Quantifying Australia's unmet housing need

Regional snapshots

Prepared for the **Community Housing Industry Association**

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Australia's housing needs are not being met

There are currently over

640,000 Australian households

whose housing needs are not being met.

Based on projected household growth, there will be over

940,000 households in 2041

with unmet housing needs.

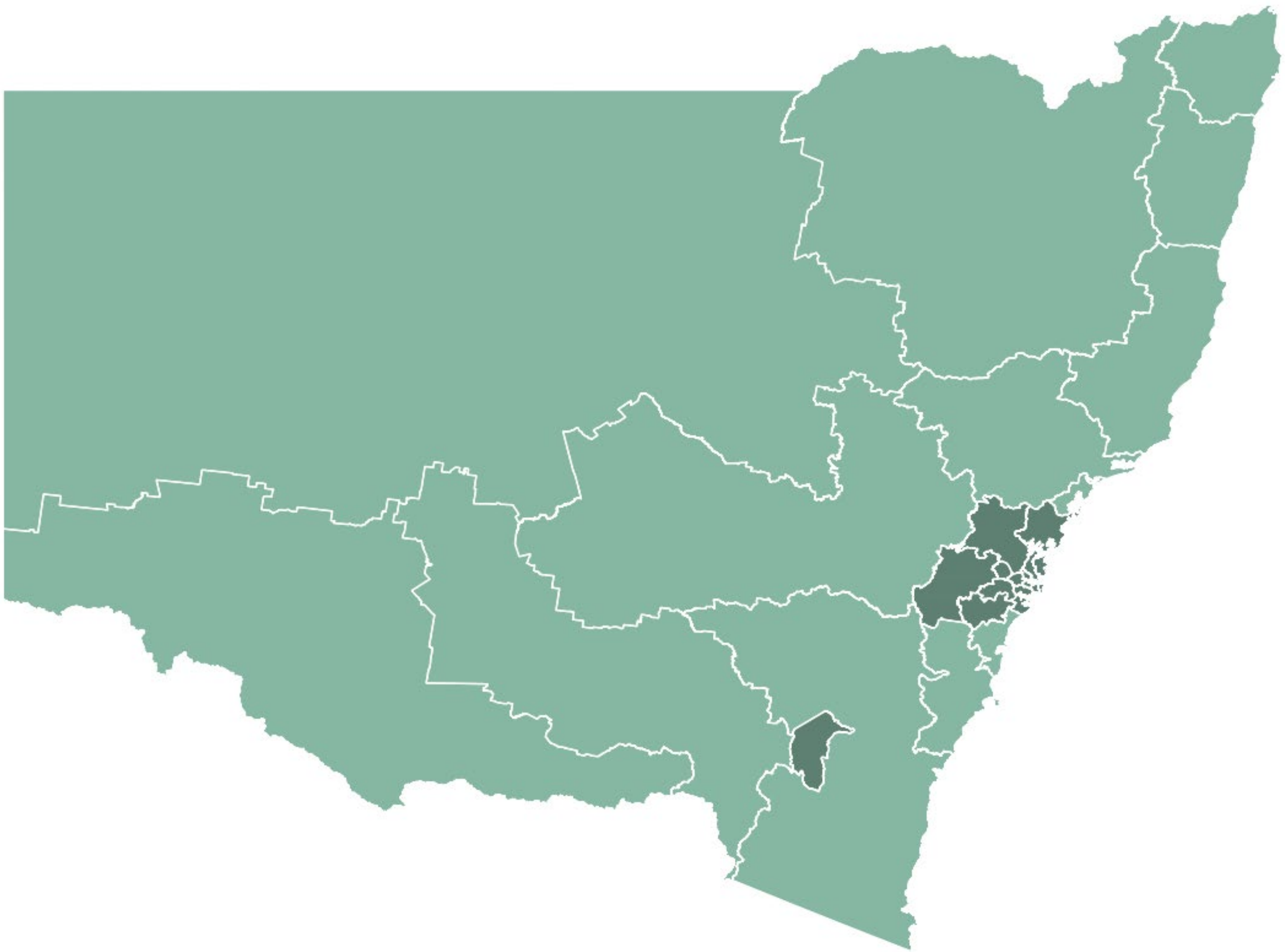
Households with low incomes face significant housing pressures across Australia.

Estimates based on the 2021 Australian census indicate that over half a million low-income households were not in appropriate housing on census night. This is around one in fifteen households (6.6%).

These Australians were either experiencing homelessness, in overcrowded homes or spending over 30% of their income on rent.

Projecting this unmet need forward indicates that, by 2041, a further 300,000 households will not be living in appropriate housing.

This analysis presents details of need within each state. Visit the project website for other outputs of the analysis.



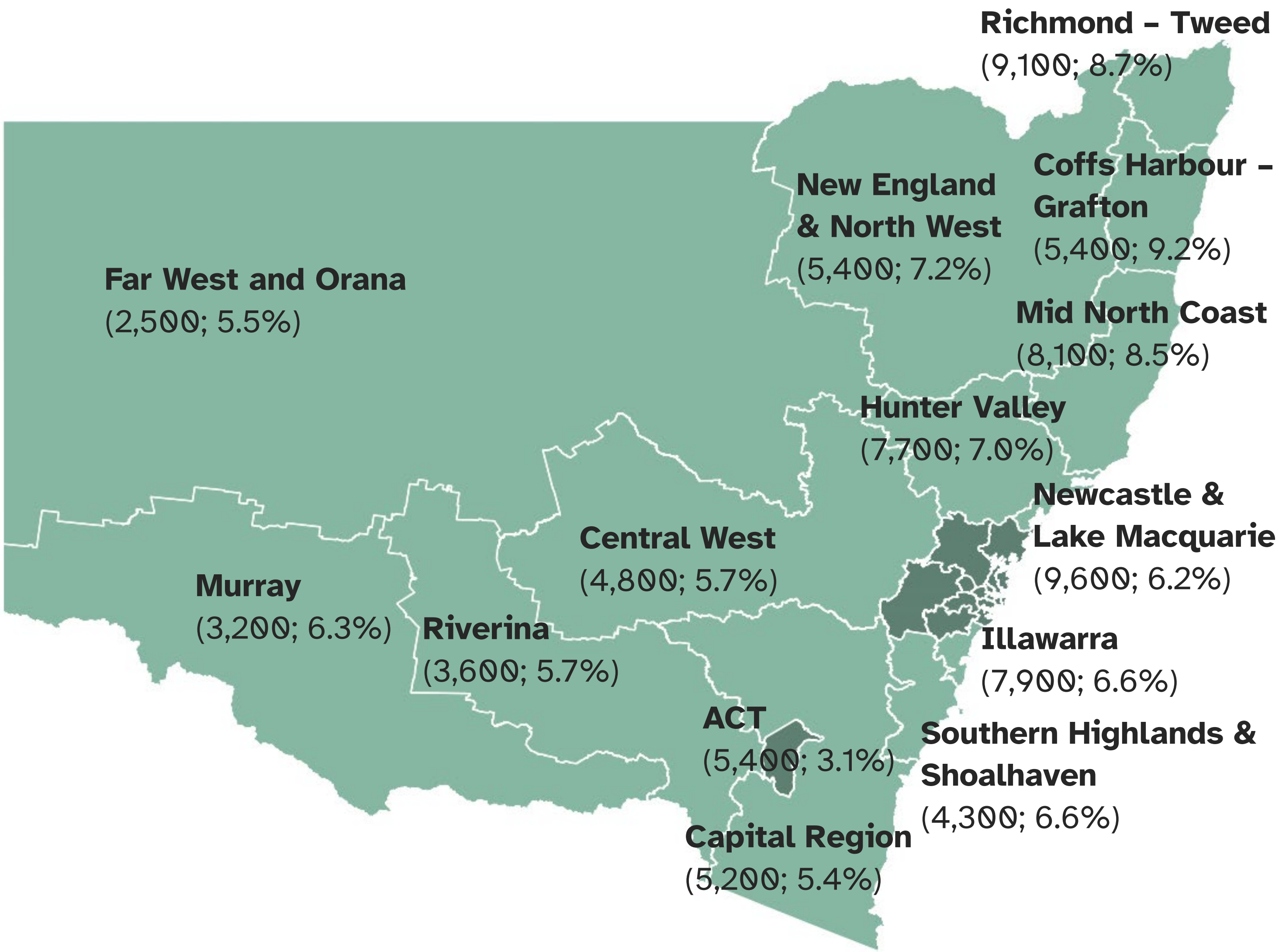
New South Wales,

Australian Capital Territory

and

Greater Sydney

NSW regional unmet need



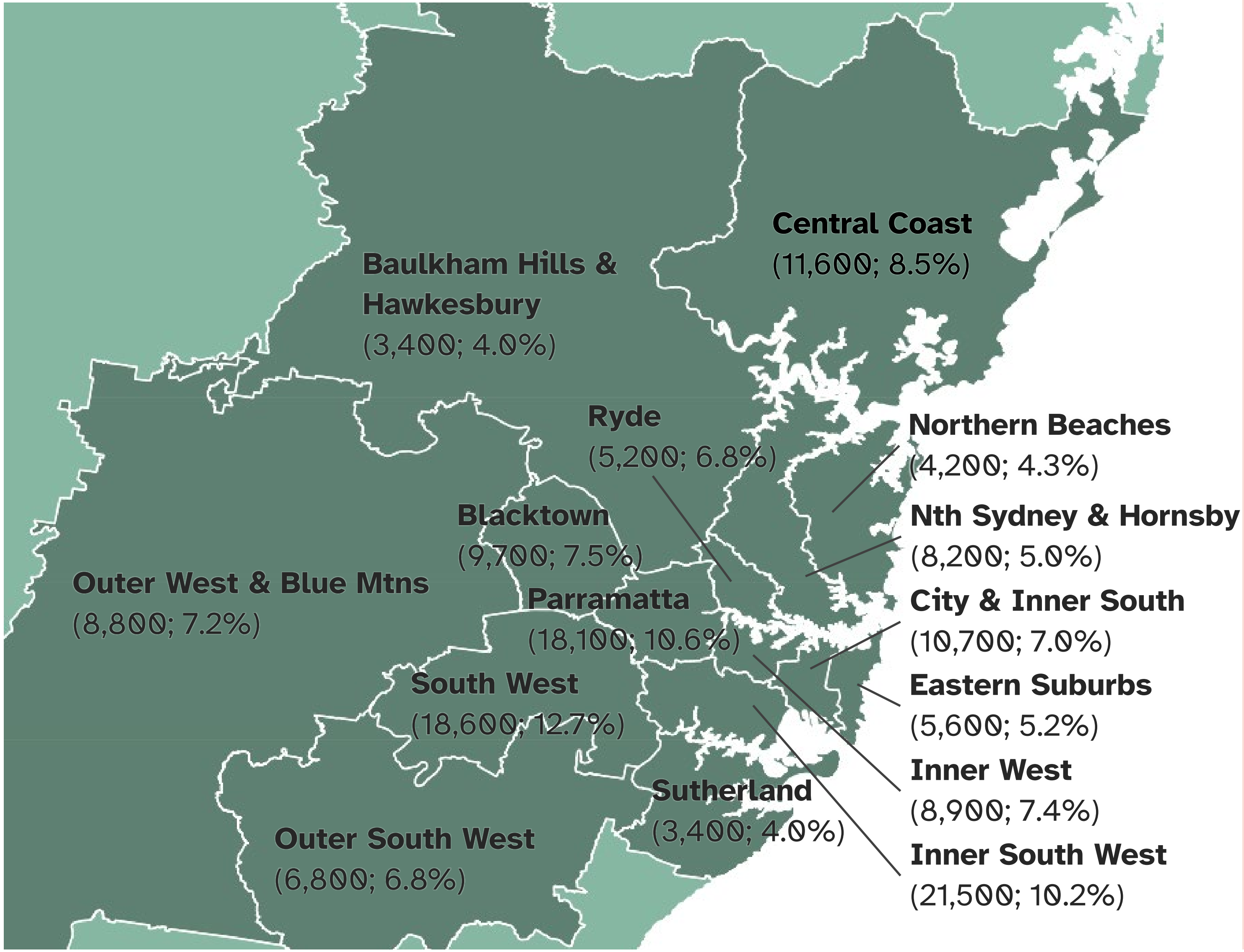
The coastal regions north of Newcastle, from Port Macquarie through to Tweed, have the highest proportions of unmet need in regional NSW – over 8% of households.

The inland regions, while evidently more affordable for the local community, still have significant unmet need. New England is the most impacted inland region in both volume and proportion.

The large metros adjacent to Sydney – Illawarra (Wollongong) and Newcastle – reflect their closer connections to Sydney's housing market pressures, with unmet need typical of metropolitan markets.

ACT has among the lowest rates of unmet need across all Australian markets, reflecting the smaller proportion of households in low-income quintiles.

Sydney unmet need



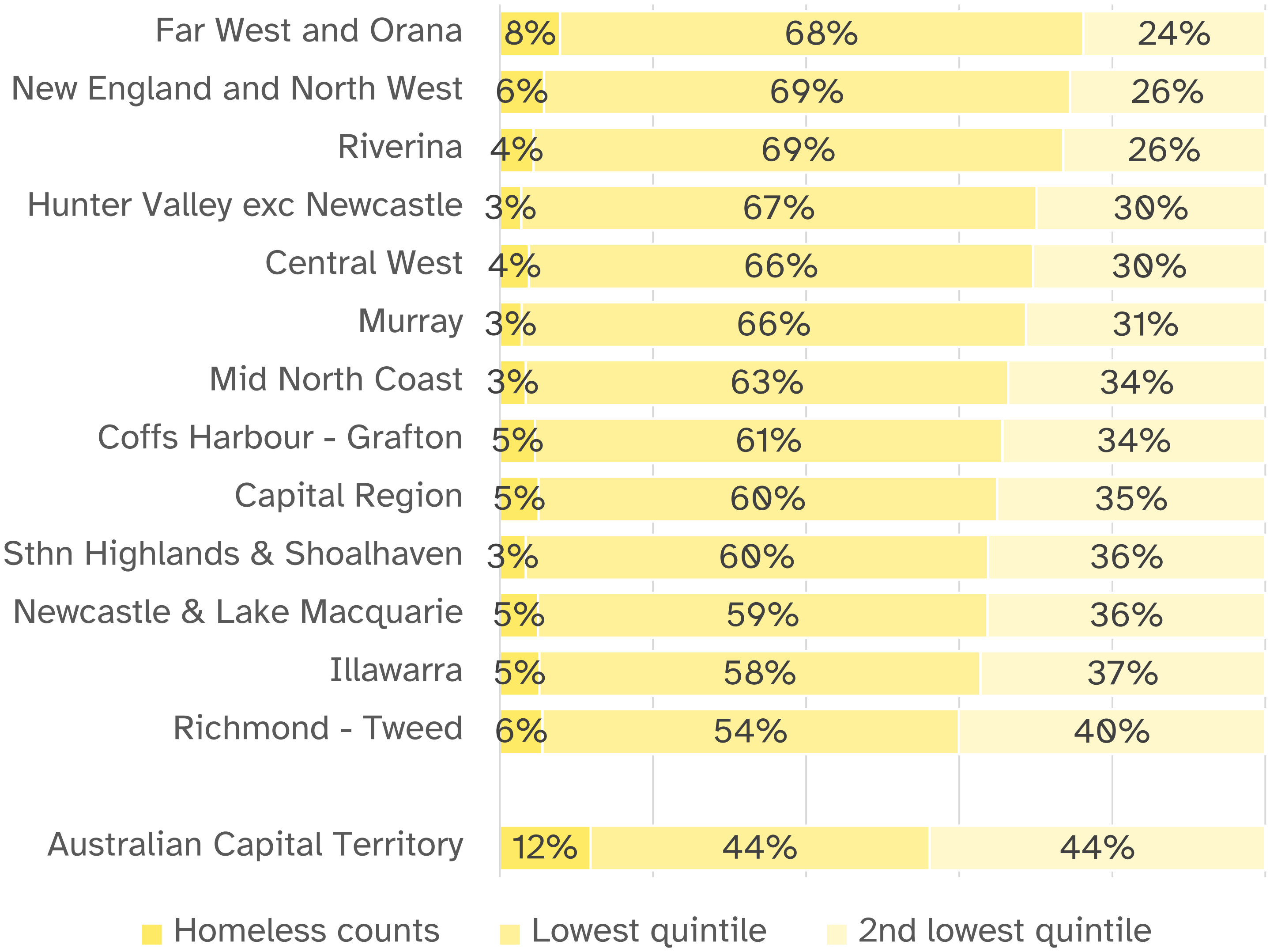
Very different figures highlight the social fragmentation of Sydney, with southwestern areas – from Canterbury through to Liverpool – showing over one in ten households' needs unmet.

The large population around Canterbury ('Inner South West'; also capturing Bankstown and Georges River) means over 20,000 households are identified as not having their housing needs met in this area.

Other areas that historically offered cheaper alternatives – apartments in the Inner West, or more peripheral homes in Blacktown and Central Coast, are also experiencing above-average rates of unmet housing need.

Conversely, areas of longstanding wealth in north and east have lower proportions, but still notable volumes of unmet need.

NSW regional unmet need source



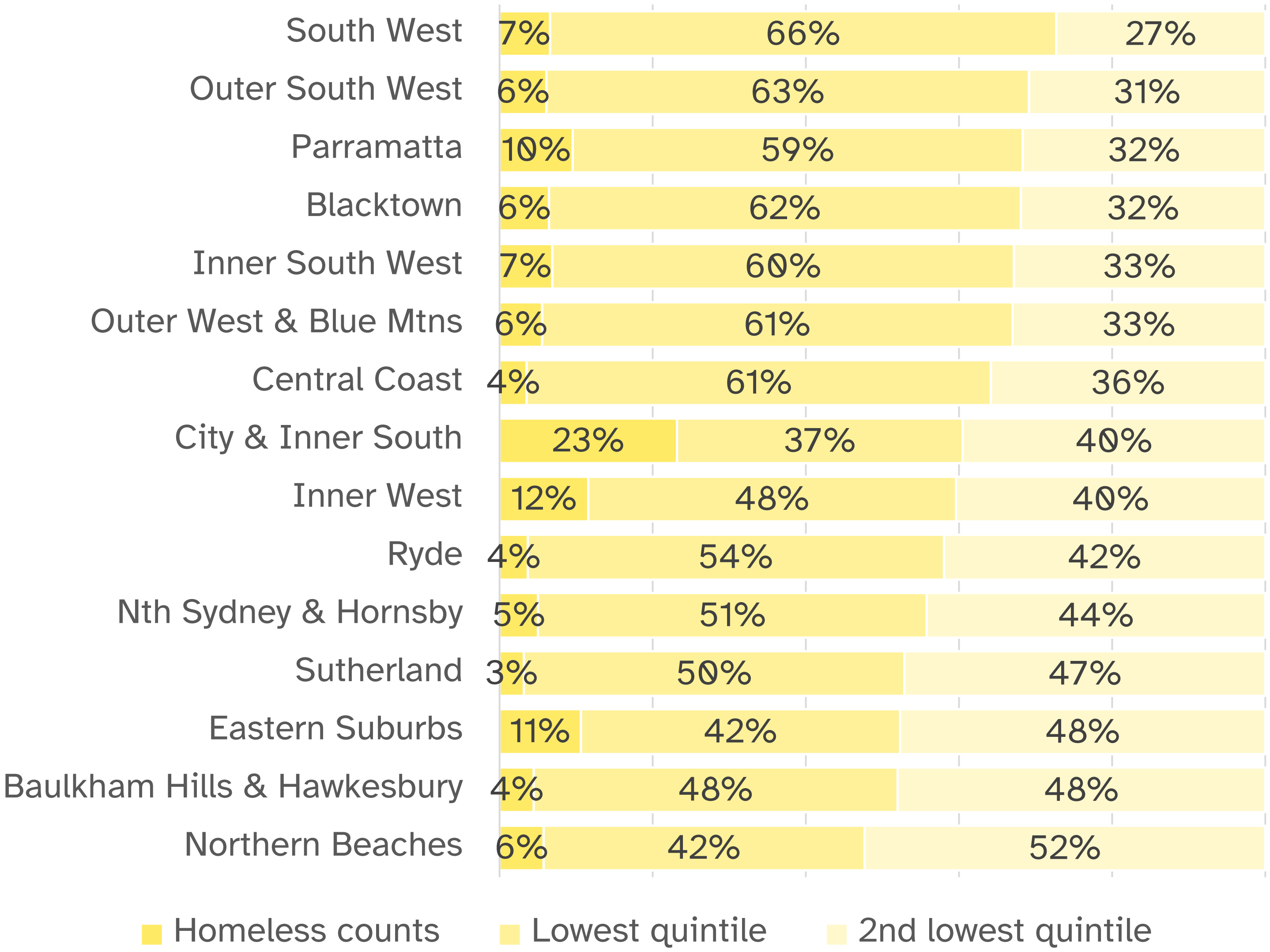
The higher-cost regional markets, on the periphery of Sydney and, most notably, in Richmond-Tweed have a higher proportion of unmet need originating from the second lowest quintile.

In other markets, housing is more affordable for those in this second-lowest quintile, with two thirds of unmet need originating from the lowest quintile in rental stress or enumerated homelessness.

In contrast, Canberra, with lower overall volumes of unmet need, is showing a particularly high proportion of unmet need stemming from second lowest quintile rental stress.

Homelessness is notably more prevalent in the Far West, consistent with other remote areas.

Sydney unmet need source



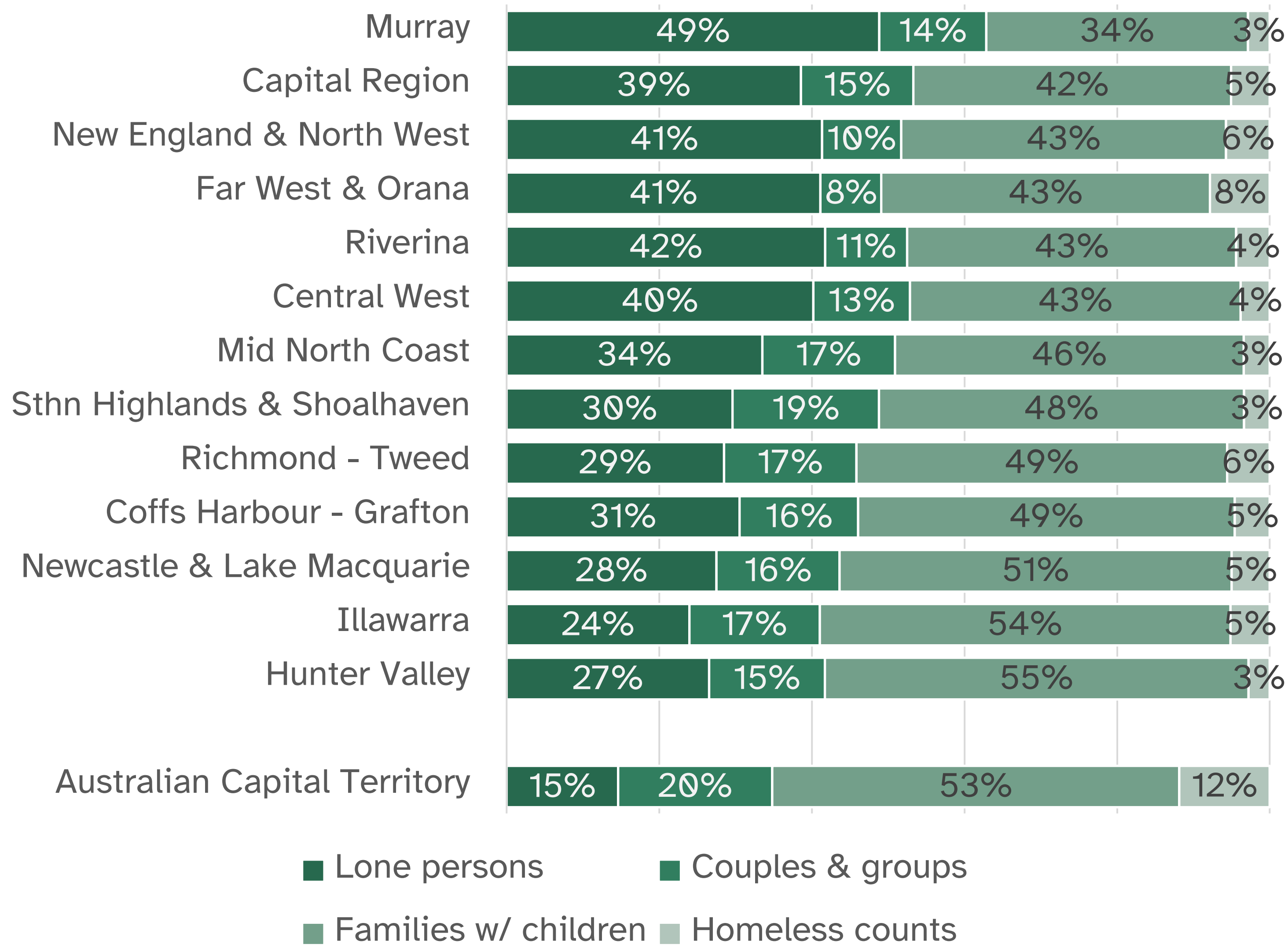
The split between the lowest and second lowest quintiles in Sydney reflects the location of these households generally. That is, in higher-cost parts of the metro, the lowest quintile accounts for a smaller proportion overall, and so of unmet need.

These are, though, markets with prices that are unaffordable to, and so increase the incidence of rent stress among, the second lowest quintile.

Conversely, areas with larger proportions of households in the lowest quintile overall, in the southwestern part of Sydney, also have these households represent a much higher proportion of overall unmet need.

Higher volumes of enumerated homelessness are found closer to the city and Parramatta, including Inner West and Eastern Suburbs.

NSW regional unmet composition



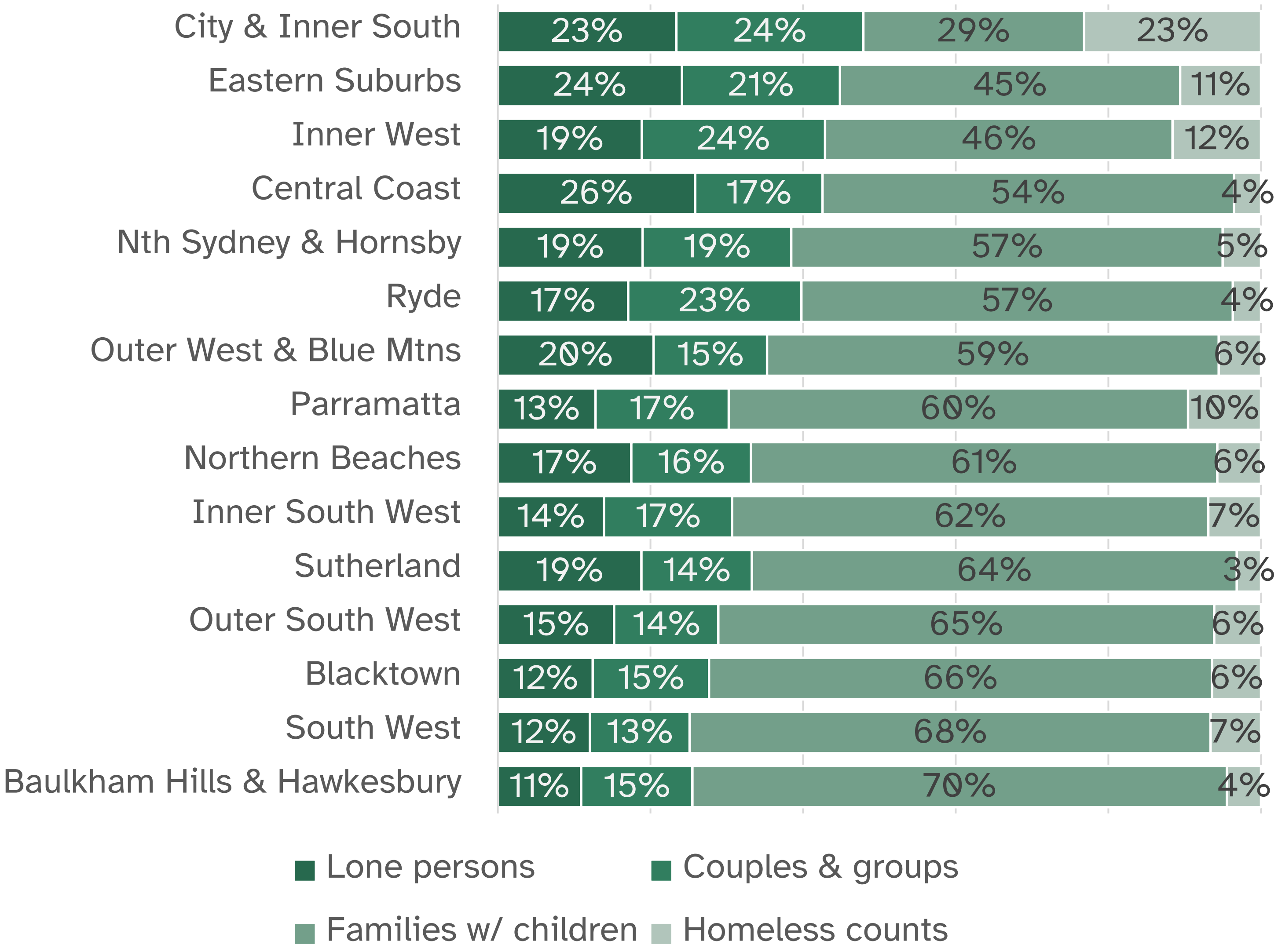
Overall, two patterns emerge in the distribution of unmet need by household type.

First, in smaller centres, much higher proportions of unmet need are for lone person households – over 40% in many markets, and half of unmet need in Murray region (Hay, Deniliquin, Balranald).

In larger centres, and along the coast, patterns are more like the major metro markets, with families with children over-represented in unmet need. Around Sydney, in Wollongong (Illawarra), Newcastle and Hunter (Cessnock) over half of unmet need is families.

Canberra too aligns with the pattern common across large centres, with families' higher housing costs outpacing incomes, and so increasing rent stress.

Sydney unmet need composition

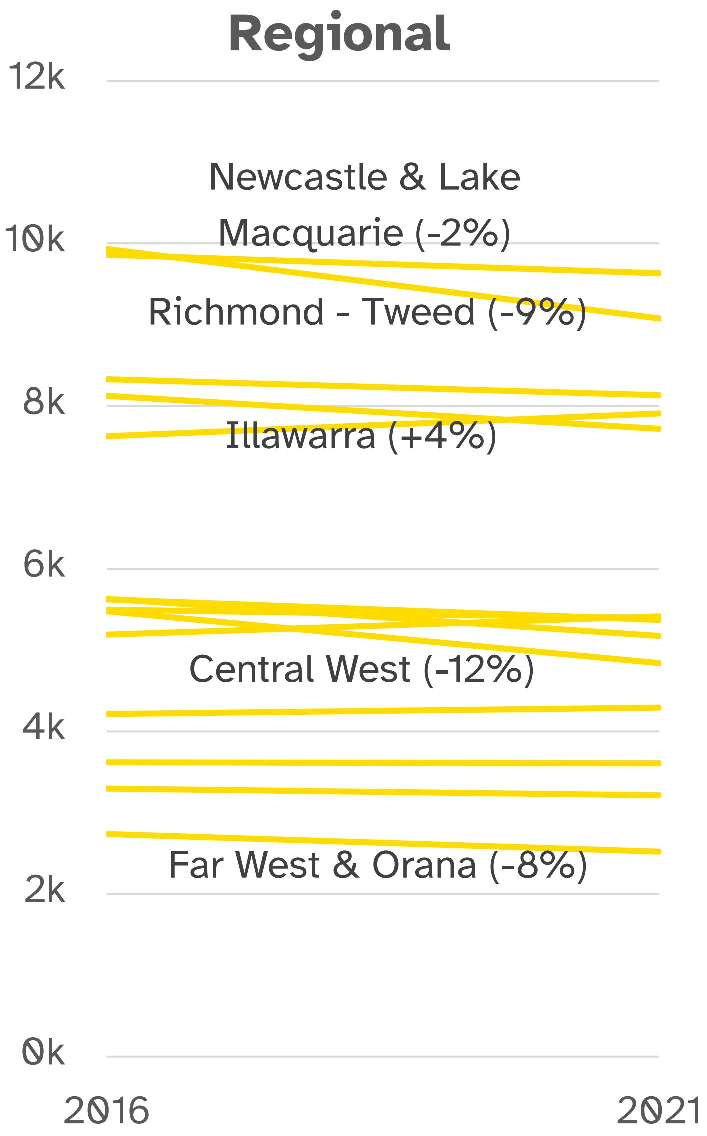


In Sydney, families are much more over-represented in the identified unmet housing needs. Over 60% of unmet need across half the Sydney markets – from South West (around Fairfield and Liverpool) to Northern Beaches.

Inner-city markets, which have higher rates of younger renters, have lower proportions of families and higher proportions of lone person and couple households.

As noted, the inner city markets have higher proportions of enumerated homeless, which includes severe overcrowding, a symptom of high-cost markets seeing more people sharing housing costs or compromising on dwelling suitability. Note that this analysis excludes student households that face similar constraints.

NSW change since 2016



Regional markets of NSW experienced a slight apparent alleviation of unmet need compared with comparable estimates from 2016. As the figure shows, the change is marginal in most cases. Some notable exceptions are the unexpected improvement – from a very high rate – in Richmond- Tweed. Illawarra, again, more closely reflects Sydney patterns, with a marginal increase in unmet need.

In Sydney, the overall pattern was a slight increase in unmet need, although it mostly tracked overall population increase. The stark outlier is South West (Fairfield and Liverpool) which saw significant increase in unmet need between the two census counts. Baulkham Hills, despite remaining low in terms of unmet volume, did see a significant relative increase – nearly 40% higher than 2016.

NSW regional projected future need

Market (SA4)	Projected need by 2041	Meeting need (annual growth)	
Newcastle & Lake Macquarie	12,200	4.8%	600-700
Richmond - Tweed	10,900	7.7%	500-600
Australian Capital Territory	10,800	3.8%	500-600
Illawarra	10,300	4.3%	500-600
Mid North Coast	9,800	7.3%	400-500
Hunter Valley	9,500	6.3%	400-500
New England & North West	6,600	5.9%	300-400
Coffs Harbour - Grafton	6,500	7.5%	300-400
Capital Region	6,400	6.0%	300-400
Central West	6,100	5.1%	300-400
Sthn Highlands & Shoalhaven	5,300	6.3%	200-300
Riverina	4,500	5.4%	200-300
Murray	3,900	6.7%	100-200
Far West & Orana	3,300	4.3%	100-200

Unmet need estimates by 2041, based on projections of household growth, show significant volumes in the larger markets, but is likely underestimating household growth in these markets, and so potentially the unmet need here.

By comparing this projected unmet need with existing stock of social and affordable housing, the two right-most figures show the scale of a home-building program that would be needed to meet this need.

The lower volumes of existing social and affordable housing in the coastal north (from Port Macquarie through to Tweed) means the given quantum of homebuilding represents a faster rate of growth – over 7% annually in these markets.

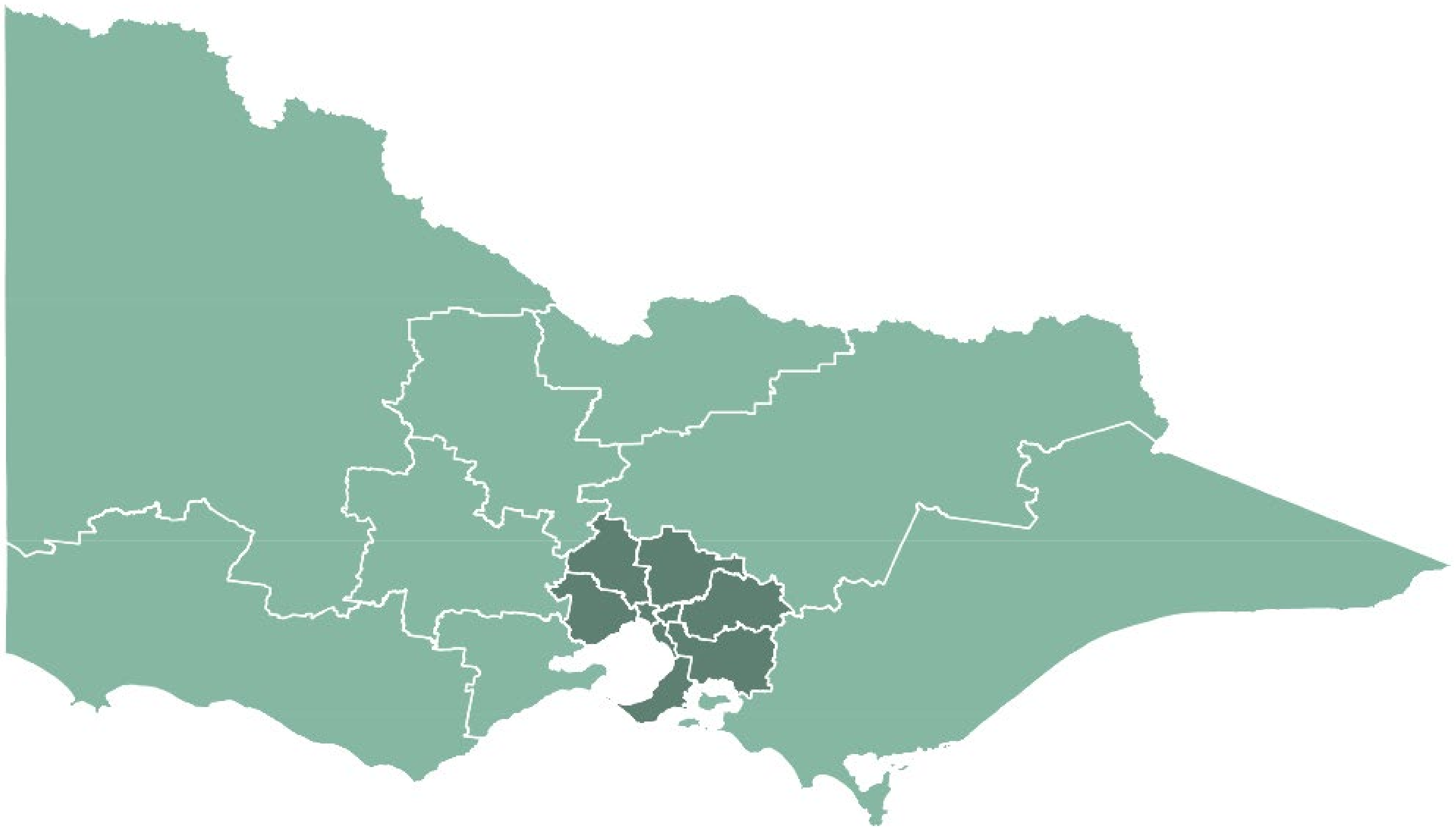
Sydney projected future need

Market (SA4)	Projected need by 2041	Meeting need (annual growth)	
Inner South West	33,200	7.0%	1,600-1,700
South West	28,600	7.2%	1,400-1,500
Parramatta	28,500	6.6%	1,400-1,500
City & Inner South	18,000	5.3%	900-1,000
Central Coast	17,500	8.1%	800-900
Blacktown	16,100	5.5%	800-900
Outer West & Blue Mtns	13,600	7.0%	600-700
Inner West	13,300	8.2%	600-700
North Sydney & Hornsby	12,000	9.6%	500-600
Outer South West	11,400	5.5%	500-600
Eastern Suburbs	9,100	6.1%	400-500
Ryde	7,800	7.8%	300-400
Northern Beaches	6,200	8.2%	300-400
Sutherland	5,400	6.6%	200-300
Baulkham Hills & Hawkesbury	4,700	13.3%	200-300

The available household growth projection is uniform for metro Sydney, so the anticipated unmet need in 2041 aligns, relatively, with the current unmet need.

However, the higher projected growth rate for Sydney, compared with regional NSW, means the projected unmet need – and so the volumes of homebuilding to meet that need – is also higher.

The differences between different markets in Sydney highlights, to some extent, the limit of this method identifying where unmet need can be met. It is not likely that Parramatta will see five times the volumes of social and affordable housing built than neighbouring Baulkham Hills. Particularly as the latter is a region of land release and high volumes of development.

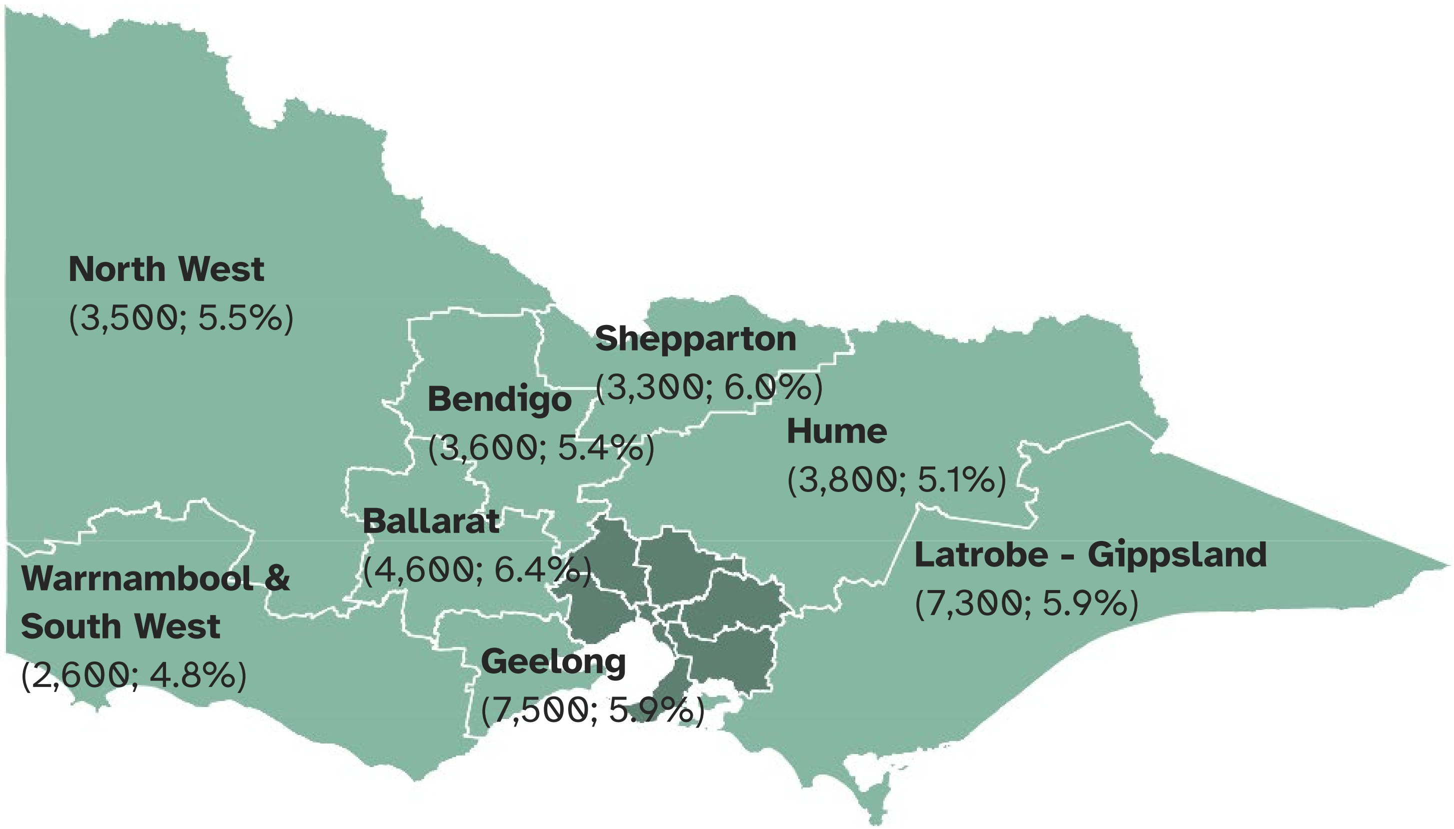


Victoria

and

Greater Melbourne

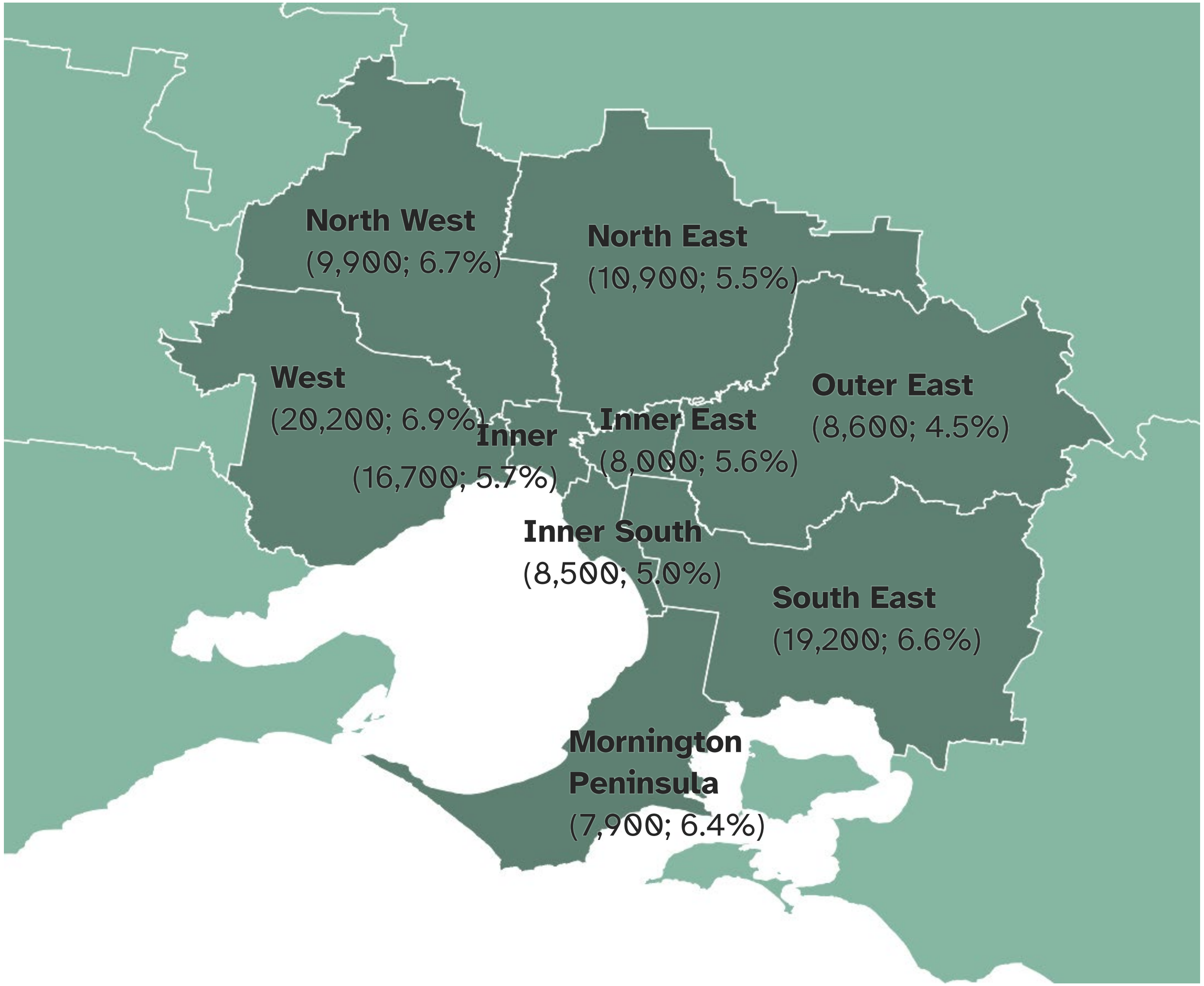
VIC regional unmet need



Unmet need is fairly uniform across regional Victoria, with most areas between 5-6% of all households. Th is broadly consistent with national rates. The highest proportion is observed in Ballarat and the lowest in Warrnambool.

Given the proportional uniformity, the highest volume of unmet need is in the more populous areas of Geelong and Latrobe-Gippsland, with over 7,000 households' needs unmet.

Melbourne unmet need



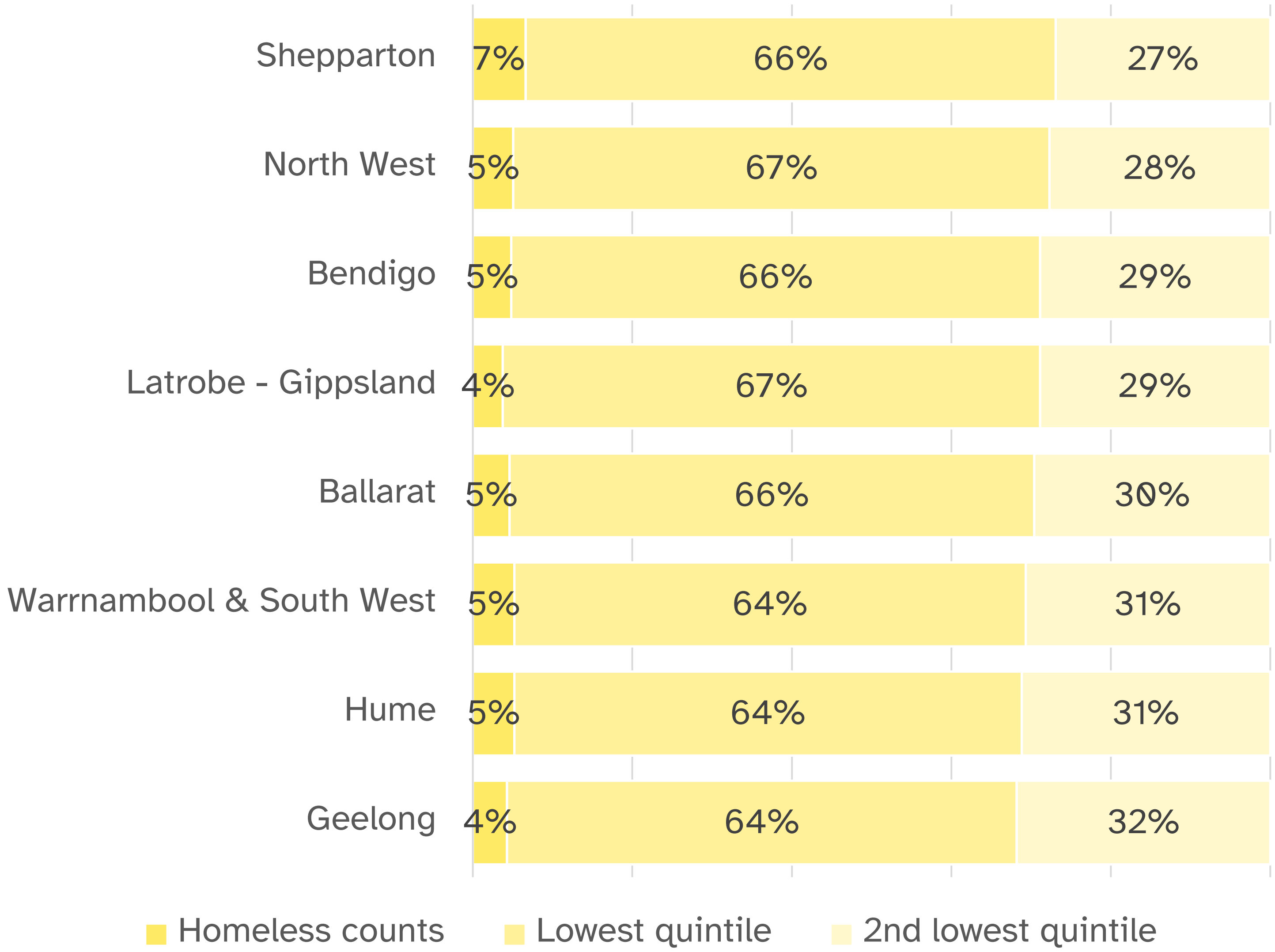
The distribution of unmet need is also broadly uniform across metropolitan Melbourne. The outlier is the West (from Footscray to Melton) and North West (Glenroy to Sunbury) areas, with proportions closer to 7% of all households.

For the populous West area there is a commensurately high volume of unmet need at, along with South East, around 20,000 households' needs unmet.

The comparably high rates in lower-cost housing markets points to more historically affordable areas, and so areas those on lower-incomes experiencing affordability issues would move to.

Displacement further from the city is not likely, given low supply there. It may be a factor in growing issues in some adjacent regional markets like Ballarat.

VIC regional unmet need source

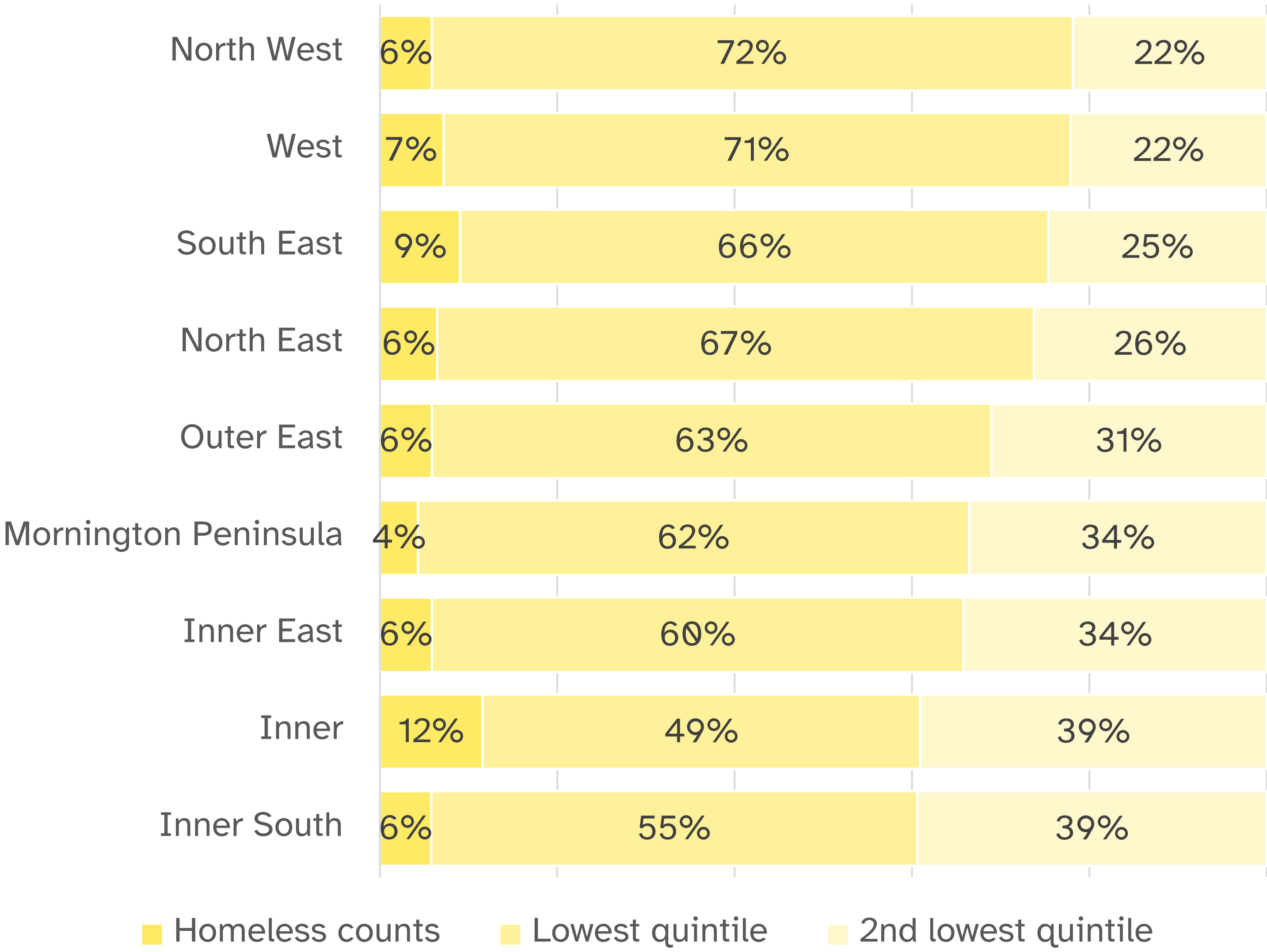


In regional markets, housing is more affordable for those in this second-lowest quintile, with relatively small proportions of unmet need originating from this cohort.

Conversely, a consistent two thirds of unmet need is originating from the lowest quintile of households in rental stress.

Similar proportions originate from or enumerated homelessness counts, with Shepparton having the highest proportion of unmet need being manifest need from those experiencing homelessness.

Melbourne unmet need source



Of note in Melbourne, is the source of unmet need in the lower-cost areas of the Northwest and West, the latter also the area with the highest volume of unmet need in Melbourne.

It shows a higher proportion originating from bottom quintile, suggesting historically affordable housing markets becoming unaffordable to vulnerable households.

The inner city – with high costs – sees higher proportions of unmet need originating from the second bottom quintile. But also from the enumerated homelessness figures.

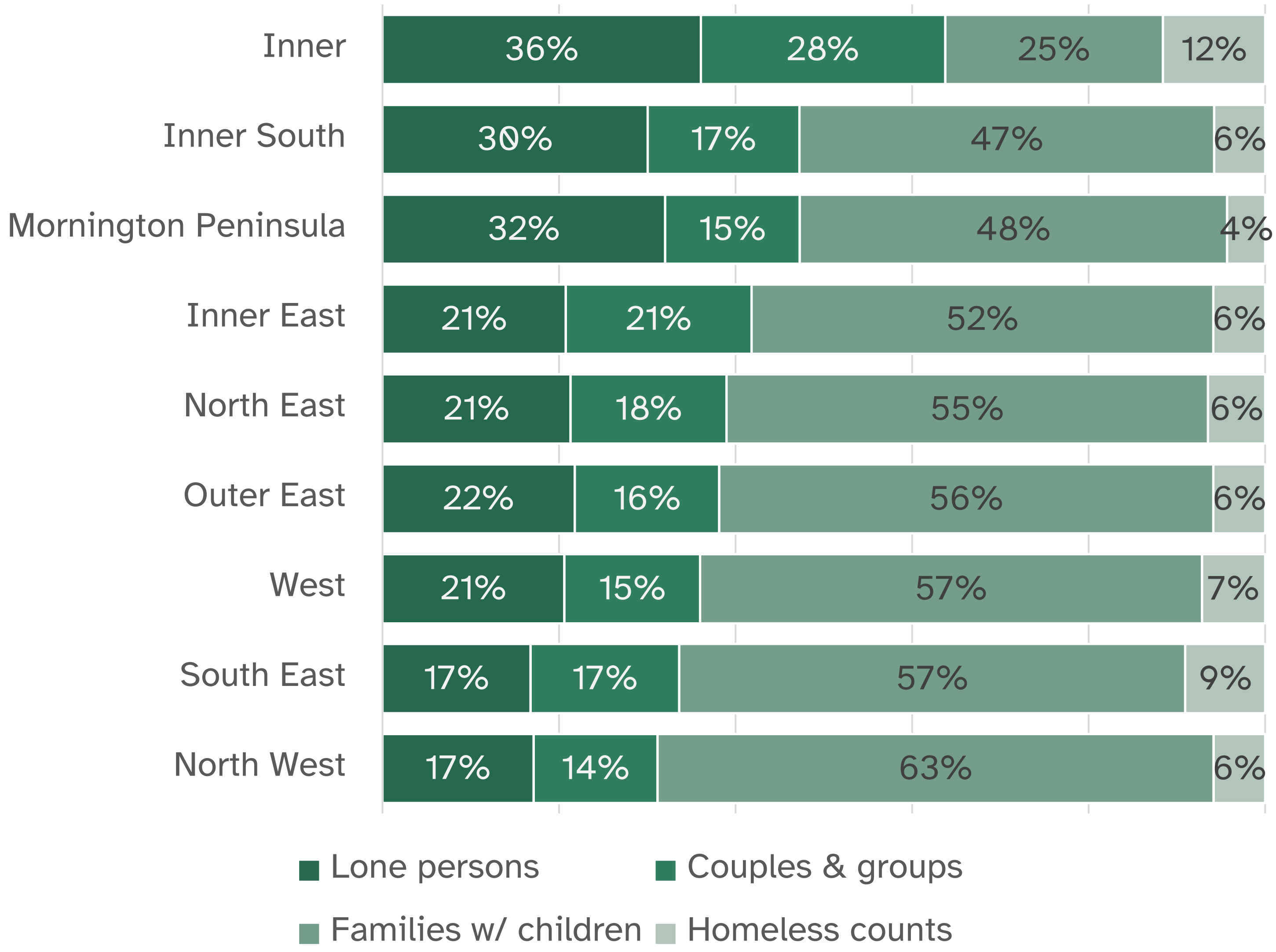
VIC regional unmet need composition

Like regional parts of other states, Victoria's shows two patterns.

First, in smaller centres, there is a higher proportion of unmet need for lone person households, particularly Warrnambool and North West (including Horsham and Mildura). This speaks to the need for more diverse market housing in such centres.

Second, in larger centres, like Geelong, Ballarat and Bendigo, patterns are more like the major metro markets, with families with children over-represented in unmet need.

Melbourne unmet need composition

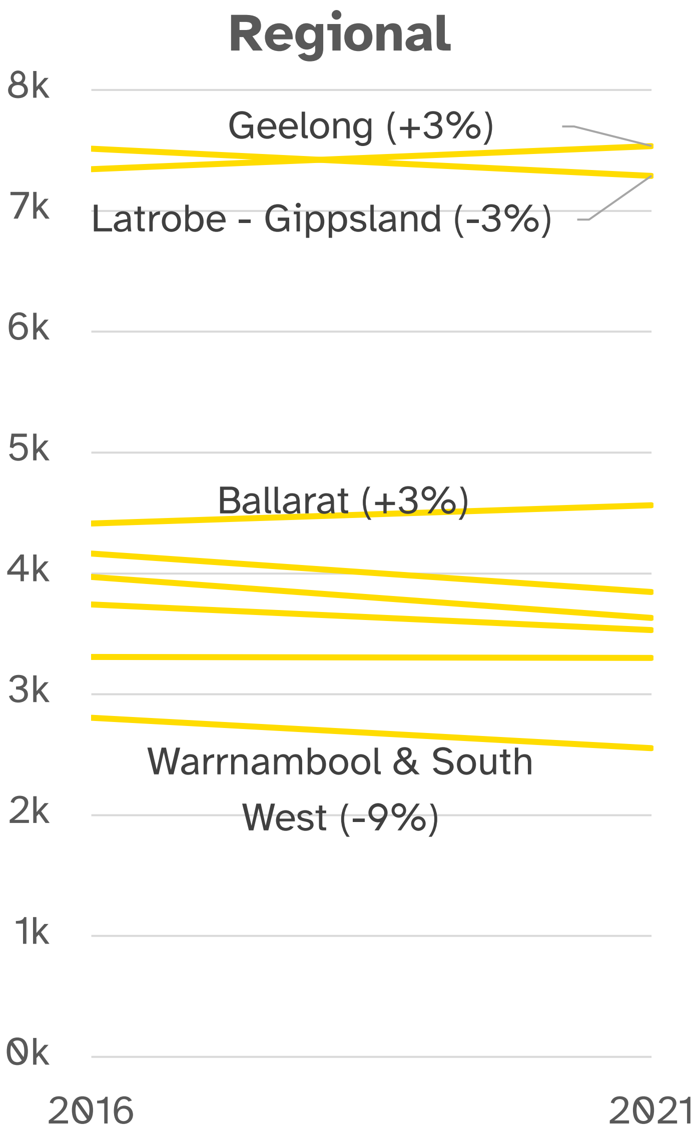


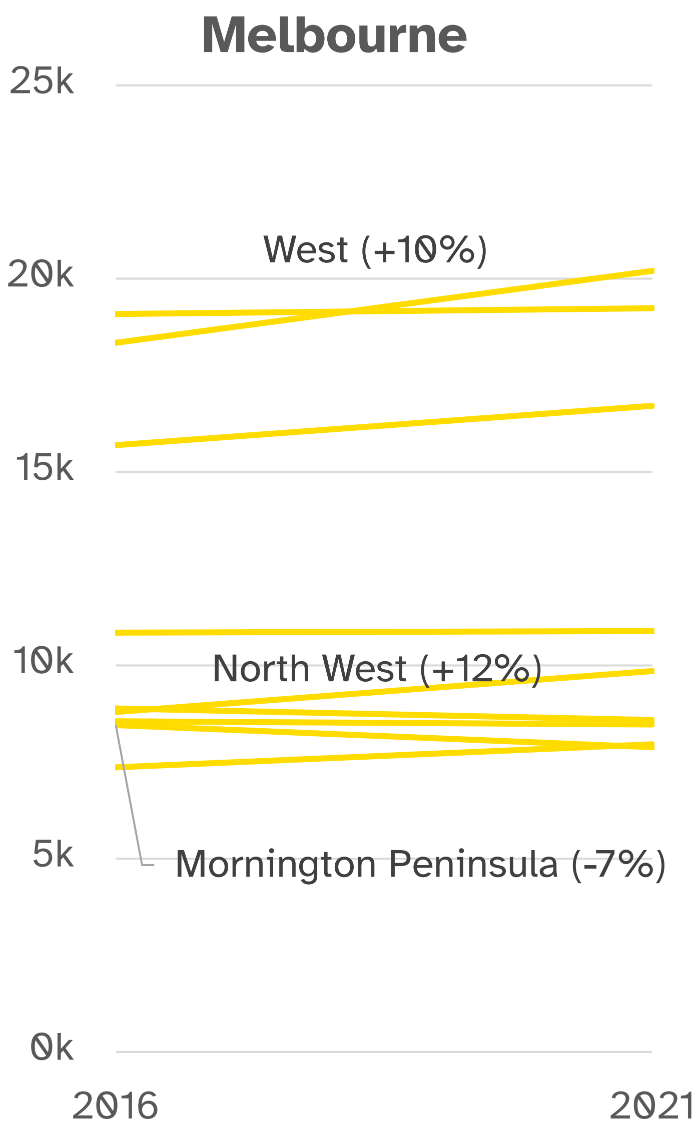
The composition of unmet need in Melbourne also aligns with other major metros in its over-representation of families with children.

It is over 50% in most markets. Perhaps most notably, this includes markets on the urban periphery that are dominated by single family homes and new homes.

The Inner market is the exception to this pattern, with a much smaller proportion of families with children reflecting the overall composition of the inner-city market.

VIC change since 2016





The regional centres that are likely to see migration from greater Melbourne – Geelong and Ballarat – are the areas that have seen a marginal increase in the volume of unmet need.

Conversely, and consistent with other states, there has been a marginal apparent decrease in unmet need in the non-capital regions of Victoria. This is counter to state government analysis on rental available at low price points, so warrants further investigation.

In Melbourne, the West (Footscray to Melton, and also including growth areas like Bacchus Marsh) again sees a notable increase in unmet need, along with the North West. In the case of the West region, this is from an already high volume in the 2016 analysis.

Mornington Peninsula is a notable exception to the increases seen across most parts of Melbourne.

VIC regional projected need

Market (SA4)	Projected need by 2041	Meeting need (annual growth)	
Geelong	9,500	6.6%	400-500
Latrobe - Gippsland	9,200	6.5%	400-500
Ballarat	5,700	6.5%	200-300
Hume	4,900	5.6%	200-300
Bendigo	4,600	5.8%	200-300
North West	4,500	5.6%	200-300
Shepparton	4,200	5.7%	200-300
Warrnambool & South West	3,300	5.5%	100-200

As with other commentary about regional Victoria, the pattern here is one of uniformity. The household growth projections, and so projected unmet need, aligns with current patterns.

And the uniform distribution of existing social housing means that, if a program of housebuilding over the next 20 years was undertaken to meet the project need, it would be a relatively uniform rate of growth: between 5.5 and 6.5% growth on existing social housing.

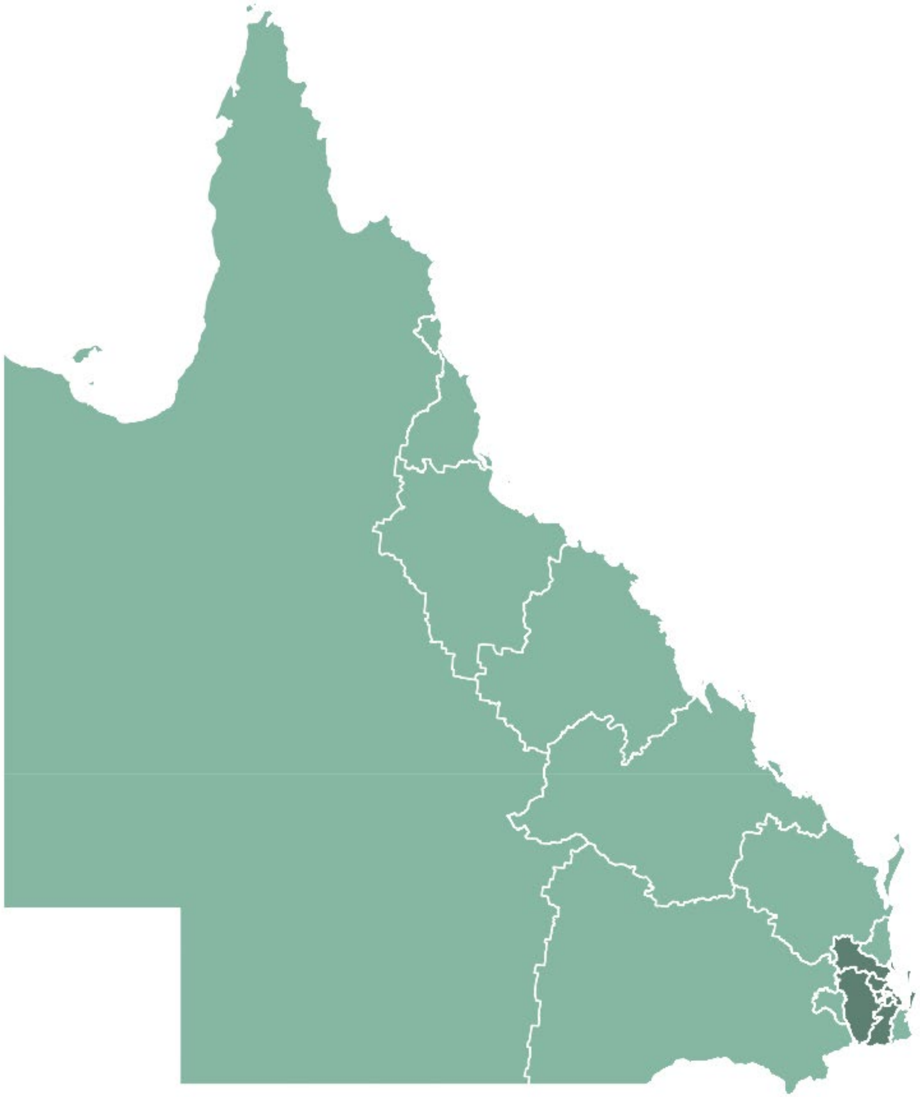
Melbourne projected need

Market (SA4)	Projected need by 2041	Meeting need (annual growth)	
West	31,800	9.4%	1500-1600
South East	30,200	9.6%	1500-1600
Inner	30,000	6.0%	1400-1500
North East	17,700	8.1%	800-900
North West	15,400	9.7%	700-800
Outer East	13,900	8.4%	600-700
Inner South	13,400	9.1%	600-700
Mornington Peninsula	12,400	9.3%	600-700
Inner East	12,200	10.9%	600-700

Although Melbourne has relatively low rates of unmet need, compared with Sydney and Brisbane for instance, it also has a relatively low volume of existing social housing. This means any program of building non-market housing represents a higher growth rate on existing stock compared to those other capitals.

With the exception of the Inner market, which has a high volume of projected unmet need, but also a large existing base of social housing, most parts of Melbourne would need to see over 8% annual growth over existing stock.

Even the relatively low volumes needed in the Inner East (around Kew and Box Hill) translates to significant growth from a low base.

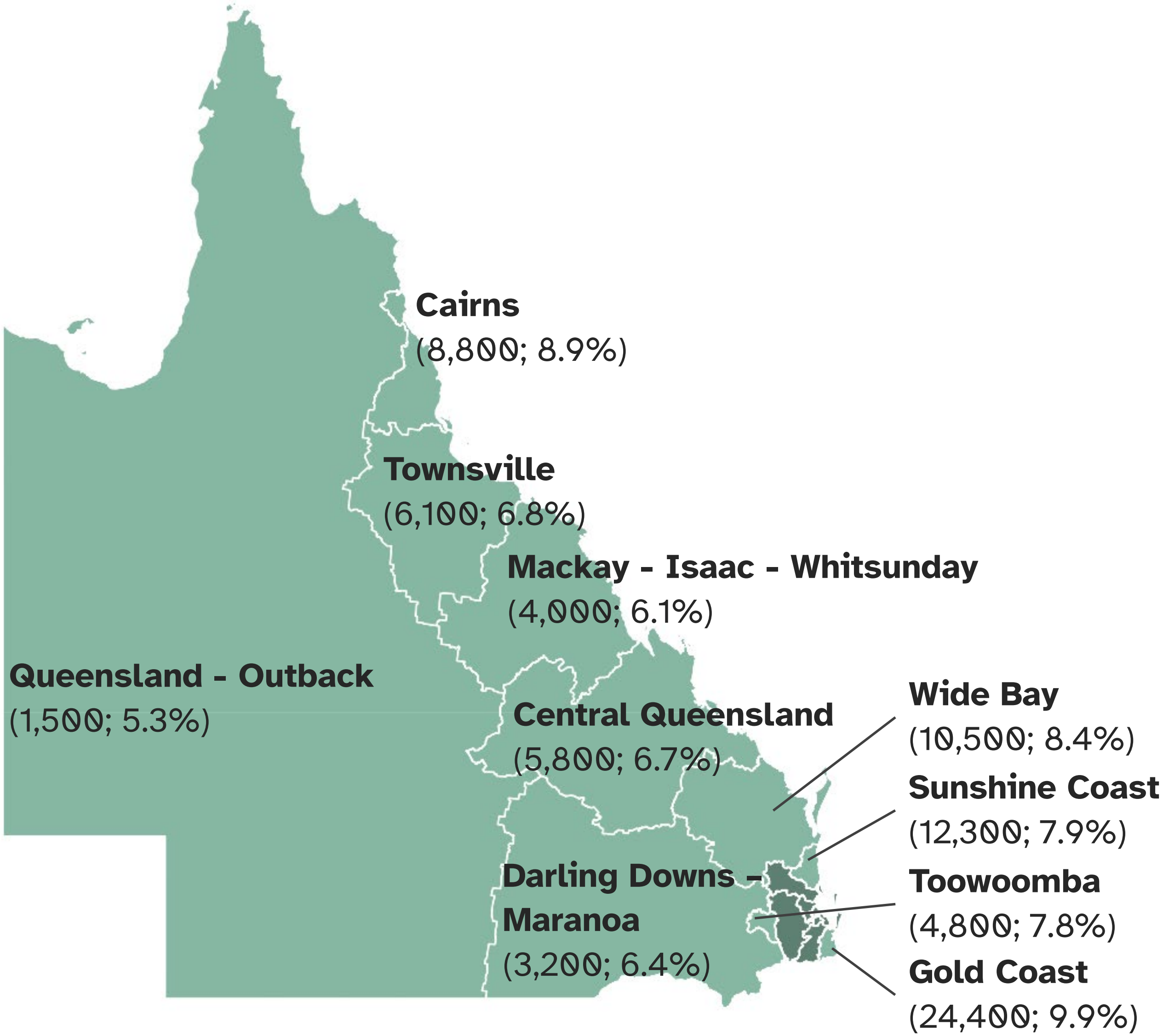


Queensland

and

Greater Brisbane

QLD regional unmet need

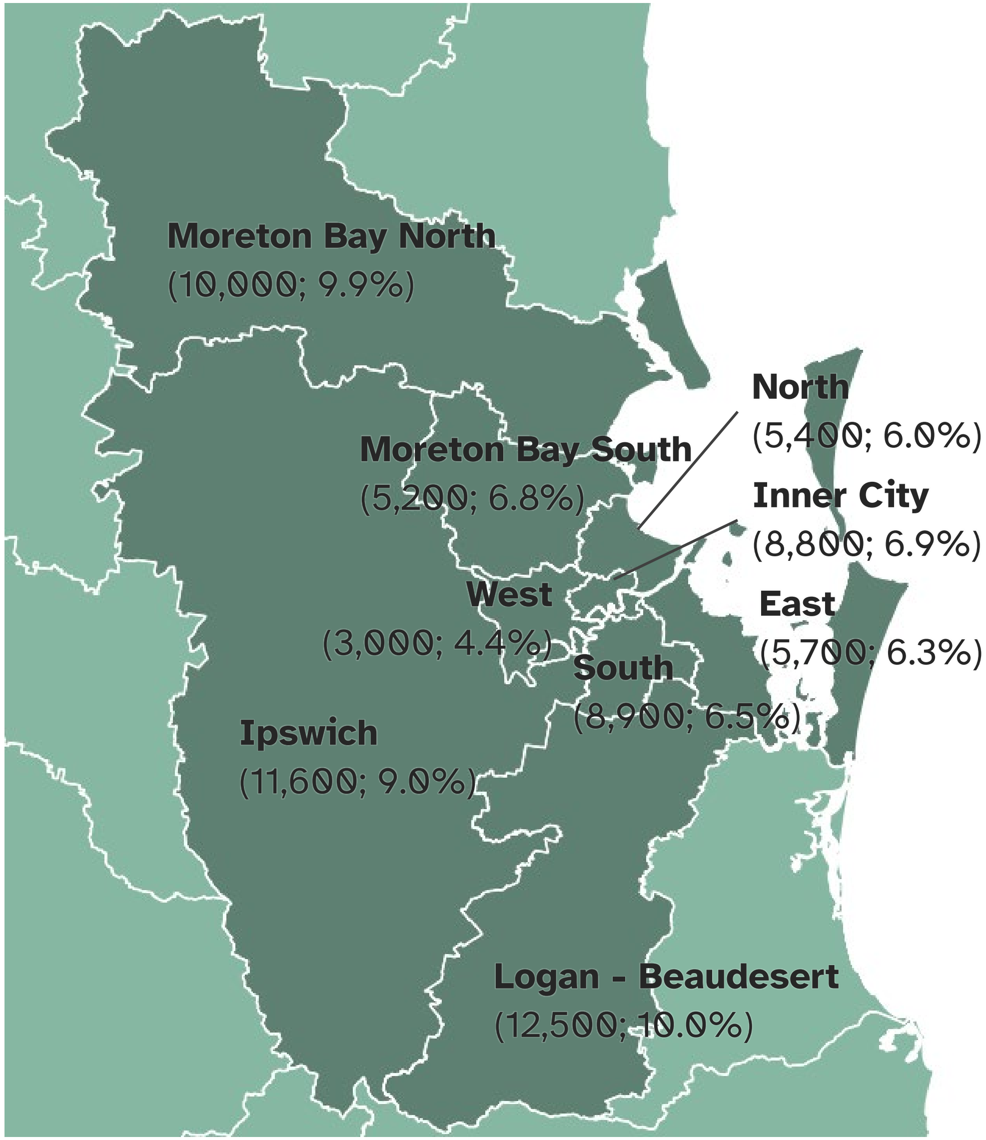


Southeast Queensland is experiencing significant pressures on its housing system, with relatively high proportions of households' needs unmet: up to one in ten households in the Gold Coast.

Given these markets are also quite populous, it also translates to volumes of unmet need – nearly 25,000 households in the Gold Coast – that are among the highest in Australia.

Beyond Southeast Queensland, Cairns is the regional centre with highest rate of unmet need, at nearly 9% of households, but all coastal centres have over 6% unmet need.

Brisbane unmet need

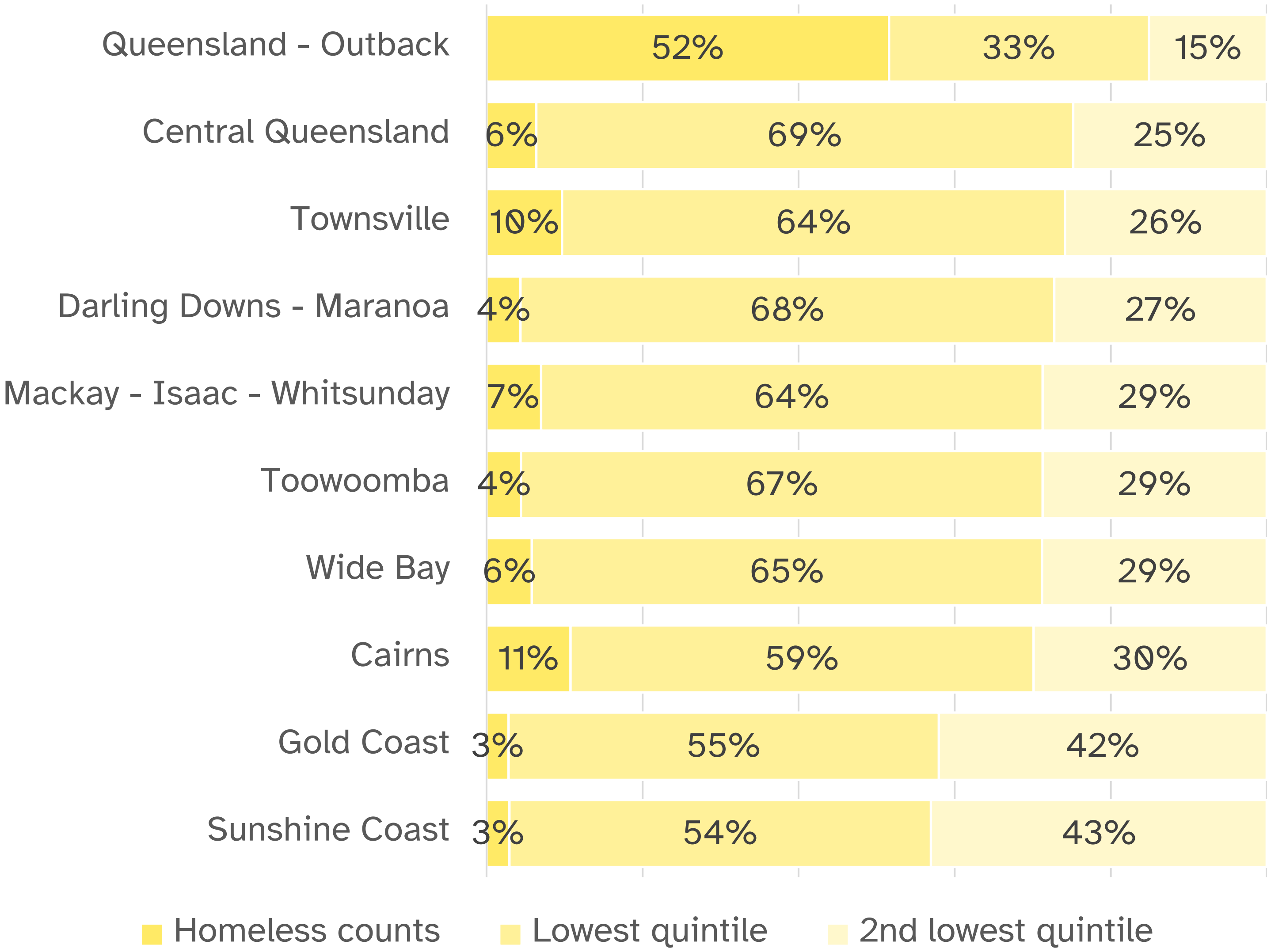


Alongside Gold Coast and Sunshine Coast, the pressures facing Logan, Ipswich and Morton Bay North, show peripheral markets around Brisbane are where the most unmet need is being experienced by low-income households.

As outlined for metropolitan Melbourne, these are, in some cases, historically more affordable markets, with the high rates of unmet need reflecting the acute increases in rent stress for the lower-income populations that have gravitated to these markets.

It is worth disentangling these markets from those of Gold Coast and Sunshine Coase to some extent, with coastal markets showing different patterns in the source and composition of unmet need.

QLD regional unmet need source

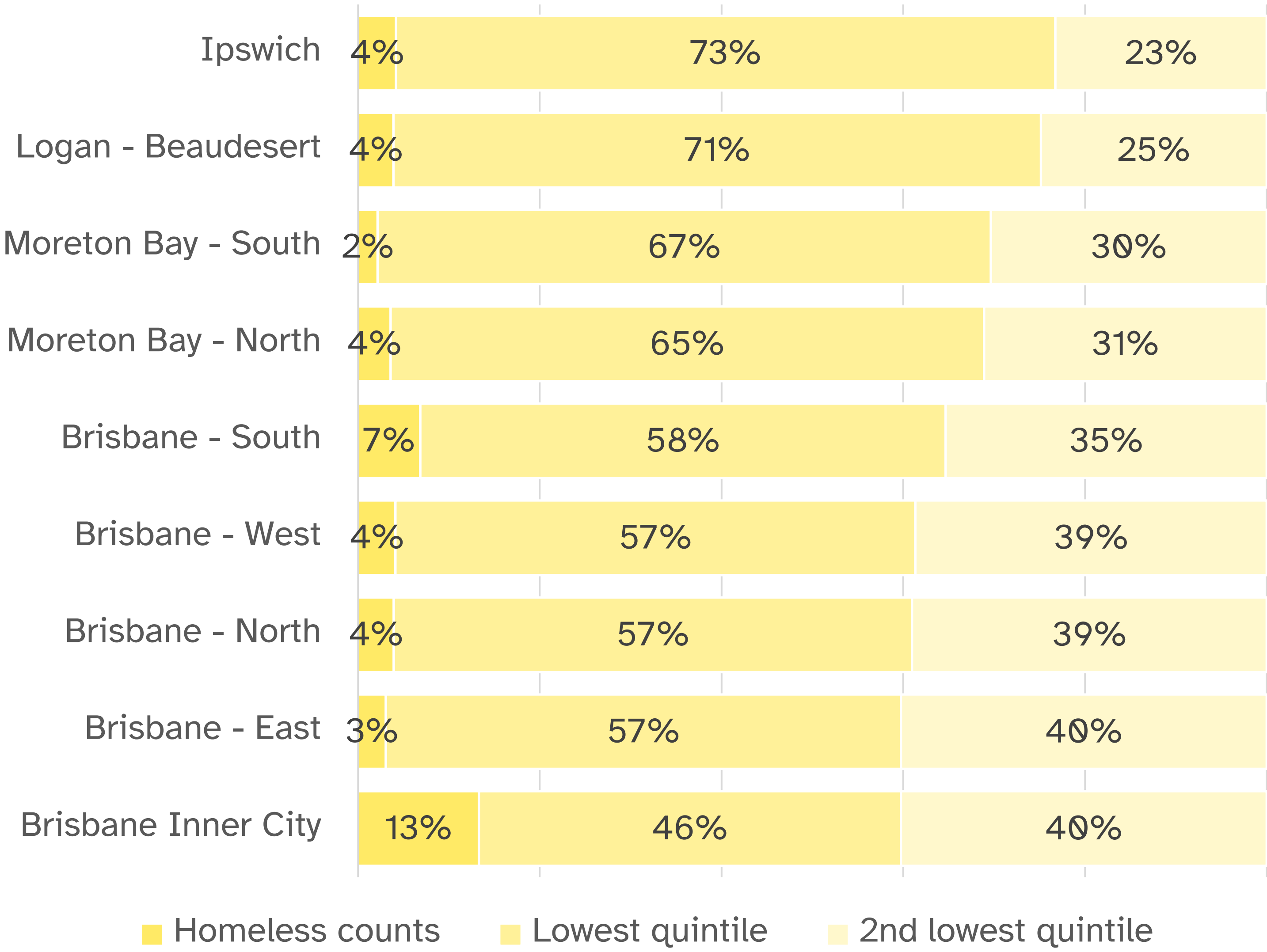


Higher-cost regional markets, particularly in Southeast Queensland, have higher rates of unmet need because larger numbers of the second lowest quintile are in rent stress. This is also seen in the proportional split, with over 40% of unmet need originating from the second-lowest quintile.

In other markets, two thirds of unmet need is lowest quintile, including manifest need from enumerated homeless counts.

Over half the unmet need in Outback Queensland is from enumerated homelessness counts, which is typical of very low-cost, remote regions, with relatively low volumes of rental stress.

Brisbane unmet need source

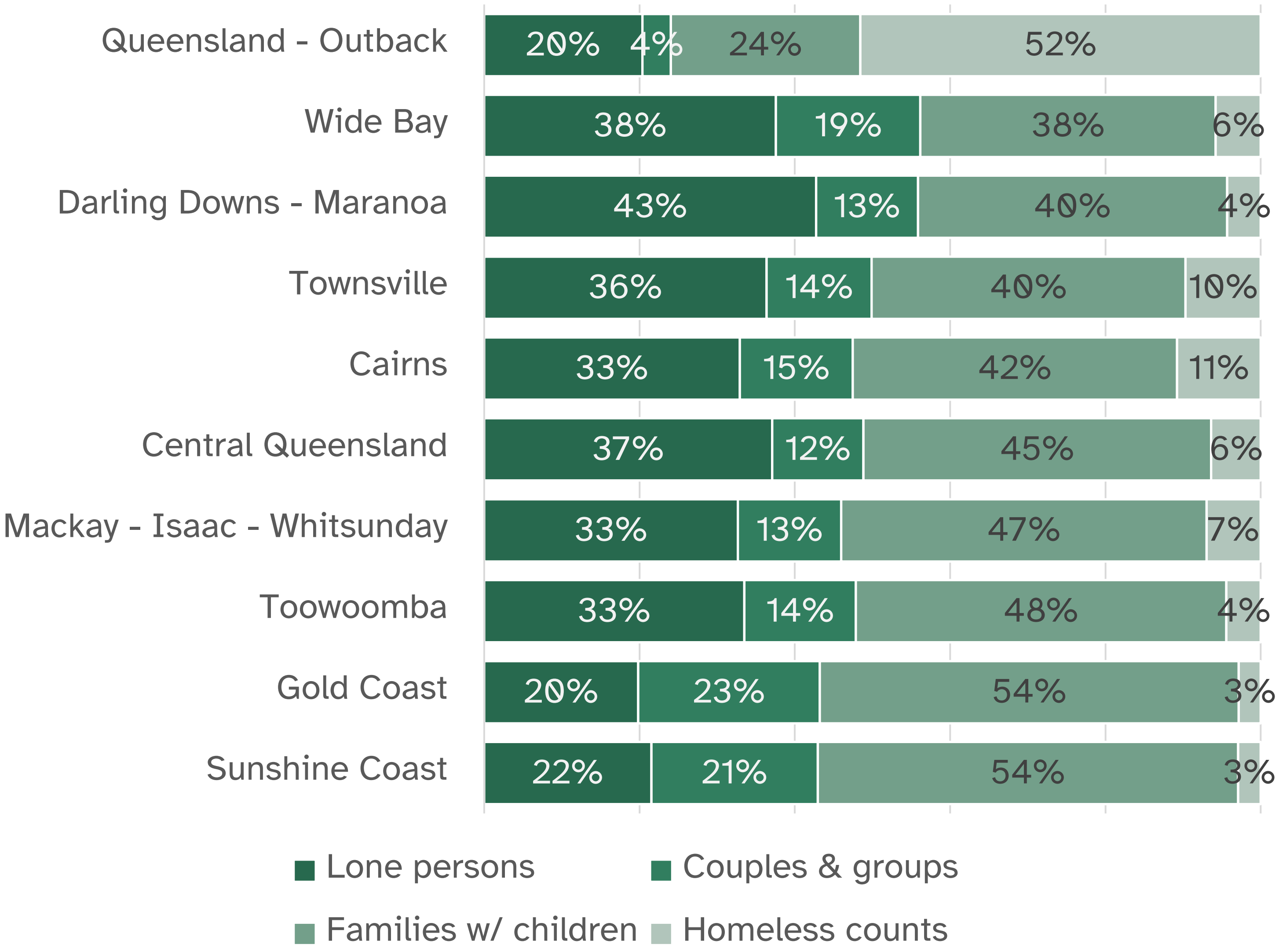


As pointed out earlier, the source of unmet need in Ipswich and Logan is quite different to Gold Coast and Sunshine Coast (on the previous page).

These areas, with the highest volumes of unmet need in Greater Brisbane, show higher proportions from bottom quintile than other parts of Brisbane. This is quite alarming, as it suggests a historically affordable housing market becoming unaffordable to vulnerable households. Given the strains already experienced in surrounding regional centres, it leaves very few options for those looking to move to cheaper peripheral markets.

The inner city – with high costs – sees similar numbers from bottom and second bottom quintile. But also more enumerated homelessness.

QLD regional unmet need composition

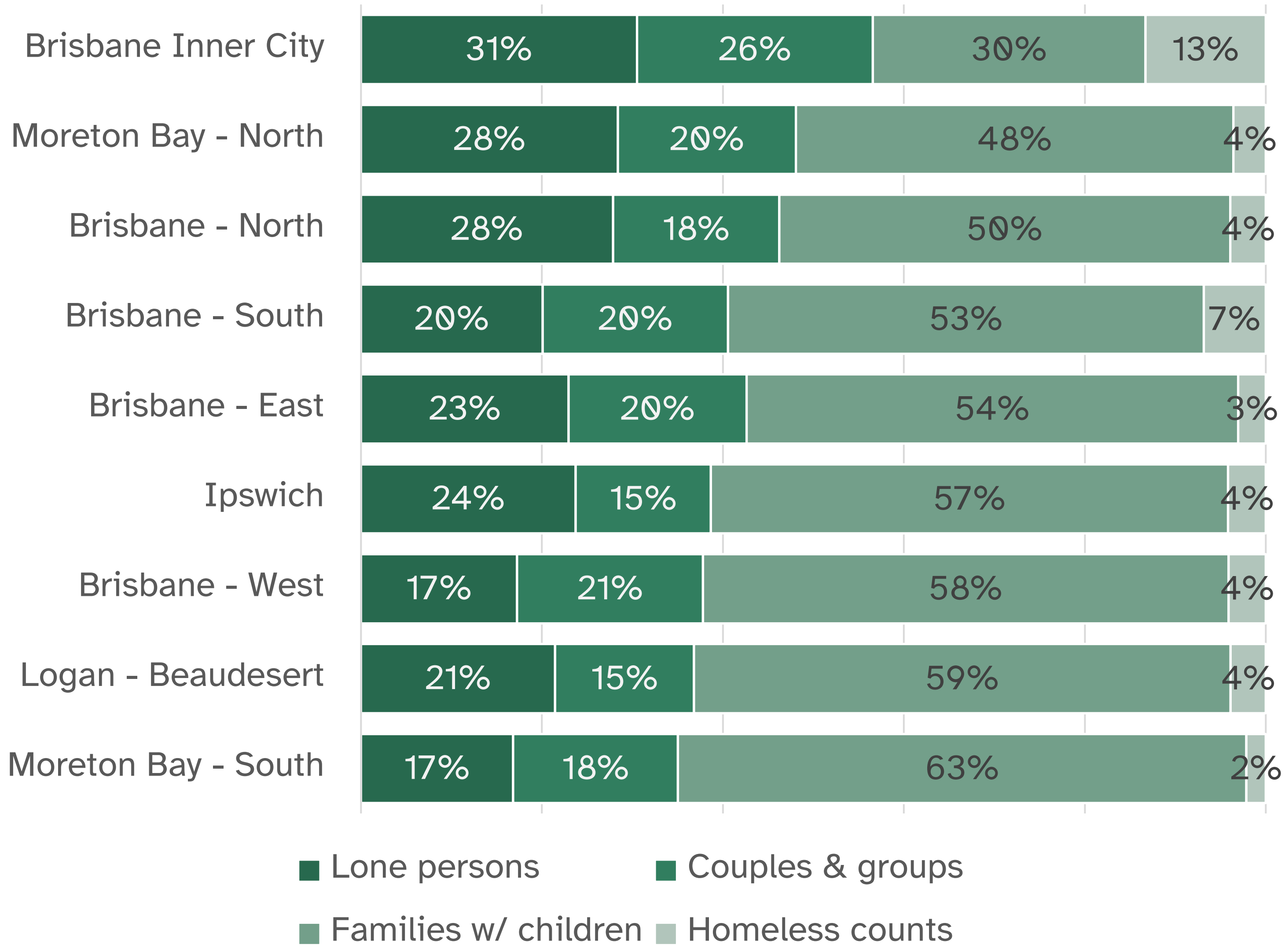


There is a notable over-representation of lone-person households in smaller centres, over 40% in the Darling Downs region. This potentially has an age profile, with older populations in smaller regional centres, and highlights the need for more housing diversity in regional centres.

Conversely, in Southeast Queensland, families with children are over-represented, over 50% of unmet need. This is more typical of urban centres where overall high housing costs create pressures on those in need of larger dwellings for families.

Homelessness rates in the remote Outback area of Queensland are consistent with remote areas in other parts of country, and has an Indigenous dimension reflecting the population in this area.

Brisbane unmet need composition

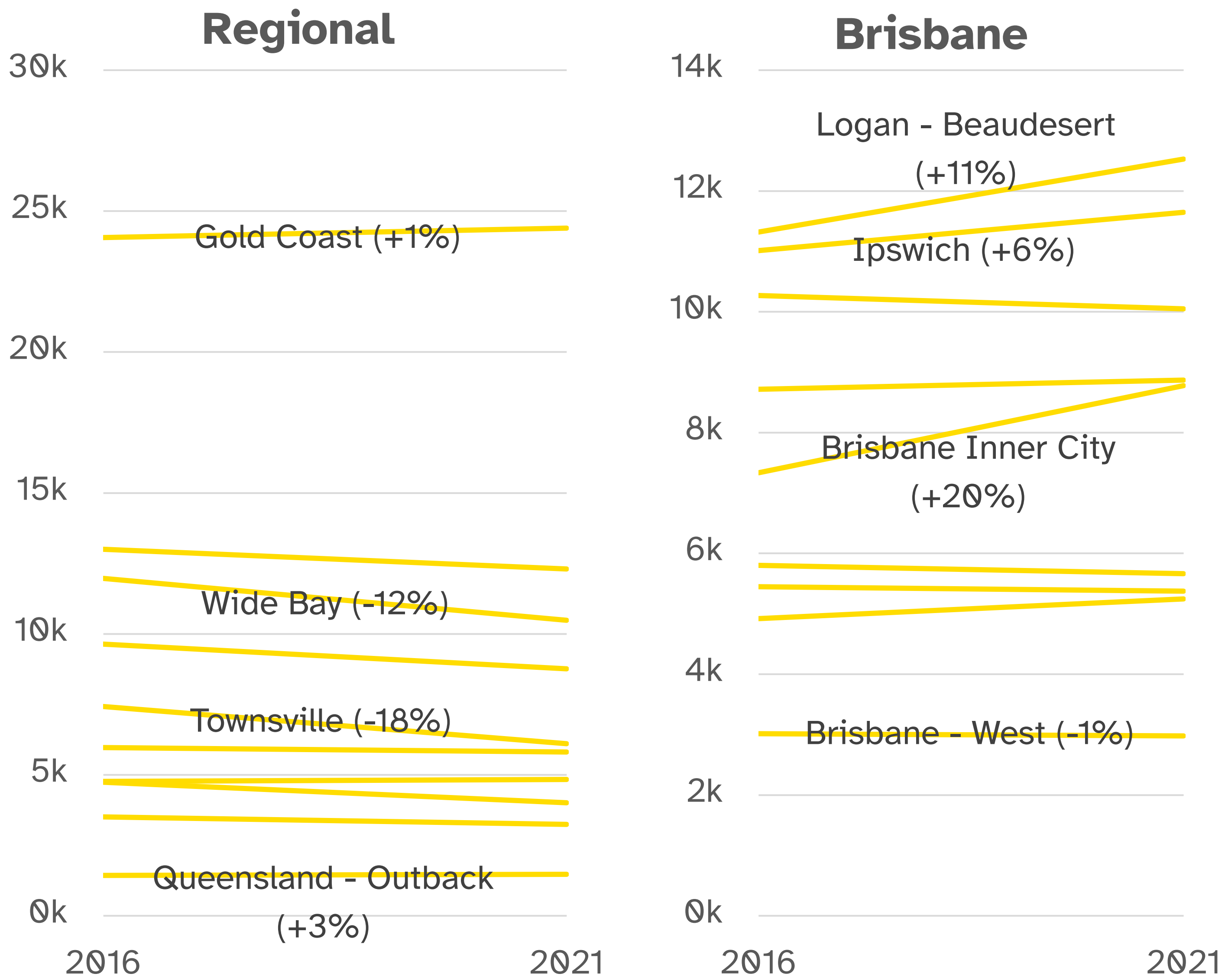


In Brisbane, families are much more over-represented in many areas. Over 50% in most markets. Perhaps most notably, this includes markets on the urban periphery that are dominated by single family homes.

The inner-city area, dominated by younger renters, has a higher proportion of lone person and couple households in rental stress.

As noted, the inner city also has a higher volume of enumerated homeless, which is evident in the proportional split of the unmet housing need here.

Qld change since 2016



Regional areas have experienced an apparent alleviation of unmet need – significant in some cases, like Townsville experiencing a 20% decrease in unmet need (from ~7k to ~6k). In most other markets, any alleviation was more marginal. This warrants further investigation.

Unmet need in the Gold Coast remains stubbornly high, and again more closely reflects high-demand urban centres than regional markets.

In Brisbane, the markets with highest numbers also saw higher increase in numbers. This is more evidence of transition of those markets into one unaffordable to the extant local community.

The Inner City also experienced a significant increase, the highest in relative terms, with a 20% increase in unmet need from 2016: from ~7k to ~8.5k.

QLD regional projected need

Market (SA4)	Projected need by 2041	Meeting need (annual growth)	
Gold Coast	31,900	10.7%	1500-1600
Sunshine Coast	16,300	9.5%	800-900
Wide Bay	14,100	8.2%	700-800
Cairns	12,100	6.9%	600-700
Townsville	8,700	5.8%	400-500
Central Queensland	8,200	6.2%	400-500
Toowoomba	6,500	8.2%	300-400
Mackay - Isaac - Whitsunday	5,700	6.3%	200-300
Darling Downs - Maranoa	4,400	8.0%	200-300
Queensland - Outback	3,300	2.3%	100-200

Projecting forward the amount of unmet need, and thus the size of housing program to meet it, the Gold Coast is a significant outlier. It has a very high volume of projected unmet need – at over 30,000 dwellings.

Given the Gold Coast has a relatively small existing social housing profile, meeting this projected need through more non-market housing would represent a very rapid proportional increase over the twenty years. It is, though, an area experiencing significant housing growth and diversification more generally.

This higher proportional annual growth is similarly seen in Sunshine Coast, Toowoomba and Wide Bay. In those markets, though, the growth is a much smaller amount of new housing.

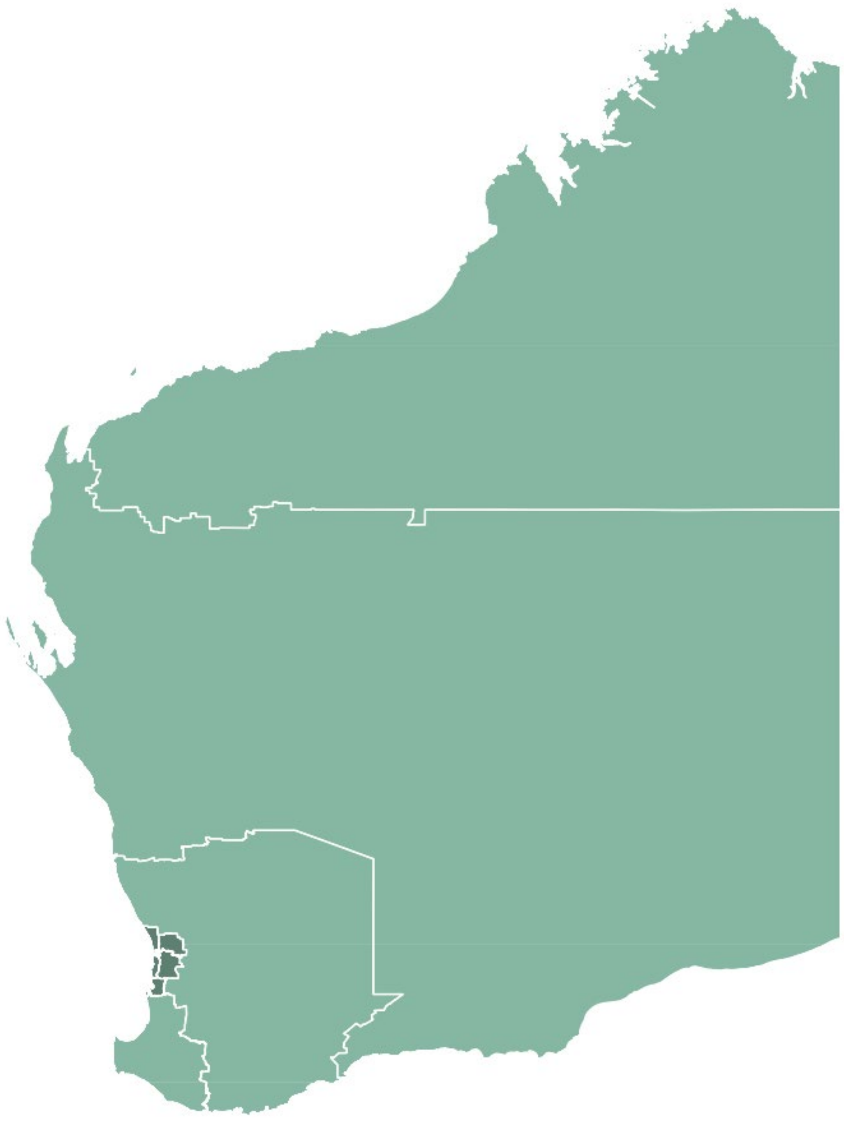
Brisbane projected need

Market (SA4)	Projected need by 2041	Meeting need (annual growth)	
Logan - Beaudesert	19,300	8.6%	900-1000
Ipswich	18,200	8.1%	900-1000
Moreton Bay - North	15,500	8.6%	700-800
Brisbane - South	14,400	7.0%	700-800
Brisbane Inner City	13,700	8.1%	600-700
Brisbane - East	9,000	7.5%	400-500
Brisbane - North	8,900	6.4%	400-500
Moreton Bay - South	7,800	10.2%	300-400
Brisbane - West	4,700	7.5%	200-300

Given the uniform household projection available for the metropolitan region, the same areas come through as highest projected need as is evident today: the peripheral areas of Ipswich and Logan.

Meeting that need by 2041 through a homebuilding program would mean significantly increasing growth rates of non-market housing stock. Alongside Logan, Moreton Bay North has a required growth of over 8.5% annually.

Morton Bay South, although projected to have one of the lowest volumes of unmet need, actually has one of the highest proportional required growth rates in non-market housing, largely due to a low amount of existing non-market housing.

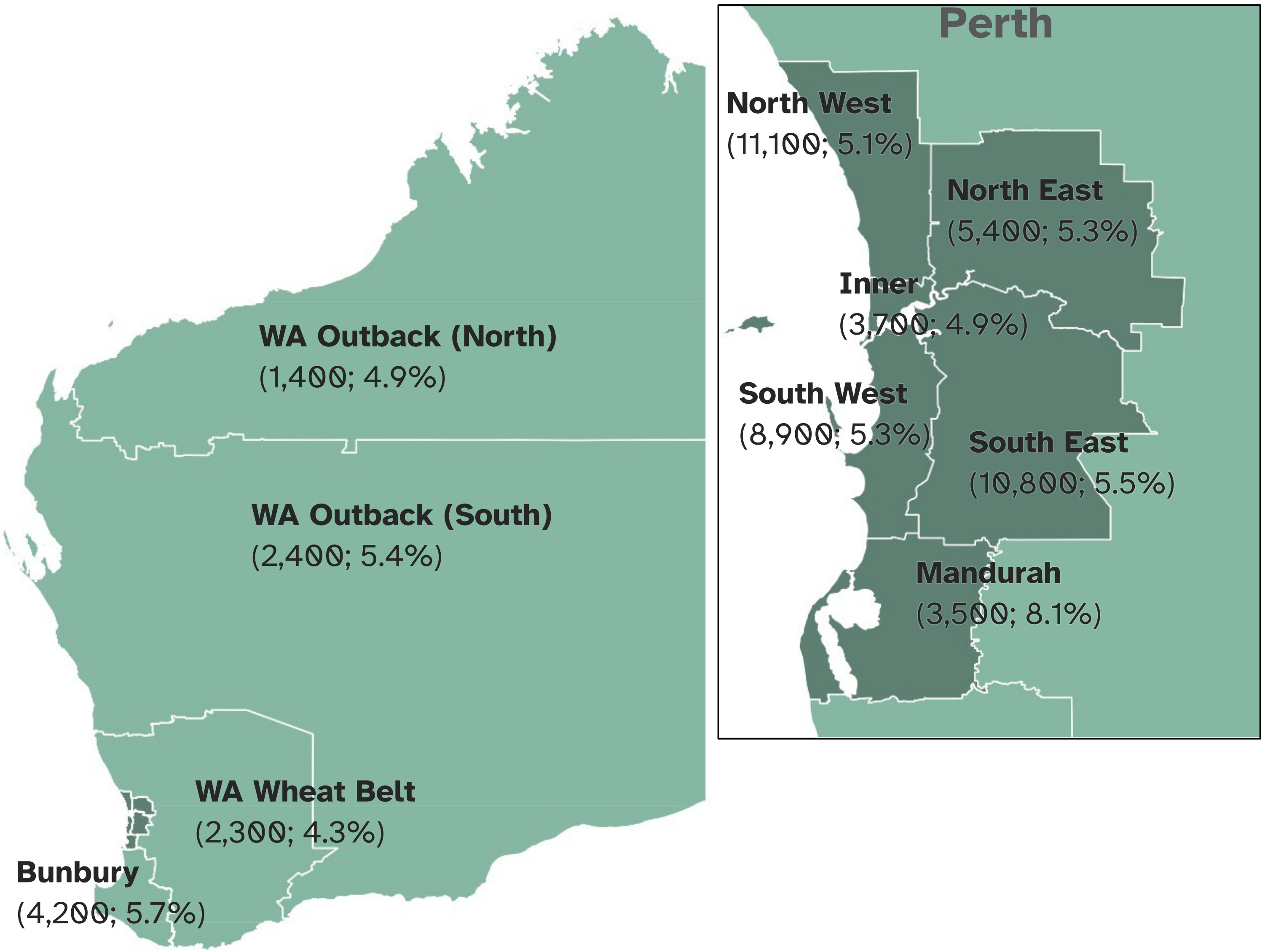


Western Australia

and

Greater Perth

WA unmet need



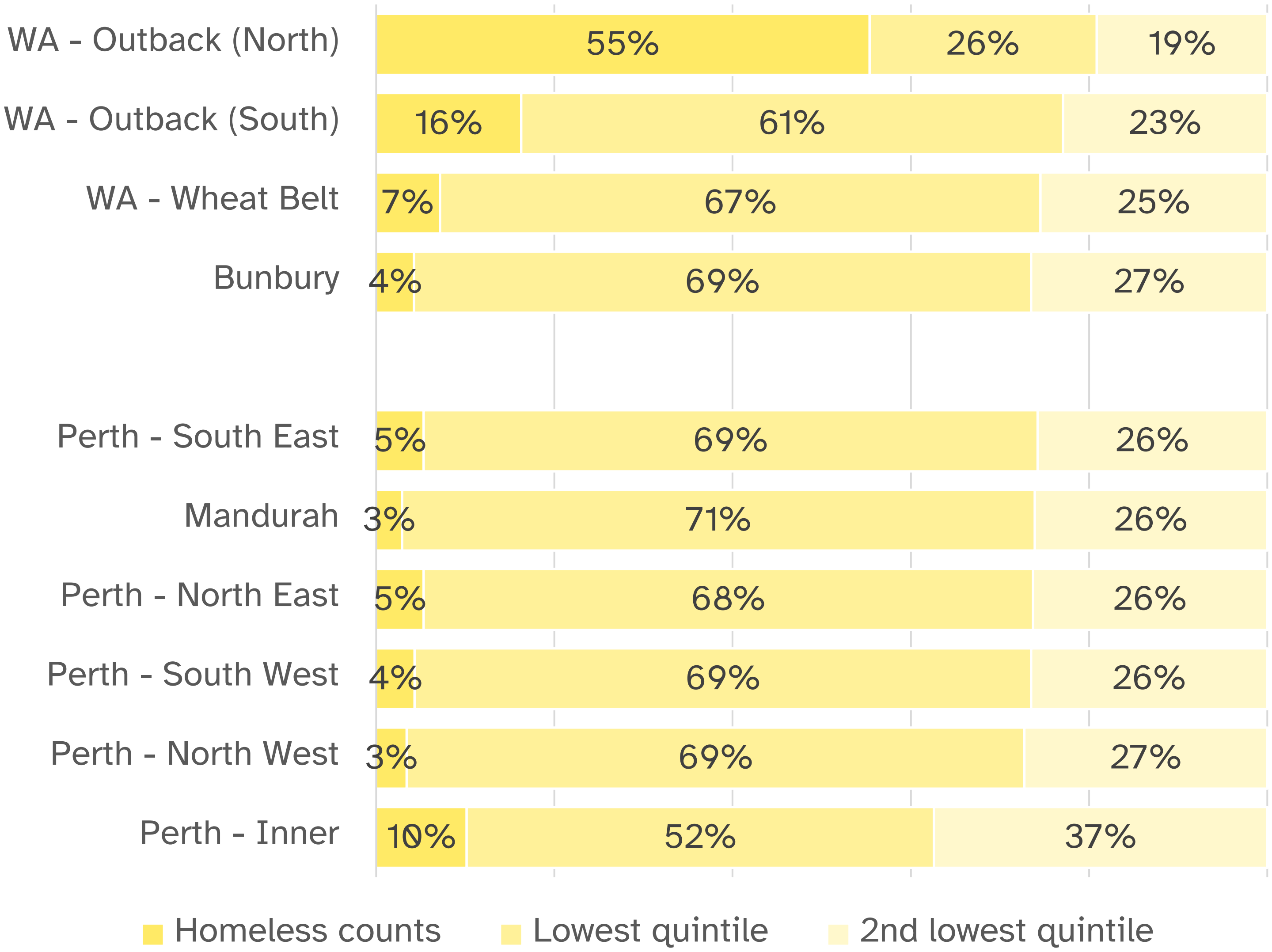
Unmet demand is less acute compared with other capital cities, with need ranging between 4.9% and 5.7% of households.

The one exception is Mandurah, with a figure of 8.1% unmet need. This reflects patterns of disadvantage, with a higher degree of low-income households in this area.

In numbers terms, unmet need across Perth reflects socio-economic division, with concentration in the north-west and southern regions.

WA outback regions have a lower total number of unmet need, however, with more volume in the populated coastal settlements, but higher proportions of households in the inland and remote, settlements.

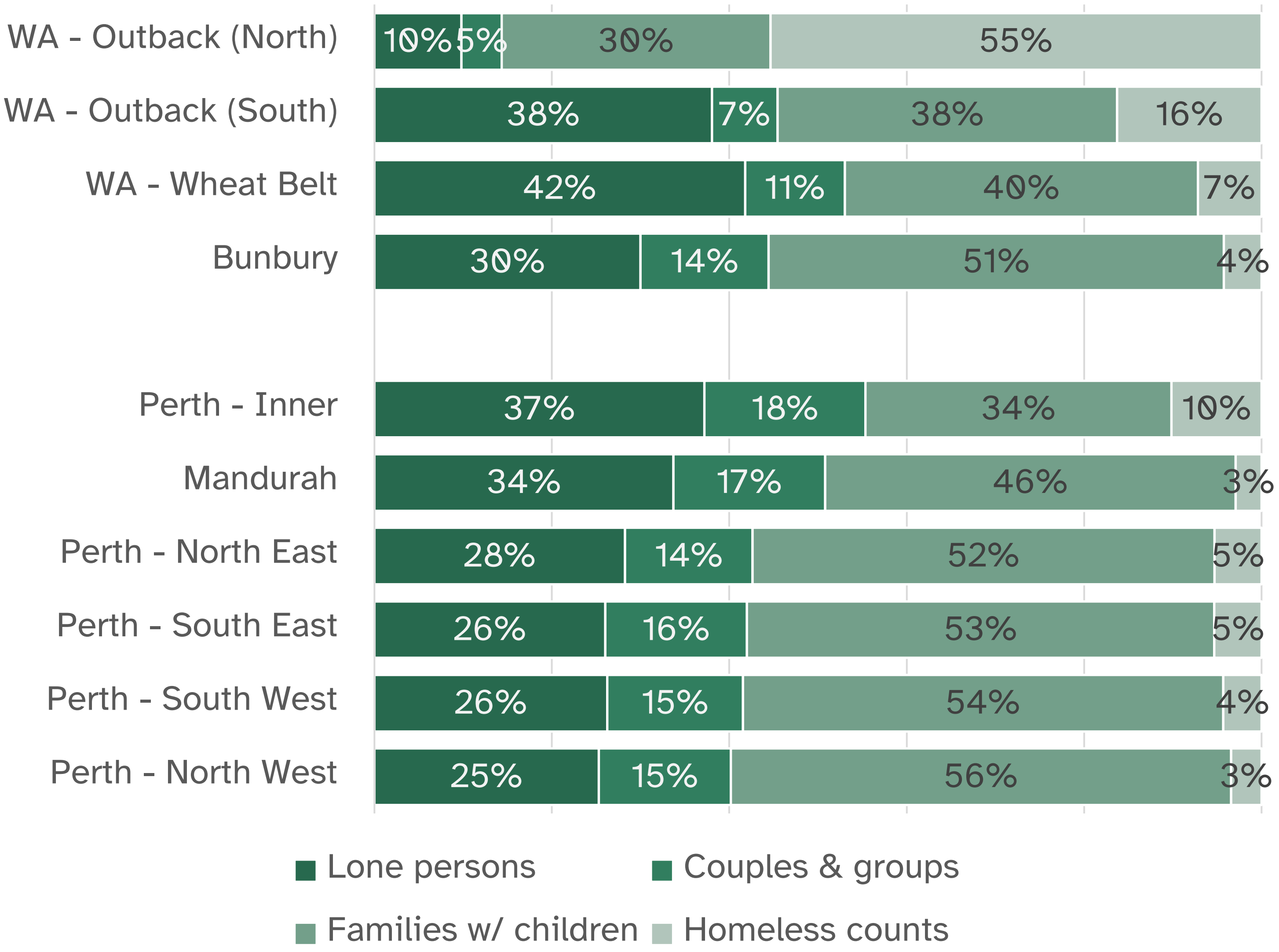
WA unmet need source



The biggest source of rent stress is in the lowest income quintile, with more modest levels in the second quintile compared to other major metropolitan areas. This likely reflects the relative housing market differences across the nation's capitals with more availability of affordable housing options for low-income worker households in Perth.

WA outback areas, in particular the north, have a much more acute homelessness problem, which reflects the much higher presence of indigenous households and the poor housing options for the indigenous community.

WA unmet need composition

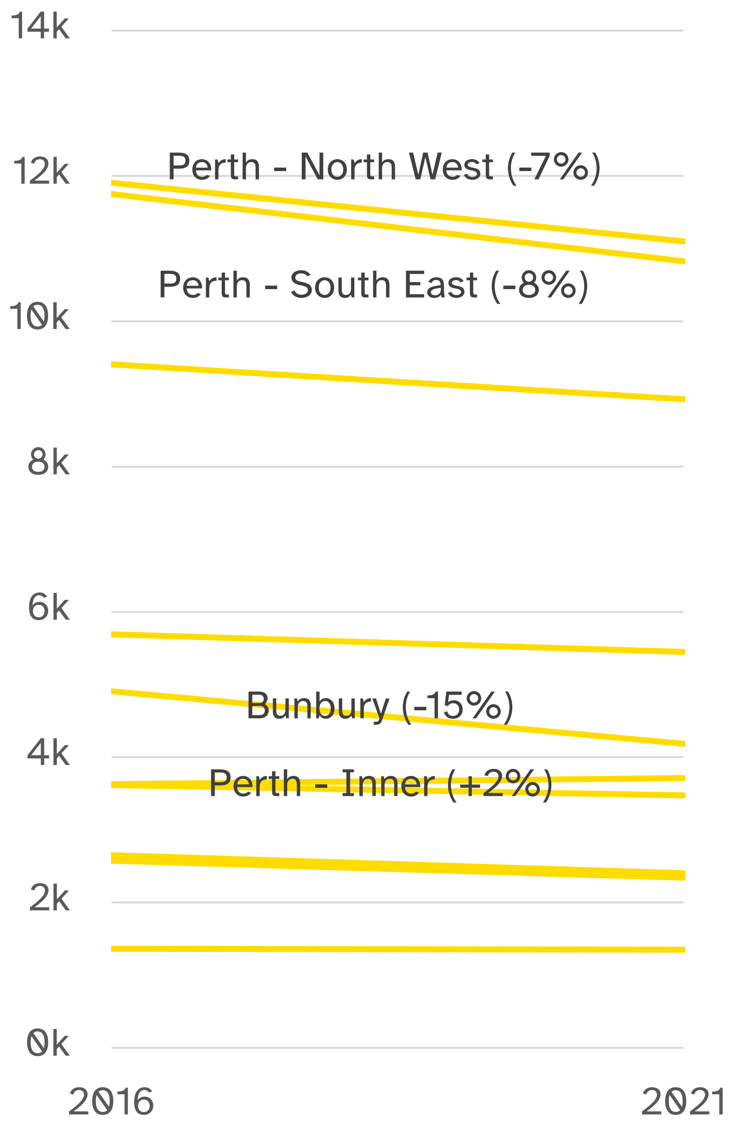


Lone person households were a major driver of unmet need in Inner Perth, which reflects the higher proportion such households, and smaller dwellings. Family households with children made up most of the demand profile across the remainder of the Perth metropolitan region.

In Bunbury region, the demand profile is similar to that of Perth while other regional locations were more balanced.

As noted on the previous page, homelessness in WA outback region is a key driver of unmet housing demand.

WA change since 2016



Overall, there has been an apparent alleviation of unmet need, except for a marginal worsening in Inner Perth. This likely due to housing market conditions being relatively stagnant since 2016, with very little growth in house prices or rents over the past five years to 2021.

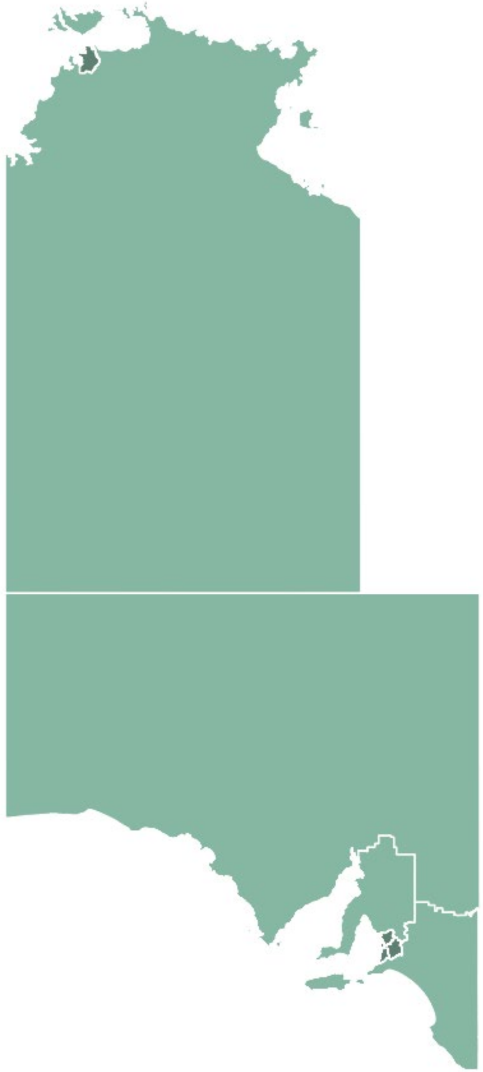
The biggest improvement in unmet regional demand was in the Bunbury region in the southwest which saw a 15% improvement in unmet demand. While North West and South Perth are experiencing a 7% improvement in unmet need.

WA projected need

Market (SA4)	Projected need by 2041	Meeting need (annual growth)	
Perth - North West	17,800	7.3%	800-900
Perth - South East	17,600	6.9%	800-900
Perth - South West	14,500	7.0%	700-800
Perth - North East	8,900	6.9%	400-500
Perth - Inner	6,100	6.7%	300-400
Mandurah	5,300	8.7%	200-300
Bunbury	5,600	5.8%	200-300
Western Australia - Outback (South)	3,600	3.9%	100-200
Western Australia - Wheat Belt	3,400	4.1%	100-200
Western Australia - Outback (North)	2,900	2.0%	100-200

Based on projections of household growth through to 2041, social and affordable dwelling stock would need to grow between 6.9% and 8.7% per annum to meet current and projected demand. In total dwellings terms, this would mean between 800 and 900 dwelling in the north west compared with 200-300 dwellings per year in Mandurah.

In regional locations, growth targets would be more modest, requiring between 2% and 5.8% annual growth. Targets across each of the regions would be in the 200-300 range, and slightly higher in Bunbury area of 200-300 dwellings per annum.



South Australia,

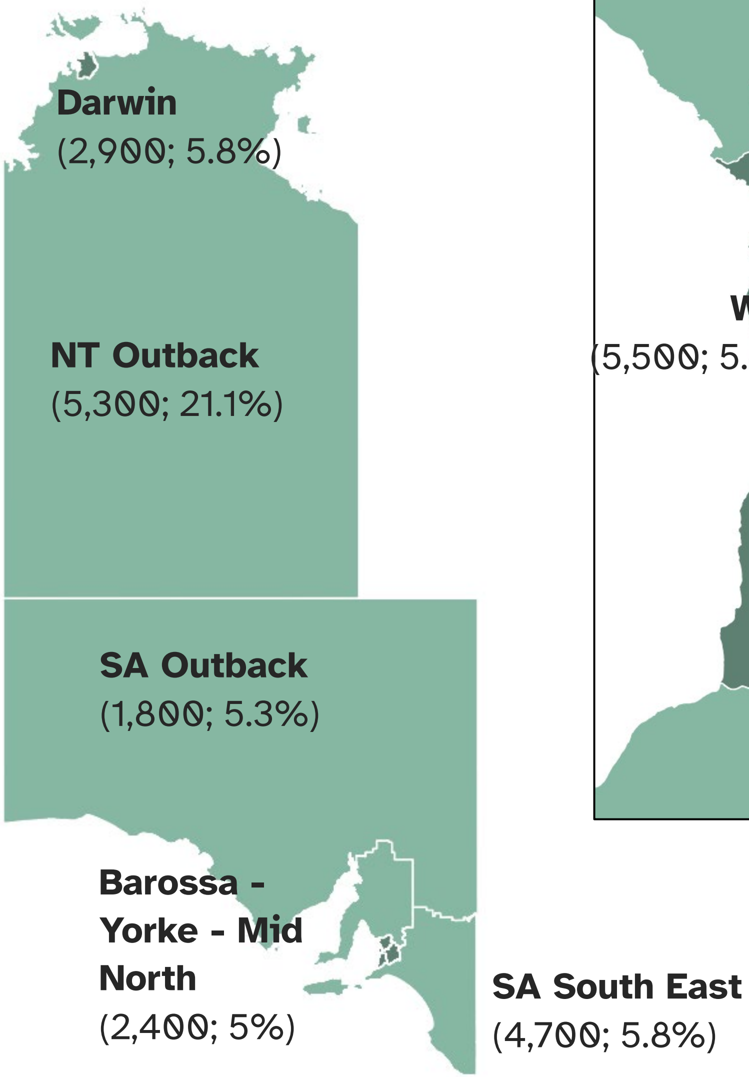
Greater Adelaide,

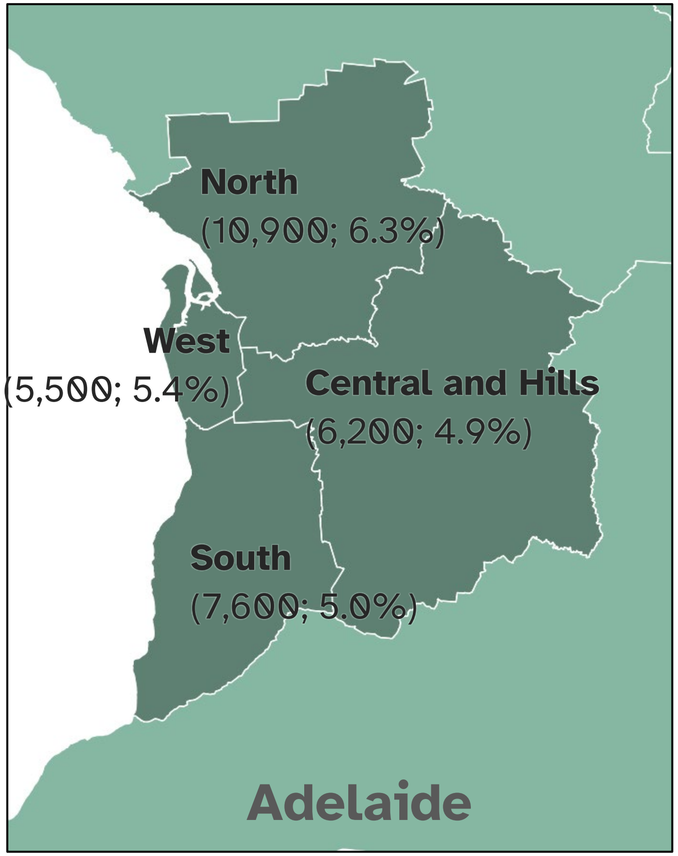
Northern Territory

and

Greater Darwin

SA & NT unmet need

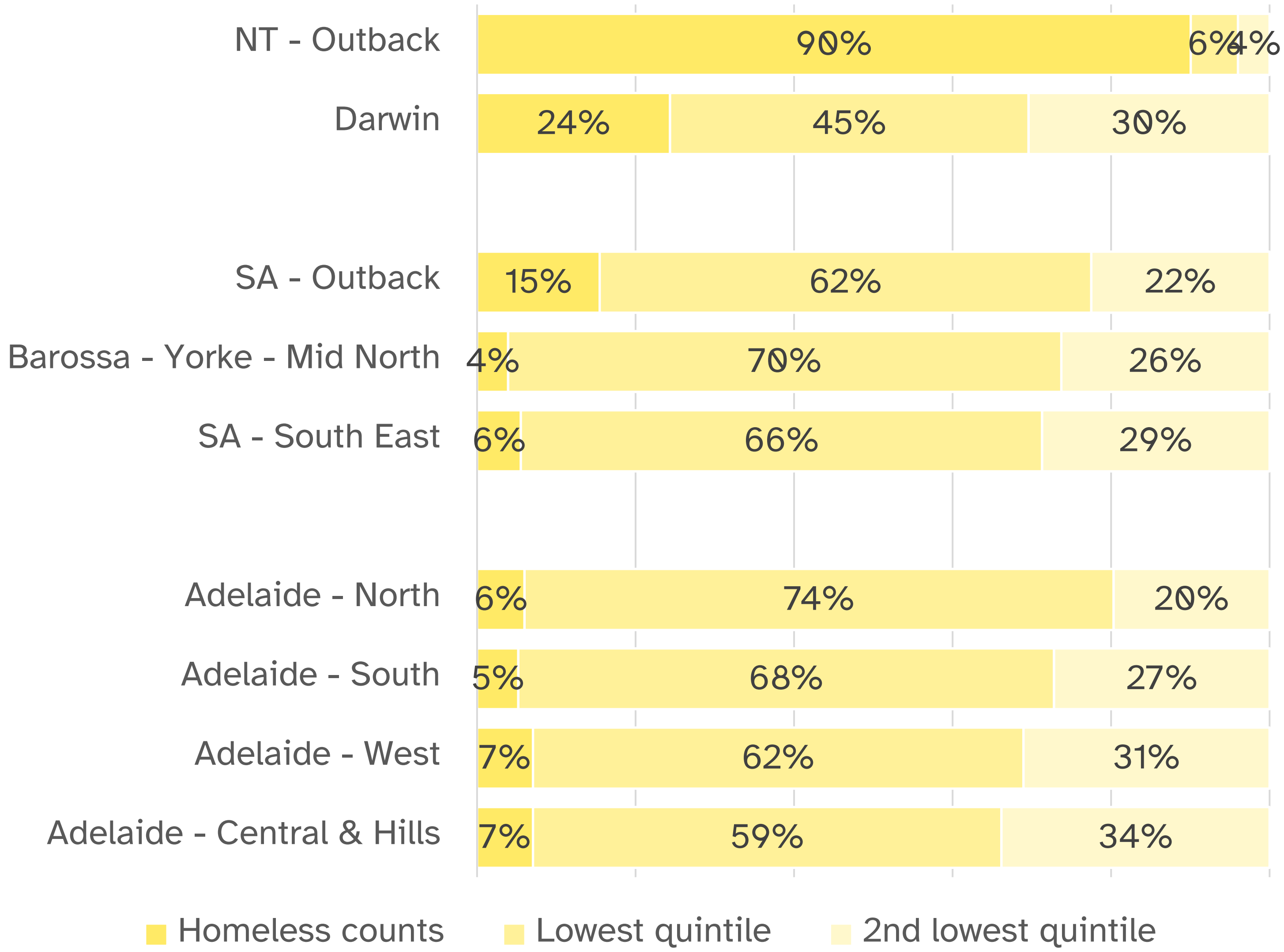




Unmet housing need in Adelaide reflects the socio-economic pattern of the city, with highest need located in the North, affecting 6.3% of households. This area also has highest unmet need in total number terms. The remainder of the state has fairly consistent levels of need ranging from 5% to 5.8%.

In the Northern Territory, outback regions has some of the most acute unmet need in Australia at 21.1% of households. This likely reflects the poor state of housing in indigenous communities in the NT.

SA & NT unmet need source

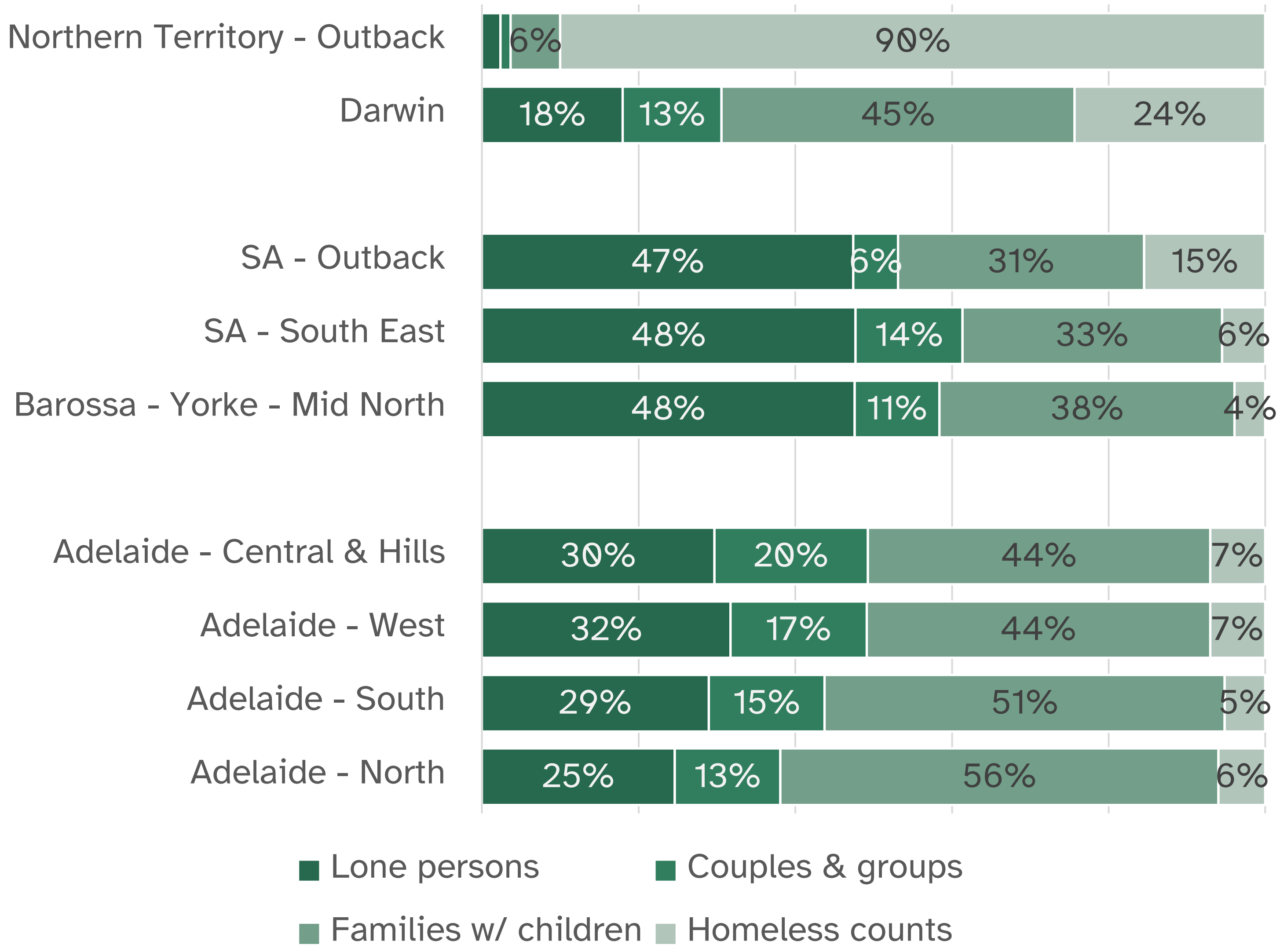


Unmet need in outback NT is almost entirely comprised of need originating from enumerated homelessness, suggesting a lack of housing supply altogether, rather than a lack of affordable options.

Darwin also has relatively high counts of homeless, however the largest component of unmet need is from households in the lowest income quintile.

The lowest income quintile households make up the bulk of households in need across all regions of South Australia.

SA & NT unmet need composition

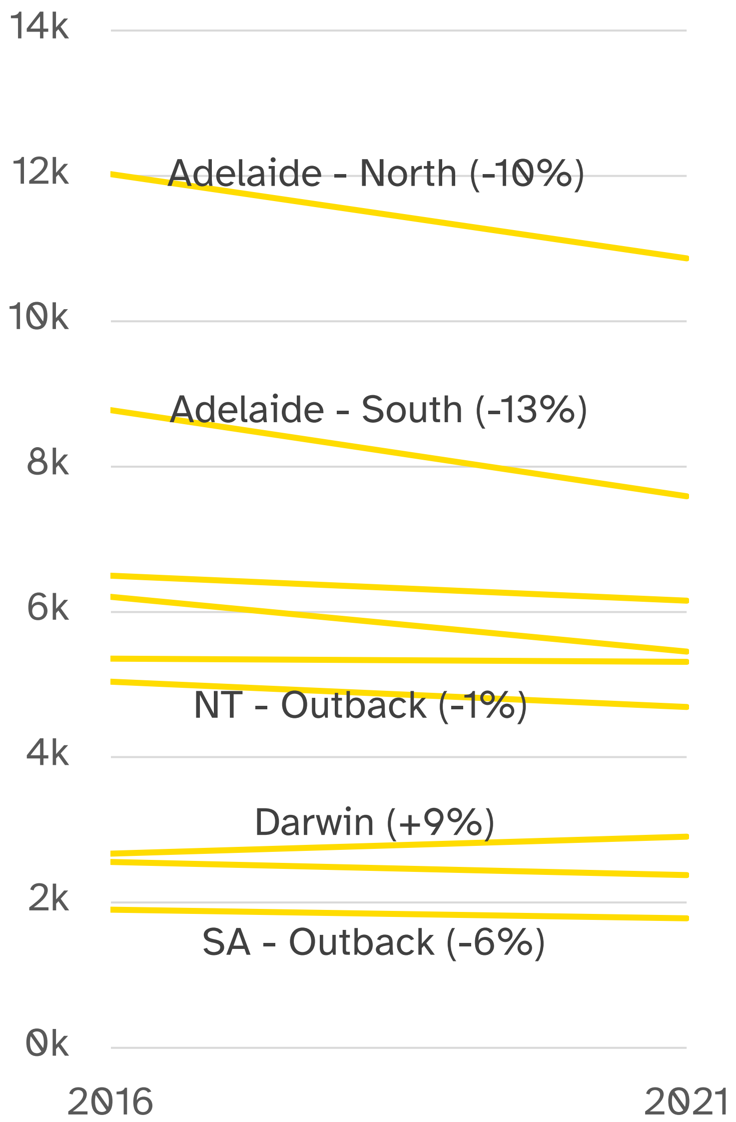


As noted previously, homelessness counts in Outback NT account for most of the unmet need, while in Darwin, family households with children comprise the largest component on need.

Lone person households in regional South Australia are the largest group in need, which reflects the experience across most regional locations in other states.

Within the Adelaide region, family households with children make up the largest group in need of more affordable housing options.

SA & NT change since 2016



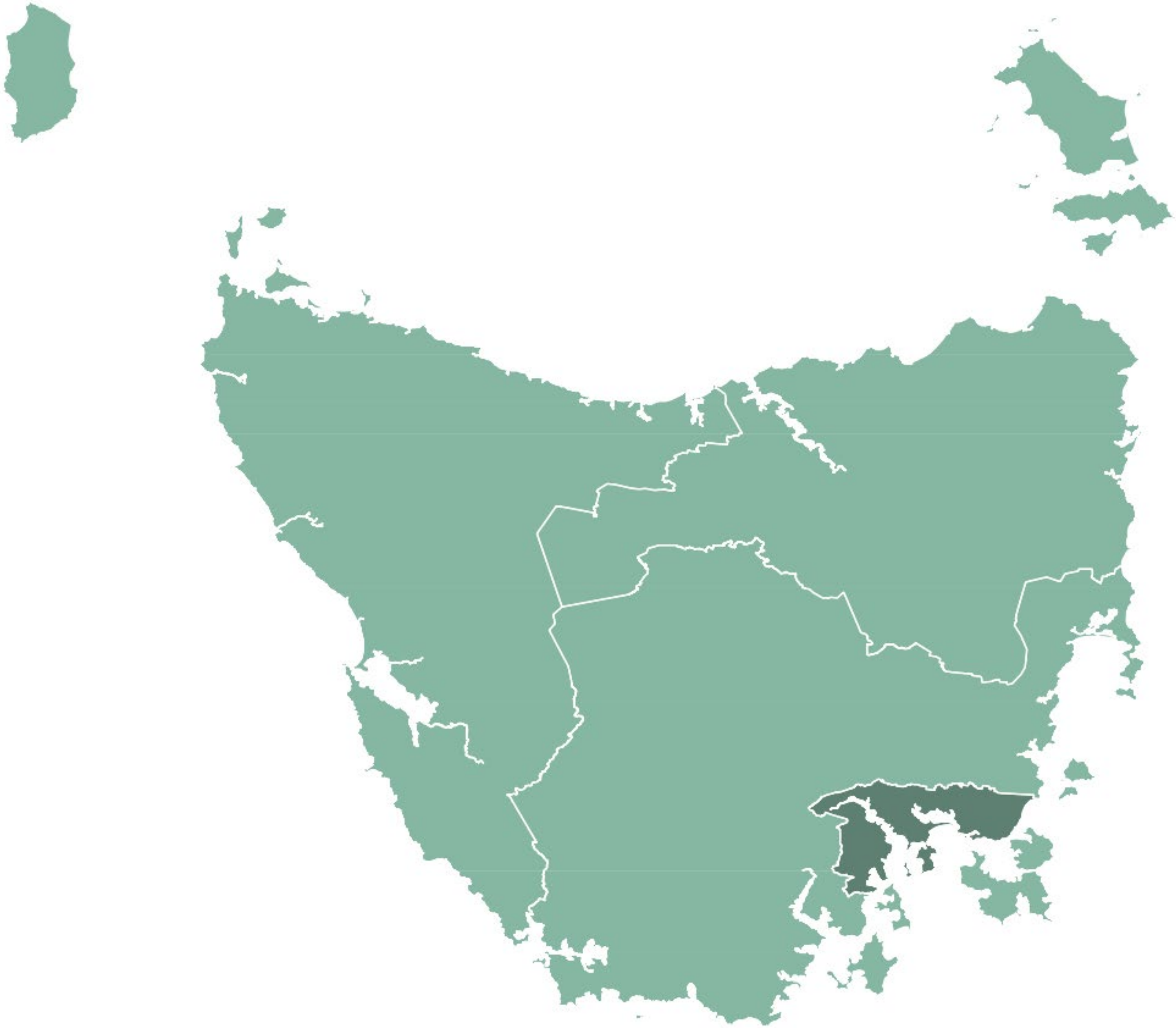
All areas of South Australia and Northern Territory experienced an improvement in unmet need, likely a result of relatively subdued housing markets between 2016 and 2021.

Darwin is the single exception, which experienced a deterioration in unmet need. There unmet need increased by 9% over this period. This is likely driven by the rapid rise in rental prices in the lead up to 2021 census.

SA & NT projected need

Market (SA4)	Projected need by 2041	Meeting need (annual growth)	
Adelaide - North	14,800	4.2%	700-800
Adelaide - South	10,300	4.4%	500-600
Adelaide - Central and Hills	8,000	5.4%	400-500
Adelaide - West	7,900	3.4%	300-400
Northern Territory - Outback	6,600	3.2%	300-400
Darwin	5,300	5.1%	200-300
South Australia - South East	5,100	4.7%	200-300
Barossa - Yorke - Mid North	2,600	4.7%	100-200
South Australia - Outback	2,000	2.1%	100-200

The required growth in social and affordable housing to address unmet need ranges from a modest 2.1% of stock in SA outback, to 5.4% in Adelaide-Central and Hills. In total dwellings terms, Adelaide-North has the largest growth requirement, needed between 700-800 dwellings per annum to meet the need.

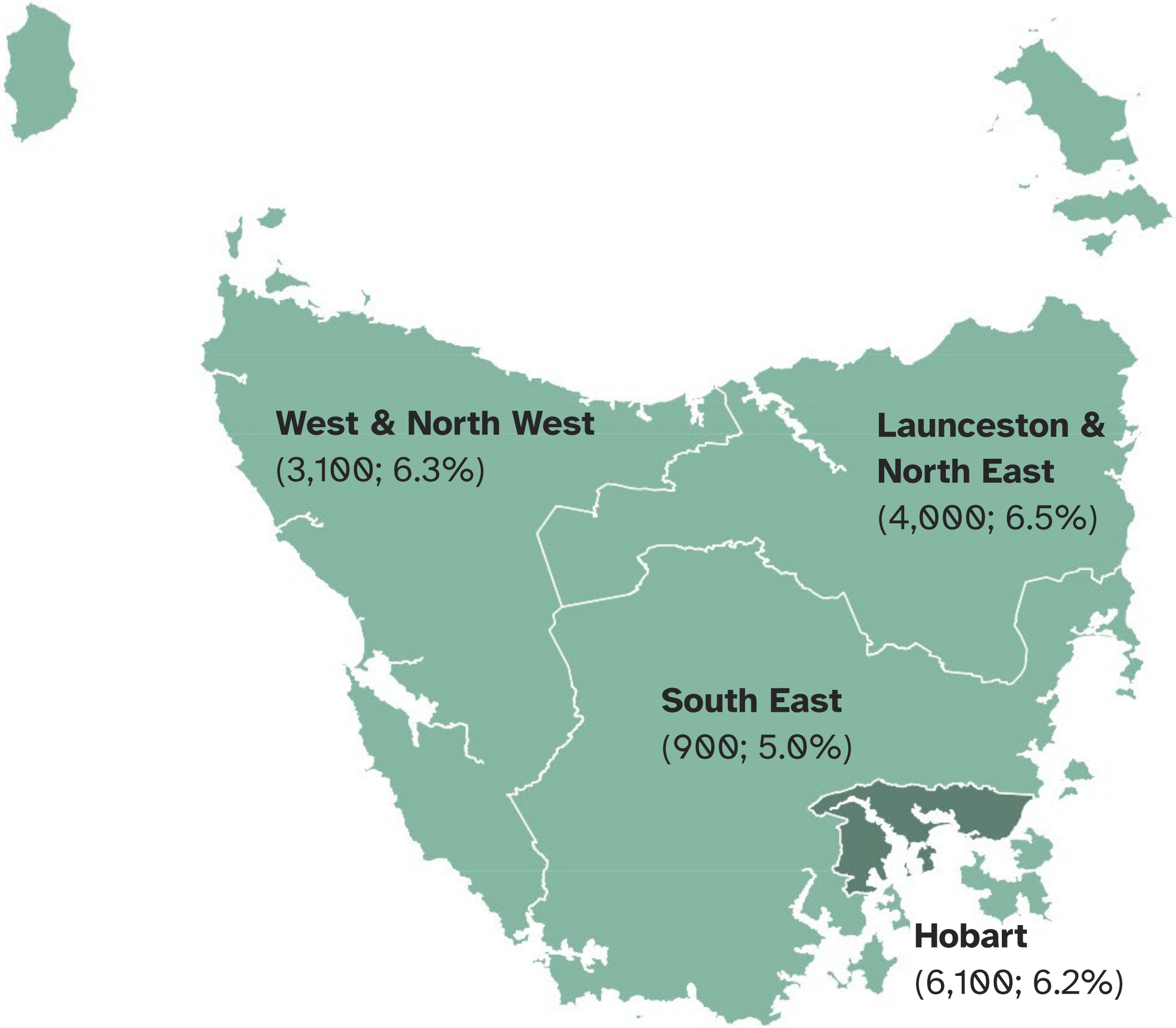


Tasmania

and

Greater Hobart

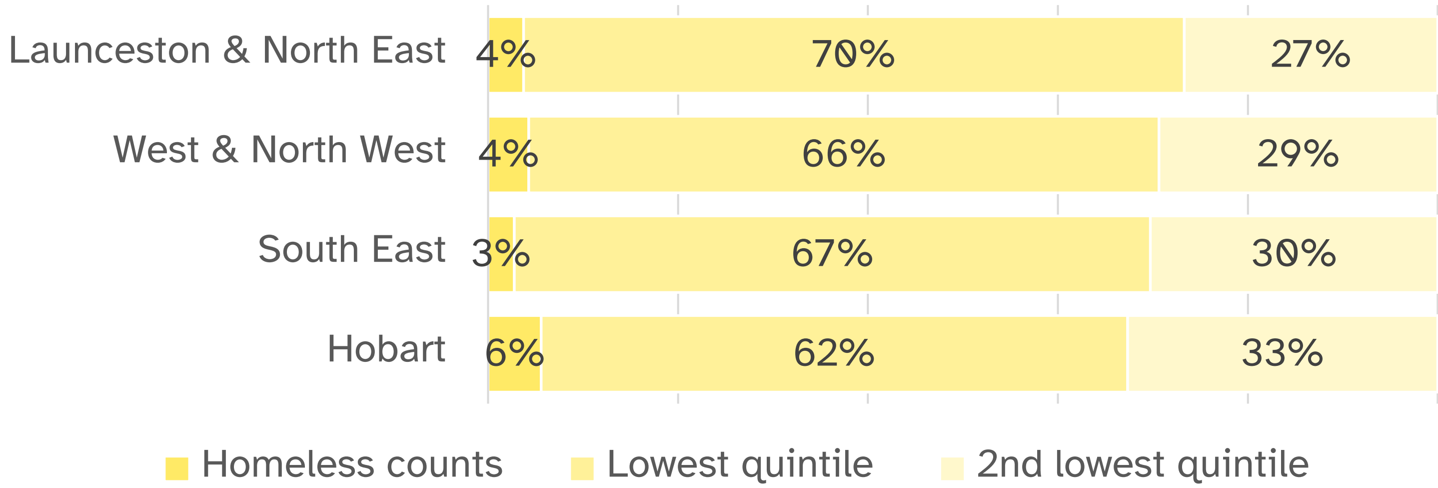
TAS unmet need

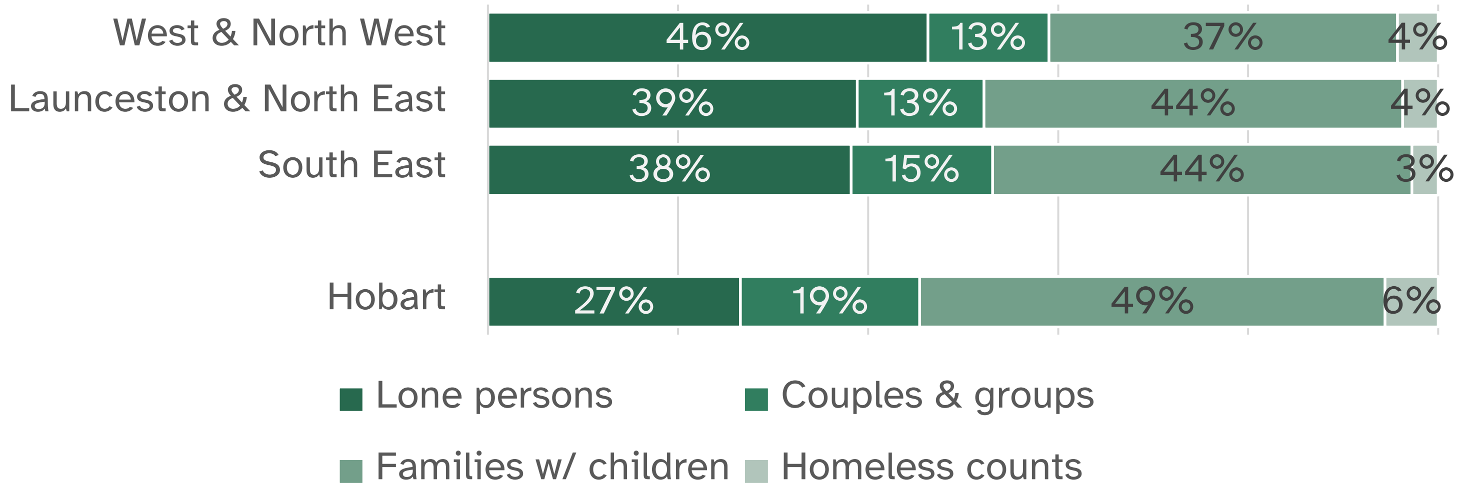


Hobart has relatively high unmet need compared with other cites, with 6.2% of households in need. Issues around short stay accommodation have been well documented, and likely impact on supply of affordable housing options.

The two northern regions of the state are also experiencing higher rates of need compared with the South East.

TAS unmet need source & composition



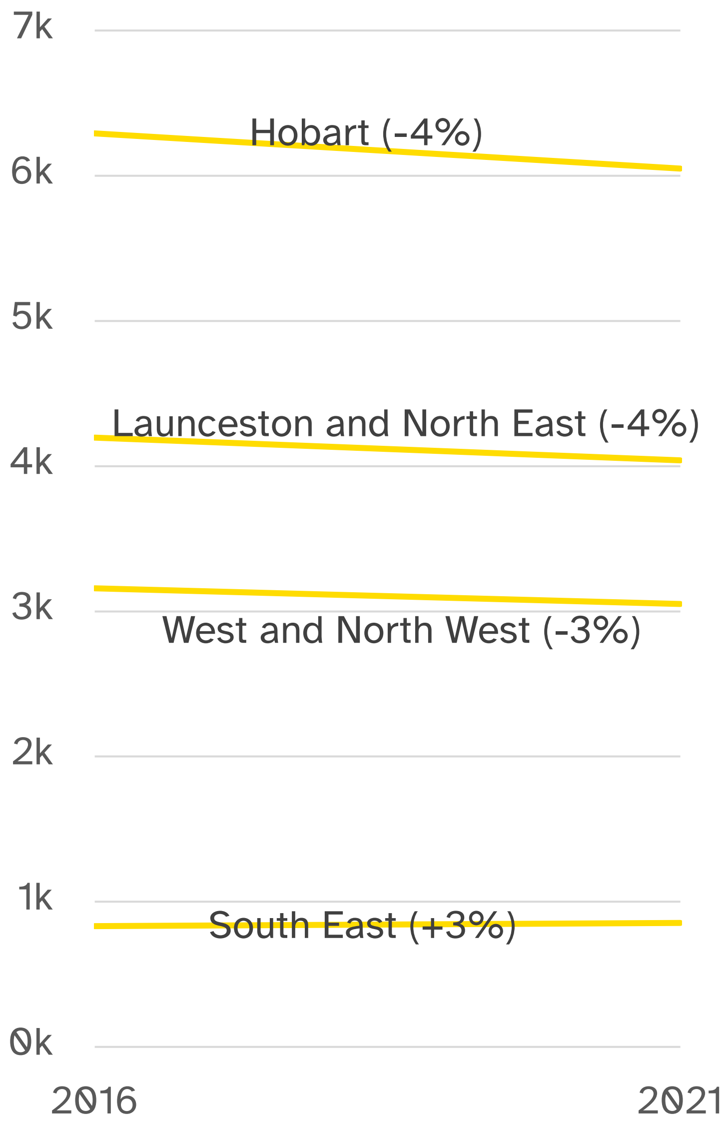


The source of unmet need is consistent across the state, with the lowest income quintile making up the largest share. This predominantly reflects the need for more social housing options.

In the West and North West, single person households are the main group in need. While across other regional areas family households with children make up 44% of unmet need.

In Hobart this figure for families with children rises to almost half of the need profile.

TAS change since 2016



On balance unmet need has improved across the state, including Hobart. However wider pressures from short stay accommodation may have had a displacement effect or suppressed household formation, artificially depressing demand.

This may also partially explain the rise in unmet demand in the adjacent South East region as those displaced from Hobart find housing further afield.

TAS projected need

Market (SA4)	Projected need by 2041	Meeting need (annual growth)	
Hobart	8,400	4.5%	400-500
Launceston and North East	4,100	4.4%	200-300
West and North West	3,100	3.5%	100-200
South East	900	8.5%	<100

South East would require the largest growth rate of social and affordable housing to meet need, however the total numbers remain fewer than 100 per year.

Hobart would require between 400-500 dwellings to be delivered per year to meet the unmet need to 2041.

Glossary

Household categories

Recognising that different households have different housing needs, the analysis separately presents need for:

- Lone persons (27% of all households)
- Couples and groups (31%)
- Families with children (43%)

Household quintiles

The analysis also separates need into the lowest and second lowest quintiles of households, by income. The quintile thresholds reflect the above household categories.

The weekly income thresholds for the lowest/second lowest quintiles of households by income is, approximately:

- $425/$600 for lone persons
- $875/$1,450 for couples and groups
- $1,475/$2,050 for families with children

Estimates

Despite describing direct counts of households from the census, there are some potential sources of imprecision:

- Income brackets: This analysis imputes a direct value for household income, and partially includes counts in income brackets straddling a quintile threshold.
- Low counts: census randomizes data in cross tabulations with low counts.
- Incomplete data: census data is often incomplete, with incomplete households split proportionally in this analysis.

Data is presented in rounded numbers to reflect this imprecision. Totals may not sum.

Statistical Area 4

The analysis is undertaken at 'SA4', a census geography that approximates labour markets and so, to some extent, housing markets. The populations range from 100k-500k with larger SA4s in metropolitan areas.

Household growth projections

Available ABS future household growth projections are have not been updated since 2019, and are only available, in a nationally consistent format, at capital/ regional scale for each state. See sources for link.

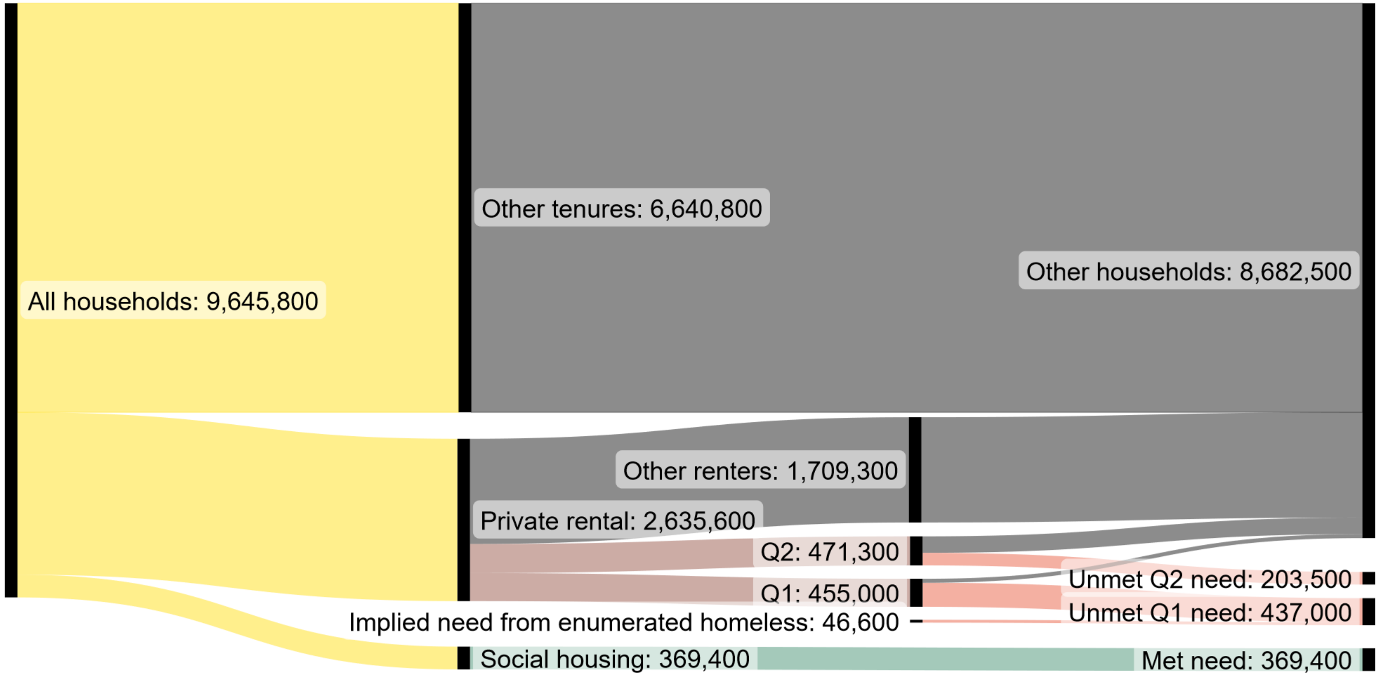
'Social housing to meet need'

Although not a panacea, a steady supply of non-market housing, including social and affordable housing, would make an important contribution to meeting the needs of these households.

The analysis indicates what a home-building program, of non-market housing, would look like if it were to meet the projected household need.

Meeting the needs of households over a twenty-year period would equate to 6.5% average annual growth in non-market housing nationally, but this rate varies by region.

Method



This analysis is derived from 2021 ABS Census data.[2] It draws on a combination of household composition, tenure (incl. landlord), household income, rental payments, and current study commitments of the household reference person.

Unmet housing need is based on counts of households: (a) in private rental; (b) on low incomes; and (c) paying more than 30% of their income on rent. Implied need from the most recent (2016) census homeless counts are added.

The method provides broad estimates. Despite being based on direct counts, adjustments for incomplete data and randomization of disaggregated data means the figures are only estimates. The method is less reliable at smaller counts, so all figures are rounded. Rounding may result in totals not summing.

Estimating housing need with census data has a longstanding precedent in Canadian 'core housing need'.[3] Initially developed for Australia by Judith Yates, the method was use to systematically quantify unmet need using 2016 census data.[4] This analysis has slightly adjusted the method from previously published estimates, particularly: (a) equilibrating quintiles between censuses (previously cut to census brackets) and (b) apportioning incomplete data (previously across multiple attributes; here only by tenure).

Notes

Step 0: All households includes non-classifiable, but excludes visitor only.

Step 1: Tenure splits allocate incomplete data proportionately.

Step 2: Quintile thresholds are calculated for each household type, with a proportional share of counts included for income brackets partly below the threshold. Households with a full-time student as the reference person allocated to 'other renters' irrespective of income.

Step 3: Rental stress counts households paying more than 30% of income on rent, using figures derived from reported rent and income brackets. Implied need from homelessness counts assumes 2.5 persons per dwelling, and is based on 2016 counts (the most recent available).

Data table

(all x1,000)	2021 households		2021 unmet need		Projected need (to 2041)		Total need (by 2041)		Metrics				2016 comparators		
	All house-holds	Social housing	Q1	Q2	Q1	Q2	Q1	Q2	Ave annual growth	% annual growth	% hhds unmet	% need met	Q1 unmet	Q2 unmet	All house-holds
Sydney	1,899.3	82.2	92.8	51.9	62.2	18.4	155.0	70.3	11.3	6.8%	7.6%	36.2%	78.3	52.0	1,704.6
Regional NSW	1,123.4	46.1	51.1	25.7	14.5	3.8	65.7	29.6	4.8	5.8%	6.8%	37.5%	55.0	25.0	1,034.2
Melbourne	1,845.3	44.0	77.7	32.1	53.3	14.1	131.0	46.2	8.9	8.4%	6.0%	28.6%	72.7	33.3	1,649.1
Regional Vic.	637.4	20.4	25.5	10.8	7.9	1.8	33.4	12.6	2.3	6.1%	5.7%	36.0%	27.7	9.6	568.4
Brisbane	943.6	31.0	48.4	22.7	31.4	9.0	79.8	31.7	5.6	7.9%	7.5%	30.4%	42.4	25.5	826.5
Regional Qld	1,007.8	34.5	53.6	27.9	22.6	7.2	76.2	35.0	5.6	7.5%	8.1%	29.7%	57.3	29.2	922.3
Perth	801.9	23.9	31.6	11.9	21.9	4.7	53.5	16.6	3.5	7.1%	5.4%	35.5%	29.9	16.1	725.3
Regional WA	200.0	14.3	7.8	2.5	4.7	<1.0	12.4	3.0	0.8	3.7%	5.2%	58.1%	8.6	2.9	190.3
Adelaide	549.7	31.4	22.1	8.0	9.5	1.4	31.6	9.4	2.1	4.3%	5.5%	51.1%	24.9	8.6	510.0
Regional SA	162.6	9.0	6.5	2.4	<1.0	<1.0	7.2	2.5	0.5	3.7%	5.5%	50.3%	7.4	2.1	153.4
Hobart	97.7	5.9	4.1	2.0	2.0	<1.0	6.1	2.4	0.4	4.6%	6.2%	49.2%	4.6	1.7	89.2
Regional Tas.	128.2	6.3	5.7	2.2	<1.0	<1.0	5.8	2.3	0.4	4.2%	6.2%	44.4%	6.2	2.0	117.5
Darwin	50.4	3.1	2.0	<1.0	2.1	<1.0	4.1	1.2	0.3	5.1%	5.8%	51.7%	1.6	1.1	47.3
Regional NT	25.2	7.4	5.1	<1.0	1.3	<1.0	6.4	<1.0	0.3	3.2%	21.0%	58.3%	5.1	<1.0	24.8
ACT	173.3	10.0	3.0	2.4	4.6	<1.0	7.6	3.2	0.5	3.7%	3.1%	64.9%	2.9	2.2	148.9
Australia	9,645.8	369.4	437.0	203.5	238.8	62.8	675.8	266.3	47.1	6.5%	6.6%	36.6%	424.5	211.7	8,711.8

Sources

1 – 3236.0 Household and Family Projections, Australia, 2016 to 2041, Australian Bureau of Statistics, Mar 2019
2 – 2021 Census TableBuilder, custom tables, Australian Bureau of Statistics, accessed Nov 2022
3 – Core housing need in Canada, Statistics Canada, Sep 2022; Core housing need data – by the numbers, Canada Mortgage and Housing Corporation, Aug 2019
4 – Social housing as infrastructure: an investment pathway, AHURI, Nov 2018; Filling the gap: costing a national affordable housing program, City Futures, Mar 2019