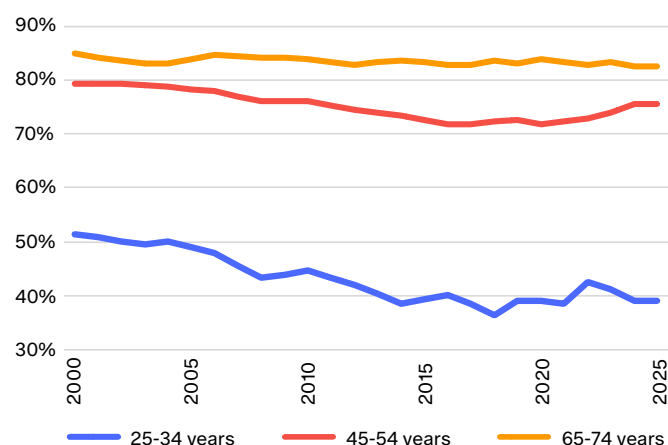
The existing literature on Australian housing issues and potential fixes is vast – we do not attempt full coverage in this paper. Section 2 provides some brief background relevant to our research. The bulk of the report then focuses on two important research questions:

- Whether recent trends in home ownership are best characterised as a delay (people owning later) or a genuine fall in ownership rates (Section 3)
- Whether changes to the design of CRA could potentially reduce housing stress at minimal cost (Section 4).

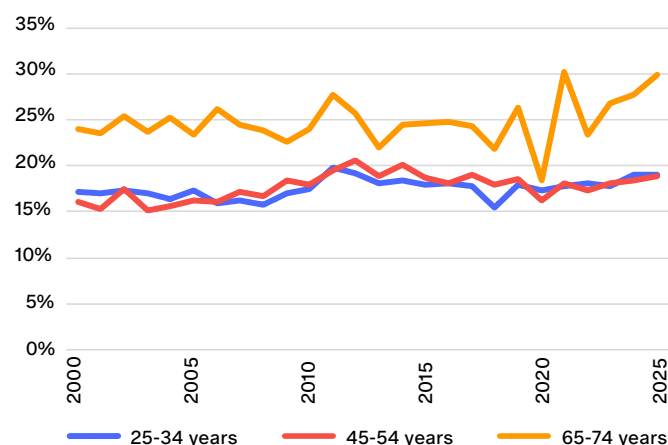
Our work draws on data from HILDA, Australia’s premier longitudinal survey for social research.

Figure 2: Housing indicators in the AAIEI

Home ownership rates (% of households which own the home they live in, either outright or with a mortgage)



Household rental costs as a proportion of gross income



ⁱⁱ See Figure 7 of the main index update report available [here](#)

2

The Australian housing market



Research on the Australian housing market is vast and deep. For interested readers, one useful entry point is from the National Housing Supply and Affordability Council, which provides a summary of the housing system and rounds up recent research in their *State of the Housing System 2026 (SHS)* report.² This section briefly reviews some key themes.

2.1. Affordability

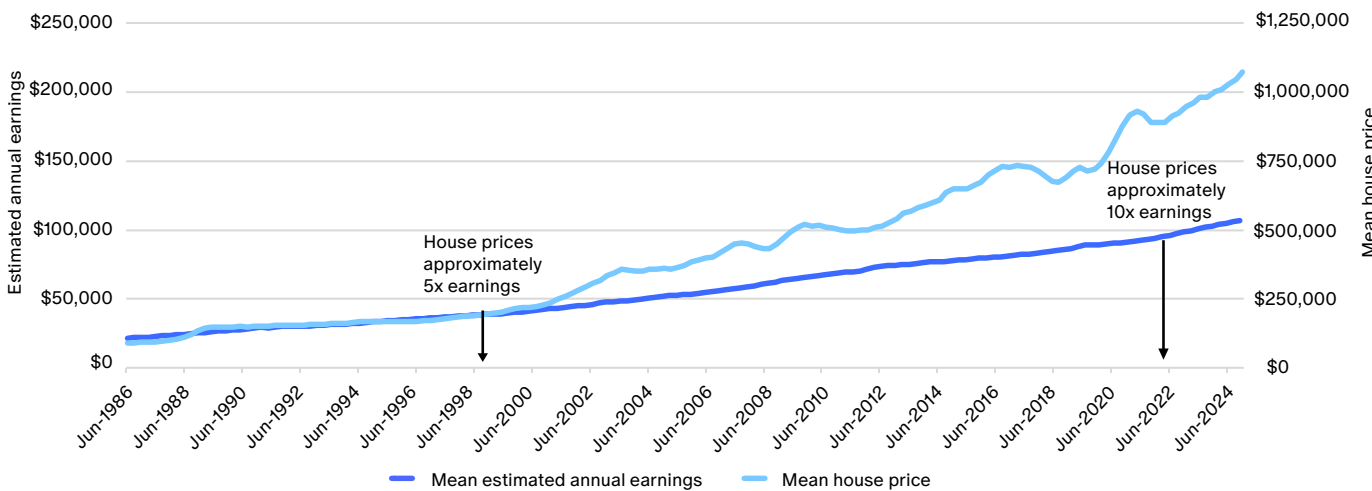
The affordability issues in buying a home are well documented:

- Since 1998, house prices have significantly outpaced wage growth, as shown in Figure 3. House prices have risen from 5 times average annual earnings to 10 times.

Experts have pointed to a combination of undersupply, lower interest rates, tax changes favouring investing for capital gains, and increasing numbers of two-income families. The availability of credit, such as relaxed lending rules during the 1990s, has also contributed to demand at various times.

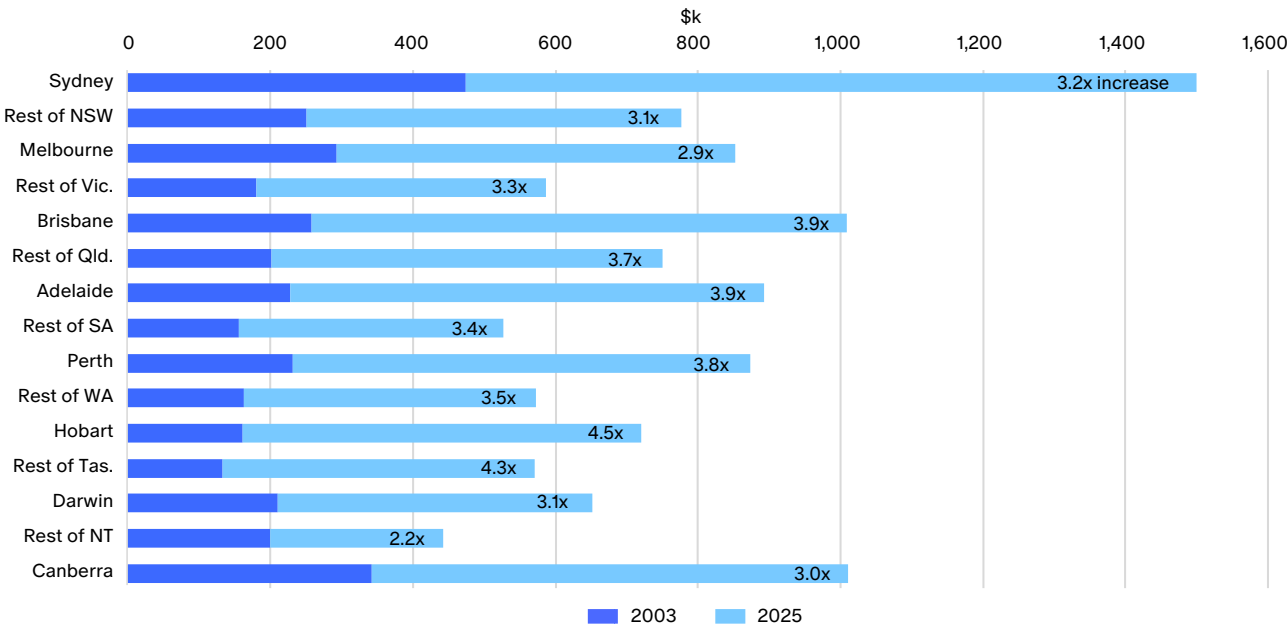
- The SHS report notes the number of years needed to save for a home deposit has increased from 9.0 years to 11.2 years over a decade.²
- The geographic variation is significant – see Figure 4. Sydney remains the least affordable housing market, with a median price for established dwellings reaching \$1.5m in 2025. Hobart has seen the largest relative increase over the past two decades.

Figure 3: Mean house price and estimated annual earnings since 1986



Source: Authors' analysis of ABS data (6416.0, 6432.0, 6302.0, 8944.0.55.001)

Figure 4: Median Price of Established House Transfers in 2003 and 2025



Source: ABS 6432.0 Total Value of Dwellings, Table 2. Median Price and Number of Transfers (Capital City and Rest of State)

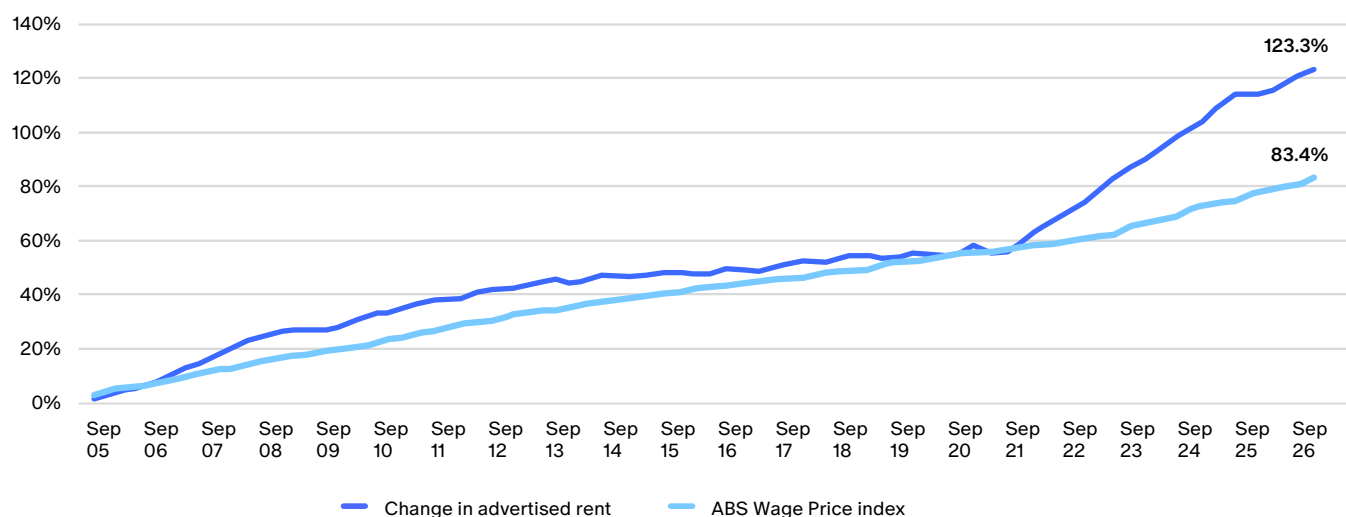
Likewise, rental affordability concerns have also intensified:

- Rental affordability has deteriorated sharply with the required median income to service median rents at record highs. Figure 5 illustrates this using Cotality (formerly CoreLogic) data. Growth in rental costs over the past five years was nearly three times faster than growth in wages.
- Rental stress is not shared equally – lower-income renters, including many retiree renters, face rising levels of rental stress and are increasingly at risk of homelessness. Single parent families face the highest rates of housing stress and correspondingly high poverty rates.³

Higher housing costs have meant an increasing proportion of incomes goes towards housing, eating into (after-housing) disposable income. This is particularly pronounced for low-income earners, a point made by the Productivity Commission⁵ in 2022, which remains true today. Figure 6 shows that:

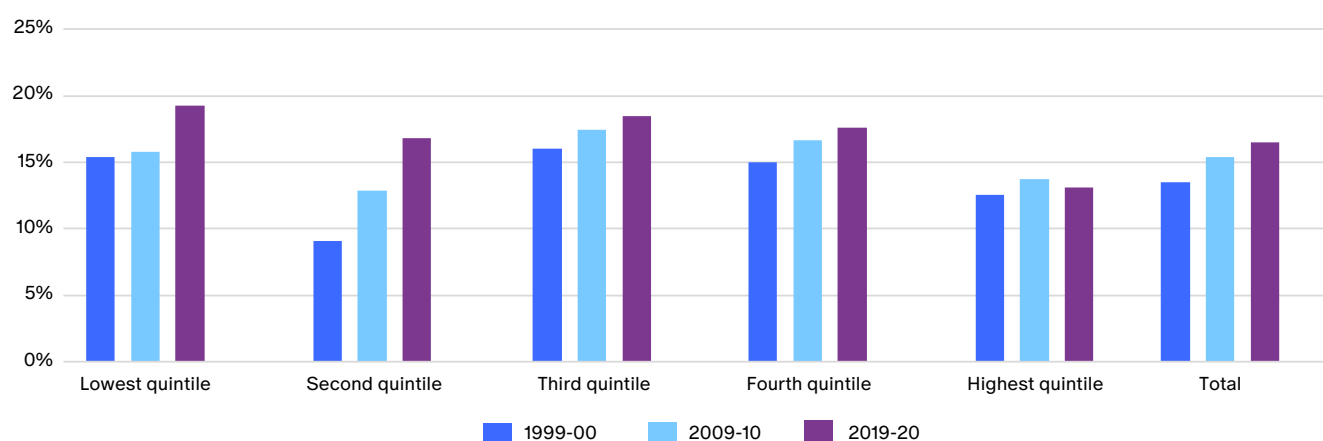
- Across all quintiles except the highest, the median household has progressively spent a greater proportion of their disposable income on housing costs over time.
- From 2009-10 to 2019-20, the increase was largest for the bottom two quintiles.

Figure 5: Cumulative change in advertised rents compared to wages across Australia⁴



Source: ABS Wage Price Index and Cotality Monthly Housing Chart Pack – February

Figure 6: Median ratio of housing costs to disposable household income, by equivalised disposable household income quintile⁵



Source: Productivity Commission

2.2. Home ownership

While not a universal desire, research finds that ownership remains the preferred housing state, with 78% of young people renting aspiring to own.⁶ This includes valuing some of the characteristics such as security of tenure, greater control of quality and conditions, plus the chance to make modifications. However, only half of current renters actually expect to own a home in their lifetime.⁷

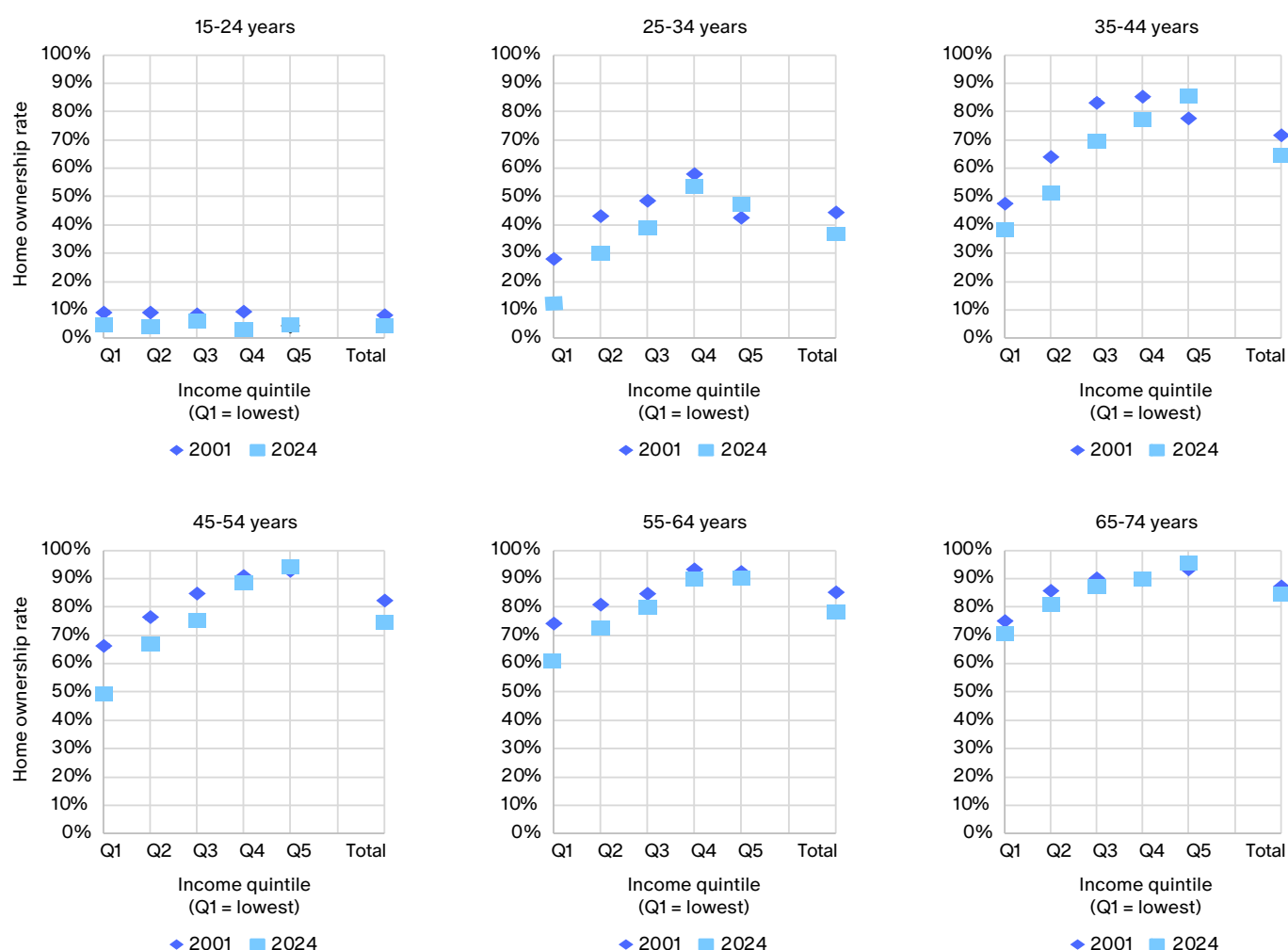
Recent research has confirmed that high prices (and related borrowing constraints) are key barriers to home ownership.⁸ Other factors recognised in the literature include saving behaviours, short-term financial planning and labour market precarities. Relatedly, movements from ownership to renting have been tied to financial factors (such as low incomes and high debt) as well as life events (including loss of employment and relationship breakdown).⁹

Home ownership rates have fallen substantially over 24 years, across the age curve. For example, the proportion of individuals aged 35-44 who own their own home

has fallen from 72% to 65%. Results are particularly pronounced for lower-income groups, as shown in Figure 7. From 2001 to 2024, home ownership rates fell 7 percentage points for individuals aged 25-34. The decrease was more than double (at 16 percentage points) for people aged 25-34 and with the lowest 20% of incomes in their age band. Conversely, rates increased by 5 percentage points for people aged 25-34 in the highest income quintile for their age band. Similar trends are seen for the 35-44 and 45-54 age bands where the overall rate has decreased, but there are increases amongst the highest income quintiles. This highlights that while our AAIEI update showed home ownership rates appear to have stabilised over the past 5 years, this may mask a growing spread around the averages.

Longer term, between 2001 and 2024, and across all six age bands, average home ownership rates have declined. However, these averages mask a divergence in outcomes across income quintiles, as is apparent in the analysis above.

Figure 7: Home ownership rates by age band and income quintile, 2001 and 2024



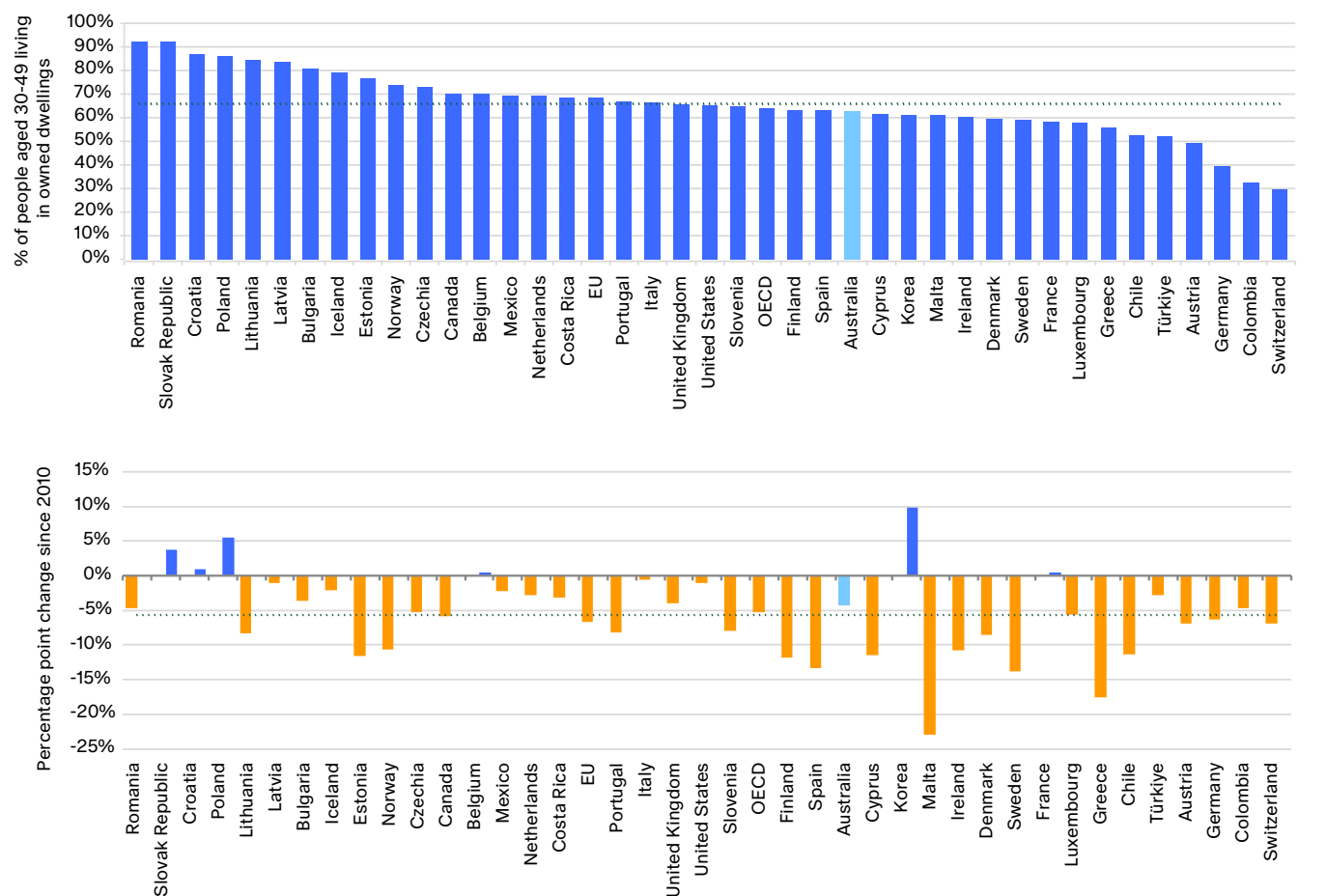
Source: Analysis of HILDA data

An international lens on home ownership

Australia is not alone in experiencing rapid increases in house prices which outstrip wage growth and introduce associated affordability challenges. The OECD reports on a series of housing market indicators, including home ownership rates (see Figure 8).¹⁰ This places Australia's home ownership rate for people aged 30-49 of 63% as neither particularly high nor low, and the reduction of 4 percentage points in the past 10 to 15 years as relatively small by comparison.

Of note is that there are Western European countries like Switzerland and Germany with less than two-fifths of people aged 30-49 owning their homes. Germany has different policy settings which place great emphasis on the stability and security of rental housing, and has had relatively steady house price growth compared to Australia, in part due to more conservative mortgage lending.^{11, 12}

Figure 8: Proportion of people aged 30-49 living in owned dwellings in 2024 (or latest available) and the percentage point change since 2010. Dotted line shows the average.



Source: OECD. (2025). *OECD Affordable Housing Database - indicator HM1.3 Housing tenures*. <https://oe.cd/ahd>.

2.3. The Bank of Mum and Dad

One factor that is of substantial importance, but for which data is poor, is the role of the ‘Bank of Mum and Dad’ in supporting homebuyers. Partial evidence suggests the Bank of Mum and Dad is becoming increasingly important in helping some first home buyers. Ong ViforJ et al.⁸ found parental transfers greater than \$5,000 quadrupled the odds of achieving ownership (although this ratio is correlational rather than causal – people may be receiving the gift because they are seeking to buy a home). A \$5,000 transfer is small relative to house prices, but was selected for consistency with other studies. The average size of cash gifts from parents was \$24,000 among people aged 35-54 over 2019-22.¹³

According to one survey:¹⁴

- The rate of first home buyers reporting they received money from their parents increased from 11% in 2022 to 17% in 2025. There was a corresponding decrease in the proportion of people saying they saved their deposits slowly over a long period.
- First home buyers who received support from their family are on average two years younger when they enter the property market.

Housing assets are a key component of wealth in Australia, and these intergenerational transfers of wealth may increase inequalities. Children with wealthier parents can be supported to buy a home earlier, purchase higher value properties, and accumulate housing equity more quickly, while those without such support are more likely to remain renters and accumulate wealth at a slower pace.

The Bank of Mum and Dad is also being called on to pay for broader living expenses. Additionally, transfers may increasingly come from grandparents and other family members (21% in 2025, up from 0% in 2015) rather than parents.¹⁵

While parents are typically happy to support their children, these loans and gifts can also create concerns around risks of financial abuse or contributing to later familial breakdowns.¹⁶

2.4. The Australian rental market

The Australian rental market has seen an extended period of very low vacancy rates, which has corresponded to the large increases in average advertised rents as seen in Figure 5. This tightness creates a ‘musical chairs’ effect where lower-income people are squeezed out of the market. At the lower end we see increased rates of homelessness, overcrowding and other forms of housing precarity.

For many households, particularly those on lower incomes, renting may be the only feasible housing option (besides living at home with parents) given the substantial financial barriers to entering home ownership. While renting may require less upfront capital than purchasing a home, the current policy architecture is built around home ownership as a primary vehicle for wealth accumulation.¹⁷

This is illustrated in Table 1. Median monthly housing costs for private renters aged 45-54 are slightly higher than for homeowners, while for those aged 55-64 the median mortgage cost for homeowners falls to zero as over half have paid off their loans, compared with housing costs for private renters that remain material. Barriers to ownership can therefore have long-term implications for both housing stress and wealth accumulation.

Table 1: Average monthly housing costs in 2024 (December 2025 dollars)

Statistic	Age 45-54		Age 55-64	
	Owner	Renter	Owner	Renter
Mean	\$2,609	\$2,338	\$1,282	\$2,021
Median	\$2,095	\$2,276	\$0	\$1,912
25th percentile	\$178	\$1,638	\$0	\$1,366
75th percentile	\$3,641	\$2,867	\$2,276	\$2,412

Source: Analysis of HILDA data. Renters are specifically those renting from a private landlord or real estate agent

The impacts of dwellings being leased as short-term rentals (for example, through Airbnb) are cited as another contributor to the tight rental market. In Australia, around 1.6% of housing stock is used for short-term rentals. While a modest share in aggregate, the available listings exceed the available long-term rental vacancies, particularly in coastal areas.¹⁸

Financial assistance to renters

There are a variety of housing supports available, particularly for renters. We examine CRA in Section 4, which is the broadest form of assistance, being paid to 1.4 million Australian households. We also recognise the pivotal role of social and affordable housing in enabling affordable and secure accommodation for vulnerable and low-income people, however do not explore it in further detail in this report.

Social housing is government or community provider-owned accommodation where rents are capped (for example, capped to 25% of someone's income). However, social housing has not kept pace with need, with most states and territories seeing long waitlists that are often over 10 years. The proportion of the population who live in social housing declined from about 4.7% of the population in 2013 to 4.0% in 2025¹⁹ – household numbers have increased slightly from 409,000 to about 430,000 over the period, but population growth has been significantly faster.

Affordable housing (in Australia) is a term which refers to rental properties capped at anywhere between 25% and 80% of local market rates or government-subsidised home ownership initiatives. There are challenges in tracking the stock of affordable housing due to the absence of a national definition and data.² The pipeline of affordable housing is stronger than social housing, with Treasury reporting (as at April 2026) 22,000 social and affordable homes in planning and construction, with more flagged for future delivery in a few years' time.²⁰ However, the number of homes ultimately delivered may differ from these estimates due to many factors, including market conditions, construction capacity and project feasibility.

We also note a significant increase in Specialist Disability Accommodation (SDA) being built, which is part-subsidised by the National Disability Insurance Scheme (NDIS) and has similar caps on rent relative to income as social housing. SDA housing is designed for people with extreme functional impairment or very high disability-related support needs, typically receiving NDIS Supported Independent Living (SIL) support. SDA has been growing strongly, averaging about 40% growth per year in the number of new build and refurbished SDA places over the three years to September 2025 (nearly tripling from 5,726 to 15,268).²¹ If considered social housing, this represents a significant contribution to new supply. However, this rapid growth has not been without issues, including stock remaining vacant and potential exploitation of investors and the scheme.²²

2.5. Housing stress

Defining housing stress

Housing stress measures attempt to indicate households that struggle to cover their housing costs. Various definitions exist – more complex definitions can cater to the variety of household circumstances, but are harder to use due to more demanding data requirements. Household preference plays a role too; some people might choose to spend more on housing and less on other consumption.

Five common definitions are:

- **30% rule** – Households are considered in housing stress if they spend more than 30% of their income on housing costs. This is a simple and widely used benchmark.
- **30/40 rule** – Households are in housing stress if they spend more than 30% of their income on housing and fall within the bottom 40% of the income distribution. This refines the 30% rule by excluding higher-income households that, even if they choose to spend more on housing, will still have reasonable post-housing cost disposable income.
- **Inability to pay housing costs** – HILDA includes a direct question: *"did any of the following happen to you because of a shortage of money?"* which includes an option to indicate the respondent *"Could not pay the mortgage or rent on time"*.
- **Experiencing material deprivation** – HILDA asks about a range of items that people forgo for financial reasons (for example home contents insurance, dental treatment when needed, \$500 in savings for an emergency) that the majority of the population regard as essential. See Section 6.3 for further detail. We have defined material deprivation as ticking two or more categories, consistent with the approach of others (for example, the AIHW).
- **Residual income methods** – This defines housing stress by looking at net income after housing costs, and whether amounts are insufficient to meet a minimum standard of living. This involves defining poverty lines for different household types, which can add some subjectivity and judgement to the measure.

Within each measure there are further variations in whether income is defined using gross or net income, whether equivalisation is applied to adjust for household size and makeup, and how CRA payments are treated. We have adopted gross household income, and subtracted CRA off housing costs directly (as well as excluding from income).

Table 2 compares housing stress under the first four definitions across the 10.2m households in Australia in 2022. This is done for 2022 as this was the most recent collection of material deprivation information. By way of interpretation, consider the first row: under the 30% rule, 11% of households are in housing stress and:

- 78% of these also meet the 30/40 criteria
- 10% of these report being unable to pay housing costs
- 23% of these are experiencing material deprivation.

Table 2 shows:

- Comparing the 30/40 rule and 30% rule, the 30% rule expands the 30/40 definition to include an additional 250k households (with higher incomes). The rate of material deprivation decreases from 26% to 23%. This implies the rate of material deprivation is relatively low at 10% for the additional households ($10\% \approx [23\% \times 1,152 - 26\% \times 900] \div 250$). This suggests the narrower 30/40 rule is a better measure for understanding need.

- The overlaps for different measures are surprisingly low. For instance, only 12% of those unable to pay housing costs in the previous year were stressed under the 30/40 rule.
- Similarly, material deprivation (alone) is not well aligned with housing stress, perhaps reflecting significant differences in households (e.g. higher healthcare needs, or different approaches to spending) outside of housing costs.
- Housing stress varies across people in different housing circumstances. For instance, our analysis suggests that under the 30/40 rule and considering the full population (of all income levels), 2% of owner-occupiers aged 35-64 were in housing stress in 2022, compared with 19% of renters. Among people aged 65 years and over, the corresponding figures were 2% for owner-occupiers and 43% for renters.

For the remainder of this report, we use the 30/40 rule to define housing stress. This is a widely used measure that is relatively easy to operationalise. We explore how changes to CRA can impact this measure of housing stress in Section 4.

Table 2: Comparison of definitions of housing stress, 2022

Definition	Number of households in housing stress ('000)	Rate of housing stress	What proportion in the row are also in housing stress under the definition of...			
			30% rule	30/40 rule	Unable to pay housing costs	Experiencing material deprivation
30% rule	1,152	11%		78%	10%	23%
30/40 rule	900	9%	100%		11%	26%
Unable to pay housing costs	818	8%	13%	12%		17%
Experiencing material deprivation	1,621	16%	16%	14%	9%	

Source: Analysis of HILDA data

Trends and subpopulations

Using the 30/40 definition, rates of housing stress have increased by 2 percentage points over the past two-and-a-half decades, from about 8% of households in 2001 to 10% in 2024. Figure 9 shows the trend split by housing type and income. Increases are far higher for renters in the private market, increasing six percentage points to 23% in 2024. Further, the rising proportion of renters in the housing market can obscure the full impact. When we consider just those in the lowest income quintile, we can further see the stark effect of increasing rents with rates of housing stress among renters in the lowest income quintile increasing from 51% to 59%. In contrast, owner-occupiers in the lowest income quintile do not appear to have seen increases in housing stress over the period.

Broader literature has also explored groups more likely to experience housing stress. Ghasri et al.²³ identified demographic characteristics and life events that increase the risk of housing stress. This included people living in

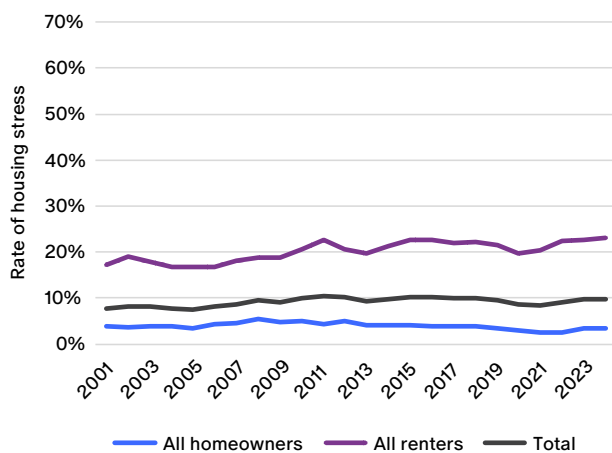
rental housing, people aged 18-44, those having a child, those stepping into a care role, those losing employment, and those getting separated. Conversely, Borrowman et al.²⁴ identified tertiary education and employment as protective factors, reducing the risk of housing stress.

We also recognise that the literature demonstrates broader impacts of housing stress (and related concepts such as precarious housing). This includes poor mental health, with results particularly strong for renters.^{23, 25, 26}

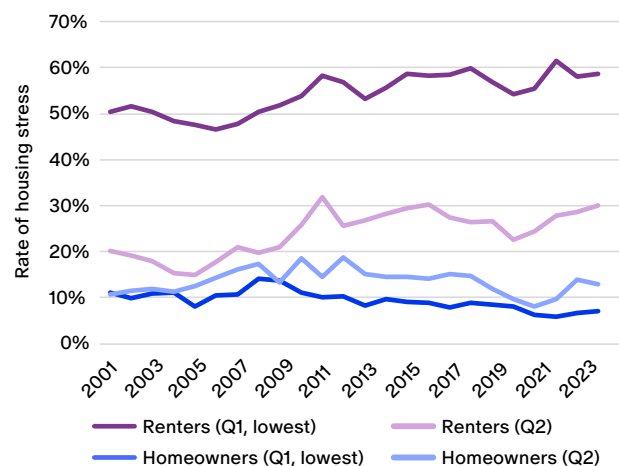
Focusing more closely on renters, Figure 10 shows the distribution of private renters by how much of their income is spent on rent, split by income quintile. This shows housing stress is more common, and deeper, among the lowest income quintile. Q1 (the lowest income quintile) sees 65% of renting households spending above the 30% threshold, and 30% spending more than 50% of their income on rent. For Q2, these figures are 34% and 6% respectively.

Figure 9: Rates of housing stress over time, total and within lowest income quintiles

Panel A: Totals

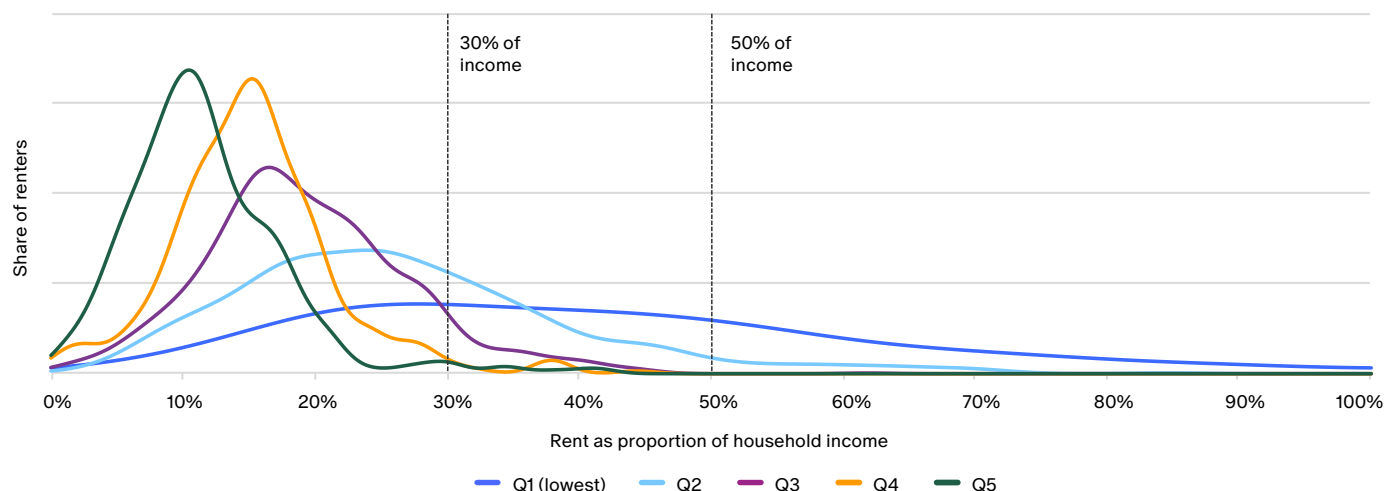


Panel B: Lowest two income quintiles



Source: Analysis of HILDA data

Figure 10: Distribution of private renters by the proportion of income spent on rent, by income quintile, 2024, smoothed



Source: Analysis of HILDA data

The severity of housing stress is considerably greater among renters than homeowners. Only 9% of homeowners in the lowest income quintile spend more than 30% of their income on housing costs (compared to the 65% for renters), and 6% spend more than 50% (compared to the 30% for renters). For the second income quintile, the corresponding figures are 19% and 5%, respectively. The lower rate above the 30% threshold in the lowest income quintile may reflect a higher proportion of households that own their homes outright and therefore face lower mortgage costs. Taken together with the findings from Figure 9, this suggests that housing stress is concentrated among renters and, when it occurs, is often more severe than that experienced by homeowners.

2.6. Changes in housing situation

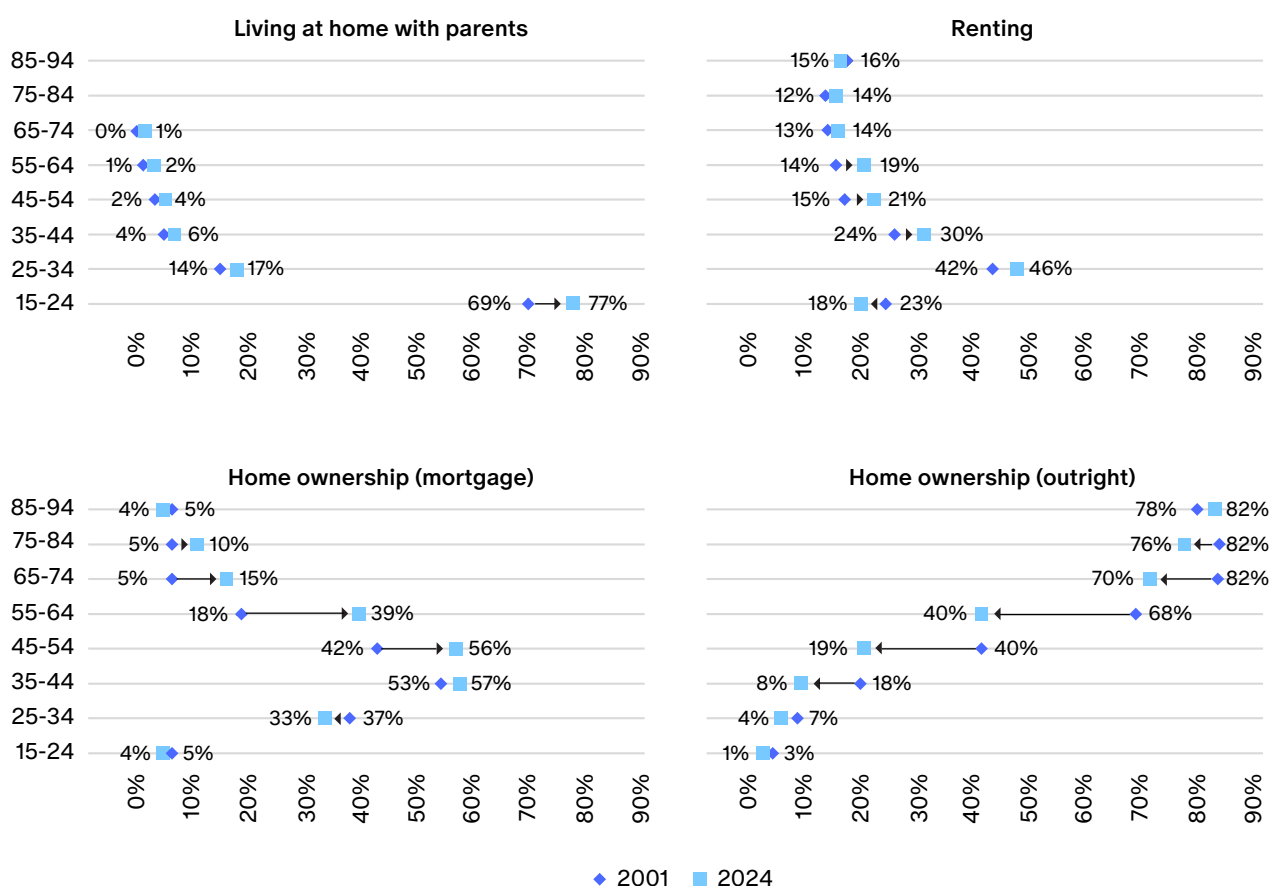
Our recent update to the AAIEI noted home ownership rates have fallen, but appeared to have stabilised in the past 5 years for all age groups.²⁷ To unpack home ownership

rates further, we have developed an individual (rather than household) measure that allows us to better account for children living at home (in a home owned by their parents).ⁱⁱⁱ

Housing tenure is strongly related to age (or life stage), but the distribution by age has changed over time. Figure 11 compares the housing tenure profile by age in 2001 and 2024, and the changes are substantial:

- **More young people are now living at home**, the share of 25-34 year-olds living at home has increased from 14% to 17%.
- **Renting is more common for all but the youngest and oldest age groups**, for example the share of 45-54 year-olds renting has increased from 15% to 21%.
- **Home ownership has decreased and mortgages are more common for almost all age groups**, for example the share of 45-54 year-olds owning their own home has decreased from 82% to 75% and the share owning their own home outright has halved from 40% to 19%.

Figure 11: Distribution of the population by housing tenure and age, 2001 and 2024



Source: Analysis of HILDA data

ⁱⁱⁱ Note that the AAIEI uses a household-level indicator, the proportion of households which own the home they live in, either outright or with a mortgage. To better examine changes in housing tenure for this spotlight we examine individual-level indicators which allow us to better allocate young people living at home. This means the rate of home ownership differs. We have also further split homeowners into outright owners and those with mortgages. Appendix A contains more discussion and a comparison of the metrics.

While the rate of outright ownership has decreased, some of this may reflect increased use of offset accounts. The Australian Prudential Regulation Authority (APRA) reports that offset accounts as a portion of total credit outstanding has increased from 8% at the end of 2019 (when they began the reporting) to 14% by the end of September 2025.²⁸

Another avenue to home ownership that we do not have good visibility on is 'rentvesting', where people continue to rent in their preferred locations but buy an investment property. Australian Taxation Office (ATO) reporting²⁹ shows that the number of rental properties owned by younger people (those under 40) has increased in absolute terms, but the share of total rental properties owned by this cohort has fallen significantly, from 33.2% in 1999-2000 to 22.3% in 2023-24. This suggests that the growth in rental property ownership has been much more modest relative to the decline in home ownership among this age group (with decreases of around 7 percentage points).

Alongside this, Australia is seeing changes in the ages at which people enter different life stages. For example, over time people are spending longer in education as well as having fewer children and later in life.³⁰ These changes provide important context, because while it is likely that financial pressures contribute to changes in housing tenure, behavioural changes are likely also contributing.

In the subsequent sections of this paper, we explore the changes in home ownership rates and young people living at home, as well as what the changes have meant in terms of housing stress, particularly among renters.



3

Are we seeing genuine falls in ownership, or delayed entry into the housing market?



3.1. Introduction

Given the aspiration of home ownership, and the importance of ownership for the economic wellbeing of people in retirement, it is natural to question whether:

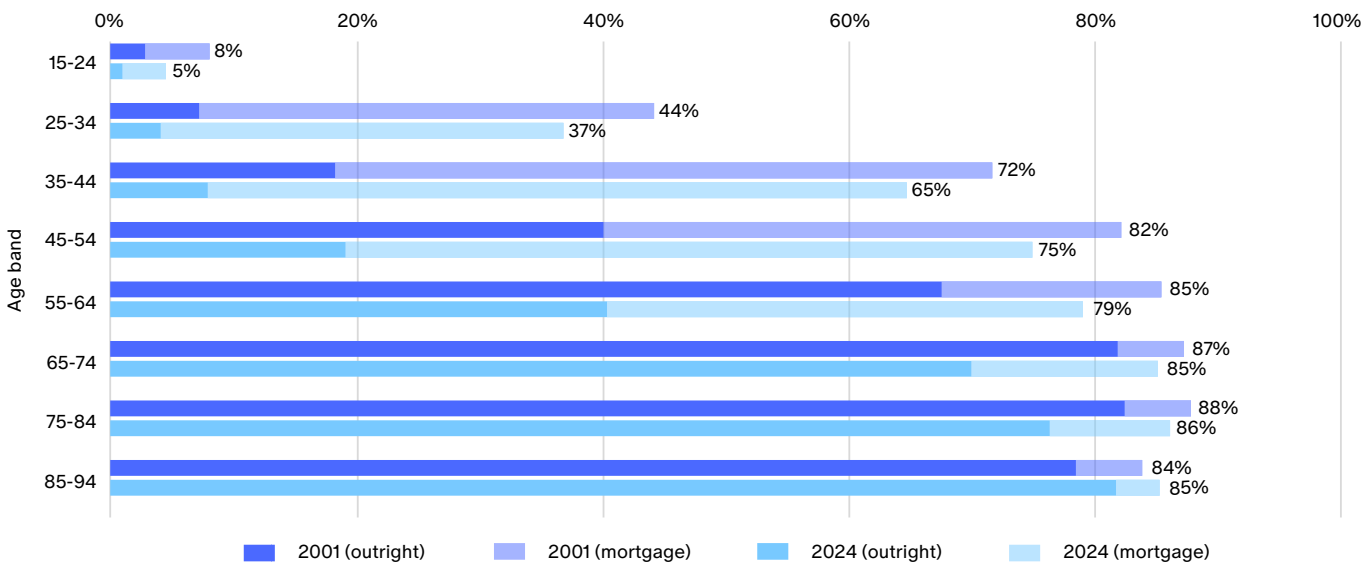
- Lifetime home ownership rates (whether a person will own in their lifetime) are falling? or
- Home ownership is being delayed but will ultimately reach the same rates (suggesting a catch-up effect)?

In other words, will fewer people become homeowners over their lifetime, or will a similar share ultimately own a home but enter the market later than previous generations? This likely has policy implications. For example, increased numbers of older people renting could imply higher

poverty rates without intervention.³¹ Alternatively, delayed ownership could imply more people may need to draw down their retirement savings accrued through superannuation to meet mortgage repayments.

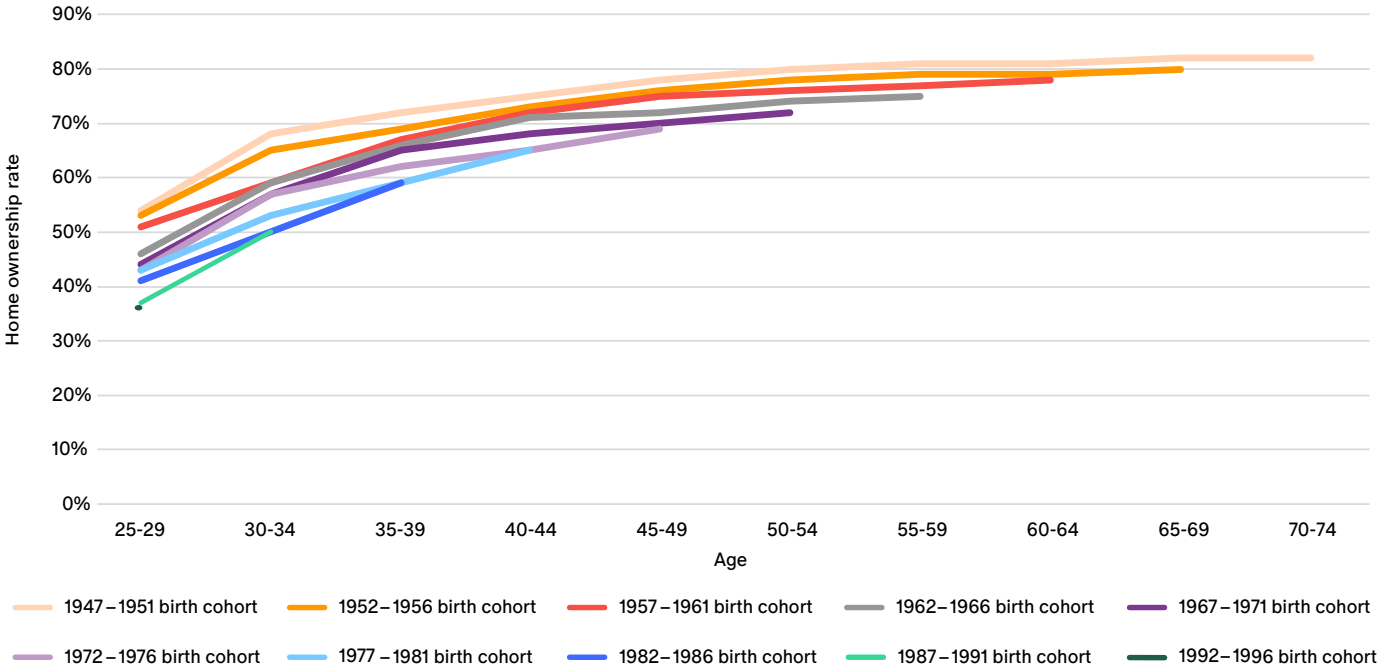
Descriptive statistics suggest that ownership rates have fallen over the past two decades, as shown in Figure 12. We believe that somewhere between the two and six percentage point drop (for 65-74 and 55-64 groups respectively) is indicative of the movements seen to date. The decreases are larger for outright ownership (12 and 27 percentage points for 65-74 and 55-64 groups respectively). Figure 7 showed these differences as particularly stark for lower income quintiles.

Figure 12: Home ownership rates by age band, 2001 and 2024



Source: Analysis of HILDA data

Figure 13: Home ownership rates by birth cohort and age group, 1947-1951 to 1992-1996³²



Source: Reproduced from AIHW Housing data dashboard

A cohort-based analysis is also instructive, which tracks individual birth cohorts through time (but requires longer time series). Figure 13 reproduces some AIHW³² reporting using successive Censuses.

Figure 13 suggests a mix of lower ownership rates and some catch-up effects. For example, while the cohort born in 1962-1966 starts 5-8 percentage points below the previous cohorts, by ages 55-59 the gap is now only 2-6 percentage points. The 1987-1991 birth cohort starts 4 percentage points below the prior cohort at ages 25-29, but has caught up by ages 35-39.

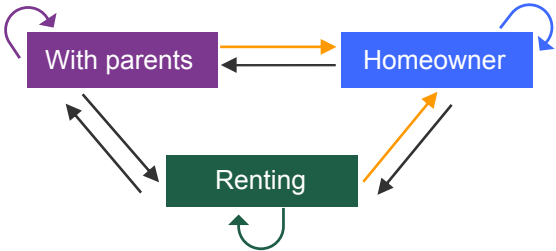
Figure 13 also suggests a slight decline in home ownership rates among the older cohorts; the lines for 1952-1956 and 1957-1961 appear to be plateauing below 1947-51. This is indicative of a modest decline in lifetime home ownership rates between these cohorts. Importantly, it may also mean that catch-up effects for younger cohorts still result in home ownership rates below those achieved by the 1947-1951 cohort.

3.2. Housing transition rates into ownership

One disadvantage of the cohort view is that it reflects behaviours going back decades, which may be disconnected from the current housing market. As an alternative that focuses on current events, we can calculate up-to-date transition rates for how people move between different housing states (illustrated in Figure 14). We can then chain these rates together to indicate lifetime home ownership rates implied by current data.

In this section we focus on the probability that people move from either living with parents^{iv} or renting in year $t-1$, to being a homeowner in year t . We explore how these rates have changed over time by both age and income quintile.

Figure 14: Three housing states (transitions to home ownership shown in orange)

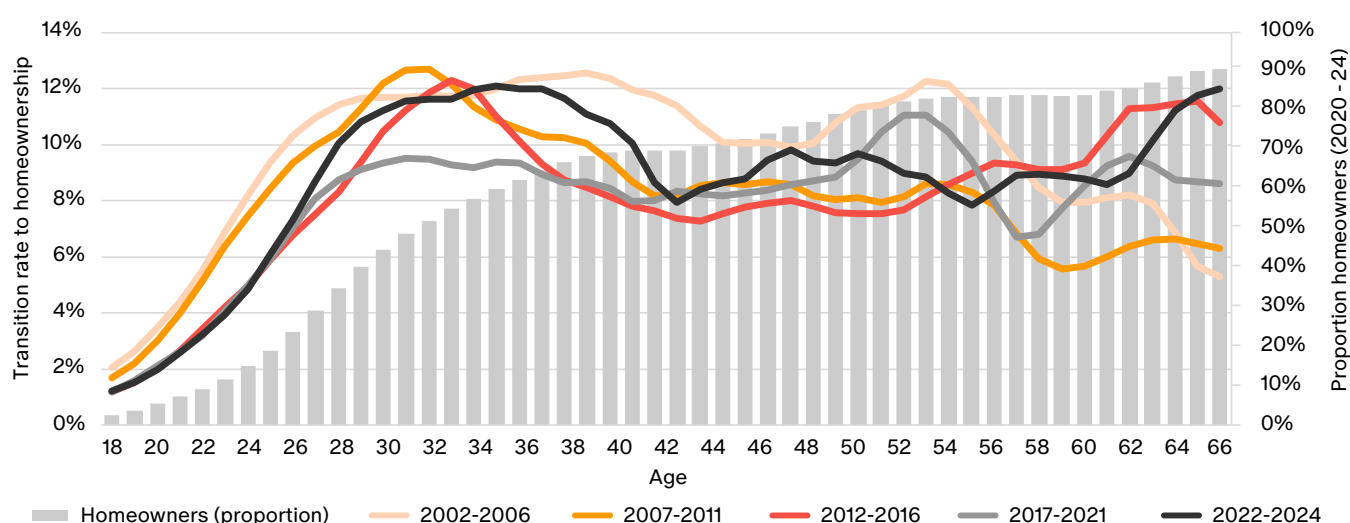


^{iv} Formally, we have defined 'living with parents' as those in a household with their recorded household relationship as one of non-dependent child, dependent student or child under 15.

Figure 15 shows these annual transition rates for different time periods. The transition rates tend to be highest in the 25-34 age band, with a gentle decline for older ages. Note that the rates at higher ages apply to fewer people, as they exclude people already in owned housing (with a mortgage or outright). Changes in transition rates over time are evident. Transition rates up to age 35 have been lower since about 2012. Transition rates for ages 30 to 40 have been elevated above recent historical levels over 2022-2024, which act as a partial catch-up for the lower rate before age 30. The permanency of this peak is unclear; it may reflect a particular surge in first-home buying in the post-pandemic period. This peak is unusual across all prior periods and consistent with our update to the AAIEI²⁷ which noted pandemic-era low interest rates as well as government initiatives may have contributed to stabilising home ownership rates.

Figure 16 shows transition rate variation by income quintile, highlighting that for age bands up to and including 35-44 year-olds the spread has increased over time, consistent with the age plots in Figure 7. Over 2017-24 the rates for 25-34 year-olds are 15% for the highest income quintile, more than three times those for the lowest income quintile (4%). Over 2001-05 the rate was similar for the highest income quintile (16%), but this was only about 2× that for the lowest income quintile (7%). A similar increase in spread is seen for the 35-44 age group from about 2× in 2002-05 to 3× in 2017-24. This suggests catch-up effects (of increased transitions at older ages to account for lower rates at younger ages) are largely limited to higher income groups. The trends highlight that while overall home ownership rates have stabilised in the past five years, this is likely masking an increasing spread.

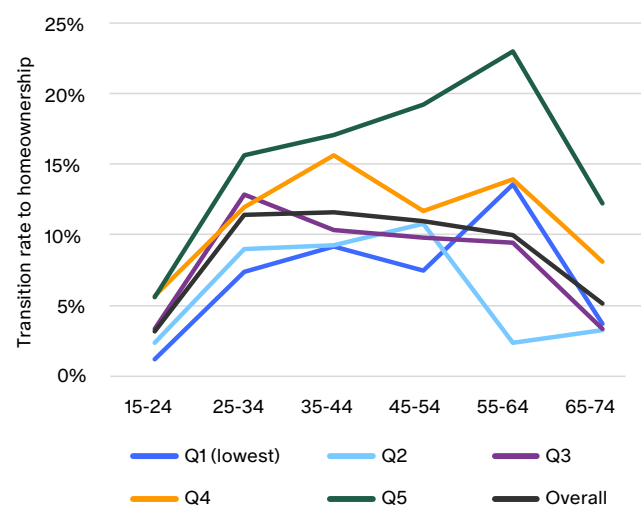
Figure 15: Transition rates to home ownership, smoothed



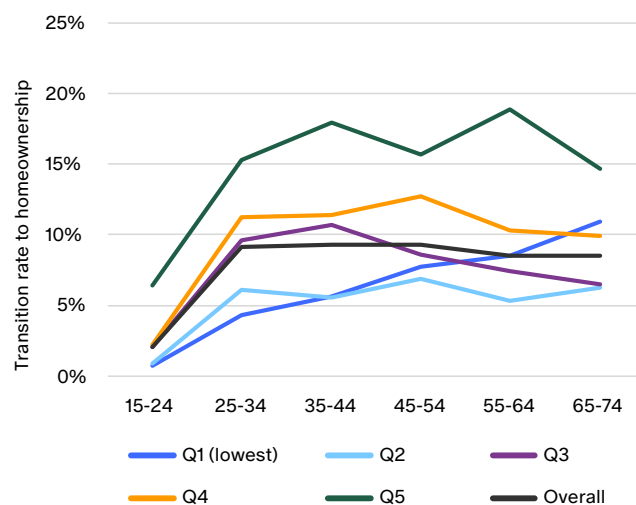
Source: Analysis of HILDA data

Figure 16: Transition rates to home ownership, by income quintile

Panel A: 2001-2005 transition rates



Panel B: 2017-2024 transition rates



Source: Analysis of HILDA data

3.3. Home ownership projection

Using the observed transition rates we can do a mechanical projection of what this implies for future home ownership rates by age, assuming that current transition rates persist. This projection allows for movement between the three states of Figure 14, so we account for people who own moving back into renting or living with parents.

Figure 17 presents the home ownership rates resulting from the mechanical projection. These are for a notional cohort of 18-year-olds, with their starting housing state split across the actual ownership rates observed in 2024 (94.5% living with parents, 4.5% renting and 1.0% being homeowners). Three projections are shown using observed transition rates over 2022-2024 (darker blue), 2017-2021 (black) and 2001-2005 (lighter blue). Given the variability in transition rates over recent years, the area between the black and darker blue lines gives a sense of some of the uncertainty.

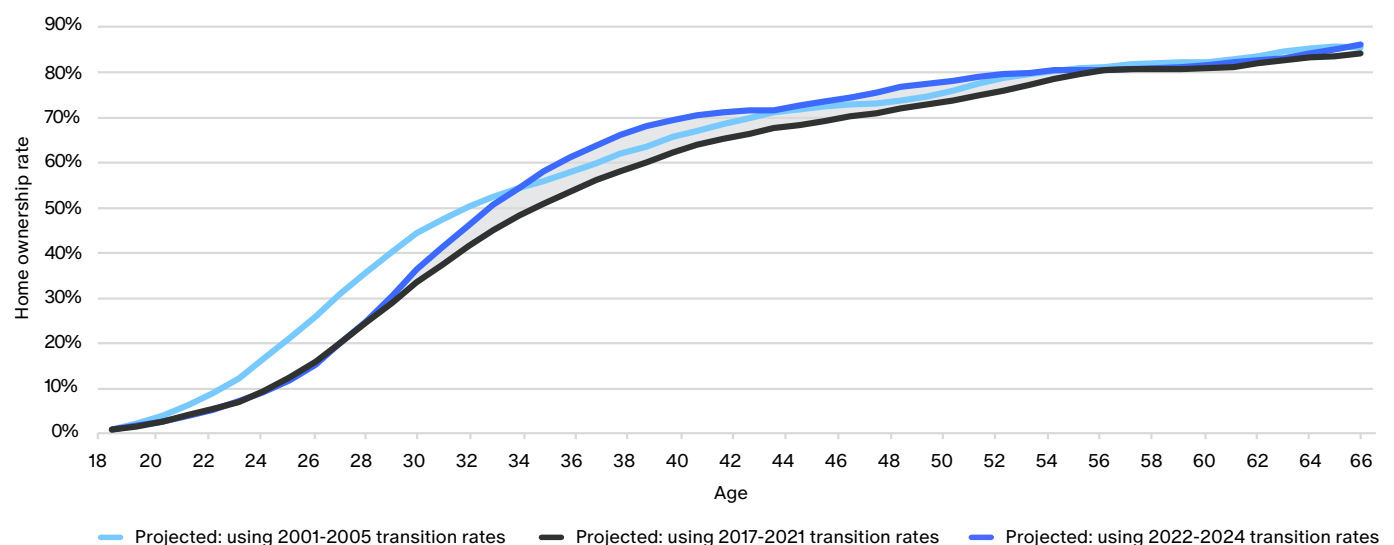
Looking at the projected rates:

- Compared to the 2001-2005 curve, there has been a substantial fall in ownership for younger people. The decrease peaks at around 11 percentage points through ages 27-30.
- Transition rates imply a similar rate of ownership by age 65, converging to a consistent rate of around 83%. This is consistent with currently observed rates (84%), but below historical rates (around 89%).
- Current rates imply an unusually fast home acquisition rate between ages 28 and 42. As discussed with Figure 15, the elevated transition rates may be a temporary effect. The projections based on 2022-2024 rates increase far more quickly than those based on the 2017-2021 transition rates. This is consistent with the bump up in transition rates for these ages seen in Figure 15. If the elevation in transition rates proves temporary, there could be further falls in home ownership rates.

Overall, the results suggest that:

- We saw a fall in lifetime ownership rates over the 24 years to 2024.
- Current transition rates lead to a further delay in home ownership, but not necessarily a further decline in lifetime ownership rates. They do, however, reflect a large decrease in ownership for younger people, up to ages in the early 30s – up to 11 percentage points.
- As the permanency of recent increases in transition rates is uncertain, there remain risks of further declines in transition rates that would cause further falls, possibly extending to lifetime ownership rates.

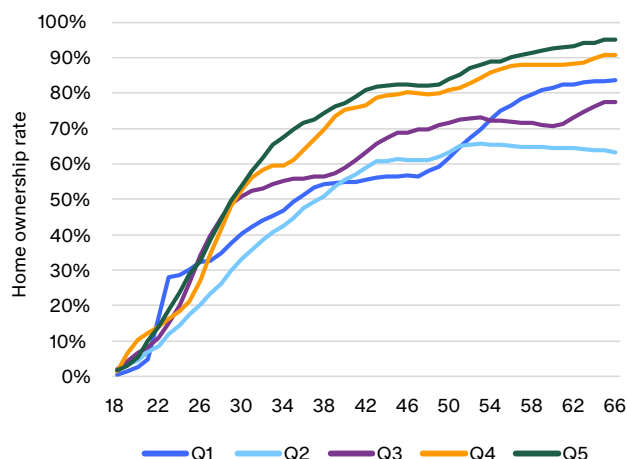
Figure 17: Home ownership rates, projection of notional cohort of 18-year-olds, smoothed



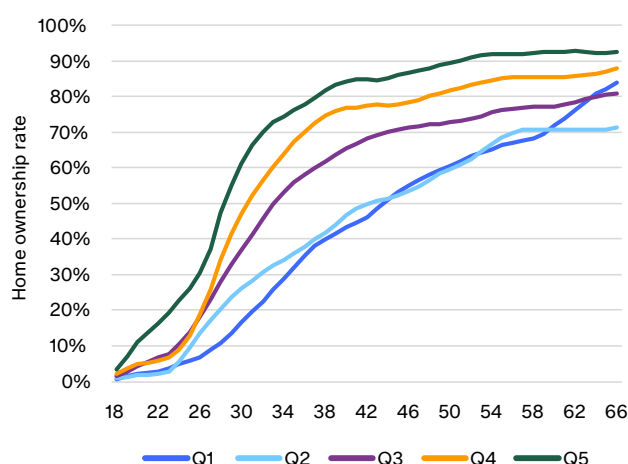
Source: Analysis of HILDA data

Figure 18: Projected home ownership rates for different income quintiles, smoothed

Panel A: Using 2001-2005 transition rates



Panel B: Using 2017-2024 transition rates



Source: Analysis of HILDA data

We can make similar mechanical projections based on the transition rates observed for different income quintiles, shown in Figure 18.

While simplistic in that the projection does not allow for the fact that people may transition between income quintiles over their lifetime, the change over the 20 years is remarkable. The spread by income quintiles based on recent transition rates is far greater:

- Based on 2017-24 transition rates, around three-fifths of thirty-year-olds (61%) in the highest income quintile will own their own home. This is 3.7x higher than among thirty-year-olds in the lowest income quintile (17%). Using the 2001-05 transition rates the relativity was only 1.3x.
- The spread at age 45 is also slightly greater using the 2017-24 transition rates at 86% for the highest income quintile, 1.6x the 53% for the lowest income quintile. Using the 2001-05 transition rates the relativity was only 1.5x.

Despite the greater spread through working age years the rates of home ownership beyond age 65 are similar, or slightly narrower, using the recent transition rates. At these ages a significant confounding factor may be wealthier people retiring earlier, hence moving to a lower income quintile, boosting the home ownership transition rate for the lower quintiles. The projection does not allow for this – and additionally, this effect would only be captured were these wealthier people to transition to home ownership after

moving to a lower income quintile – so we view the rates at age 50 (before the Q1 rate shows a kink in the earlier chart) as more informative.

Overall, the analysis is consistent with the above finding that changes in home ownership over the past 20 years are more delays than declines. Further, the delays are particularly evident for lower income groups.

This is still a policy concern. The increased spread in home ownership through working age years suggests growing inequality within age groups as earlier homeowners will accumulate assets much more quickly. Further, delays in home ownership may see people entering retirement with significant mortgage costs and subject to housing stress, much like retirees who rent.

The 2025 HILDA statistical report examined the economic wellbeing of retirees in detail.³³ Superannuation balances at retirement have increased, particularly for women – the median balance for women rose from \$91k to \$191k over 2015 to 2023, and the median for men increased from \$216k to \$310k over the same period. While superannuation is playing an increasingly important role, total housing wealth remains the key economic driver for retirees. In 2023, the average total wealth for recent retirees who owned their home outright was \$1.66m, compared to \$1.48m for those with a mortgage, and around \$277k for those in private rentals. This speaks to the important link home ownership has with wealth, and consequently wellbeing, in retirement.

3.4. Young people living at home and other changes

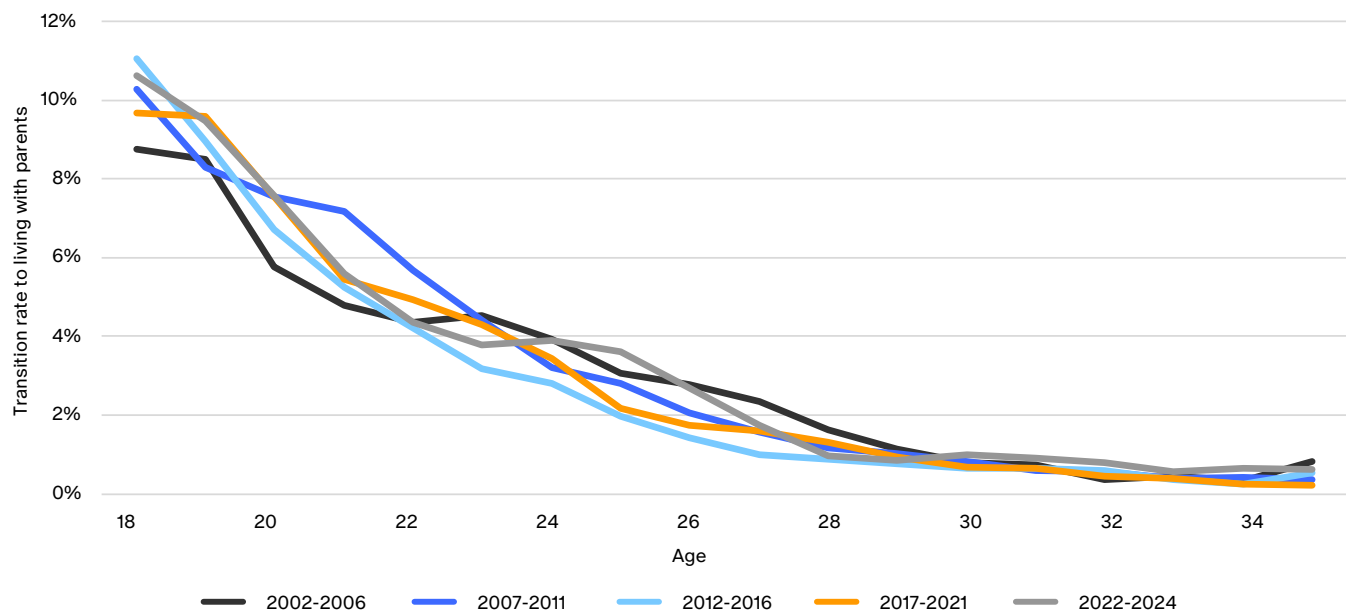
Our transitions work also allows exploration of the dynamics of people living with their parents, given the delayed entry into ownership. The economic pressures of high rents and property prices have made it more normal for young adults in their late 20s and early 30s to spend time living in the family home (see Figure 11).

These economic pressures have also increased the tendency for young adults to move back home for periods after moving out. We define the boomerang rate as the share of adults who move back home. Figure 19 shows boomerang rates for the past 20 years and highlights the changes observed.

The boomerang rate has fluctuated over time, but the overall trend is upwards since 2012-2016. We see high rates over 2007-2011 (around the Global Financial Crisis) as well as over 2017-2021 (with the COVID-19 pandemic likely contributing). Over 2022-2024 the rate has dropped slightly for people younger than 24 but increased for ages 24-27. This includes cases of young adults returning home to save a house deposit.

Another potential factor contributing to higher rates of people living with parents is people studying for longer and incurring greater student debt, which potentially contributes to barriers to entering the housing market. Figure 20 shows how Higher Education Contribution Scheme (HECS) debt has increased over the past 20 years. Both the number of people with debt and the average balances have increased substantially. The proportion of 25-34 year-olds with HECS debt has increased from 17% in 2002, to 36% in 2022. Even after accounting for inflation, the average amount of HECS debt has increased over time – the average balance among 25-34 year-olds was \$35k in 2022 compared to \$15k in 2002.

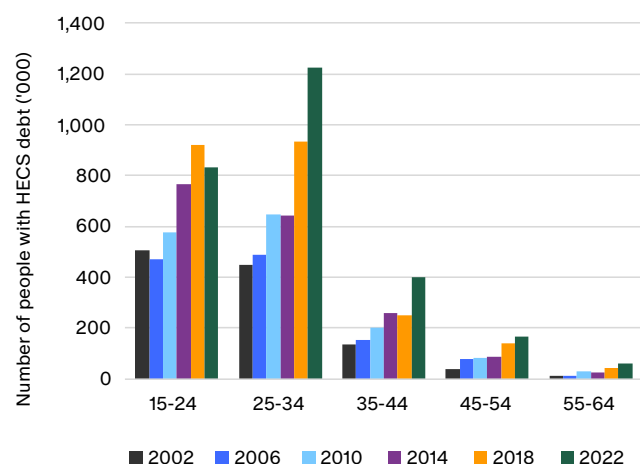
Figure 19: Boomerang rate – annual rate of return to living with parents, smoothed



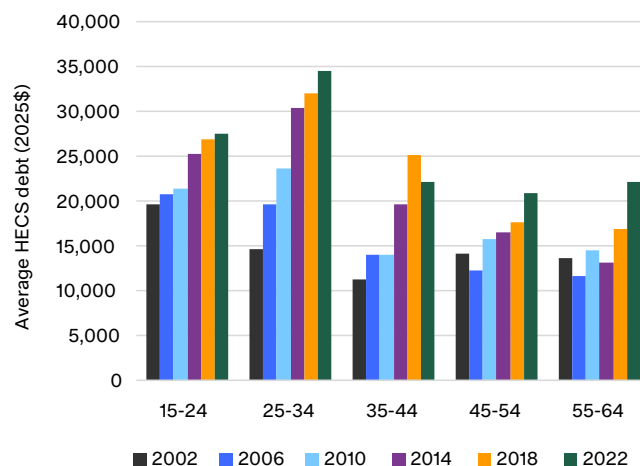
Source: Analysis of HILDA data.

Figure 20: Average HECS debt by age band

Panel A: Number of people with HECS debt



Panel B: Average balances, 2025 dollars



Source: Analysis of HILDA data

3.5. Implications

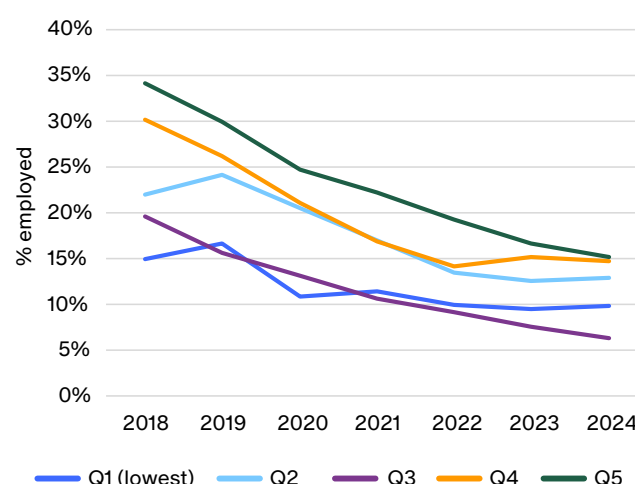
While beyond the scope of this report, there are significant changes for Australian households related to changing patterns in home ownership. People are studying for longer, families are having fewer children (and mothers are older when they first have children). Workforce participation has been rising, particularly among older workers³⁴ – noting it is wealthier people who are still more likely to keep working after age 65 (see Figure 21). Families with children are increasingly making use of paid care (56% in 2023) and grandparental care (29% of families in 2023³⁵) so that both parents can work. All these trends will have some relation to housing – that is, with a different housing market we may well see differences in some of these trends too.

Even if many of the effects seen in ownership relate to delay rather than declines, there remain important implications of delayed ownership:

- **Wealth inequality** – The increased spread in home ownership through working age years suggests growing inequality within age groups as earlier homeowners will accumulate assets much more quickly.
- **Retirement planning** – Delays in home ownership may see people entering retirement with significant mortgage costs and more exposed to potential housing stress, much like retirees who rent. While superannuation balances at retirement continue to grow, housing remains the primary source of wealth for those who have it, and those not owning their home when they reach retirement have less than 20% of the average wealth compared to those that do.³³

Potential policy implications are covered in Section 5.

Figure 21: Employment rate for cohort aged 65-69 in 2018, by net wealth quintile



Source: Analysis of HILDA data

4

Can we reduce housing stress in the rental market?



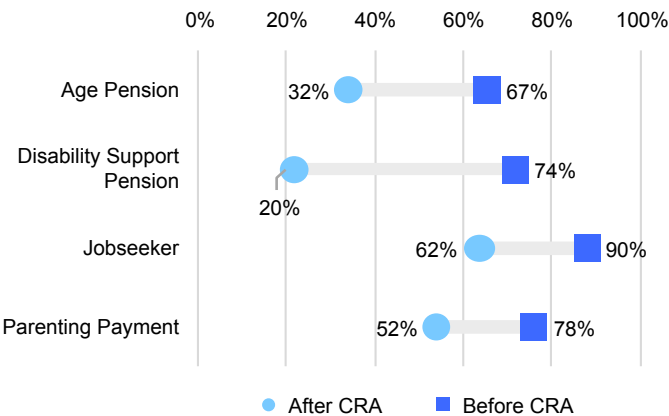
We saw in Section 2.5 that renters experience far higher rates of housing stress and have seen these rates increase over the past two-and-a-half decades. This section looks at CRA policy arrangements and its role in reducing housing stress.

4.1. Commonwealth Rent Assistance

CRA is paid to people receiving eligible benefits (for example, JobSeeker, Age Pension, and some people receiving Family Tax Benefit, FTB, Part A) and paying private rent. The payment amount scales with rental costs, up to a maximum entitlement. Around 1.4 million households received CRA in the quarter ending December 2025, and annual spend is about \$6.8b.³⁵

Research findings on CRA are mixed. Some research has pointed to a lack of wellbeing impact²⁶, whereas others point to tangible impacts such as children attending university and reduced homelessness.³⁶ AIHW reporting on housing assistance³⁷ estimates the change in housing stress (30% threshold) for CRA recipients (Figure 22), which shows that CRA drives a significant reduction in housing stress, but there is plenty of residual pressure.

Figure 22: CRA impact on housing stress

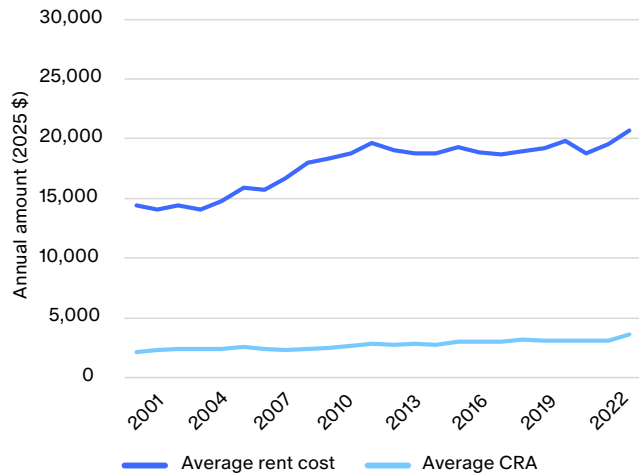


Source: AIHW

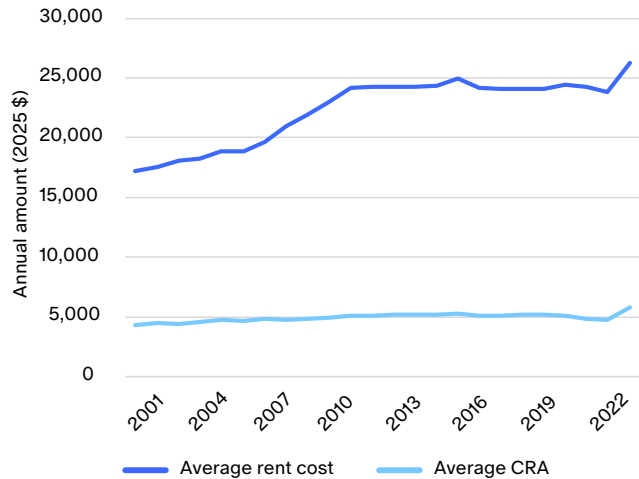
In their 2022 review of the Housing and Homelessness accord, the Productivity Commission⁵ noted many renters receiving CRA still experience high rent burdens and housing stress, with around 23% paying more than half of their income on rent. They recommended a broad review of CRA as a priority, spanning all aspects of the payment design with the aim of improving the sufficiency, fairness and effectiveness of the payment. This echoes other research on the opportunity for better targeting.³⁸ While maximum payment rates have been increased significantly (beyond inflation indexation increases) since then (15% in 2023 and 10% in 2024)³⁹, other payment aspects remain unchanged such as the co-payment rate, indexation and eligibility. Despite these increases, Figure 23 shows that in 2025 dollars, the gap between average annual rent and CRA received has increased over time from \$12,300 in 2001 to \$17,100 in 2024 for income support recipients, and from \$12,900 to \$20,500 over the same period for FTB recipients. This has potentially left more renters exposed to housing stress.

Figure 23: Growth in average CRA payments and rental costs (December 2025 dollars)

Panel A: Income support recipients



Panel B: FTB recipients



Source: Analysis of HILDA data. The panels only include households that received CRA.

Other thinking on CRA design (for example, submissions to the 2008 Senate Select Committee on Housing Affordability in Australia⁴⁰) includes the potential to vary rates by geography⁴¹, as is done in other countries, and consideration of expanding eligibility to include low-income groups that are not currently eligible.

4.2. Are there better ways to target assistance to renters?

Treating HILDA as a representative dataset, we examine whether changes to CRA design in Australia could improve the targeting of assistance. In this analysis, we define “better targeted” via a utility function, as reducing the number of households in the lowest 40% of the household income distribution spending more than 25% of income on rent. Additional weight is given to households facing deeper housing stress, so for example moving a household from 40% to 35% housing spend through CRA support is given more utility than moving a household from 35% to 30%.

Two key questions are explored in the analysis:

- Can CRA potentially be better targeted within the existing funding envelope and pool of eligible households?
- If additional funding were available, would expanding eligibility provide greater benefits than increasing payments to existing recipients?

Table 3 summarises the scenarios considered. Each scenario is designed to direct more assistance towards renters experiencing the greatest depth of housing stress. The scenarios adjust the minimum rent threshold and maximum CRA payment for single income support recipients. Parameters for other household types are adjusted proportionally. The taper rate is held at 0.75 throughout. While the taper rate could also be varied, fixing it allows the design of each scenario to focus on changes to the minimum rent threshold and maximum CRA payment, and we found the 0.75 taper rate to be close-to-optimal in some of the modelling in any case.

To maintain realistic and tractable outcomes, both the minimum rent threshold and maximum CRA payment for single income support recipients are capped at \$200 per week.

Table 3: CRA scenarios

Scenario	Description
Current	Current CRA settings
1	Change minimum rent threshold and maximum payment. Overall changes in spending neutral.
2	Change minimum rent threshold and maximum payments, with payments varying by geography. Overall changes in spending neutral.
3	Change minimum rent threshold and maximum payment, with total CRA spending increased by 25%.
4	Change minimum rent threshold and maximum payment, with total CRA spending increased by 25%. Allow payments to vary by geography.
5	Change minimum rent threshold and maximum payment, with total CRA spending increased by 25%, split between: • +11% to existing eligible households (recognising those going from eligible for a part year to a full year) • +14% to newly eligible low-income households (those not currently eligible but in the bottom 20% of the household income distribution) Newly eligible households are given their own minimum rent threshold and maximum payment.



The newly eligible households referred to in Scenario 5 are households in the lowest 20% of the household income distribution where no household member currently receives a benefit that would make them eligible for CRA. These households may be outside the current CRA system despite their low income for a range of reasons including not meeting eligibility requirements for qualifying benefits (e.g. based on asset tests or residency rules) or not accessing benefits despite eligibility.

Compared to low-income households that currently receive CRA, this cohort tends to be younger (with a higher concentration of people aged 25-34), and is more likely to be single-person households. They also tend to have higher levels of wealth, with the median wealth of households headed by people aged 25-34 across the lowest income quintile being approximately \$25k (in December 2025 dollars) compared to <\$5k across comparable CRA-receiving households.

Table 4 presents the geographic loadings applied to maximum CRA rates based on geographical zone. The aim of applying these loadings is to better reflect differences in rental costs across Australia, and echoes approaches taken overseas, such as with Local Housing Allowance in the UK⁴², or with the Accommodation Supplement in New Zealand.⁴³ The grouping of Greater Capital City Statistical Areas in Australia shown in Table 4 was applied based on median weekly rent as in the 2021 Census.⁴⁴ Within each zone, relativities between household types were maintained.

Table 5 compares the rates of housing stress among private renting households under current CRA settings and Scenarios 1 and 2:

- Under Scenario 1, the minimum rent threshold increases from \$72 to \$160 per week (see Table 7) and the maximum CRA payment from \$90 to \$200 per week, reducing modelled housing stress by \$283m.
- Scenario 2 delivers a broadly similar outcome, indicating that introducing geographic variation provides limited additional benefit within a fixed funding envelope.

Both scenarios reduce total dollars of modelled housing stress (rent payments beyond 30% of income) without increasing overall expenditure. Although the proportion of households spending more than 30% of income on housing increases slightly, the overall severity of housing stress declines because support is directed towards households facing the highest rent burdens. This is evidenced by the decline in the share of households spending more than 50% of income on housing.

The results suggest that CRA could be retargeted to better target those in deeper housing stress for the same total spend. However, some households currently eligible for CRA would no longer qualify, particularly those paying between \$72 and \$160 per week in rent, and these trade-offs would need careful consideration.

Table 4: Geographic loadings for Scenarios 2 and 4

Zone	Areas included	Range of median weekly rents, 2021 Census	Change to maximum CRA payment
1	Rest of NT, Rest of SA, Other Territories	\$150 to \$220	▼25%
2	Rest of Tasmania, Rest of WA, Rest of Victoria	\$250 to \$285	▼11%
3	Greater Adelaide, Rest of NSW, Rest of Qld, Greater Perth, Greater Hobart	\$320 to \$350	▼4%
4	Greater Brisbane, Greater Darwin, Greater Melbourne	\$380 to \$390	▲1%
5	ACT, Greater Sydney	\$450 to \$470	▲10%

Table 5: Results under current settings, and Scenarios 1 and 2

Scenario	Expenditure (\$m)	Housing stress (\$m)	Share of private renting households in housing stress (lowest 40% of incomes and spend more than (%) on rent)		
			Above 30%	Above 40%	Above 50%
Current	\$5,332m	\$6,238m	23.3%	14.2%	9.1%
Scenario 1 – Change thresholds	\$5,332m (-)	\$5,955m (▼\$283m)	25.4% (▲2.0%)	14.3% (▲0.1%)	8.7% (▼0.4%)
Scenario 2 – Introduce geographic variation	\$5,332m (-)	\$5,978m (▼\$260m)	25.4% (▲2.0%)	14.3% (▲0.1%)	8.7% (▼0.4%)

Table 6 presents the results for scenarios 3 to 5 which examine alternative uses of a hypothetical 25% increase in CRA expenditure through increasing support for:

- Existing recipients (Scenario 3)
- Existing recipients and introducing geographic variation (Scenario 4)
- Existing recipients (+11 percentage points) while expanding eligibility to additional low-income renters (+14 percentage points) (Scenario 5).

To explore expanding eligibility, Scenario 5 is compared with scenarios that have the same overall increase in CRA

spend but direct all additional funding to existing recipients. This provides a like-for-like comparison of alternative ways to allocate additional spending (if it were to be available).

Table 6 shows that, for the same increase in total expenditure, expanding eligibility delivers larger reductions in housing stress than increasing payments only for existing recipients. Relative to Scenario 3, Scenario 5 reduces modelled housing stress by a further \$509 million and reduces the proportion of renting households who are in the lowest 40% of incomes and spend more than 30%, 40% and 50% of their income on housing costs.

Table 6: CRA results for current settings, and Scenarios 3, 4 and 5

Scenario	Expenditure ¹ (\$m)	Housing stress (\$m)	Share of private renting households in housing stress (lowest 40% of incomes and spend more than (%) on rent)		
			Above 30%	Above 40%	Above 50%
Current	\$5,332m	\$6,238m	23.3%	14.2%	9.1%
Scenario 3 – Increase spend	\$6,664m (▲\$1,333m)	\$5,587m (▼\$652m)	23.3% (-)	12.6% (▼1.5%)	7.8% (▼1.3%)
Scenario 4 – Increase spend and introduce geographical variation	\$6,664m (▲\$1,333m)	\$5,731m (▼\$507m)	23.6% (▲0.3%)	12.6% (▼1.5%)	7.9% (▼1.2%)
Scenario 5 – Increase spend and expand eligibility	\$6,665m (▲\$1,333m)	\$5,077m (▼\$1,161m)	23.0% (▼0.4%)	12.2% (▼2.0%)	7.3% (▼1.8%)
Change caused by expanding eligibility (Scenario 5 – Scenario 3)	–	▼\$509m	▼0.4%	▼0.4%	▼0.5%

¹ Totals may not add due to rounding.

Overall, the results suggest that:

- CRA settings could be adjusted to target more support towards those in deeper housing stress for the same total spend.
- If additional funds were available, even greater housing stress reductions could be achieved through expanding eligibility to all low-income renters rather than directing all additional funding to existing recipients.

The results presented should be taken as a starting point for any future review and design work should policymakers seek to further explore measures in this area, rather than providing conclusive guidance.

Table 7 presents the CRA parameters by scenario for a single income support recipient and includes the expenditure and housing stress (\$m) values. It is important to note that results are relatively sensitive to starting assumptions, and the HILDA sample size is relatively limited. Therefore, the results presented should be taken as a starting point for future design work rather than providing conclusive guidance on redesigned CRA parameters.

Table 7: CRA parameters by scenario, expenditure and housing stress (\$m)

Scenario	Minimum rent threshold (per week)	Maximum CRA payment (per week)	Rent at which maximum CRA is paid (per week)	Expenditure (\$m)	Housing stress (\$m)
Current	\$72	\$90	\$191	\$5,332m	\$6,238m
1 (Change thresholds)	\$160	\$200	\$426	\$5,332m (-)	\$5,955m (▼\$283m)
2 (Introduce geographic variation)	\$160	Zone 1: \$149 Zone 2: \$177 Zone 3: \$192 Zone 4: \$202 Zone 5: \$219	Zone 1: \$359 Zone 2: \$397 Zone 3: \$417 Zone 4: \$429 Zone 5: \$453	\$5,332m (-)	\$5,978m (▼\$260m)
3 (Increase spend)	\$128	\$187	\$377	\$6,664m (▲\$1,333m)	\$5,587m (▼\$652m)
4 (Increase spend and introduce geographic variability)	\$130	\$193	\$387	\$6,664m (▲\$1,333m)	\$5,731m (▼\$507m)
5 (Increase spend and expand eligibility)	Currently eligible: \$130 Newly eligible: \$169	Currently eligible: \$123 Newly eligible: \$104	Currently eligible: \$294 Newly eligible: \$308	\$6,665m (▲\$1,333m)	\$5,077m (▼\$1,161m)



5

Discussion and policy implications



Challenges in the housing market have been among the most widely discussed public policy issues in Australia over the past five years. Housing affordability is recognised as an ongoing national challenge and widely described as a housing crisis by government and research bodies.

The 2026-27 Federal Budget introduced a package of housing and tax reforms, centred on capital gains tax (CGT) and negative gearing. Some of these have since been legislated and we acknowledge concerns are being expressed by some tax experts, including about the treatment of capital losses. Most of the changes, as currently legislated or proposed, will not affect CGT liabilities until 1 July 2027, meaning their full impacts will take time to emerge. However, there have already been reports of weakening market activity, and modest falls in house prices following the announcement and implementation of the reforms.⁴⁵ At the same time, the housing market has also been influenced by higher interest rates, weaker consumer confidence and ongoing housing supply constraints, making it difficult to isolate the effects of the tax changes from other economic factors.⁴⁶

Given this uncertainty, the housing policy landscape is likely to continue evolving as governments monitor the effects of recent reforms and consider further measures to address affordability, housing supply and intergenerational equity.

The policy topics noted below reflect a range of existing proposals and perspectives from others that may inform future reform discussions. Most were discussed in our earlier report, *Australian Actuaries Intergenerational Equity Index: Cracking the unsolved generational equation*²⁷ (see Section 4.2) which includes broader discussions and full references. Our hope is that evidence-based consideration of these issues will contribute to constructive policy development and support holistic long-term decision-making, particularly in areas where generational gaps in housing outcomes are emerging. We acknowledge that for many of the potential reforms there are complex interactions and non-trivial implementation issues that would need to be carefully considered.

Table 8: Policy areas and some considerations (✓ = Discussed in our earlier report, * = Additional)

Area	Discussion and Policy considerations
Increasing housing supply (✓)	Australia's housing shortfall is widely recognised. The National Housing Accord aims to deliver 1.2 million new homes over five years from July 2024, alongside increased investment in social and affordable housing through The Housing Australia Future Fund and Social Housing Accelerator. Key considerations include: • Pro-supply reforms to zoning, planning, land release, as well as the construction workforce capacity. • Improving housing resilience by: — Considering housing affordability in the context of the full multidecade expected lifespan of the building. — A principle of “no new residential or other highly vulnerable development in high-risk hazard zones”. • Better alignment between net migration and construction to make the most of the economic benefits of migration.
Phasing out stamp duties for land taxes (✓)	Replacing stamp duties with broad-based land taxes could reduce barriers to moving house and discourage inefficient land use. Any reform would need to address impacts on ‘asset-rich, income-poor households’, including through deferral or equity-release mechanisms.
Development outside capital cities (✓)	Supporting population growth in regional centres could relieve housing pressures in major cities. Policy options include migration and study incentives, infrastructure investment, public sector decentralisation, and targeted tax concessions.
Responding to greater wealth inequality in retirement (✓)	Home ownership has become increasingly uneven across income groups, raising concerns about growing intergenerational inequality, particularly as disparities become entrenched through intergenerational transfers. Potential policy responses include: • Reviewing asset tests and concessions to treat housing wealth more consistently with other forms of wealth, including reviewing the Age Pension exemption of the family home from the Age Pension assets test. • Considering the potential role of inheritance and wealth taxes as part of a broader reform of the overall tax system. Our index update⁴⁷ discussed both the mixed evidence for inheritance taxes and the challenges of wealth taxes and approaches internationally.

Area	Discussion and Policy considerations
Reviewing CRA settings to ensure it best supports Australians (✓, *)	There are ongoing calls to increase CRA and extend eligibility to low-income renters who are currently ineligible (✓).^{48, 49, 31} Options proposed by the McKell Institute include legislatively broadening eligibility or introducing a renter tax offset for those outside the current system.⁴⁸ Our analysis supports that reforms could improve the effectiveness of CRA by showing: • CRA settings could be adjusted to target more support towards those in deeper housing stress within the existing budget envelope. (*) • An increased budget for CRA better reduces housing stress through expanding eligibility compared to increased payments among currently eligible households. (*) Any review of CRA settings should be holistic and potentially consider broader metrics (such as persistence of rental stress) as well as interactions with other supports and impacts for different cohorts. The interaction between CRA and other housing supports could also be improved through making CRA more portable.⁵ The current exclusion of most public housing tenants can create barriers to moving between different forms of support and the potential for cost shifting between governments. Any reform would need to avoid duplicating assistance.
Supporting renters with better protections and rights (✓)	Progress on National Cabinet's Better Deal for Renters⁵⁰ has been mixed, with jurisdictional differences highlighting the challenges in national reforms for areas managed by state and territory governments. A major achievement has been the introduction or commitment to ban no-grounds evictions nationwide.⁵¹ Other areas with mixed progress are:⁵² • Bans on soliciting rental bidding which can fuel rental increases. • Minimum quality standards. • Portable bonds. Additionally, policy which supports longer-term leases and the rent-to-buy sector could benefit Australians as more people rent and for longer.
Opportunities for better data collection (✓, *)	Some important drivers of home ownership and wealth accumulation remain poorly understood: • Inheritances, gifts and trust income – Better data would improve understanding of inequality and inform tax policy discussions, including the role of discretionary trusts. (✓) • The Bank of Mum and Dad – Relatedly, good information on parental/grandparental assistance for homebuyers is valuable for understanding barriers to the housing market and issues of intergenerational inequality. (✓) • Rentvesting – Better information on its prevalence and long-term housing and wealth outcomes would be helpful. (*)
Areas to bolster existing monitoring (*)	Two additional areas for monitoring highlighted by our work are: • Home ownership transition rates – Tracking transitions into home ownership, particularly among people aged 30-45, would provide an early indicator of future ownership trends. • Mortgages and housing stress among retirees – Monitoring mortgage repayments into later life would improve understanding of retirement financial security and housing stress risks.

6. Appendices

6.1. Appendix A – Comparison of household and individual home ownership rates

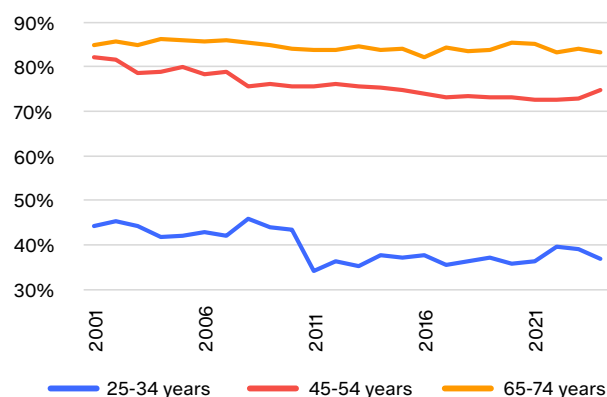
The AAIEI uses a household-level indicator, the proportion of households which own the home they live in, either outright or with a mortgage. To better examine changes in housing tenure for this spotlight we have used individual-level indicators which allow us to better allocate young people living at home. We have also further split homeowners into outright owners and those with mortgages. Table A.1 illustrates the differences.

Table A.1: Comparison of home ownership metrics

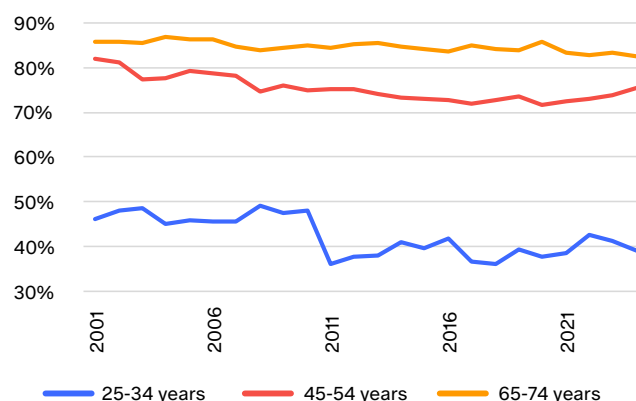
	AAIEI indicator – Household home ownership rates	Individual home ownership rates in this paper
Description	The proportion of households which own the home they live in. Each household is allocated a 'primary householder' based on household member type, income and age. This means young people living with their parents are not a head of household and so they are removed from the numerator and denominator.	The proportion of individuals who own the home they live in. Individuals are allocated to home ownership based on whether someone in the household owns the home. We then check the household member type, and for non-dependent children, dependent students, and children less than 15, we overwrite the household status with living at home instead.
Numerator	Number of households where the primary householder is within a given age band and someone in the household owns the home.	Number of individuals within a given age band where someone in the household owns the home and they are not identified as living at home.
Denominator	Number of households where the primary householder is within a given age band.	Number of individuals within a given age band.
Comments	Considered for consistency with the previous AAIEI, provides a high-level view, but does not capture the effect of young people living at home for longer.	Considered to better explore tenure changes in this spotlight on housing.

Figure A.1: Comparison of home ownership rates for household and individual metrics

Panel A: Individual level



Panel B: Household level



Source: Analysis of HILDA data

Figure A.1 compares the trends in home ownership rates based on the two different metrics for the three age bands in the AAIEI. The same trends are observed in both, suggesting the change from a household home ownership rate to individual home ownership rate does not materially impact the insights drawn. The lower home ownership rate for the 25-34 age cohort observed reflects the aforementioned capturing of those living at home.

Note that, unlike the main report for the AAIEI, this report does not apply the ABS-based adjustment used to stabilise the trend around 2011 in response to the HILDA top-up sample. This is because the analysis presented here is based almost entirely on HILDA data, and maintaining a consistent HILDA-derived series throughout is preferred for comparability over time.

6.2. Appendix B – Methodological considerations

This section outlines several methodological choices made in the analysis and their implications for interpretation.

Households and income units

The analysis relies on HILDA definitions of households and income units. These definitions influence the allocation of income, housing costs, CRA entitlement and housing tenure outcomes across individuals and households.⁵³ Documentation for HILDA suggests income units are “assigned to subsets of the family thought to systematically pool their income and savings.”

Commonwealth Rent Assistance

CRA is not directly observed in HILDA and has therefore been imputed. For time-series analysis, CRA entitlement was calculated using code from the Melbourne Institute of Applied Economic and Social Research’s HILDA program library, which implements historical eligibility rules and payment parameters.⁵⁴ For the scenario analysis, we adopted the same underlying methodology but made some refinements to improve the accuracy of entitlement calculations. As a result, aggregate CRA expenditure produced by the scenario model differs slightly from the

expenditure implied by the unmodified methodology. These differences are not material to the interpretation of results but should be considered when comparing figures and tables across sections of the report.

For analysis related to housing stress, CRA has been modelled at the household level. This reflects that housing costs are typically shared across members of a household, and the distribution of costs may not be in accordance with how income units are defined. While individual-level analysis is useful for examining transitions between different living arrangements, a household-based approach is more appropriate when assessing rental stress.

We have not attempted to fully disaggregate imputed CRA payments to individuals within households, as doing so would require assumptions regarding the allocation of housing costs and CRA between household members.

Scenario approach

The code and structure for calculating CRA entitlement was adopted from the HILDA program library.⁵⁴ As part of this, eligibility for CRA is defined at the level of income units. Given our focus on households, results have been aggregated up to the household level, noting that in 2023-24 HILDA data, there are on average 1.3 income units in each household. This means that a household’s CRA payments were determined by adding together the CRA payments allocated to each of their constituent income units.

In the case of expanded eligibility, an additional amount equal to 11% of current funding was provided to households already eligible for CRA. This resulted from replacing the pro-rata allocation method of CRA to those receiving income support for a part year with a full year allocation of CRA.

Relativities between household types are assumed to remain fixed across the scenarios. Payments for different household types were based on historical entitlement amounts published by the Department of Social Services.⁵⁵

A disutility function was constructed to measure housing stress that the scenario intended to minimise. For household i , their disutility d is a function of their minimum rent threshold, k_{rent} and their maximum CRA payment k_{CRA} . Given CRA entitlement is also a function of these parameters, we denote the CRA payment for household i as $CRA_i(k_{rent}, k_{CRA})$. This gives the disutility for household i , denoted $d_i(k_{rent}, k_{CRA})$ as:

$$d_i(k_{rent}, k_{CRA}) = \max \left(0, \frac{\min \left(0.75, \frac{Rent - CRA(k_{rent}, k_{CRA})}{Income\ excl.\ CRA(k_{rent}, k_{CRA})} - 0.25 \right)}{0.25} \right)^2$$

With consideration of each household's weight, denoted w_i , the objective function is to minimise disutility:

$$U^* = \min_{k_{rent} \in K_{rent}, k_{CRA} \in K_{CRA}} \sum_{i=1}^N d_i(k_{rent}, k_{CRA}) \times w_i$$

Where N represents the number of renting households considered in the CRA scenario, and subject to the following constraints

$$K_{rent} = [0, 10400]$$

$$K_{CRA} = [0, 10400]$$

These cap both the minimum rent threshold and maximum CRA payment for single income support recipients at \$200 per week (\$200 × 52 weeks = \$10,400).

6.3. Appendix C – Material deprivation

Questions that inform our definition of material deprivation are only asked every four years in HILDA, which means the most recent year of data is 2022. The following steps were taken to identify households experiencing material deprivation under our definition:

- In a given year, HILDA responses are used to identify whether each household considers each of the items in Table A.2 to be essential.
- Calculate the share of the population that considers each item to be 'essential'.
- Items which more than 50% of respondents consider essential are deemed to be essential items. Table A.2 shows which items were (and were not) considered essential based on 2022 HILDA responses.
- Households for which anyone responds that they cannot afford two or more items identified as essential items (as above) are said to be experiencing material deprivation.

Table A.2: Items considered in defining material deprivation

Item	Considered essential in 2022
Access to the internet at home	Yes
Buy presents for immediate family members or close friends at least once a year	No
New school clothes for school-age children every year	Yes
A yearly dental check up for each child	Yes
A hobby or regular leisure activity for children	Yes
A separate bed for each child in the household	Yes
Children being able to participate in school trips and school events that cost money	Yes
Dental treatment when needed	Yes
Furniture in reasonable condition	Yes
Getting together with friends or family for a drink or meal at least once a month	Yes
When it is cold, able to keep at least one room of the house adequately warm	Yes
Home contents insurance	Yes
Medical treatment when needed	Yes
A motor vehicle	Yes
Comprehensive motor vehicle insurance	Yes
A telephone (landline or mobile)	Yes
Medicines when prescribed by a doctor	Yes
A roof and gutters that do not leak	Yes
At least \$500 in savings for an emergency	Yes
A decent and secure home	Yes
A home with doors and windows that are secure	Yes
A substantial meal at least once a day	Yes
A television	Yes
Warm clothes and bedding, if it is cold	Yes
A week's holiday away from home each year	No
A washing machine	Yes

7. References

- 1 Wright, S. (2026, July 7). *High-priced homes have broken the intergenerational bargain*. The Sydney Morning Herald. <https://www.smh.com.au/politics/federal/high-priced-homes-have-broken-the-intergenerational-bargain-20260706-p60cyb.html>
- 2 National Housing Supply and Affordability Council. (2026, April 30). *State of the Housing System 2026*. Australian Government. <https://nhsac.gov.au/sites/nhsac.gov.au/files/2026-04/ar-state-housing-system-2026.pdf>
- 3 Marinos, S. (2025, March 6). *Life for single-parent families in Australia is harsh*. Pursuit, University of Melbourne. <https://pursuit.unimelb.edu.au/articles/life-for-single-parent-families-in-australia-is-harsh>
- 4 Cotality. (2026, February 10). *Monthly housing chart pack – February*. <https://www.cotality.com/au/insights/articles/monthly-housing-chart-pack---february>
- 5 Productivity Commission. (2022, August). *In need of repair: The National Housing and Homelessness Agreement* [Study Report Overview]. Australian Government. <https://assets.pc.gov.au/inquiries/completed/housing-homelessness/report/housing-homelessness-overview.pdf>
- 6 Stone, W., Rowley, S., Parkinson, S., James, A., & Spinney, A. (2020). *The housing aspirations of Australians across the life-course: closing the 'housing aspirations gap'*, AHURI Final Report No. 337, Australian Housing and Urban Research Institute Limited. <https://www.ahuri.edu.au/research/final-reports/337>
- 7 Baker, E., Beer, A., Leishman, C., Vij, A., Stone, W., Morey, C., Veeroja, P., Indraratna, K., Dunn, J., & Pomeroy, S. (2024). *Planning for a two-tenure future*, AHURI Final Report No. 431, Australian Housing and Urban Research Institute Limited. <https://www.ahuri.edu.au/research/final-reports/431>
- 8 Ong ViforJ, R., Hewton, J., & Phelps, C. (2025). *Barriers to Homeownership Among Young People in Australia: Unpacking Competing Hypotheses*. Population, Space and Place, 31(2), e70004. <https://doi.org/10.1002/psp.70004>
- 9 Wood, G. A., Smith, S. J., Cigdem, M., & Ong, R. (2017). *Life on the edge: a perspective on precarious home ownership in Australia and the UK*. International Journal of Housing Policy, 17(2), 201-226. Uses HILDA 2001-2010 (also compares against UK data). <https://doi.org/10.1080/14616718.2015.1115225>
- 10 OECD. (2025). *OECD Affordable Housing Database - indicator HM1.3 Housing tenures*. <https://oe.cd/ahd>
- 11 Schmidt, C. (2021, April 20). *Strong tenant protections and subsidies support Germany's majority-renter housing market*. Brookings Institution. <https://www.brookings.edu/articles/germany-rental-housingmarkets>
- 12 Australian Housing and Urban Research Institute. (2021, August 27). *How Australia's private rental sector compares with the world*. <https://www.ahuri.edu.au/analysis/news/how-australias-private-rental-sector-compares-world>
- 13 Wilkins, R., Botha, F., Laß, I., & Peyton, K. (2024). *The Household, Income and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 22*. Melbourne Institute of Applied Economic and Social Research, The University of Melbourne.
- 14 Finder. (2025). *First Home Buyer Report 2025*. <https://cdn.finder.com.au/finder-au/wp-uploads/2025/06/Finder-First-Home-Buyer-Report-2025.pdf>
- 15 Clayton, R. (2025, February 6). *'Bank of Mum and Dad' increasingly used for mortgage repayments, living expenses*. ABC News. <https://www.abc.net.au/news/2025-02-06/cost-of-living-sting-lessened-by-bank-of-mum-and-dad/104882754>
- 16 Lloyd-Cape, M. (2024). *Choose your parents wisely: The rise, role, and risks of the 'Bank of Mum and Dad'* [Discussion paper]. Melbourne Money and Finance Conference 2024, Centre for Equitable Housing, A Per Capita initiative. https://fbe.unimelb.edu.au/_data/assets/pdf_file/0012/4919286/D2P5-Matthew-Lloyd-Cape-SHARE.pdf
- 17 Australian Housing and Urban Research Institute. (2024, November 12). *Rising proportion of 'forever renters' requires tax and policy re-think*. <https://www.ahuri.edu.au/analysis/news/rising-proportion-forever-renters-requires-tax-and-policy-re-think>
- 18 Gurrán, N., Buckle, C., Troy, L., Nasreen, Z., Crommelin, L., Phibbs, P., Shrestha, P., Redmond, D., & Harrison, J. (2026). *Short-term rental accommodation: Models, impacts and policy responses*, AHURI Final Report No. 460. Australian Housing and Urban Research Institute Limited. <https://www.ahuri.edu.au/research/final-reports/460>
- 19 Australian Institute of Health and Welfare. (2026). *Housing assistance in Australia*. <https://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia-2026/contents/about>
- 20 Department of the Treasury. (2026, January 21). *Social and affordable housing*. Australian Government. <https://treasury.gov.au/policy-topics/housing/social-affordable-housing>
- 21 NDIS Property Australia. (2025, December 4). *Statistics*. <https://ndis.property/statistics/>

- 22 Longbottom, J., Robinson, L., Schneiders, B., Welch, D., & Chwasta, M. (2025, August 25). *Hundreds of homes for people with disability sit empty at expense of NDIS participants and investors*. ABC News. <https://www.abc.net.au/news/2025-08-25/specialist-disability-accommodation-sda-empty-homes-four-corners/105685946>
- 23 Ghasri, M., Stone, W., Easthope, H., & Veeroja, P. (2022). *Predicting risk to inform housing policy and practice*, AHURI Final Report No. 393. Australian Housing and Urban Research Institute Limited. <https://www.ahuri.edu.au/research/final-reports/393>
- 24 Borrowman, L., Kazakevitch, G., & Frost, L. (2015). *What Types of Australian Households are in Housing Affordability Stress?* Economic Papers: A journal of applied economics and policy, 34(1-2), 1-10.
- 25 Ludlow, T., Fookien, J., Rose, C., & Tang, K. (2022). *Incorporating Financial Hardship in Measuring the Mental Health Impact of Housing Stress*. arXiv. <https://arxiv.org/abs/2205.01255>
- 26 Ong Vifor J, R., Singh, R., Baker, E., Bentley, R., & Hewton, J. (2022). *Precarious housing and wellbeing: a multidimensional investigation*, AHURI Final Report No. 373. Australian Housing and Urban Research Institute Limited. <https://www.ahuri.edu.au/research/final-reports/373>
- 27 Actuaries Institute, Miller, H., Dixie, L., & Mehry, S. (2026). *Australian Actuaries Intergenerational Equity Index: Cracking the unsolved generational equation*. Actuaries Institute. <https://www.actuaries.asn.au/research-analysis/thought-leadership/australian-actuaries-intergenerational-equity-index-2026>
- 28 Australian Prudential Regulation Authority. (2025, September). *Quarterly authorised deposit-taking institution property exposure statistics – September 2025 highlights*. Retrieved June 10, 2026, from <https://www.apra.gov.au/news-and-publications/quarterly-adi-property-exposure-statistics-september-2025>
- 29 Wright, S. (2026). *This generation now owns almost a third of all rental properties*. The Sydney Morning Herald. <https://www.smh.com.au/politics/federal/this-generation-now-owns-almost-a-third-of-all-rental-properties-20260617-p607lw.html>
- 30 Australian Bureau of Statistics. (2025, October 15). *Median age of parents increases in 2024*. <https://www.abs.gov.au/media-centre/media-releases/median-age-parents-increases-2024>
- 31 Coates, B., Bowes, M., & Moloney, J. (2025). *Renting in retirement: Why Rent Assistance needs to rise*. Grattan Institute.
- 32 Australian Institute of Health and Welfare. (2026). *Home ownership: Home ownership by birth cohort* [Data set]. Housing data. Retrieved June 24, 2026, from <https://www.housingdata.gov.au/>
- 33 Laß, I., Botha, F., Peyton, K., & Wilkins, R. (2025). *The Household, Income and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 23*. Melbourne Institute of Applied Economic and Social Research, The University of Melbourne.
- 34 Actuaries Institute, Miller, H., Dixie, L., & Mehry, S. (2026). *Australian Actuaries Intergenerational Equity Index: Spotlight on the Australian Tax and Transfer System*. Actuaries Institute. <https://www.actuaries.asn.au/research-analysis/thought-leadership/intergenerational-equity-spotlight-on-the-australian-tax-and-transfer-system>
- 35 Department of Social Services. (2026). *DSS benefit and payment recipient demographics – quarterly data* [Data set]. Australian Government. Retrieved 4 June, 2026, from <https://data.gov.au/data/dataset/dss-payment-demographic-data>
- 36 Leishman, C., Hewton, J., Ong ViforJ, R., Washington, L., Zhang, R., & Liang, W. (2025). *The impact of Commonwealth Rent Assistance on low-income privately renting parents and children*, AHURI Final Report No. 446. Australian Housing and Urban Research Institute Limited. <https://www.ahuri.edu.au/research/final-reports/446>
- 37 Australian Institute of Health and Welfare. (2026). *Commonwealth Rent Assistance in Australia: Quarterly data*. Australian Government. <https://www.aihw.gov.au/reports/housing-assistance/cwlth-rent-assistance-in-australia-quarterly-data/contents/rental-stress-and-commonwealth-rent-assistance>
- 38 Ong, R., Pawson, H., Singh, R., & Martin, C. (2020). *Demand-side assistance in Australia's rental housing market: exploring reform options*. AHURI Final Report No. 342. Australian Housing and Urban Research Institute.
- 39 Department of the Treasury. (2025). *Better support for renters*. Australian Government. <https://treasury.gov.au/policy-topics/housing/renter-support>
- 40 Senate Select Committee on Housing Affordability in Australia. (2008). *A good house is hard to find: Housing affordability in Australia*, Commonwealth of Australia. https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Former_Committees/hsaf/report/index
- 41 Melhuish, T., King, A., & Taylor, E. (2024). *The regional impact of Commonwealth Rent Assistance*. Australian Housing and Urban Research Institute. https://www.ahuri.edu.au/sites/default/files/migration/documents/AHURI_Final_Report_No71_The_Regional_Impact_of_Commonwealth_Rent_Assistance.pdf
- 42 HM Revenue & Customs. (2024, November 1). *Local Housing Allowance*. GOV.UK. <https://www.gov.uk/guidance/local-housing-allowance>
- 43 Ministry of Social Development. (2026, July 24). *Accommodation Supplement*. Work and Income. <https://www.workandincome.govt.nz/products/a-z-benefits/accommodation-supplement.html>
- 44 Australian Bureau of Statistics. (2025, November 11). *Data by region methodology*. <https://www.abs.gov.au/methodologies/data-region-methodology/2011-25#data-downloads>

- 45 Dervisevic, H. (2026, June 16). *Interest rates and tax shake-up see buyer demand weaken in property market*. ABC News. <https://www.abc.net.au/news/2026-06-16/property-market-buyer-demand-weakens-interest-rates-tax-changes/106753882>
- 46 Commonwealth Bank of Australia. (2026, June 11). *Housing market set to soften before stabilising as rates and policy weigh on sentiment*. <https://www.commbank.com.au/articles/newsroom/2026/06/housing-market-stabilising-rates-policy-commbank-view.html>
- 47 Actuaries Institute, Miller, H., Dixie, L., & Mehry, S. (2026). *Australian Actuaries Intergenerational Equity Index: Cracking the unsolved generational equation*. Actuaries Institute. <https://www.actuaries.asn.au/research-analysis/thought-leadership/australian-actuaries-intergenerational-equity-index-2026>
- 48 Cavanough, E., & Douglass M. (2025). *Rewarding Renters: How the Commonwealth can make renting easier and fairer for all Australians*. McKell Institute. <https://mckellinstitute.org.au/wp-content/uploads/2025/01/McKell-Institute-%E2%80%94-Rewarding-Renters-Final-1.pdf>
- 49 Economic Inclusion Advisory Committee. (2026). *2026 Report to Government*. Department of Social Services. <https://www.dss.gov.au/system/files/documents/2026-04/economic-inclusion-advisory-committee-2026-report-government.pdf>
- 50 Senate Community Affairs Committee. (2026). *Appendix 2: A better deal for renters*. Parliament of Australia. Retrieved 10 June, 2026, from https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/Worseningrentalcrisis/Final_Report/Appendix_2_-_A_Better_Deal_for_Renters
- 51 Consumer Protection Western Australia. (2026). *No grounds terminations in residential tenancies: Frequently asked questions*. Government of Western Australia. <https://www.consumerprotection.wa.gov.au/publications/no-grounds-terminations-residential-tenancies-frequently-asked-questions>
- 52 Treasury. (2026). *Homes for Australia: A National Plan*. Australian Government. <https://treasury.gov.au/publication/p2026-773858>
- 53 Summerfield, M., Garrard, B., Kamath, R., Nesa, M. K., Macalalad, N., Watson, N., & Wilkins, R. (2025). *HILDA user manual – Release 24.0*. Melbourne Institute: Applied Economic & Social Research, University of Melbourne. https://melbourneinstitute.unimelb.edu.au/_data/assets/pdf_file/0008/5465492/HILDA-User-Manual-Release-24.0.pdf
- 54 Melbourne Institute of Applied Economic and Social Research. (n.d.). *Program Library*. University of Melbourne. Retrieved May 8, 2026, from <https://melbourneinstitute.unimelb.edu.au/hilda/for-data-users/program-library>
- 55 Department of Social Services. (2026, March 20). *5.2.6.10 RA rates – June 1990 to present date*. Social Security Guide. Retrieved July 20, 2026, from <https://guides.dss.gov.au/social-security-guide/5/2/6/10>



Actuaries
Institute.

Actuaries Institute
ABN 69 000 423 656

Level 34, Australia Square
264 George Street, Sydney NSW 2000

T +61 (0) 2 9239 6100
E actuaries@actuaries.asn.au
W actuaries.asn.au

