SGS Economics & Planning

national shelter

Beyond Bank Australia

10TH ANNIVERSARY

Rental Affordability Index

November 2024

SGS Economics and Planning, National Shelter, and Beyond Bank acknowledge the First Nations Peoples of Australia and on whose Country we live and work.

We acknowledge that the Aboriginal and Torres Strait Islander peoples of Australia are one of the oldest continuing living cultures on Earth, have one of the oldest continuing land tenure systems in the world, and have one of the oldest continuing land use planning and management systems in the world.

We pay our respects to the First Nations Peoples, past and present, and acknowledge their stewardship of Country over thousands of years.

SGS Economics and Planning Pty Ltd
ACN 007 437 729
www.sgsep.com.au

OFFICES IN CANBERRA, HOBART, MELBOURNE, AND SYDNEY ON THE COUNTRY OF THE NGAMBRI/ NGUNNAWAL/NGARIGO, MUWININA/PALAWA, WURUNDJERI, AND GADIGAL PEOPLES.

Contents

Marking ten years of tracking rental affordability

SGS Economics and Planning is proud to release the tenth edition of the Rental Affordability Index (RAI), marking a decade of tracking rental trends and challenges across Australia. Since the first RAI in 2015, rental affordability has declined in most cities, limiting where people can live and work and reshaping communities nationwide. Once affordable areas like South West Sydney and South East Melbourne are now increasingly out of reach for average rental households.

From 2014 to 2019, rental affordability gradually improved in some cities, including Sydney, with a notable boost during the COVID-19 pandemic. However, since 2021, this trend has sharply reversed. Today, unaffordable rental conditions extend beyond major cities, impacting regional and outer suburban areas where access to services like transportation, education, and healthcare is often limited. This decline in affordability, combined with rising living costs and inflation, is forcing many people to make difficult choices, often weighing the cost of housing against other essentials such as healthcare.

Marcus Spiller, SGS Principal and one of the original contributors to the Rental Affordability Index, highlights the Index's importance: "The RAI regularly shines a probing light on how private market renters, who now make up more nearly a third of all households, experience the housing market. It provides the evidence that, by itself, the private market cannot meet the needs of many Australians, including ordinary working households."

Saul Eslake, who played a key role in developing the RAI methodology, reflected, "The RAI has shed a much-needed spotlight on housing affordability for the roughly one-third, and growing, of Australian households who live in rented accommodation, a group traditionally overlooked in discussions about 'housing affordability', which typically focuses on affordability from the perspective of home buyers. Renters are typically less affluent than home-buyers, and so the RAI provides insights into the difficulties faced by this group, which would otherwise go unseen and unremarked."

This year's data confirms that the private rental market is failing to deliver the affordability many desperately need, especially those on low incomes. As wages struggle to keep pace with rents, the implications for productivity, public health, and economic resilience have become clear. Emma Greenhalgh, former CEO of National Shelter, reflects on this impact: "The Index provides clear evidence of the spatial implications of how housing costs shape our cities and regions, with impacts for staff attraction and retention, economic productivity, as well as health and wellbeing."

Ellen Witte, SGS Principal and lead author of the RAI, reflected on the past decade of analysis and said, "Over ten years, the RAI has shown us the power of data to shape the public debate. Renting households are most exposed to the housing crisis. Rental affordability is now recognised as a central issue in housing policy. The evidence is there—housing costs are profoundly impacting lives and communities. We must create a system that delivers improved housing affordability, and that is fair and equitable to both renters and homeowners."

Ultimately, the RAI makes clear that achieving real change requires sustained investment in social and affordable housing and policy innovations. Adrian Pisarki, the initial driving force behind the RAI, notes, "The RAI is the original and still the best rental data index, the only one comparing cost with incomes, providing a genuine assessment of affordability rather than just price movement."

The RAI continues to be a vital tool in advocating for policy solutions that prioritise the wellbeing of Australia's renters, driven by a strong call for reform. This work would not have been possible without the support of National Shelter, Beyond Bank, Brotherhood of St Laurence and other sponsors over the years. Addressing these challenges will also require broad collaboration and cooperation—everyone has a role to play.

01 Introduction

01 Introduction

1.1 Background and aim

National Shelter and SGS Economics and Planning have published the Rental Affordability Index (RAI) annually since 2015, marking a significant milestone with this tenth annual release. Over the past decade, the RAI has provided valuable insights into Australia's rental markets, helping to inform policy decisions and raise awareness about housing affordability.

Unfortunately, the situation has not improved; the housing crisis has deepened, with vulnerable Australians bearing the brunt of these challenges. The RAI is a price index for housing rental markets. It is a clear and concise indicator of rental affordability relative to household incomes, applied to fine-grain geographic areas across Australia.

This report was prepared for the 2024 RAI release and highlights changes in affordability from July 2023 to June 2024. During this period, inflation remained above the target range and household spending, particularly among renters, remained weak.

In this edition, we introduced a new measure, "critically unaffordable rents," to address the urgent challenges renters face in finding affordable housing. This change reflects the growing struggle many households experience, as housing costs far exceed their income. By including "critically unaffordable rents," we reveal the harsh reality of the crisis and the difficulties vulnerable people encounter in securing housing.

The report presents the rental affordability outcomes for ten Australian household types to illustrate the vulnerability to rental stress faced by many community groups.

1.2 Publication information

The RAI covers all states and territories with available data[1], tracking rental prices relative to income with a focus on the most vulnerable households.

This report provides indices for capital city and rest of state geographies; more detailed information is available at the postcode level where there is reliable data.

An interactive map of the RAI at the postcode level can be viewed at: sgsep.com.au/projects/rental-affordability-index.

This report presents the findings of the November 2024 release of the RAI. It provides an update of the November 2023 RAI report by analysing data from the four most recent available quarters (September and December 2023, and March and June 2024).

1.3 Acknowledgements

The project partners wish to thank the following government bodies for providing the data used in this report:

- Access Canberra, ACT Government
- Australian Bureau of Statistics (ABS)
- Department of Family and Community Services, NSW
- Department of Families, Fairness, and Housing, Victoria
- Department of Justice, Tasmania
- Government of Western Australia, Department of Communities, Western Australia
- Residential Tenancies Authority, Queensland.

[1]The Northern Territory does not form part of this release as rental bond data was not available.

1.4 Method

It is generally accepted that if housing costs exceed 30 per cent of a low-income[2] household's gross income, the household is experiencing housing stress (30/40 rule)[3]. That is, housing is unaffordable and housing costs consume a disproportionately high amount of household income.

The RAI uses the 30 per cent of income rule. Rental affordability is calculated using the following equation:

RAI = (Income/qualifying income[4])*100

Households paying 30 per cent of income on rent have a RAI score of 100, indicating these households are at the critical threshold level for housing stress.

When housing costs account for a significant portion of income, it will affect a household's ability to pay for other primary needs, including (but not limited to):

- Food
- Power and water
- Health services and medication
- Travel and transport
- Education
- Household goods (such as cars, washing machines, fridges, stoves, computers)
- Debt repayments.

Table 1 shows how RAI scores relate to the severity of housing unaffordability.

- Scores between 80 and 100 reflect unaffordable rents, with households paying between 30 and 38 per cent of their income on rent.
- An index score of 60 to 80 indicates severely unaffordable rents, with households paying 38 per cent or more of their income on rent.
- Extremely unaffordable rents occur when the index score is below 60, indicating that households spend 60 per cent of their income or more on rent payments alone.
- An index score of 40 or below indicates critically unaffordable rents, with households paying 75 per cent or more of their income on rent.

RAI scores above 100 mean households are paying less than 30 per cent of their income on rent, which is outside the threshold for housing stress. than 15 per cent of their income, which is considered affordable.

- Scores between 100 and 120 indicate a situation of moderate unaffordability, with rental households less likely to meet and pay off unexpected costs or bills easily. Young families with children in childcare may find it particularly difficult to make ends meet.
- RAI scores of 120 to 150 indicate that households would pay 20 to 25 per cent of their income on rent, which is considered acceptable.
- In areas with a score above 150, households seeking to rent would pay less than 15 per cent of their income, which is considered affordable.

Note that small discrepancies exist relative to previous RAI releases due to the inclusion of 2021 ABS Census data in this release.

[2]Lowest 40th percentile per cent of household income (typically within each household types)
[3]Australian Institute of Health and Welfare (2020) Housing Affordability. Available at: https://www.aihw.gov.au/reports/australias-welfare/housing-affordability
[4]Qualifying income refers to the income required to pay rent, where rent is 30 per cent of income (i.e., qualifying income = rent/0.3)

TABLE 1. RENTAL AFFORDABILITY INDEX AND SEVERITY OF RENTAL UNAFFORDABILITY

Index score	Share of income spent on rent	Relative unaffordability
<40	75% or more	Critically unaffordable rents
<50	60% or more	Extremely unaffordable rents
51-80	38-60%	Severely unaffordable rents
81-100	30-38%	Unaffordable rents
101-120	25-30%	Moderately unaffordable rents
121-150	20-25%	Acceptable rents
151-200	15% or less	Affordable rents
>200		Very Affordable rents

Source: SGS Economics and Planning, 2024

INCOME

The RAI uses the total household income of renting households, which is varied by region (capital cities and the rest of state). This combines the total personal weekly incomes of each resident present in a household.

Household incomes are estimated using ABS census data (2011, 2016, and 2021) combined with the average weekly earnings[5] (a measure of personal weekly income), which is used to index weekly household incomes for intercensal quarters and post-2021. Intercensal quarters are interpolated using a geometric average. If data for the most recent quarter is unavailable, income is assumed to grow at the average quarterly growth rate of preceding quarters.

MEDIAN RENTS

The RAI is calculated using the median rental price of dwellings for which bonds were lodged in a region for a given quarter. Rental data is obtained at the postcode level using bond lodgement data from the following bodies:

- Department of Family and Community Services, NSW
- Department of Health, Victoria
- Department of Justice, Tasmania
- Government of Western Australia, Department of Communities
- Residential Tenancies Authority, Queensland
- Rental Bonds, Access Canberra, ACT Government.

Note: While rental data is collected at the postcode level to capture variation within local rental markets, income data is only available at the GCCSA level. As a result, income variations within each capital city and rest of state area are not captured.

SMALL AREA ANALYSIS

To demonstrate rental affordability for different income groups and household types, small area level analysis is undertaken for different household income ranges and dwelling sizes. Incomes range from $5,000 to $200,000 (in $5,000 increments), and dwelling sizes range from 1 to 5 bedrooms as well as all dwellings regardless of the number of bedrooms.

HOUSEHOLD PROFILES

Ten typical household types have been developed to illustrate the rental situation for vulnerable groups. These are summarised in the table below.

[5]ABS Average Weekly Earnings, Australia, 2022

The interactive online RAI map allows users to select income and bedroom combinations to examine rental affordability for different household types based on these profiles (see link under 'publication information' above).

To calculate RAI scores for each household type at a regional level (i.e., each capital city and rest of state area), incomes are adjusted to reflect variation in earnings by location using ABS Census data (2011, 2016, and 2021). The reference list for inputs and assumptions used for these household types is in Appendix 2 of this report.

STATE-SPECIFIC METHODOLOGICAL CONSIDERATIONS

The RAI has been developed as stand-alone evidence for each state. While inter-state comparisons of indices have been made, these should be interpreted with caution as rental data differs across geographic areas. The above-described method has been adjusted slightly for each state based on available data. The appendix includes an overview of state-specific considerations.

TABLE 2. LOW TO MODERATE INCOME AUSTRALIAN HOUSEHOLD TYPES, 2024[6]

Household type	Indicative gross annual income	Indicative dwelling size
Single pensioner	$39,400	1 bdr
Pensioner couple	$62,600	2 bdr
Single person on Jobseeker	$24,700	1 bdr
Single part-time worker parent on benefits	$41,600	2 bdr
Single full-time working parent	$109,500	2 bdr
Single income couple with children	$109,500	3 bdr
Dual income couple with children	$219,100	3 bdr
Student sharehouse	$99,300	3 bdr
Minimum wage couple	$91,800	2 bdr
Hospitality worker	$65,800	1 bdr

Source: Compiled by SGS Economics and Planning, 2024.
Note: See Appendix 2 for a full list of sources used.
Note: The analysis in Section 2 and the interactive map both include spatial variation in incomes.

[6]During the 2019-20 year, Coronavirus supplement payments were established for the Single person on Newstart, Students on Austudy, and Single part-time worker parent on benefits households. As supplement payments were established in March and April of 2020, the Q2 2020 RAI scores are calculated based on an annualised transformation of this income (i.e., the annualised income is greater than that household would have earned over a year in reality, but it is their effective income for that quarter). Other households to receive support during COVID-19 have been in one-off payments rather than an ongoing amount, and one-off payments are excluded from calculations.

02 Household snapshots

02 Household snapshots

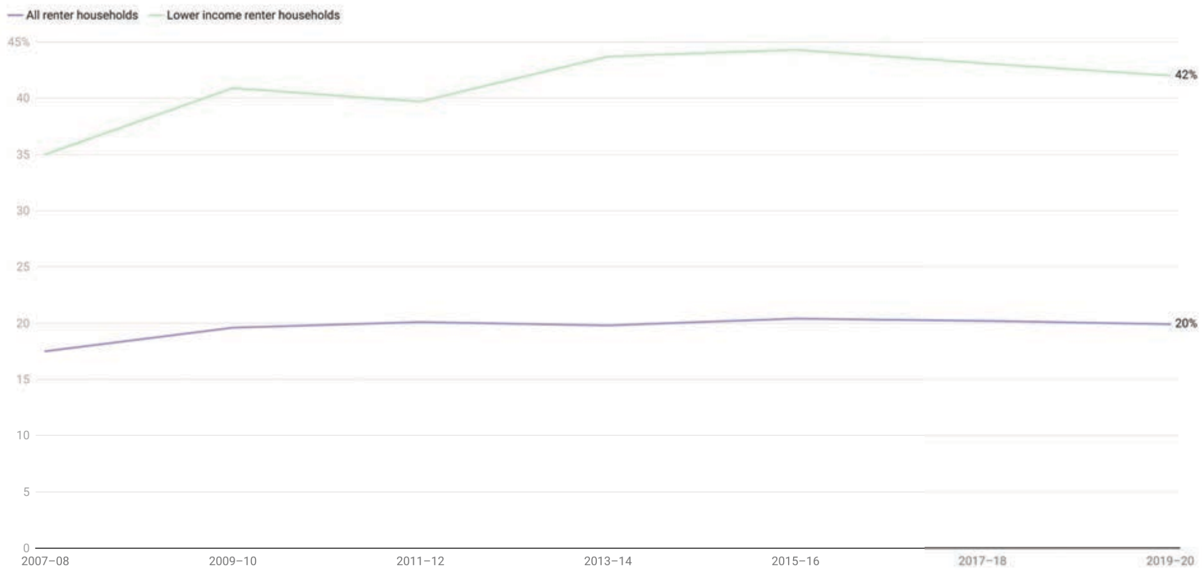
2.1 Introduction

The RAI profiles ten different low to moderate income household types to demonstrate the rental situation for different income groups, age demographics and household compositions in Australia.

The report also continues to highlight the poor rental affordability for single people on JobSeeker payments, even during the period during which payments were increased by the COVID-19 supplement. This issue has generally not improved over time, with some capital cities becoming significantly less affordable as rising rents continually outpaced the Jobseeker allowance.

Low-income households are particularly at risk. In 2019-20, 42 per cent of all low-income households were in rental stress (paying more than 30 per cent of income on housing costs), compared to 35 per cent in 2008. This rises to 58 per cent when considering only the private rental market[7].

FIGURE 1. PROPORTION OF HOUSEHOLDS IN RENTAL STRESS (AUS)



Source: ABS Housing Occupancy and Costs, 2019-20

[7]Australian Bureau of Statistics. Housing Occupancy and Costs 2019-20. [Table 1; Table 5; Table 13].

The selected households range from those dependent on income support to dual-income key worker couples. The ten households are:

- Single person on JobSeeker
- Single pensioner
- Pensioner couple
- Single part-time worker parent on benefits
- Single working parent
- Single income couple with children
- Dual income couple with children
- Student sharehouse
- Minimum wage couple
- Hospitality worker.

Affordability has been reported for each household type based on gross household incomes estimated for a particular household based on location.

It must be noted that the household types, their typical income level, and dwelling size are indicative. They are not representative of all vulnerable and/or lower-income household types.

It is also important to note that the RAI only considers the cost of rent against income. Many of these households have additional (and considerable) financial pressures placed upon them, including the costs of utilities (e.g., energy and water), locational and travel costs, childcare costs (this is especially true for single working parents and dual income couple parents), and other day-to-day living costs.

The rising cost of living has been an acute issue for many Australian households over the past year, with essential goods such as petrol, utilities and grocery costs increasing. This release of the Rental Affordability Index includes the four quarters since mid-2023, subject to 3.8% annual inflation.

Higher interest rates used to combat inflation have compounded the impact on renters, as the cost of development slows new supply, and would-be homebuyers enter the rental market instead.

Landlords will also try to pass on their increased costs to tenants and, given the currently low vacancy rates, often possess the market power to do so.

METHODOLOGICAL CONSIDERATIONS

Income support levels are based on the Australian Government Department of Human Services payment rates as of August 2024. Total household income estimates are based on gross income, including Commonwealth Rent Assistance. As the RAI considers the private rental market, the eligibility of very low-income households to access discounted rents has not been factored into this analysis.

Full-time worker incomes were based on ABS Employee Earnings and Hours data[8], adjusted by 2021 ABS Census data to reflect variation in earnings by region (i.e., metropolitan or rest of state area). An average Australian full-time secondary teacher income was used as the typical key worker income, and a full-time hospitality worker income was used for the hospitality worker profile.

Note: Analysis by household type for Western Australia (WA) should be interpreted carefully, as rental data is not available by dwelling type (by number of bedrooms).

A reference list for the assumptions used for these household profiles can be found in Appendix 2.

[8]ABS Employee Earnings and Hours, Australia, Table 13

Single person on JobSeeker Payment

$24,723[9] p.a., 1 bedroom

Severely Unaffordable to Extremely Unaffordable rents across all metropolitan and regional areas.

The single person on JobSeeker is 22 years old or older with no children and seeks to rent a one-bedroom dwelling. This person is unemployed, with assets below the threshold required to receive income support in the form of a Jobseeker payment and rent assistance. They receive no additional income. The estimated gross annual income for this household is $24,723.

[9]A full list of assumed household incomes by region can be found in the RAI dashboard: https://sgsep.com.au/projects/rental-affordability-index

In 2024, there was an increase to the base rate of the JobSeeker payment and an increase to Commonwealth Rent Assistance. The annual income of recipients increased from $22,108 in 2023 to 24,723 in 2024, an increase of 11.8%. Despite this increase, the median rental rate of a one-bedroom dwelling equals or exceeds the entire annual income of this household across all capital cities, except Adelaide and Hobart.

Rents are Extremely to Critically Unaffordable in all metropolitan and regional areas, as shown in Table 3. These RAI scores indicate that median rents represent between 49 and 137 per cent of the total income available to this cohort. While, by definition, 50 per cent of rentals are available at a lower rate than the median, there is no matching mechanism to ensure that they are made available to lower income households (beyond self-selection through characteristics such as poor dwelling quality).

Greater Sydney and Greater Perth are the most unaffordable capital cities, with RAI scores of 22 and 23, respectively (Critically Unaffordable). This household, solely reliant on JobSeeker payments and rental assistance, would require an income almost five times the current level to move into the Acceptable affordability band.

TABLE 3. RAI FOR SINGLE PERSON ON JOBSEEKER

	RAI score	**Rent as a share of income**	**Relative Unaffordability**
Greater Sydney	22	137%	Critically unaffordable
Rest of NSW	44	69%	Extremely unaffordable
Greater Melbourne	30	99%	Critically unaffordable
Rest of VIC	51	59%	Extremely unaffordable
Greater Brisbane	28	107%	Critically unaffordable
Rest of QLD	32	93%	Critically unaffordable
Greater Adelaide	39	76%	Critically unaffordable
Rest of SA	61	49%	Severely Unaffordable
Greater Perth*	23	133%	Critically unaffordable
Rest of WA*	25	121%	Critically unaffordable
Greater Hobart	43	71%	Extremely unaffordable
Rest of TAS	52	58%	Extremely unaffordable
ACT	30	101%	Critically unaffordable

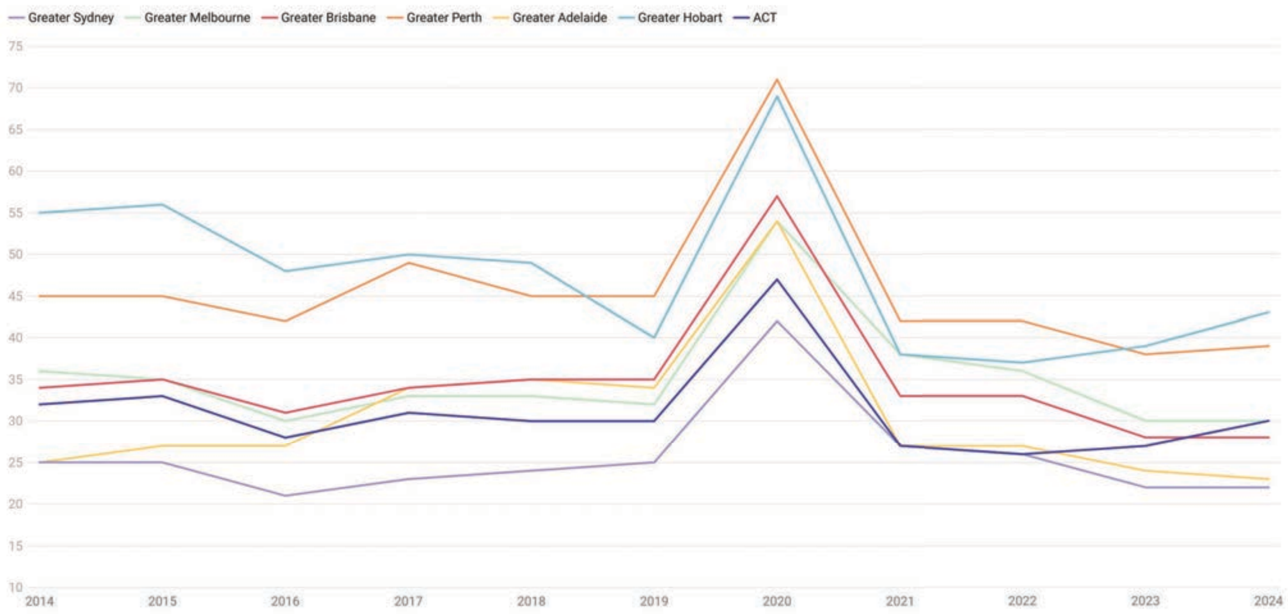
Source: SGS Economics and Planning, 2024
*RAI has been calculated using median rents for all dwelling types rather than one bedroom due to data unavailability

Rental stress pushes single persons on Jobseeker to the outer fringes of cities, away from many employment opportunities. Regional areas offer scarce alternatives for the single person on benefits, where rents for this household remain Extremely to Critically Unaffordable.

Figure 2 presents a time series of affordability for a person on JobSeeker in capital cities over the past nine years. The temporarily increased JobSeeker payments in 2020 alleviated rental stress dramatically for this group. However, once the Coronavirus Supplement ceased, almost all capital cities reverted to their prior level of (un)affordability. For this cohort, certain capital cities have returned to levels of unaffordability not seen since well before the pandemic, such as Sydney, where the city has reached its lowest RAI score since 2016. Perth has reached its worst affordability score for this cohort since 2013, while Brisbane and Adelaide their lowest since the first edition of the RAI was released.

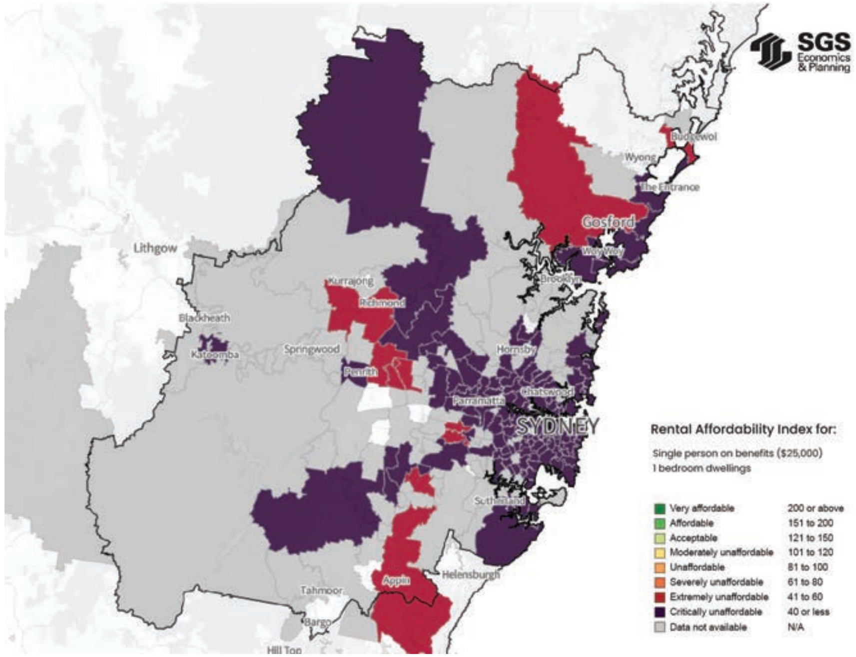
Over the longer term, all cities have been Extremely Unaffordable, with Sydney being the worst and changing little between 2011 – 2019 and returning to pre-covid levels of affordability in 2023.

FIGURE 2. RAI SCORES FOR A PERSON ON JOBSEEKER PAYMENTS, CAPITAL CITIES, 2014 - 2024



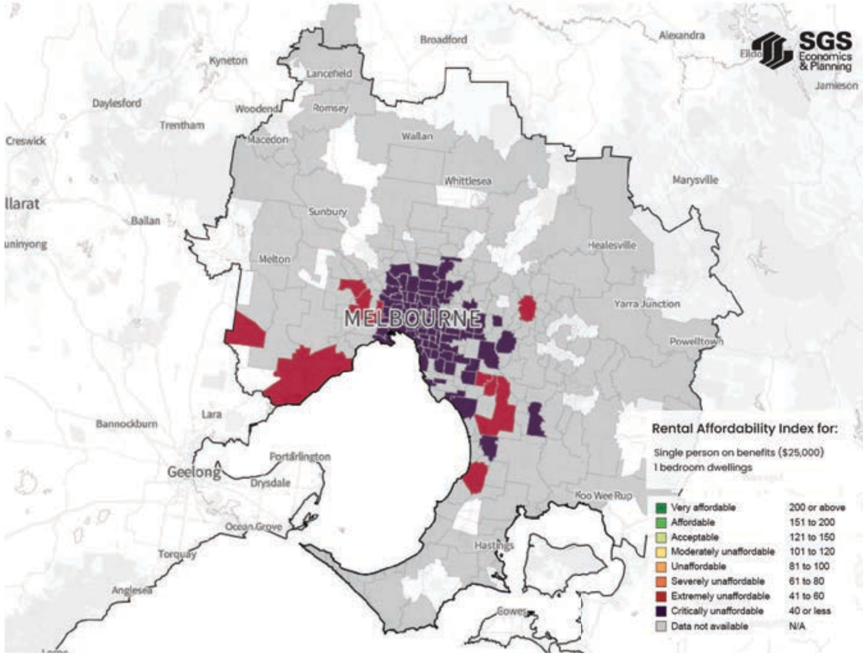
Source: SGS Economics and Planning, 2024

FIGURE 3. AFFORDABILITY FOR SINGLE PERSON ON JOBSEEKER PAYMENT RENTING IN GREATER SYDNEY, JUNE QUARTER, 2024



Source: SGS Economics and Planning, 2024

FIGURE 4. AFFORDABILITY FOR SINGLE PERSON ON JOBSEEKER PAYMENT RENTING IN GREATER MELBOURNE, JUNE QUARTER, 2024



Source: SGS Economics and Planning, 2024

Single pensioner

$39,429[10] p.a., 1 bedroom

Critically Unaffordable to Severely Unaffordable in metropolitan areas and Extremely Unaffordable to Unaffordable in regional areas.

The single pensioner household is 65 years or older and seeks to rent a one-bedroom dwelling. Retired and/or no longer active in the workforce, this person lives on the age pension for older Australians with income or assets below the threshold required to receive the pension (with consideration for super, investments and earnings). Assumed to have no additional income from paid work, the single pensioner receives an estimated gross annual income of $39,429.

[10]A full list of assumed household incomes by region can be found in the RAI dashboard: https://sgsep.com.au/projects/rental-affordability-index

Annual income for pensioners has increased by $2,738 since the last release, representing a nominal annual increase of 7.5 per cent.

Across the nation, single pensioner households face Unaffordable to Critically Unaffordable rents. For the most part, living in metropolitan areas (where one-bedroom dwellings are most numerous) would require 50 per cent or more of the pensioner's income to be spent on rent, with only Greater Adelaide and Greater Hobart marginally below this threshold.

Housing pressures are likely to be compounded by healthcare costs associated with ageing. The need for walkable access to transport, local shops, and services may also limit this household's ability to choose an appropriate location to live.

For single pensioners, Greater Sydney and Greater Perth are the least affordable capital cities to rent in, with RAI scores of 35 and 36, respectively—both are classified as Extremely Unaffordable. Renting a one-bedroom dwelling at the median rate in these cities would require over three quarters of total income, leaving little for other essential living expenses and discretionary spending.

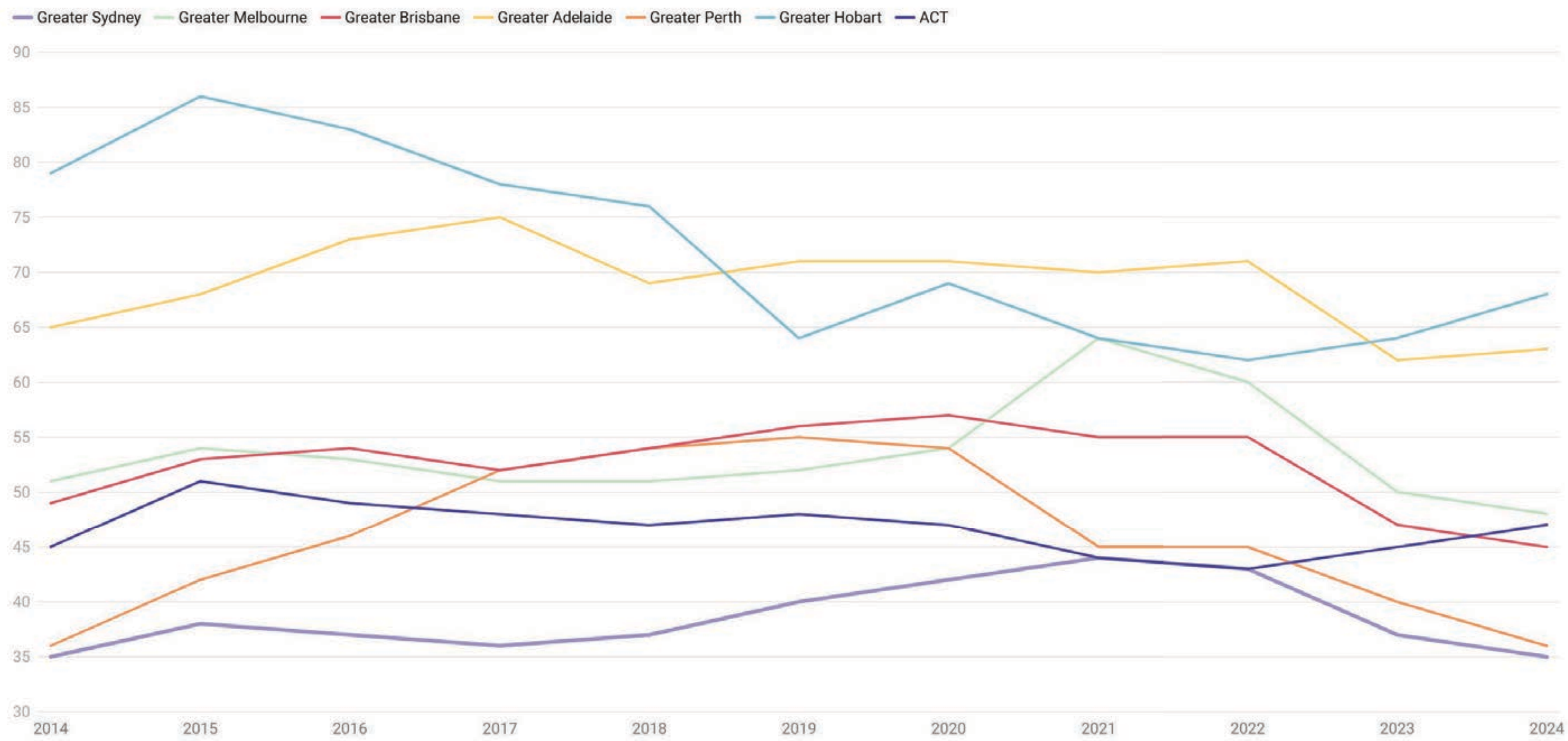
Figure 7 and Figure 8 show the spatial impact of declining affordability in Sydney and Melbourne. Almost all suburbs are now considered Severely Unaffordable or Extremely Unaffordable. The most affordable areas (albeit still severely unaffordable) are furthest from services key to this cohort (e.g., high levels of public transport service, healthcare).

TABLE 4. RAI FOR SINGLE PENSIONER HOUSEHOLD

	RAI score	Rent as a share of income	Relative Unaffordability
Greater Sydney	35	86%	Critically unaffordable
Rest of NSW	70	43%	Severely Unaffordable
Greater Melbourne	48	62%	Extremely unaffordable
Rest of VIC	81	37%	Unaffordable
Greater Brisbane	45	67%	Extremely unaffordable
Rest of QLD	52	58%	Extremely unaffordable
Greater Adelaide	63	48%	Severely Unaffordable
Rest of SA	98	31%	Unaffordable
Greater Perth*	36	83%	Critically unaffordable
Rest of WA*	40	76%	Critically unaffordable
Greater Hobart	68	44%	Severely Unaffordable
Rest of TAS	83	36%	Unaffordable
ACT	47	63%	Extremely Unaffordable

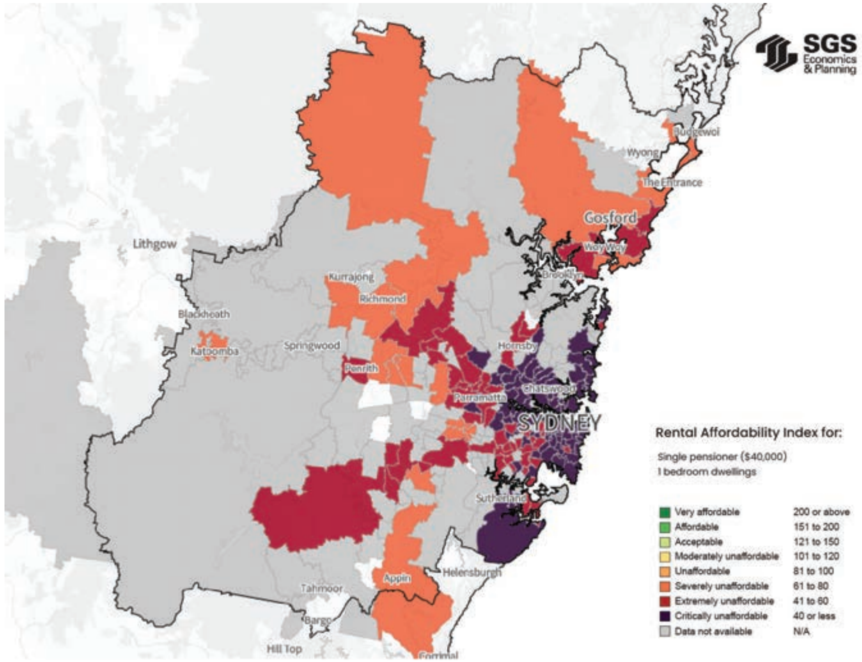
Source: SGS Economics and Planning, 2024
*RAI has been calculated using median rents for all dwelling types rather than one bedroom due to data unavailability

FIGURE 5. RAI SCORES FOR A SINGLE PENSIONER, CAPITAL CITIES, 2014 – 2024



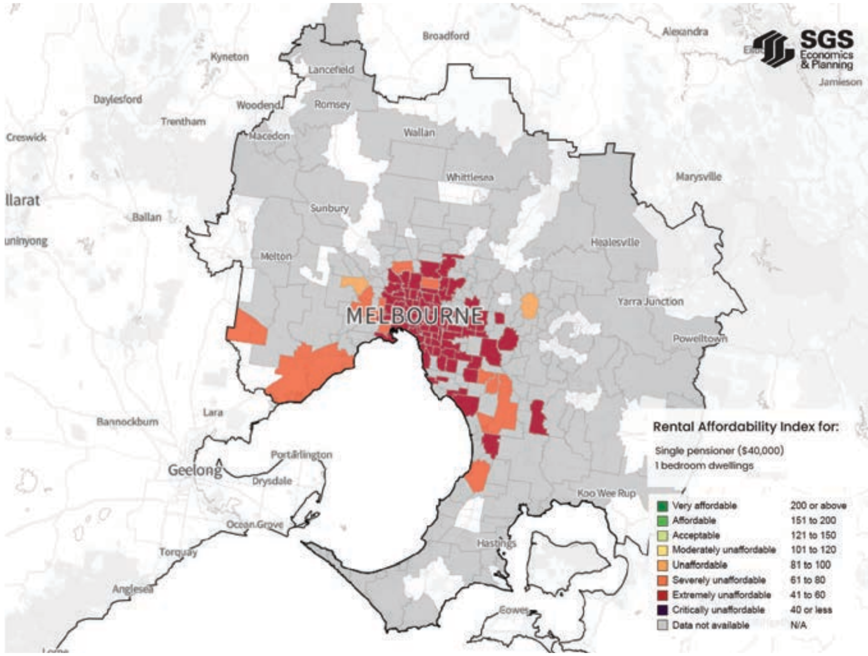
Source: SGS Economics and Planning, 2024

FIGURE 6. AFFORDABILITY FOR SINGLE PENSIONER RENTING IN GREATER SYDNEY, JUNE QUARTER 2024



Source: SGS Economics and Planning, 2024

FIGURE 7. AFFORDABILITY FOR SINGLE PENSIONER RENTING IN GREATER MELBOURNE, JUNE QUARTER 2024



Source: SGS Economics and Planning, 2024

Pensioner couple

$62,639[11] p.a., 2 bedrooms

Extremely Unaffordable to Severely Unaffordable in metropolitan areas and Severely Unaffordable to Acceptable in regional areas.

The pensioner couple household is comprised of a couple 65 years or older seeking to rent a two-bedroom dwelling. One member of the household is assumed to still be active in casual or part-time employment, earning $372 per fortnight. This additional income combined with the household's pensioner payment totals an estimated gross annual income of $62,639.

[11]A full list of assumed household incomes by region can be found in the RAI dashboard: https://sgsep.com.au/projects/rental-affordability-index

The pensioner couple's annual income has increased by $4,503 since the last release, representing a nominal increase of 7.7%. While this profile assumes that one household member retains part-time or casual employment, a pensioner couple solely dependent on a pensioner payment would face a more difficult situation.

While faring better than the single pensioner household, the couple pensioner household generally faces Severely Unaffordable rents in metropolitan areas. Regional South Australia is the only location with Acceptable rents, while other regional areas across Australia have Unaffordable to Severely Unaffordable rents.

Most areas within a 10-kilometre radius of the Sydney CBD are Extremely Unaffordable to pensioner couples, who would need to pay over 50 per cent of their total income if renting at the median rate. The spatial pattern of affordability has changed little in the past year.

Figure 9 and Figure 10 show the coverage of Extremely Unaffordable areas across both Melbourne and Sydney.

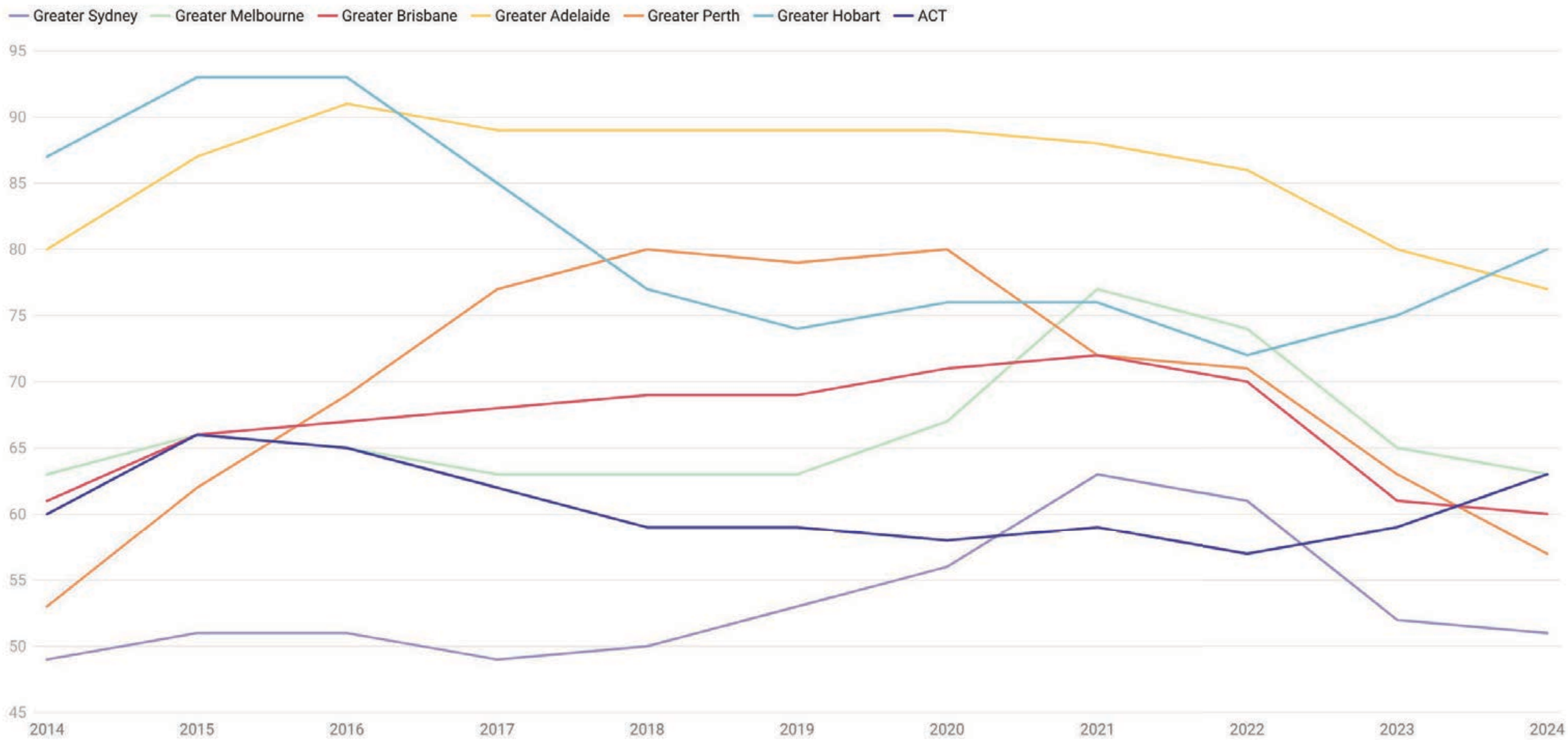
Several other costs, including health care associated with ageing, may add to their financial pressure. The need for walkable access to transport, local shops, and services may also limit this household's ability to choose an appropriate location to live.

TABLE 5. RAI FOR PENSIONER COUPLE HOUSEHOLD

	RAI score	Rent as a share of income	Relative Unaffordability
Greater Sydney	51	59%	Extremely Unaffordable
Rest of NSW	80	37%	Severely Unaffordable
Greater Melbourne	63	48%	Severely Unaffordable
Rest of VIC	98	31%	Unaffordable
Greater Brisbane	60	50%	Severely Unaffordable
Rest of QLD	65	46%	Severely Unaffordable
Greater Adelaide	77	39%	Severely Unaffordable
Rest of SA	120	25%	Acceptable
Greater Perth*	57	52%	Extremely Unaffordable
Rest of WA*	63	48%	Severely Unaffordable
Greater Hobart	80	37%	Severely Unaffordable
Rest of TAS	98	31%	Unaffordable
ACT	63	48%	Severely Unaffordable

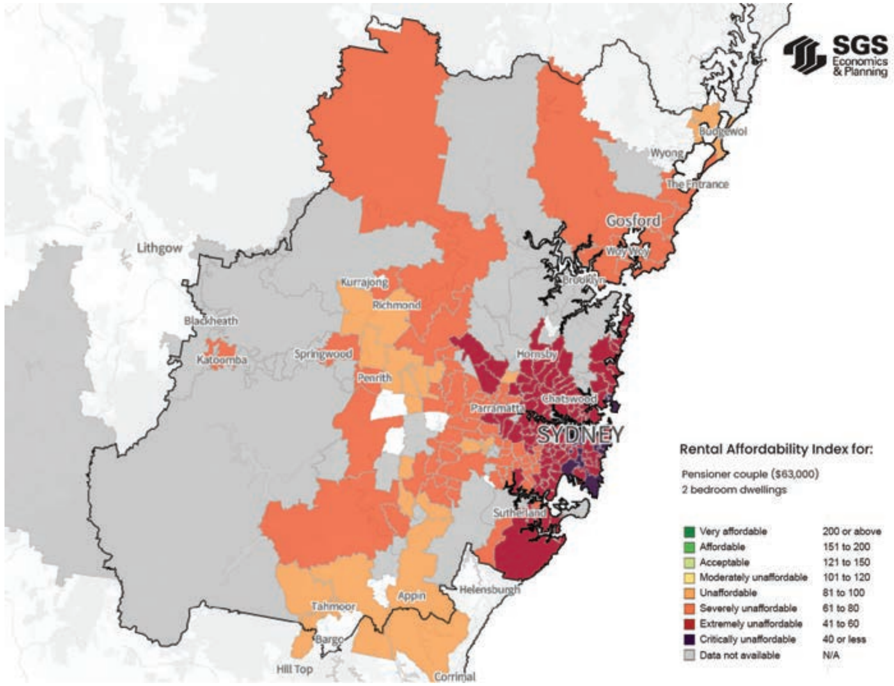
Source: SGS Economics and Planning, 2024
*RAI has been calculated using median rents for all dwelling types rather than one bedroom due to data unavailability

FIGURE 8. RAI SCORE FOR PENSIONER COUPLES, CAPITAL CITIES, 2014-2024



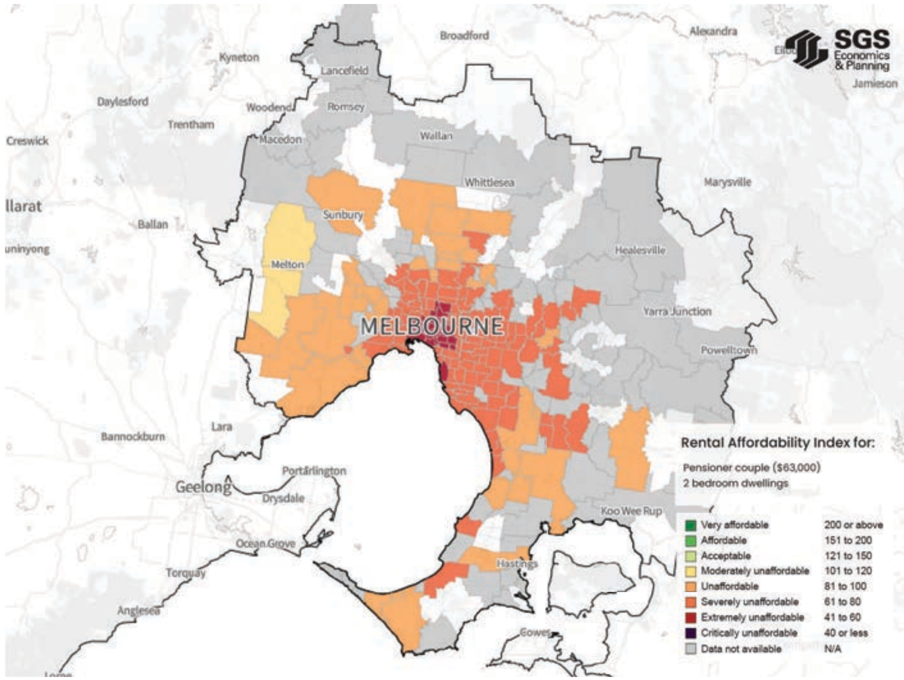
Source: SGS Economics and Planning, 2024

FIGURE 9. GREATER SYDNEY JUNE QUARTER, 2024



Source: SGS Economics and Planning, 2024

FIGURE 10. GREATER MELBOURNE JUNE QUARTER, 2024



Source: SGS Economics and Planning, 2024

Single part-time worker parent on benefits

$46,015[12] p.a., 2 bedrooms

Critically Unaffordable to Severely Unaffordable in metropolitan areas and Extremely Unaffordable to Severely Unaffordable in regional areas.

The single parent household consists of a parent and one child under five who is seeking to rent a two-bedroom rental dwelling. This household receives income support in the form of a parenting payment, supplemented by casual or part-time paid employment. It has an estimated gross annual income of $46,015.

[12]A full list of assumed household incomes by region can be found in the RAI dashboard: https://sgsep.com.au/projects/rental-affordability-index

Income for this cohort has increased by $1,200 since 2024, representing a nominal 2.7 per cent increase year-on-year. This is less than the increase in headline inflation through the year (up 3.8 per cent), so real incomes for this cohort decreased in 2024.

Over the past year, affordability for this household type has deteriorated in all capital cities, following a trend that has persisted since the Coronavirus supplement provided in 2020 was withdrawn. Rents are Severely to Critically Unaffordable across all metropolitan and regional areas.

The single part-time worker parent on benefits faces Critically Unaffordable rents in Greater Sydney, paying 89 per cent of their income on rent if they enter an agreement at the median rental rate. Greater Perth follow this as the second least affordable location for this household, where the median rental rate would require paying 79 per cent of income.

In Greater Melbourne, these households also face Extremely Unaffordable rents, paying 72 per cent of their income if renting at the median rate. This represents a grim situation that continues to deteriorate (in 2021, they would have paid 48 per cent of their income). Single part-time worker parent households also face Extremely Unaffordable rents in the metropolitan areas of Adelaide, Perth, and Hobart. Soaring cost-of-living pressures will have affected this household type in multiple ways, given their additional needs across childcare, healthcare, and transport. Figure 12 shows how affordability in both Sydney and Melbourne has deteriorated over the last year.

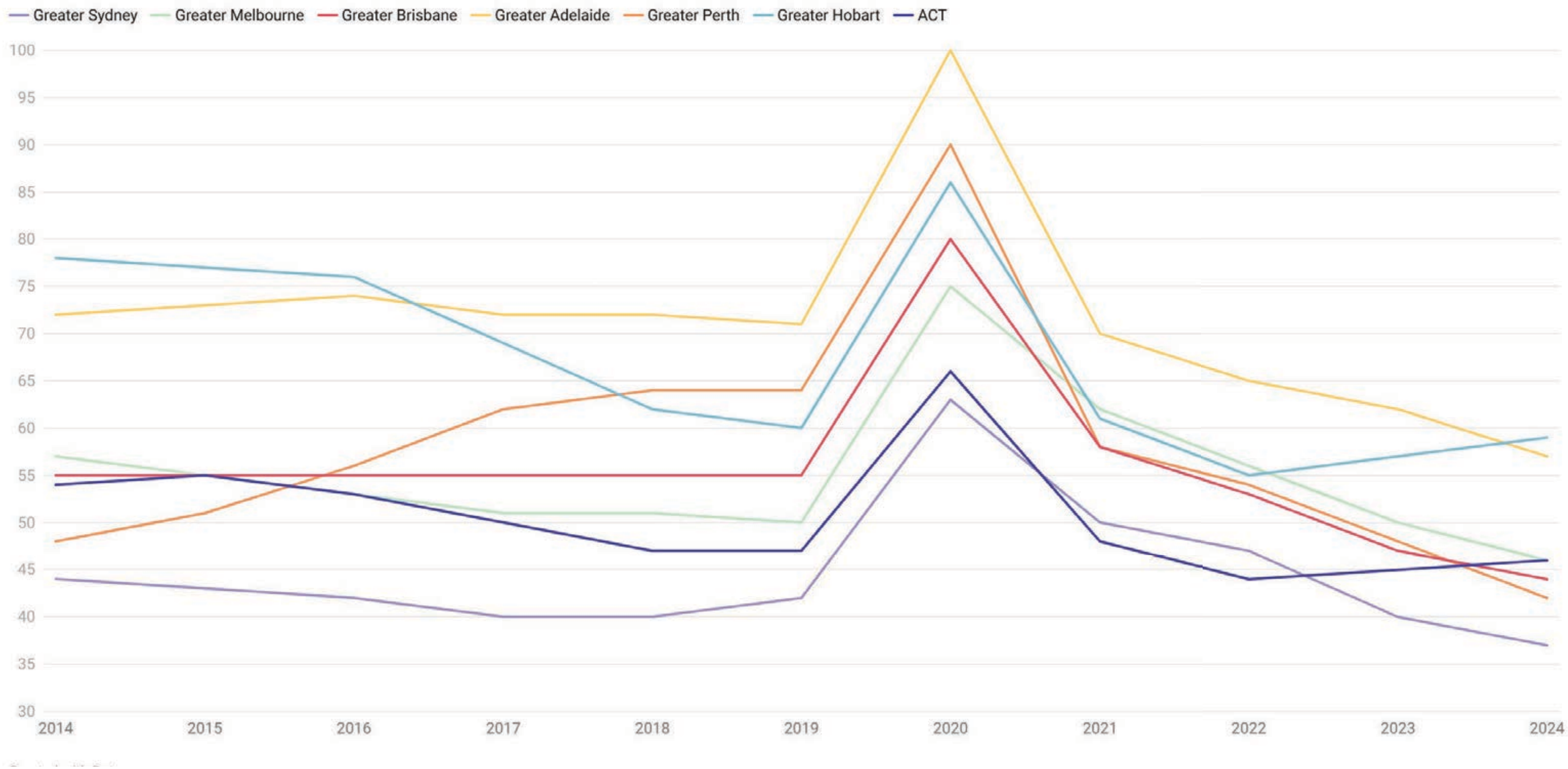
The proportion of each city considered extremely unaffordable has expanded significantly, with the most affordable areas (albeit still severely unaffordable) being pushed further from central job and school hubs.

TABLE 6. RAI FOR SINGLE PART-TIME WORKER PARENT ON BENEFITS HOUSEHOLD

	RAI score	Rent as a share of income	Relative Unaffordability
Greater Sydney	34	89%	Critically Unaffordable
Rest of NSW	53	56%	Extremely Unaffordable
Greater Melbourne	42	72%	Extremely Unaffordable
Rest of VIC	65	46%	Severely Unaffordable
Greater Brisbane	40	76%	Critically Unaffordable
Rest of QLD	43	70%	Extremely Unaffordable
Greater Adelaide	51	59%	Extremely Unaffordable
Rest of SA	80	38%	Severely Unaffordable
Greater Perth*	38	79%	Critically Unaffordable
Rest of WA*	42	72%	Extremely Unaffordable
Greater Hobart	53	56%	Extremely Unaffordable
Rest of TAS	65	46%	Severely Unaffordable
ACT	46	65%	Extremely Unaffordable

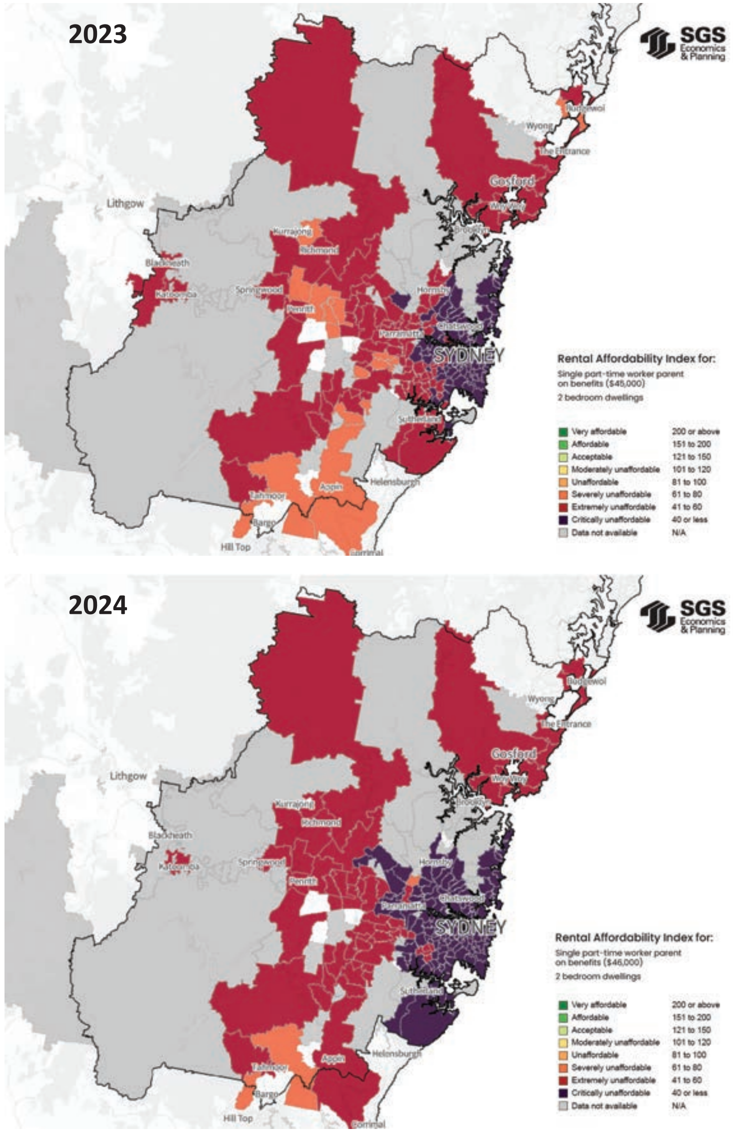
Source: SGS Economics and Planning, 2024
*RAI has been calculated using median rents for all dwelling types rather than one bedroom due to data unavailability

FIGURE 11. RAI SCORE FOR SINGLE PART TIME WORKER PARENTS ON BENEFITS, CAPITAL CITIES, 2014-2024



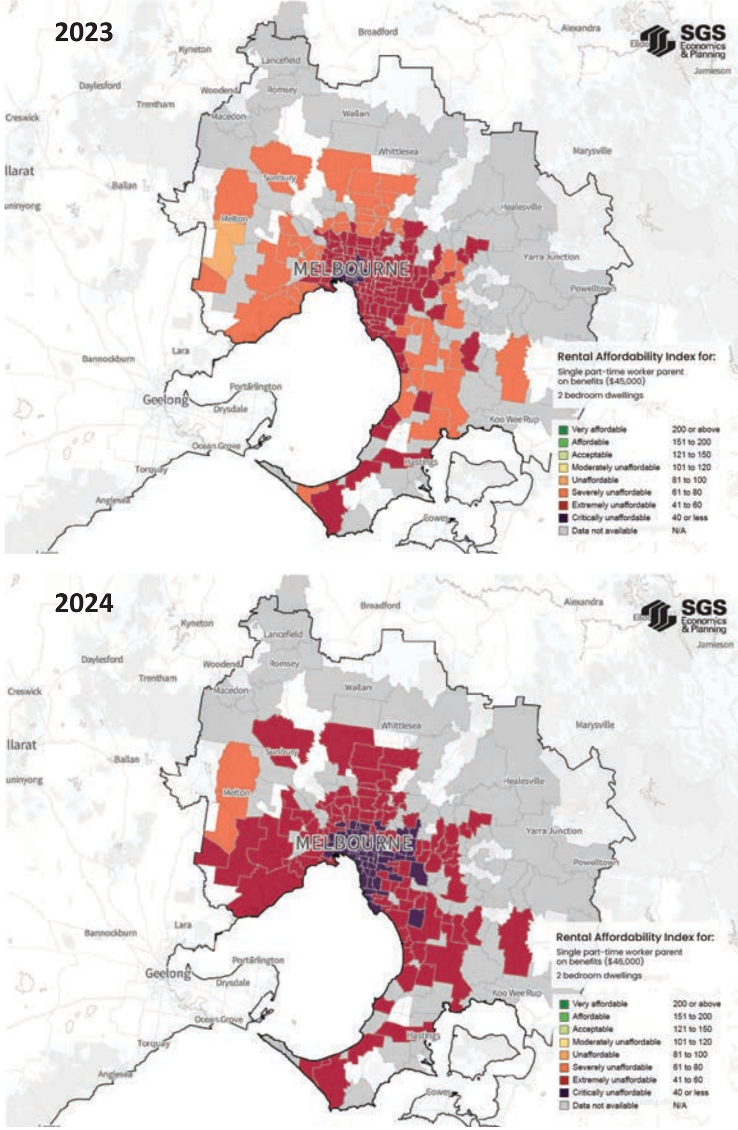
Source: SGS Economics and Planning, 2024

FIGURE 12. AFFORDABILITY FOR SINGLE PART-TIME WORKER PARENT RENTING IN GREATER SYDNEY, JUNE QUARTER, 2023 AND 2024



Source: SGS Economics and Planning, 2024

FIGURE 13. AFFORDABILITY FOR SINGLE PART-TIME WORKER PARENT RENTING IN GREATER MELBOURNE, JUNE QUARTER, 2023 AND 2024



Source: SGS Economics and Planning, 2024

Single full-time working parent

$109,548[13] p.a., 2 bedrooms

Moderately Unaffordable to Affordable in metropolitan and regional areas.

The key worker single parent household consists of a single parent and child under five, seeking to rent a two-bedroom dwelling. As a full-time teacher, the key worker parent earns an estimated $109,548[14] per annum.

[13]A full list of assumed household incomes by region can be found in the RAI dashboard: https://sgsep.com.au/projects/rental-affordability-index

[14]For city-specific RAI scores, this has been adjusted to reflect differences in earning across geographic locations in Australia.

The income and dwelling requirements of the single full-time working parent household fall in the Unaffordable to Acceptable range for most regions. Metropolitan areas tend to be most unaffordable, with Greater Adelaide and Greater Hobart being the only cities where rents are Acceptable.

Regional areas are generally more affordable, particularly in South Australia, where these households will only spend 15 per cent of their income on rent if they were to enter a new rental agreement at the median rate. This household's income has increased by $4,553, or 4.3 per cent, over the past year.

While Greater Perth was the only region to have fallen an affordability bracket (moving from Moderately Unaffordable to Unaffordable), all metropolitan and regional areas declined over the past year.

The trend of improving affordability seen in Melbourne and Sydney between 2017 and 2021 has reversed, and the gains completely eroded. Both cities are now at their least affordable point since 2011 (i.e., the extent of RAI data). This historic low point is also true of Brisbane, Adelaide, and Perth.

Figure 15 and Figure 16 show the spatial distribution of affordability in Sydney and Melbourne. In either city, there are no Affordable suburbs in inner city areas, and more and more suburbs becoming Unaffordable, especially in Melbourne.

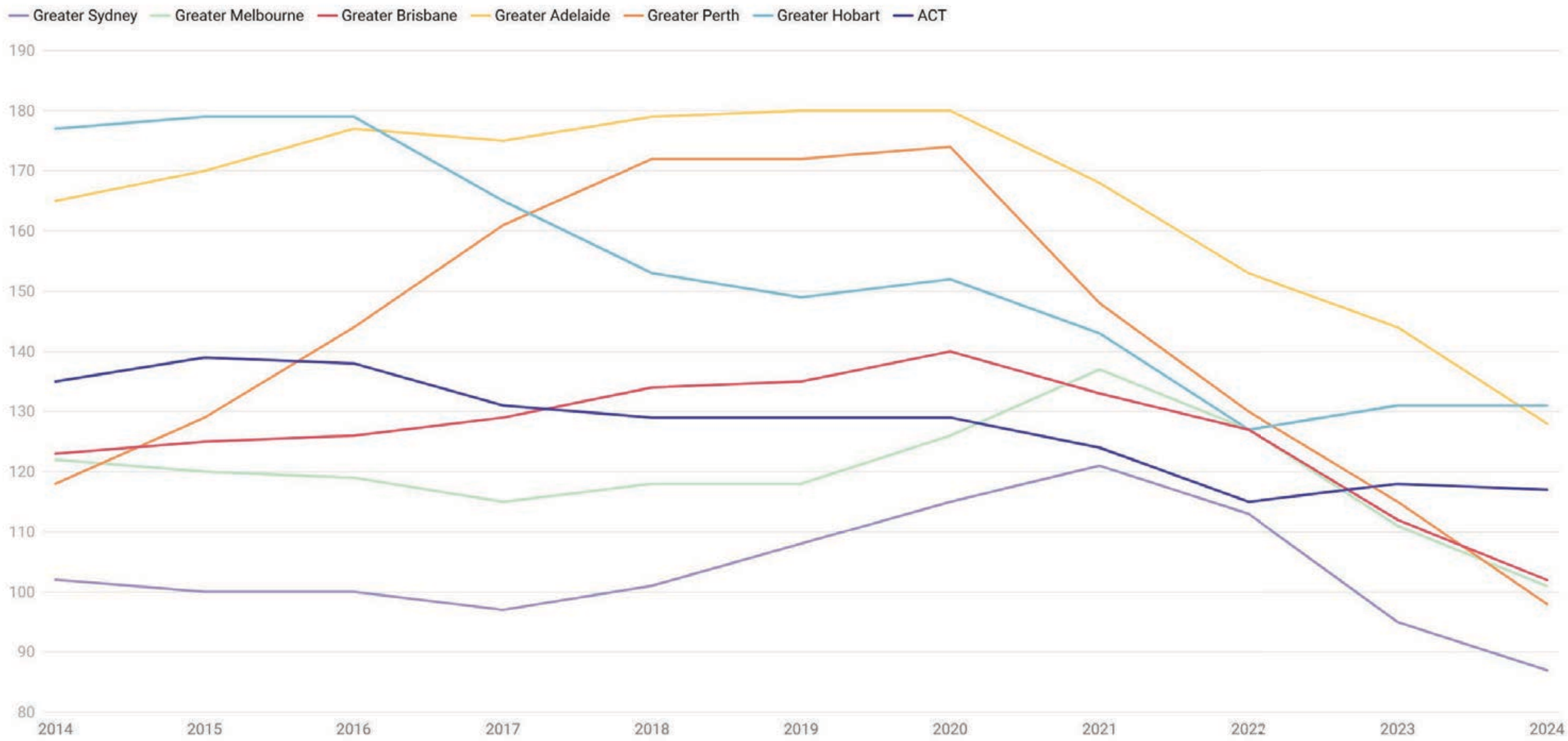
The nature of being a sole carer likely means that a considerable proportion of earnings go towards childcare and after-school care costs for this household, placing additional demands on its income. This situation compounds the recently rising financial pressures on primary needs such as power, transport, and education.

TABLE 7. RAI FOR SINGLE FULL-TIME WORKING PARENT

	RAI score	Rent as a share of income	Relative Unaffordability
Greater Sydney	87	35%	Unaffordable
Rest of NSW	138	22%	Acceptable
Greater Melbourne	101	30%	Unaffordable
Rest of VIC	157	19%	Affordable
Greater Brisbane	102	30%	Unaffordable
Rest of QLD	110	27%	Moderately Unaffordable
Greater Adelaide	128	23%	Acceptable
Rest of SA	201	15%	Very Affordable
Greater Perth*	98	31%	Unaffordable
Rest of WA*	109	28%	Moderately Unaffordable
Greater Hobart	131	23%	Acceptable
Rest of TAS	159	19%	Affordable
ACT	117	26%	Moderately Unaffordable

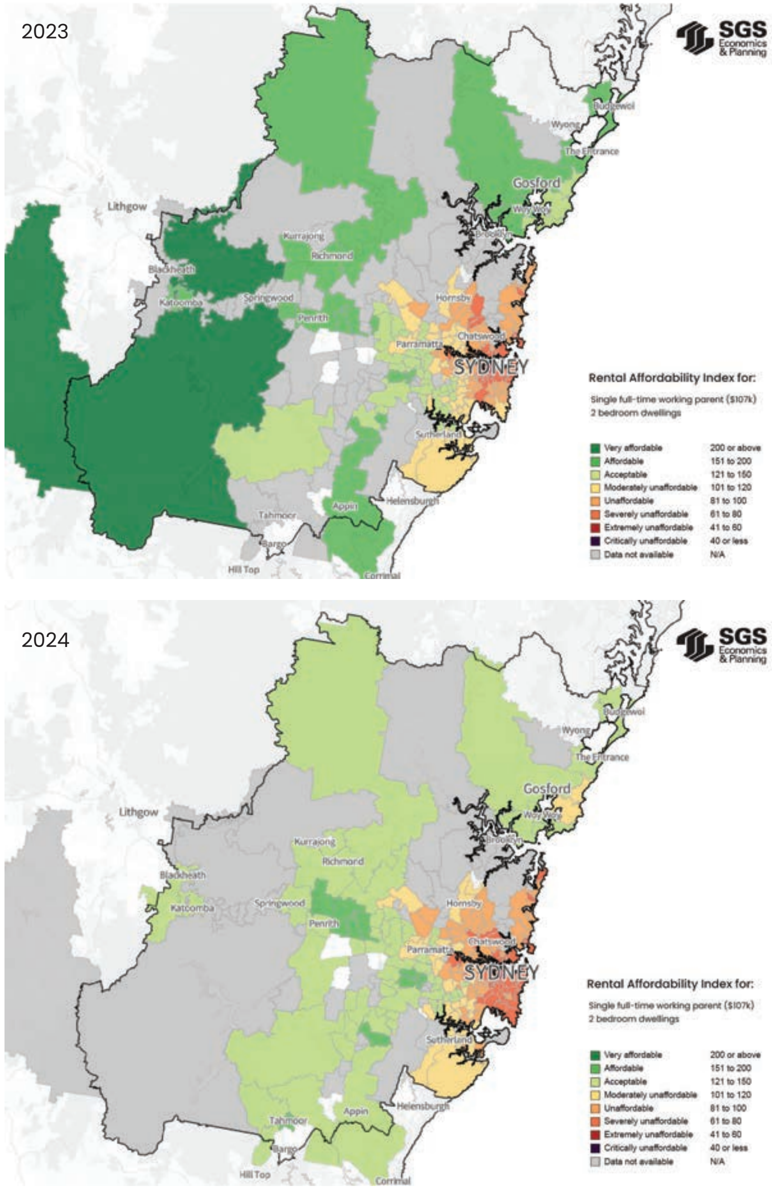
Source: SGS Economics and Planning, 2024
*RAI has been calculated using median rents for all dwelling types rather than one bedroom due to data unavailability

FIGURE 14. RAI SCORES FOR SINGLE FULL-TIME WORKING PARENT, CAPITAL CITIES, 2014 - 2024



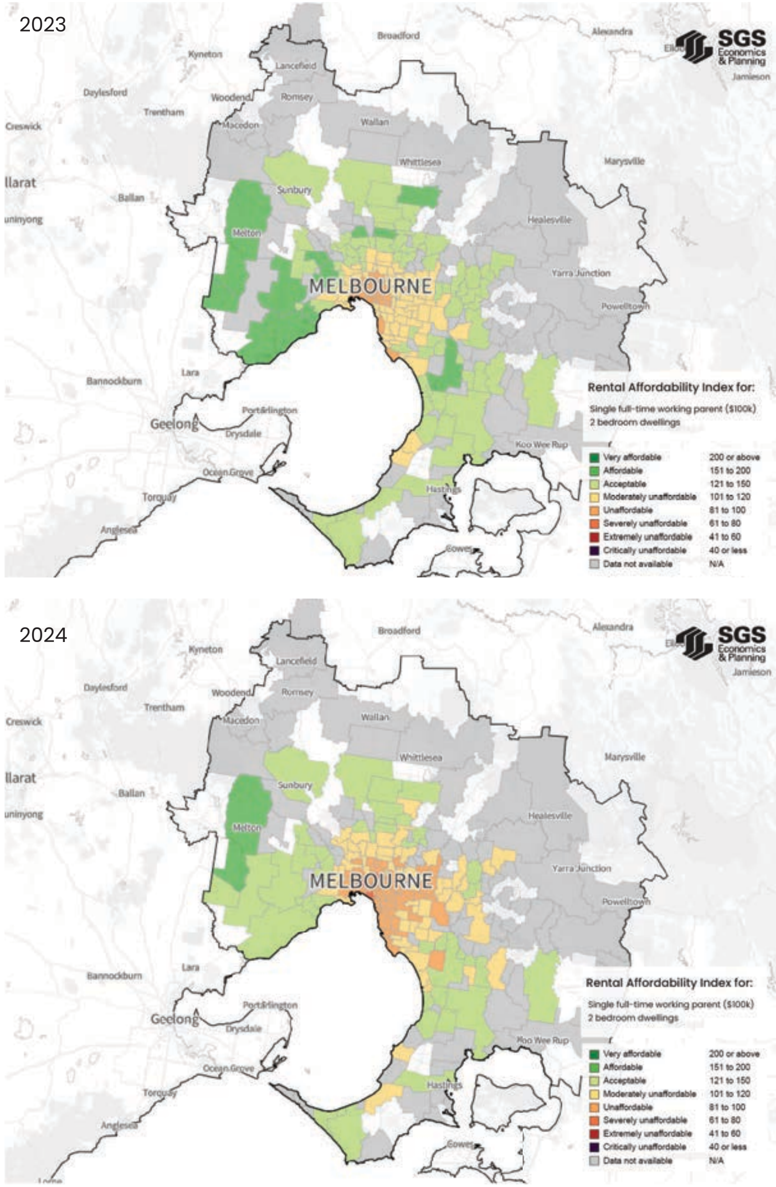
Source: SGS Economics and Planning, 2024

FIGURE 15. AFFORDABILITY FOR SINGLE FULL-TIME WORKING PARENT RENTING IN GREATER SYDNEY, JUNE QUARTER, 2023 AND 2024



Source: SGS Economics and Planning, 2024

FIGURE 16. AFFORDABILITY FOR SINGLE FULL-TIME WORKING PARENT RENTING IN GREATER MELBOURNE, JUNE QUARTER, 2023 AND 2024



Source: SGS Economics and Planning, 2024

Single income couple with children

$109,548[15] p.a., 3 bedrooms

Moderately Unaffordable to Acceptable rents in most metropolitan and most regional areas[16].

The single income couple with children consists of one key worker, one stay-at-home parent, and two children, one under five. This household seeks to live in a three-bedroom rental dwelling. This household lives on a single key worker income of $109,548[17] per annum.

[15]A full list of assumed household incomes by region can be found in the RAI dashboard: https://sgsep.com.au/projects/rental-affordability-index
[16]Note that RAI scores appear more affordable than for single full-time working parents, despite single income couples with children requiring larger dwellings (3 bedrooms). This is due to the spatial distribution of dwelling forms, as 2 bedroom dwellings are more heavily represented (compared to 3 bedroom dwellings) in the inner regions of cities, and therefore have a higher median rent
[17]For city-specific RAI scores, this has been adjusted to reflect differences in earning across geographic locations in Australia.

This household faces Unaffordable to Moderately Unaffordable rents across metropolitan areas. Greater Sydney is the least affordable region, with inner parts of the city ranging from Severely Unaffordable to Extremely Unaffordable.

Since 2020, affordability has declined drastically and consistently in Greater Brisbane and Greater Perth. RAI scores are now 100 and 98, relative to scores of 137 and 157 four years prior, respectively. Greater Sydney and Greater Melbourne have experienced similar trends and are now Unaffordable and Moderately Unaffordable, with RAI scores of 82 and 101, respectively (compared to 106 and 129 in 2020).

In most metropolitan areas, Acceptable rents can only be found in outer suburbs (Figure 18 and Figure 19), which are typically disadvantaged regarding access to work and other opportunities. Indeed, even outer suburbs like Penrith have fallen from Acceptable to Moderately Unaffordable. Given the size of this family, there is considerable additional financial pressure from day-to-day living costs, which have increased rapidly over the last two years.

Regional areas in Victoria, South Australia and Tasmania are Acceptable or Affordable, with the highest score of 153 recorded for the Rest of SA. However, these are generally following the same downward trend. Regional New South Wales, Queensland and Western Australia range from Moderately Unaffordable to Unaffordable.

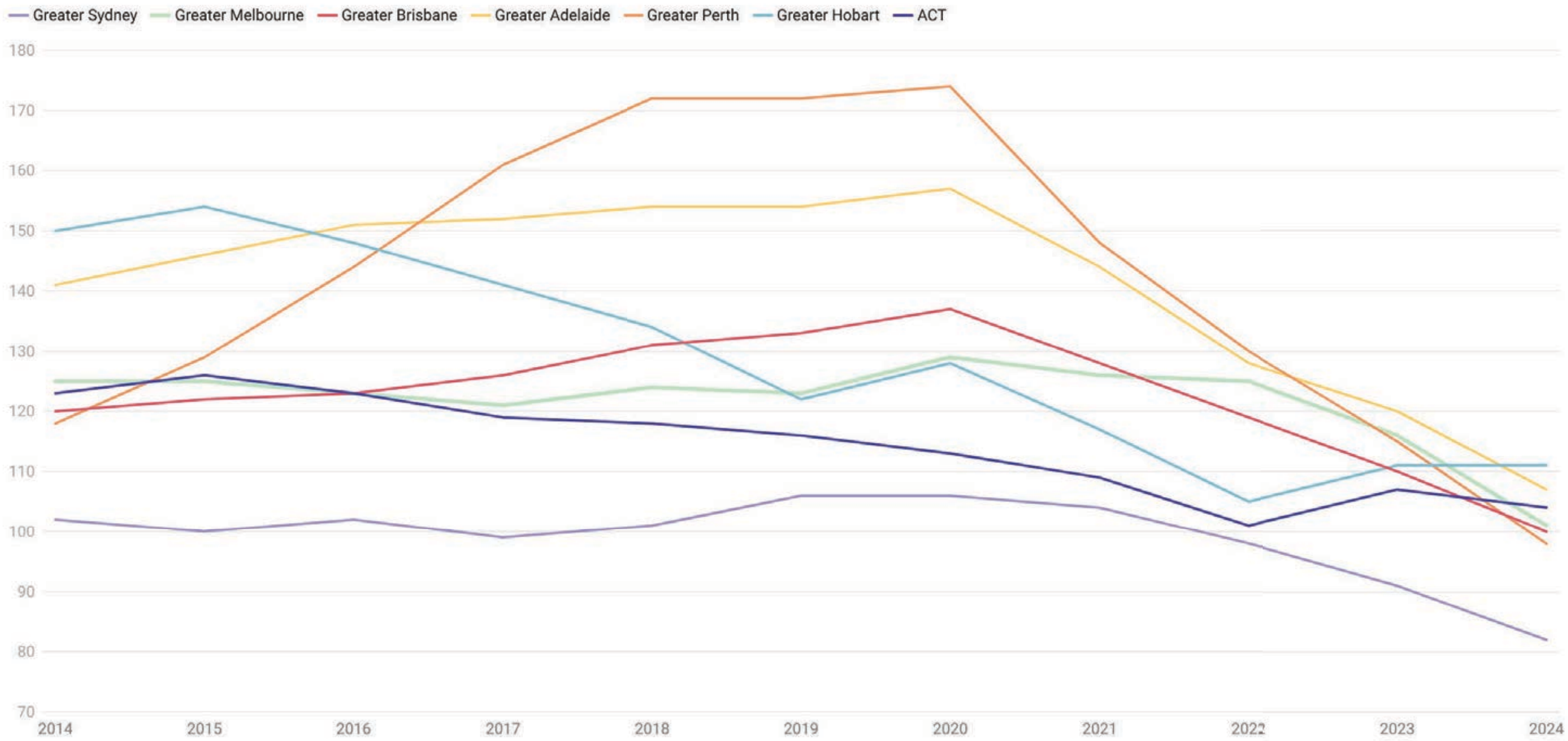
Like other households with children, this cohort may have experienced continued financial stress due to rising cost of living and the burden of additional costs like childcare and health care.

TABLE 8. RAI FOR SINGLE INCOME COUPLE WITH CHILDREN

	RAI score	Rent as a share of income	Relative Unaffordability
Greater Sydney	82	36%	Unaffordable
Rest of NSW	113	27%	Moderately Unaffordable
Greater Melbourne	101	30%	Moderately Unaffordable
Rest of VIC	129	23%	Acceptable
Greater Brisbane	100	30%	Unaffordable
Rest of QLD	99	30%	Unaffordable
Greater Adelaide	107	28%	Moderately Unaffordable
Rest of SA	153	20%	Affordable
Greater Perth*	98	31%	Unaffordable
Rest of WA*	109	28%	Moderately Unaffordable
Greater Hobart	111	27%	Moderately Unaffordable
Rest of TAS	132	23%	Acceptable
ACT	104	29%	Moderately Unaffordable

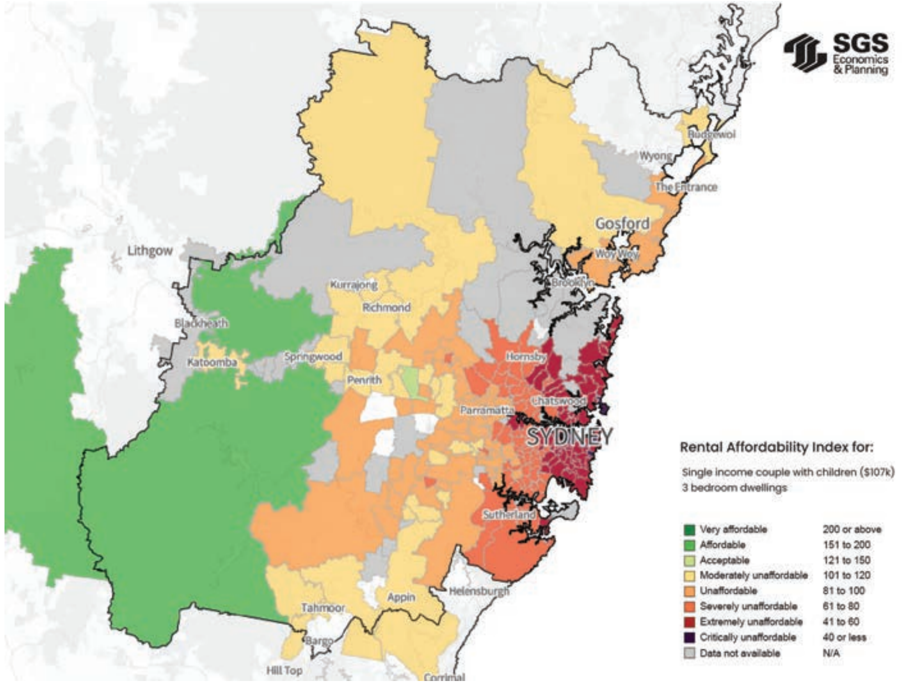
Source: SGS Economics and Planning, 2024
*RAI has been calculated using median rents for all dwelling types rather than one bedroom due to data unavailability

FIGURE 17. RAI SCORES FOR A SINGLE INCOME COUPLE WITH CHILDREN, CAPITAL CITIES, 2014 - 2024



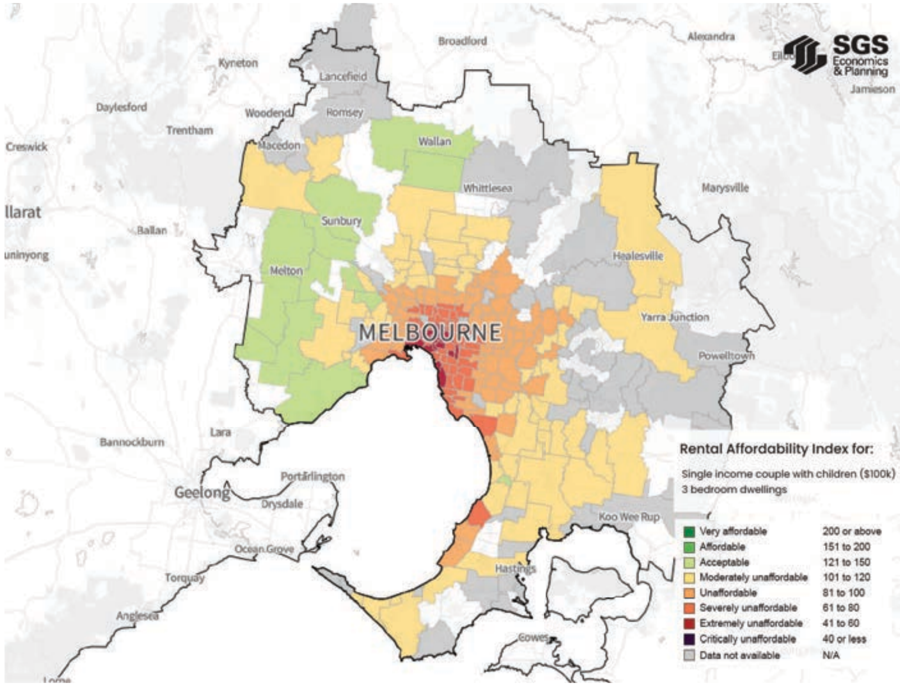
Source: SGS Economics and Planning, 2024

FIGURE 18. AFFORDABILITY FOR SINGLE INCOME COUPLE WITH CHILDREN RENTING IN GREATER SYDNEY, JUNE QUARTER, 2024



Source: SGS Economics and Planning, 2024

FIGURE 19. AFFORDABILITY FOR SINGLE INCOME COUPLE WITH CHILDREN RENTING IN GREATER MELBOURNE, JUNE QUARTER, 2024



Source: SGS Economics and Planning, 2024

Dual income couple with children

$219,096[18] p.a., 3 bedrooms

Affordable to Very Affordable across all metropolitan and regional areas.

The full-time key worker couple has two children under ten and seeks to rent a three-bedroom dwelling. This household lives on two full-time teachers' wages, with a combined annual income of $219,096 per annum[19].

[18]A full list of assumed household incomes by region can be found in the RAI dashboard: https://sgsep.com.au/projects/rental-affordability-index
[19]For city-specific RAI scores, this has been adjusted to reflect differences in earning across geographic locations in Australia.

Annual income for this household type has increased by over $9,100 since 2023, or 4.3 per cent. Given this household type's high income, the dual income couple with children can generally access Affordable to Very Affordable rents across most metropolitan and regional areas.

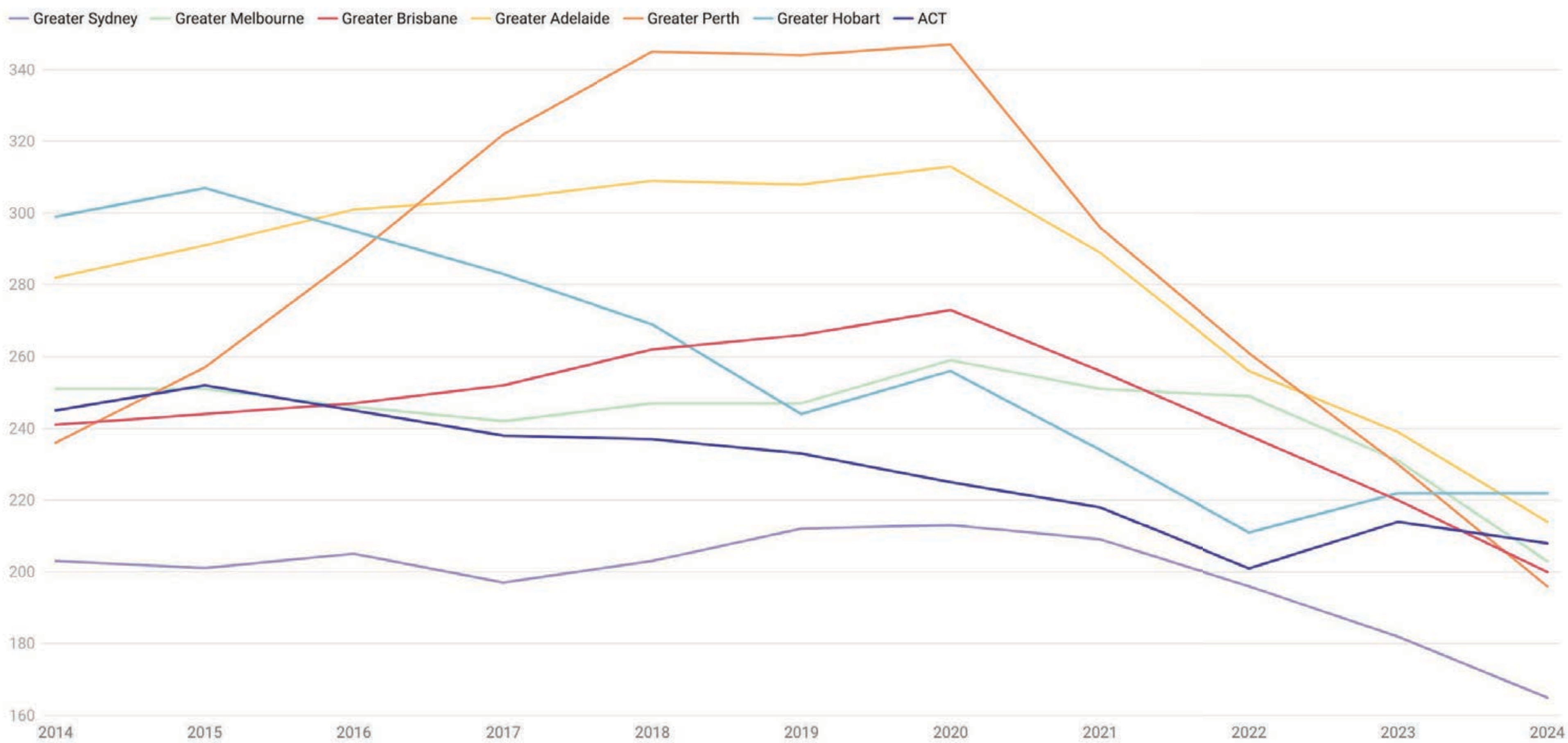
Despite reductions in rental affordability over the past four years, the least affordable region, Greater Sydney, still requires this household to spend just 18 per cent of their income on rent, leaving a reasonable amount for other living and parenting expenses. However, rents become less affordable closer to inner city areas (see Figure 21). Outer suburbs are more affordable but are typically disadvantaged regarding access to work and other opportunities.

TABLE 9. RAI FOR DUAL INCOME COUPLE WITH CHILDREN

	RAI score	Rent as a share of income	Relative Unaffordability
Greater Sydney	165	18%	Affordable
Rest of NSW	225	13%	Very Affordable
Greater Melbourne	203	15%	Very Affordable
Rest of VIC	258	12%	Very Affordable
Greater Brisbane	200	15%	Affordable
Rest of QLD	198	15%	Affordable
Greater Adelaide	214	14%	Very Affordable
Rest of SA	306	10%	Very Affordable
Greater Perth*	196	15%	Affordable
Rest of WA*	217	14%	Very Affordable
Greater Hobart	222	14%	Very Affordable
Rest of TAS	264	11%	Very Affordable
ACT	208	14%	Very Affordable

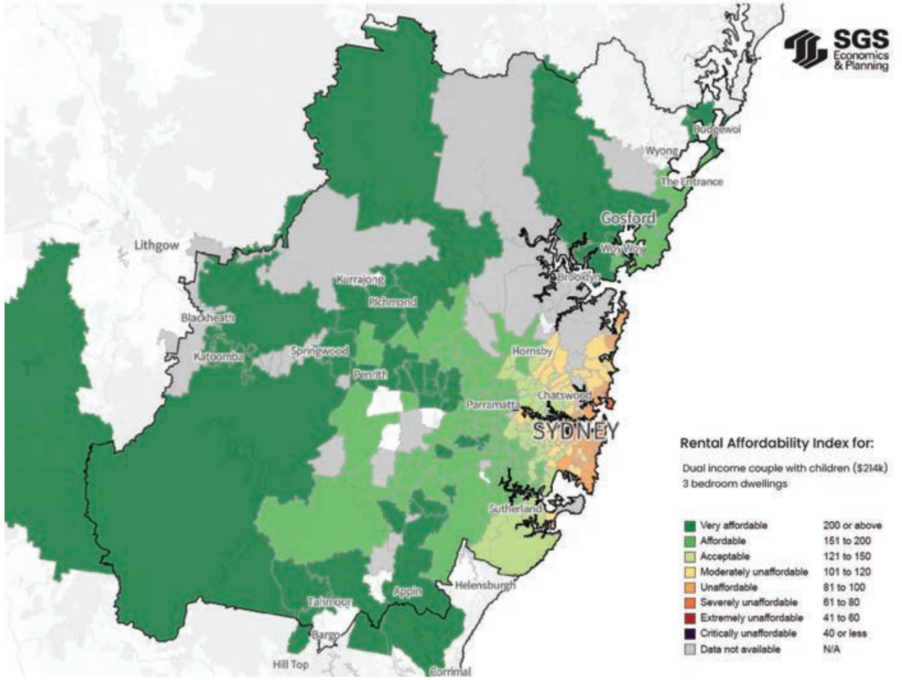
Source: SGS Economics and Planning, 2024
*RAI has been calculated using median rents for all dwelling types rather than one bedroom due to data unavailability

FIGURE 20. RAI SCORES FOR DUAL INCOME COUPLES WITH CHILDREN, CAPITAL CITIES, 2014-2024



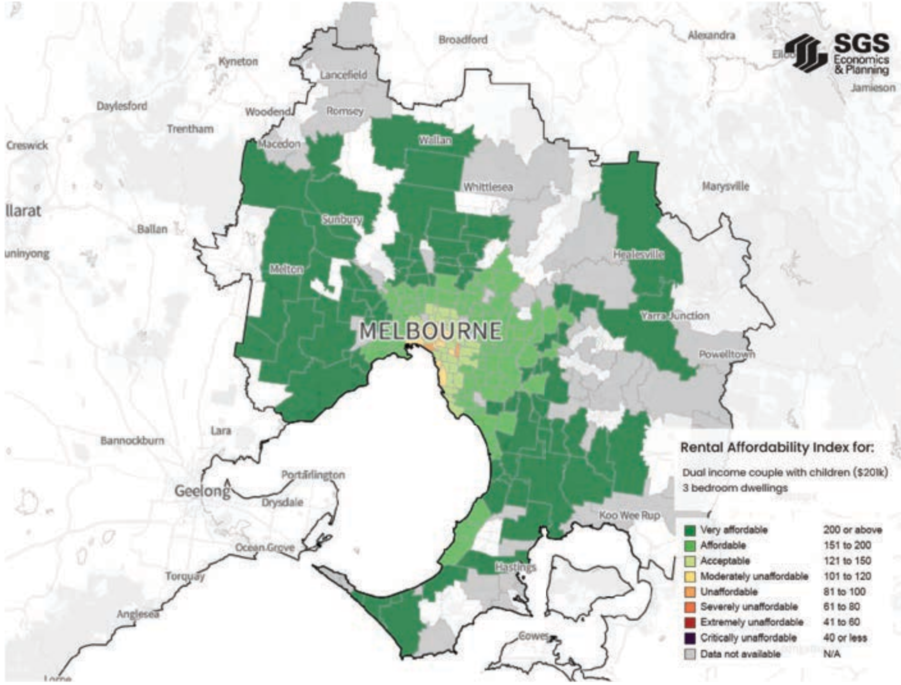
Source: SGS Economics & Planning, 2024

FIGURE 21. AFFORDABILITY FOR DUAL INCOME COUPLE WITH CHILDREN RENTING IN GREATER SYDNEY, JUNE QUARTER, 2024



Source: SGS Economics and Planning, 2024

FIGURE 23. AFFORDABILITY FOR DUAL INCOME COUPLE WITH CHILDREN RENTING IN GREATER MELBOURNE, JUNE QUARTER, 2024



Source: SGS Economics and Planning, 2024

Student sharehouse

$99,331 ($33,110 per student)[20] p.a., 3 bedrooms

Unaffordable to Moderately Unaffordable across most metropolitan areas.

The student sharehouse household has three students between the ages of 18 and 35 seeking to rent a shared three-bedroom dwelling. Each household member receives an income support payment in the form of Youth Allowance or Austudy. In addition, each student earns the maximum additional income allowable before income support payments are affected. The estimated gross annual income for this household is $99,331 or $33,110 per student.

[20]For city-specific RAI scores, this has been adjusted to reflect differences in earning across geographic locations in Australia.

Successive increases in the Austudy payment resulted in a $4,000 increase in annual income per student in this household. As a result, rental affordability improved marginally across most regions, except for Greater Melbourne and Greater Perth. Despite this, affordability remains low overall, with rents ranging from Moderately Unaffordable to Severely Unaffordable in all metropolitan areas.

This follows a period of improved affordability in 2020, during which the income available to students greatly increased because of coronavirus supplement payments. Improvements from that period have now largely been eroded, with all metropolitan regions, except Hobart, facing worse affordability than 2019. Greater Sydney is the least affordable, with a RAI score of 76, requiring 39 per cent of income to be spent on rent.

Across most inner and middle suburbs of metropolitan cities, rents are Unaffordable to Severely Unaffordable for the student sharehouse household. Members of this household type are, therefore, forced to choose between rental stress or having to locate in areas with poorer access to inner-city tertiary institutions and part-time work.

Regional areas (except regional Queensland and regional Western Australia) fare better for the most part, with Moderately Unaffordable to Acceptable rents, but have a lower concentration of higher education institutions.

The student sharehouse is required to balance work and study, and the number of manageable hours varies depending on course demands. Students also have additional study costs and administration fees, and renting students may have limited capacity to save or make voluntary payments toward accumulating HECS or FEE-HELP debts.

Many tertiary institutions are in high-rent and central locations. Over the past year, residential demand in these inner locations has returned after a lull during the pandemic. The wave of unaffordability is seen to extend outward from the city centres, as shown in Figure 24 and Figure 25.This means students would have to live further away from education precincts, potentially increasing other costs such as transport fares and travel time.

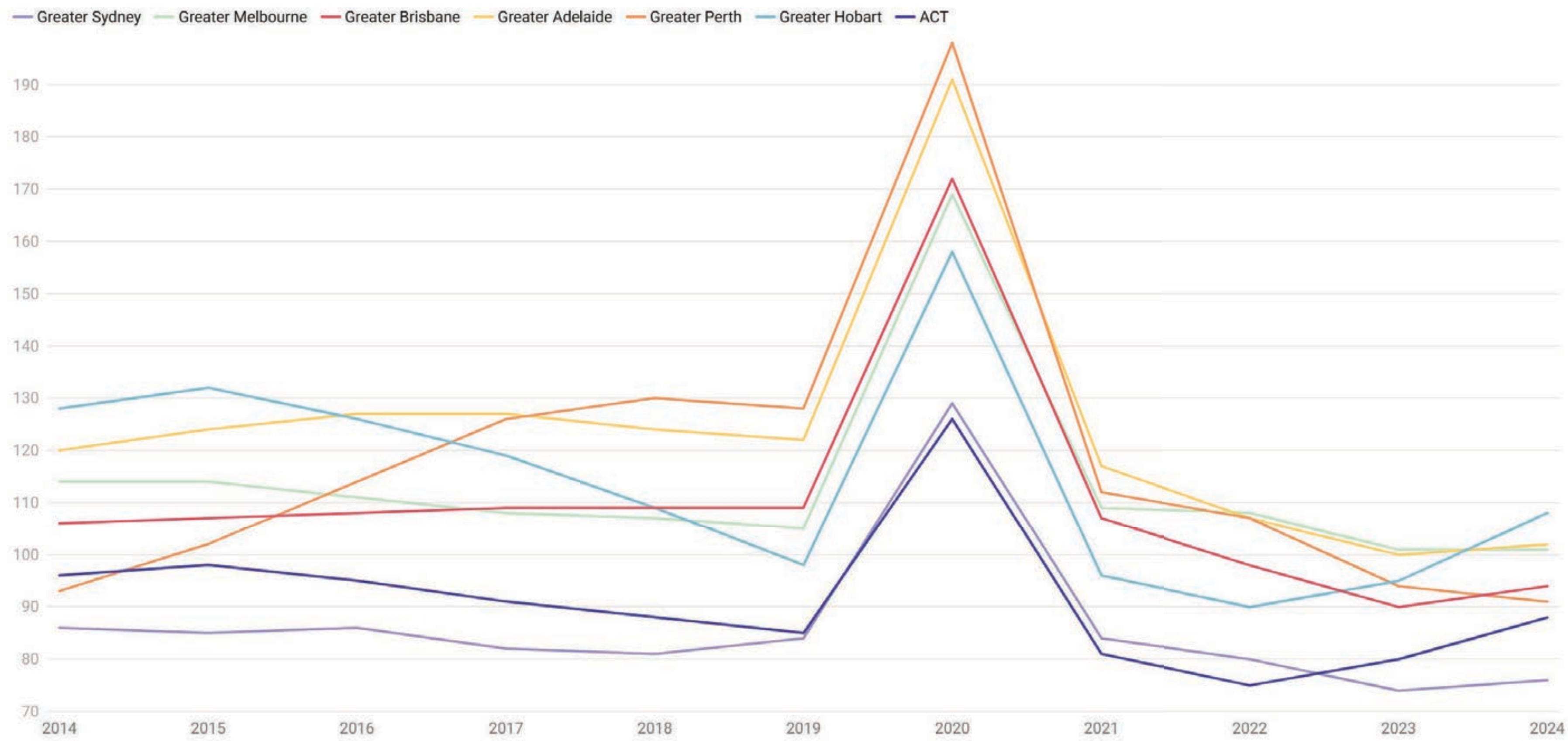
Additionally, the risk of turnover and vacancies are 'owned' by the sharehouse, so the share of rent increases if someone leaves and there are vacant days. These factors exacerbate the experience of rental stress.

TABLE 10. RAI FOR STUDENT SHAREHOUSE

	RAI score	**Rent as a share of income**	**Relative Unaffordability**
Greater Sydney	76	39%	Severely Unaffordable
Rest of NSW	104	29%	Moderately Unaffordable
Greater Melbourne	101	30%	Moderately Unaffordable
Rest of VIC	127	24%	Acceptable
Greater Brisbane	94	32%	Unaffordable
Rest of QLD	93	32%	Unaffordable
Greater Adelaide	102	32%	Moderately Unaffordable
Rest of SA	145	21%	Acceptable
Greater Perth*	91	33%	Unaffordable
Rest of WA*	100	30%	Unaffordable
Greater Hobart	108	28%	Moderately Unaffordable
Rest of TAS	129	23%	Acceptable
ACT	88	34%	Unaffordable

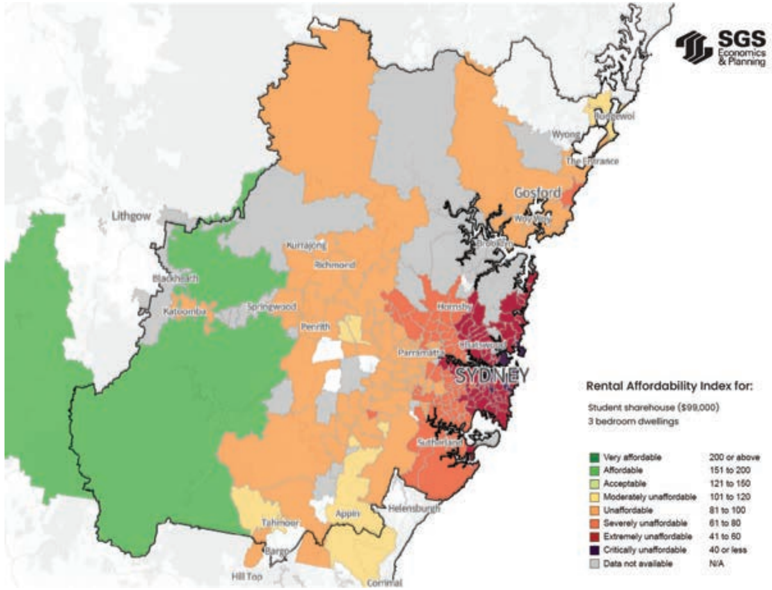
Source: SGS Economics and Planning, 2024
*RAI has been calculated using median rents for all dwelling types rather than one bedroom due to data unavailability

FIGURE 24. RAI SCORES FOR STUDENT SHAREHOUSES, CAPITAL CITIES, 2014-2024



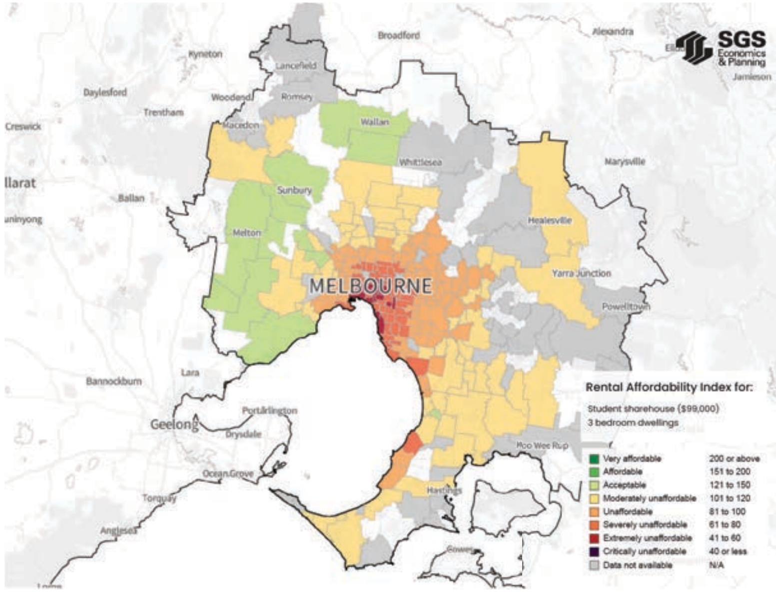
Source: SGS Economics and Planning, 2024

FIGURE 25. AFFORDABILITY FOR STUDENT SHAREHOUSE RENTING IN GREATER SYDNEY, JUNE QUARTER, 2024



Source: SGS Economics and Planning, 2024

FIGURE 26. AFFORDABILITY FOR STUDENT SHAREHOUSE RENTING IN GREATER MELBOURNE, JUNE QUARTER, 2024



Source: SGS Economics and Planning, 2024

Minimum wage couple

$95,254[21] p.a., 2 bedrooms

Unaffordable to Acceptable across metropolitan and regional areas.

The minimum wage couple household consists of a full-time working couple, both earning the national minimum wage. The household seeks to rent a two-bedroom dwelling. It does not receive any income or rental support. The estimated gross annual income for this household is $95,254.

[21] For city-specific RAI scores, this has been adjusted to reflect differences in earning across geographic locations in Australia.

The minimum wage increased by 3.7 per cent since July 2023, marginally less than inflation over the period. As a result, rental affordability has worsened in all metropolitan areas, except Greater Hobart and the ACT, as rental rates for two-bedroom dwellings have continued to rise.

This household now faces Moderately Unaffordable to Severely Unaffordable rents across all metropolitan areas except Hobart. Greater Sydney is the least affordable, with a RAI score of 77, indicating that 39 per cent of household income would be required to rent at the median rate. Greater Hobart has seen rental prices remain relatively constant over the year and is now the most affordable metropolitan region, with a RAI score of 122. Affordability in Greater Melbourne, which improved during 2020 and 2021, has had these gains eroded and is now at its least affordable point since 2011 (i.e., the extent of RAI data). Despite being on a dual income, this household type would only be able to find Affordable lettings on the outskirts of Melbourne or in regional Victoria.

In Greater Sydney, rents are Unaffordable to Severely Unaffordable for this household in inner and middle suburbs. Severely Unaffordable areas are much wider spread in Sydney compared to Melbourne and have extended further from the CBD in 2024 than ever before.

Regional areas offer greater affordability, particularly in South Australia where rents are Affordable.

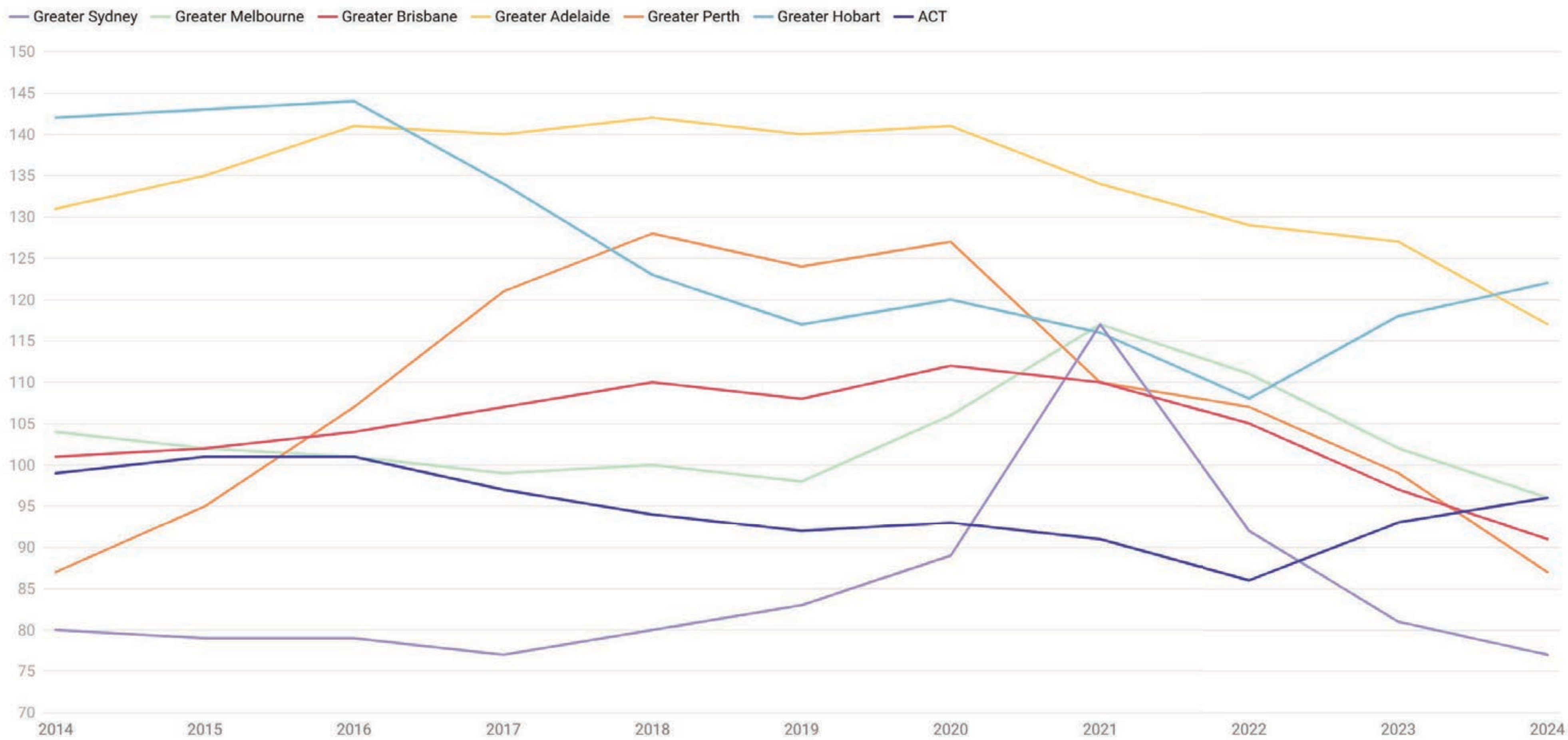
It should be noted that minimum wage workers are often employed on a casual basis. This is associated with lower income certainty, which can place these households under additional stress (as rent paid will not change in periods of lower income). This analysis assumes the couple work 38 hours a week each, which may be unrealistic and therefore understate affordability concerns for this household type.

TABLE 11. RAI FOR MINIMUM WAGE COUPLE HOUSEHOLD

	RAI score	Rent as a share of income	Relative Unaffordability
Greater Sydney	77	39%	Severely Unaffordable
Rest of NSW	122	25%	Acceptable
Greater Melbourne	96	31%	Unaffordable
Rest of VIC	149	20%	Acceptable
Greater Brisbane	91	33%	Unaffordable
Rest of QLD	99	30%	Unaffordable
Greater Adelaide	117	26%	Moderately Unaffordable
Rest of SA	182	16%	Affordable
Greater Perth*	87	34%	Unaffordable
Rest of WA*	96	31%	Unaffordable
Greater Hobart	122	25%	Acceptable
Rest of TAS	149	20%	Acceptable
ACT	96	31%	Unaffordable

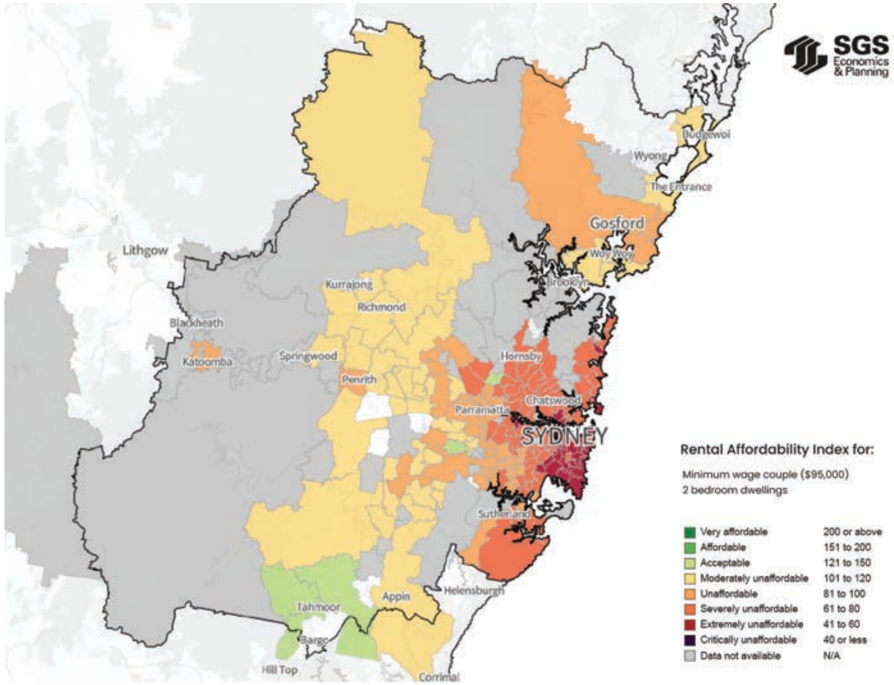
Source: SGS Economics and Planning, 2024
*RAI has been calculated using median rents for all dwelling types rather than one bedroom due to data unavailability

FIGURE 27. RAI SCORES FOR MINIMUM WAGE COUPLES, CAPITAL CITIES, 2013-2023



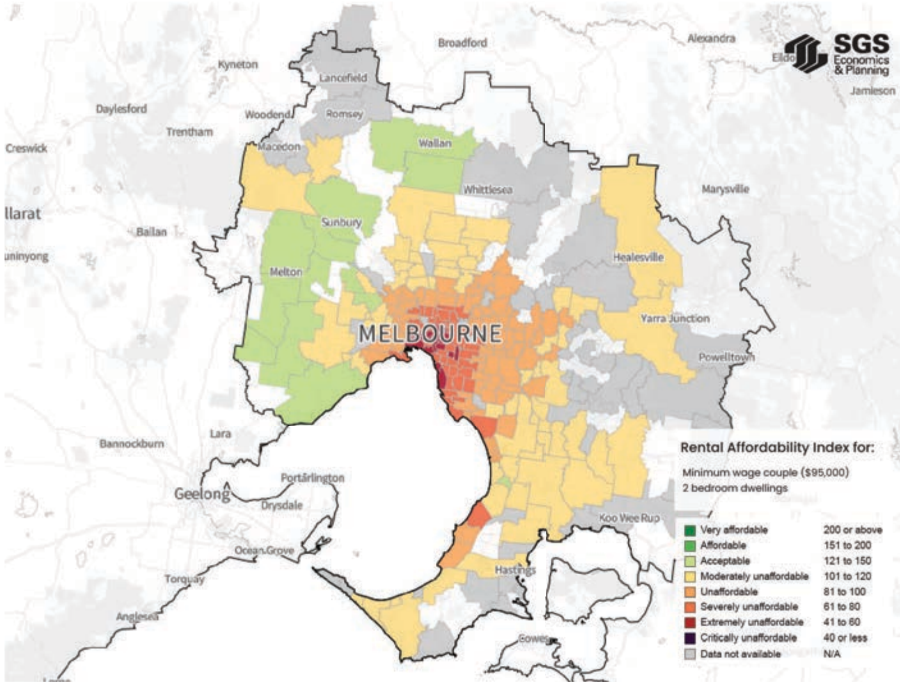
Source: SGS Economics and Planning, 2024

FIGURE 28. GREATER SYDNEY, JUNE QUARTER, 2023



Source: SGS Economics and Planning, 2024

FIGURE 29. GREATER MELBOURNE, JUNE QUARTER, 2023



Source: SGS Economics and Planning, 2024

Hospitality worker

$65,790[22] p.a., 1 bedroom

Severely Unaffordable to Moderately Unaffordable across both metropolitan and regional areas.

The hospitality worker household is a lone-person household seeking to rent a one-bedroom dwelling. This worker lives on a single hospitality worker income of $65,790 per annum[23].

[22]A full list of assumed household incomes by region can be found in the RAI dashboard: https://sgsep.com.au/projects/rental-affordability-index
[23]For city-specific RAI scores, this has been adjusted to reflect differences in earning across geographic locations in Australia.

Rents for the hospitality worker household are Moderately Unaffordable to Severely Unaffordable across Australia's metropolitan areas.

With a RAI score of 65, Greater Sydney is the least affordable city for the hospitality worker[24], requiring households to pay 46 per cent of their income if renting at the median rate. This follows a period of improving affordability between 2017 and 2021, the gains of which have now been reversed. Most notably, areas of hospitality employment, such as the inner and middle areas of Sydney, are Severely Unaffordable.

Greater Melbourne, while the third most affordable metropolitan region for this cohort, has had dramatically declining affordability, falling to a historic low after reaching a peak during 2021. There are now almost no areas with Acceptable rents in Greater Melbourne for hospitality workers, compared to 2021, when there were options including in inner Melbourne.

Other than Greater Hobart and the ACT, all metropolitan regions have worse affordability in 2024. Regional areas have better affordability, with regional South Australia being the most affordable.

Given the greater concentration of restaurants, bars, and eateries in metropolitan areas, unaffordability in Australia's cities has implications for hospitality workers capacity to live near their place of work. Given the often unpredictable, early or late hours of work for this household type, the inadequacy of Acceptable rents constrains opportunities and liveability outcomes.

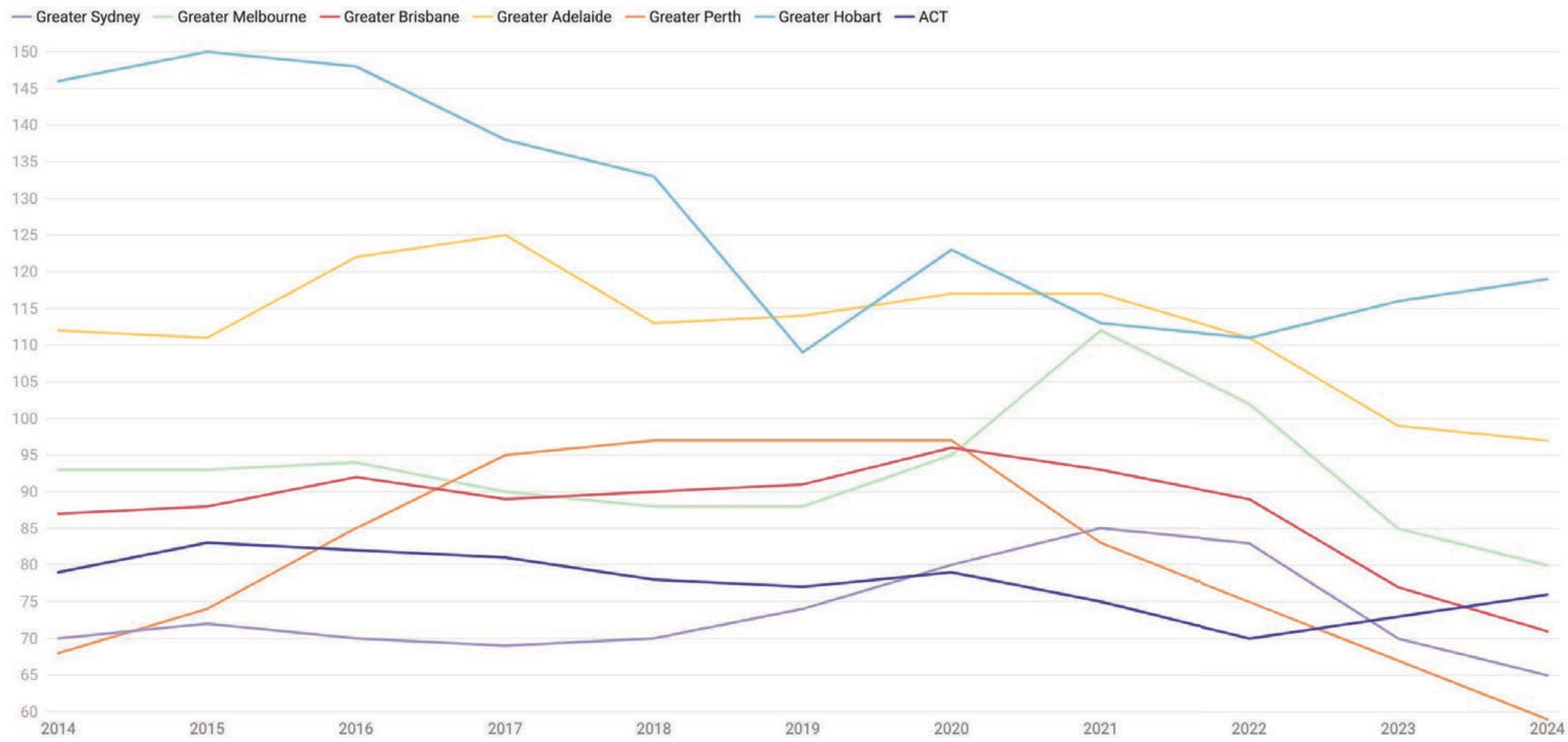
[24]Excluding Perth, as rental data for 1-bedroom dwelling is not available.

TABLE 12. RAI FOR HOSPITALITY WORKER

	RAI score	Rent as a share of income	Relative Unaffordability
Greater Sydney	65	46%	Severely Unaffordable
Rest of NSW	115	26%	Moderately Unaffordable
Greater Melbourne	80	38%	Unaffordable
Rest of VIC	122	25%	Acceptable
Greater Brisbane	71	42%	Severely Unaffordable
Rest of QLD	86	35%	Unaffordable
Greater Adelaide	97	31%	Unaffordable
Rest of SA	152	20%	Acceptable
Greater Perth*	59	51%	Severely Unaffordable
Rest of WA*	69	44%	Severely Unaffordable
Greater Hobart	119	25%	Moderately Unaffordable
Rest of TAS	141	21%	Affordable
ACT	76	40%	Severely Unaffordable

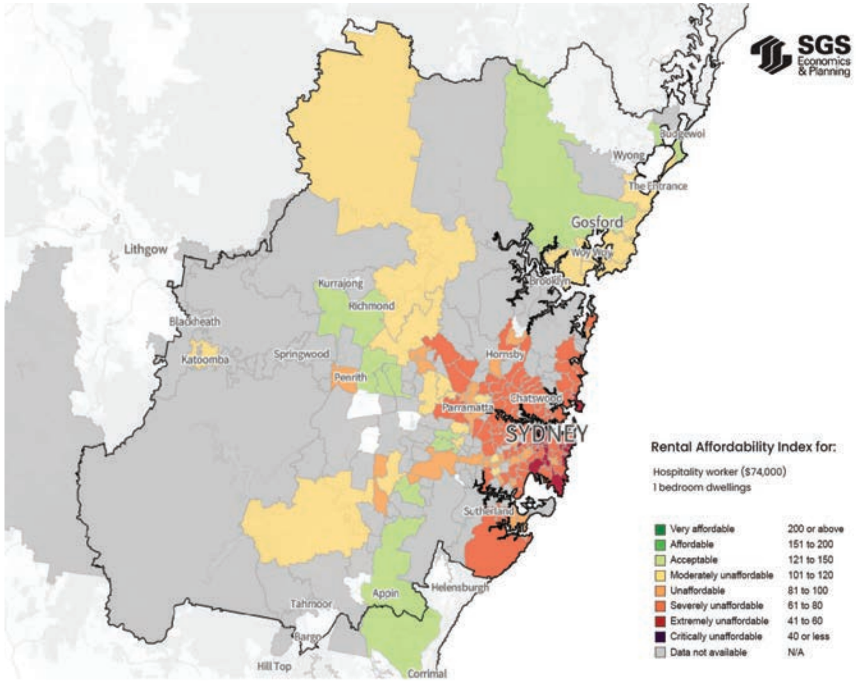
Source: SGS Economics and Planning, 2024
*RAI has been calculated using median rents for all dwelling types rather than one bedroom due to data unavailability

FIGURE 30. RAI SCORES FOR A HOSPITALITY WORKER, CAPITAL CITIES, 2014 - 2024



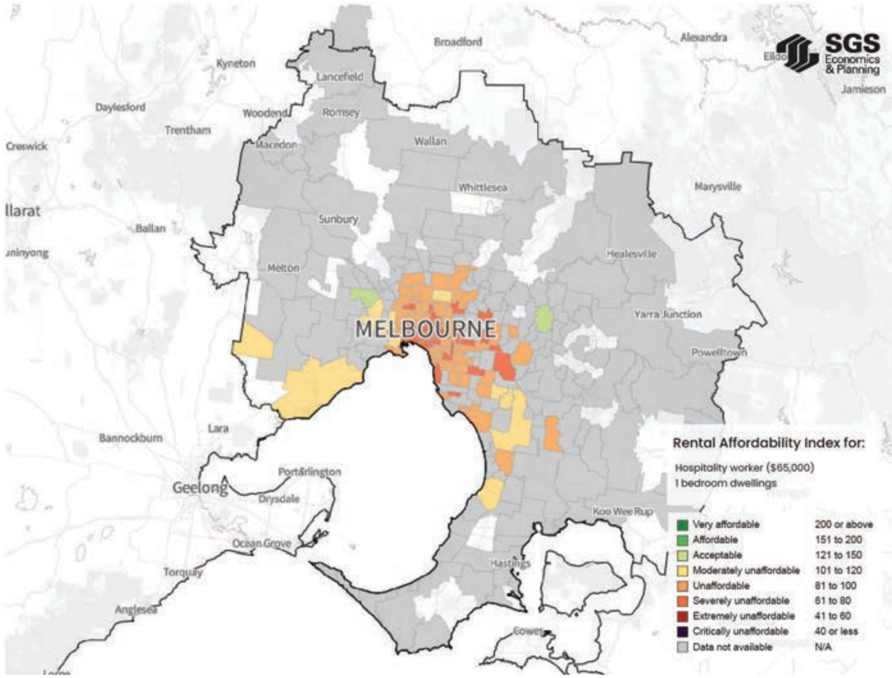
Source: SGS Economics and Planning, 2024

FIGURE 31. AFFORDABILITY FOR HOSPITALITY WORKER RENTING IN GREATER SYDNEY, JUNE QUARTER, 2024



Source: SGS Economics and Planning, 2024

FIGURE 32. AFFORDABILITY FOR HOSPITALITY WORKER RENTING IN GREATER MELBOURNE, JUNE QUARTER, 2024



Source: SGS Economics and Planning, 2024

03 National trends

03 National trends

3.1 Background

Nationwide, the proportion of households renting is rising, having increased from 26 per cent to 31 per cent between 1995 and 2020. Over the same period, the proportion of public housing tenants almost halved, from 5.5 per cent to 2.9 per cent[25].

Housing costs for renting households have also increased over the same period compared to homeowners. Renters currently spend an average of 20 per cent of their income on housing costs, while homeowners with a mortgage pay 15.5 per cent. The Australian Housing and Urban Research Institute (AHURI) estimates that 1.3 million households need additional housing assistance[26].

In Australia, this shift towards renting and increased rental costs is driven by a range of factors. The introduction of the capital gains discount in 1999, combined with negative gearing, has dramatically increased the number of investors who compete with homeowners for available property, keeping more households out of home ownership and trapping them in the rental market. Recent interest rate conditions and widening income inequality reinforce this effect.

Investors have pushed out would-be homeowners, so more households with middle to higher incomes are renting for longer. This impacts lower-income renters by driving up rents. Additionally, higher-income households seek more affordable rents to increase their ability to save a deposit to move into ownership, further displacing lower-income households from lower-cost rentals and increases their level of housing stress.

Since May 2022, interest rates have risen from a historic low of 0.10 per cent to 4.35 per cent, resulting in multiple impacts upon renters. Increasing costs of development have slowed the delivery of new supply, while would-be-first homebuyers are also pushed into the rental market[27], increasing demand and competition. Landlords will also try to pass on their increased costs to tenants and given the currently low vacancy rates, often possess the market power to do so.

There is less social and affordable housing stock available than a decade ago. The National Rental Affordability Scheme (NRAS)—a federal government scheme that gave housing providers a flat rate to allow them to offer lower rental prices to low-income households was scrapped in 2014 and will be completely phased out by 2026. The NRAS previously included over 38,000 properties, and its discontinuation has contributed to reduced affordable housing stock. As a result, more (very) low-income Australians rely on the private rental market and are forced to pay unaffordable rents. As it stands, 42 per cent of all low-income renter households are in rental stress, compared to 35 per cent in 2008. This rises to 47 per cent for households in NSW[28].

[25] Australian Bureau of Statistics. Housing Occupancy and Costs 2019-20.
[26] Rowley, S., Leishman, C., Baker, E., Bentley, R. and Lester, L. (2017) Modelling housing need in Australia to 2025, AHURI Final Report No. 287, Australian Housing and Urban Research Institute Limited, Melbourne.
[27] Interest Rates and the Property Market, Jonathan Kearns, AFR Property Summit, 19 September, 2022
[28] Australian Bureau of Statistics. Housing Occupancy and Costs 2019-20. [Table 13].
[29] Note that these may not be captured in common measures of vacancy rates, as they are not listed for lease.

While not a main driver of rental affordability, in some inner-city areas, many apartments are sitting vacant as an investment[29]. For investors, vacant properties are often held on to for long-term capital gains. In inner-city areas and holiday locations, the rise of short-term renting has also reduced stock in the long-term rental market.

In recent years, regional areas have been subject to several natural disasters, from widespread bushfires in 2020 to flooding in 2022. These have affected both existing rental stock and new development, limiting supply and increasing rental rates. This has been compounded by an influx of regional migration driven by COVID-19 restrictions in capital cities.

The combined impact of these factors on renters includes homelessness, having to move away from family and support for more affordable housing, moving into poor quality or insecure housing, or having to forgo other essentials.

3.2 Metropolitan areas

Greater Perth is now Australia's least affordable capital city, alongside Greater Sydney. Over the past three years, the RAI scores for both Greater Perth and Greater Sydney have declined by an average of 9 per cent per annum, making them the only two capital cities in Australia where rental affordability for the average rental household falls below the critical threshold of 100.

With a RAI score of 98 and 99, respectively, the average rental household would pay over 30 per cent of their income if renting at the median rate.
Before the pandemic, Perth was the most affordable capital city by a large margin. However, affordability has deteriorated rapidly since 2020, with median rents rising almost 80 per cent over the past four years. In the year to June 2024, rents rose by almost 18 per cent.

Affordability in Greater Adelaide (the third least affordable capital city) and Greater Brisbane has also continued to deteriorate. For all cities except Greater Hobart and the ACT, the 2024 RAI is the lowest they achieved since the index was released.
Greater Hobart and the ACT are the only metropolitan areas that have seen rental affordability improve over the last twelve months.

Median weekly rents in Hobart increased by $10, or 2.1 per cent, for the year ending June 2024, while average rental household incomes increased 5.6 per cent over the same period, improving affordability across Greater Hobart. However, it is important to note that this improvement has only offset the rapid deterioration of the pandemic years from 2020 to late 2022.

Similarly, rents increased by 1.7 per cent in the ACT throughout the year, while average rental household incomes increased by 4.8 per cent.

Despite increasing affordability in some regions, the tangible improvement for low-income households is negligible, as they still face unaffordable rents in most metropolitan areas.

The ACT is the only region where rents are considered Acceptable for the average rental household. However, this is partly driven by high average incomes (the ACT has the highest average income in the country). The ACT is among the most unaffordable rental markets for low-income earners and students.

Deteriorating affordability in Greater Sydney and Greater Melbourne has eliminated the improvements that occurred between 2020 and late 2021. This has been driven by a complex interaction of factors, including inflationary pressures affecting construction and other housing costs, rising interest rates, and a return to pre-pandemic rates of population growth.

Rent prices in Greater Sydney are significantly higher than in any other region in Australia. The median rental price in June 2024 was $720, increasing by $70, or 10.8 per cent, from the year prior. During this time, the average rental household income in Greater Sydney increased by 5.5 per cent.

[29]Note that these may not be captured in common measures of vacancy rates, as they are not listed for lease.

FIGURE 33. RAI COMPARISON –
SYDNEY AND PERTH (2012-2024)

Source: SGS Economics and Planning, 2024

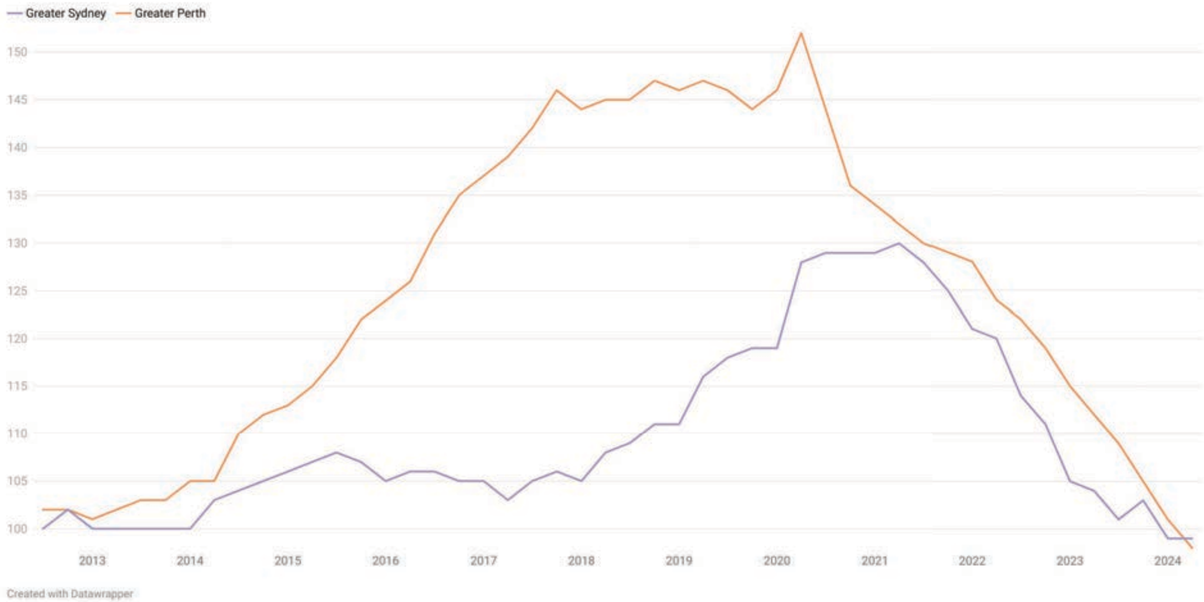


FIGURE 34. RAI COMPARISON –
HOBART AND ACT (2012-2024)

Source: SGS Economics and Planning, 2024

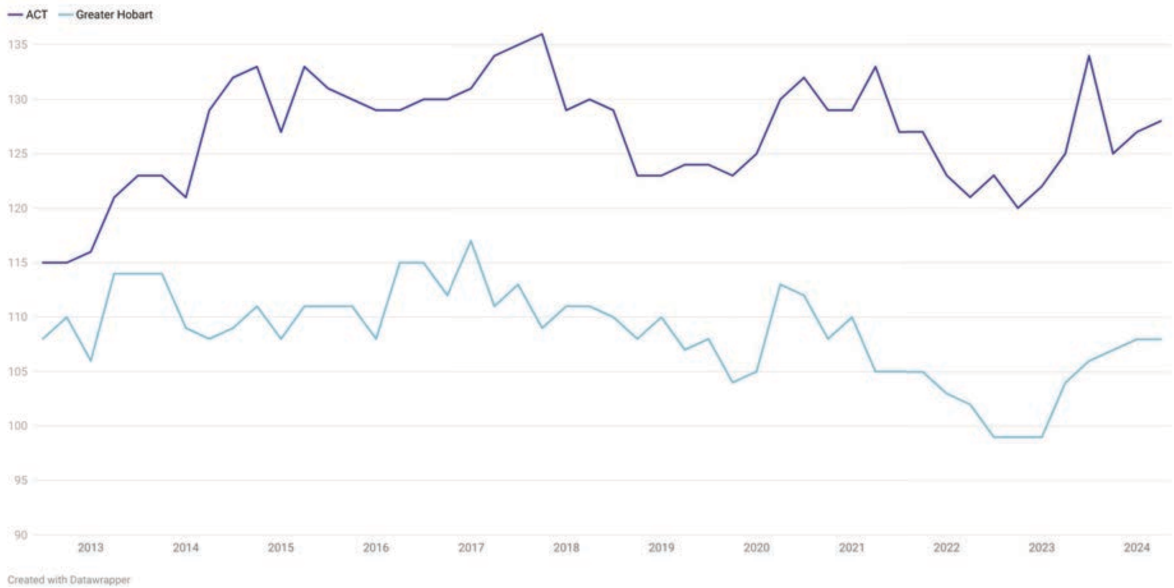
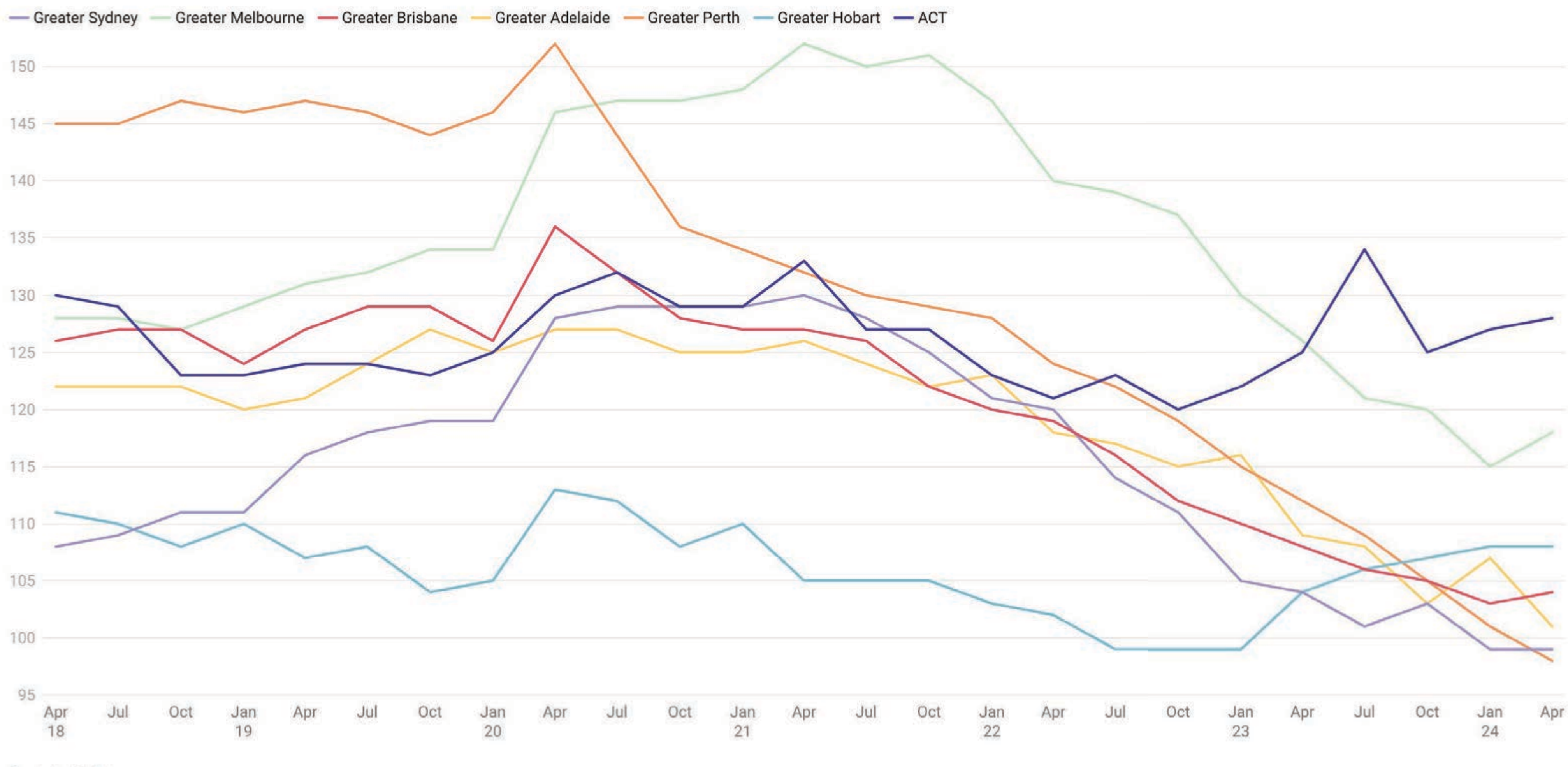


FIGURE 35. RENTAL AFFORDABILITY, CAPITAL CITIES (2018-2024)



Source: SGS Economics and Planning, 2024

TABLE 12. NATIONAL RAI TRENDS – METROPOLITAN AREAS

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	1-year CAGR[30]	2-year CAGR	3-year CAGR
Greater Sydney	100	101	103	107	106	103	108	116	128	130	120	104	99	-5%	-9%	-9%
Greater Melbourne	122	126	127	126	127	128	129	131	146	151	139	126	118	-6%	-8%	-8%
Greater Brisbane	110	119	120	117	118	121	126	127	136	127	118	108	104	-4%	-6%	-6%
Greater Adelaide	106	109	115	112	121	124	122	121	127	126	119	109	101	-8%	-8%	-7%
Greater Perth	102	102	105	115	126	139	145	147	152	132	124	112	98	-13%	-11%	-9%
Greater Hobart	108	114	108	111	115	111	111	106	113	105	102	104	108	3%	3%	1%
ACT	115	121	129	133	129	134	130	124	130	133	121	125	128	3%	3%	-1%

Source: SGS Economics and Planning, 2024

[30]Cumulative Annual Growth Rate

TABLE 13. NATIONAL RAI SUMMARY – METROPOLITAN AREAS (JUNE 2024)

	RAI	Share of income spent on rent	Relative unaffordability
Greater Sydney	99	30%	Unaffordable rents
Greater Melbourne	118	25%	Moderately unaffordable rents
Greater Brisbane	104	29%	Moderately unaffordable rents
Greater Adelaide	101	30%	Moderately unaffordable rents
Greater Perth	98	31%	Unaffordable rents
Greater Hobart	108	28%	Moderately unaffordable rents
ACT	128	23%	Acceptable rents

Source: SGS Economics and Planning, 2024

3.3 Rest of state areas

Over the past year, affordability has worsened in all rest of state areas, except Regional Tasmania, declining by between 1 and 7 per cent.

Regional QLD remains the least affordable area, after being the third most affordable in 2020. It has now declined below the critical threshold of 100. With an RAI score of 97, the average rental household will pay over 30 per cent of their income if renting at the median rate.

Affordability in Regional NSW, the second least affordable rest of state area, has remained relatively steady, declining by only 1 per cent over the last year. Regional WA, the only Affordable rest of state area in 2020, has consistently worsened over the four years since, declining by 8 per cent annually on average. It's also important to note the vast area and variation across towns, some of which have particularly low vacancy rates and rental affordability.

Despite being the most affordable rest of state area, with Acceptable affordability, rental affordability in Regional SA has steadily deteriorated, falling by 6 per cent annually over the last three years.

Regional TAS was the only region in which affordability improved, increasing 3 per cent over the past year because of stagnant rents and moderate growth in average incomes. Despite this, renting remains Moderately Unaffordable in Regional TAS.

During the COVID-19 pandemic, the outward migration of city residents caused residential demand to increase in regional locations, where supply was limited, resulting in declining rental affordability. In contrast, most capital cities experienced the opposite. The improvement in affordability in capital cities did not last, and indeed, the affordability gains from this period have essentially evaporated. However, this did not mean that the reverse occurred in the regions, with affordability declining over the past two years. Key rest of state area trends include:

- Rental affordability in every rest of state area has fallen by at least 4 per cent per annum since 2020. Figure 35 shows that since the onset of the COVID-19 pandemic, rental affordability in rest of state areas began to decline and has not ceased.
- All rest of state regions, except Tasmania and WA (which were worse during the mining boom of the early 2010s), have reached record low levels of affordability over the last two years.
- Regional QLD and Regional WA have experienced the most rapidly deteriorating affordability, decreasing by 8 per cent per annum over the last three years. Regional QLD has been the least affordable region for the last two years.

Figure 36 shows net internal migration to the regions reached record levels in 2021 and 2022 (financial years). While this is small relative to the size of capital city populations, it is significant relative to the size of regional towns. The impact on affordability is amplified as the movement occurred in a very short time and was coupled with pandemic-induced inefficiencies in residential development.

While internal migration has, on average, reverted to pre-pandemic levels, the effect on affordability has been small, except for Regional TAS, which experienced relatively low population growth over the past year and negative net internal migration.

FIGURE 36. RENTAL AFFORDABILITY, REST OF STATE AREAS, 2012–2024

Source: SGS Economics & Planning, 2023

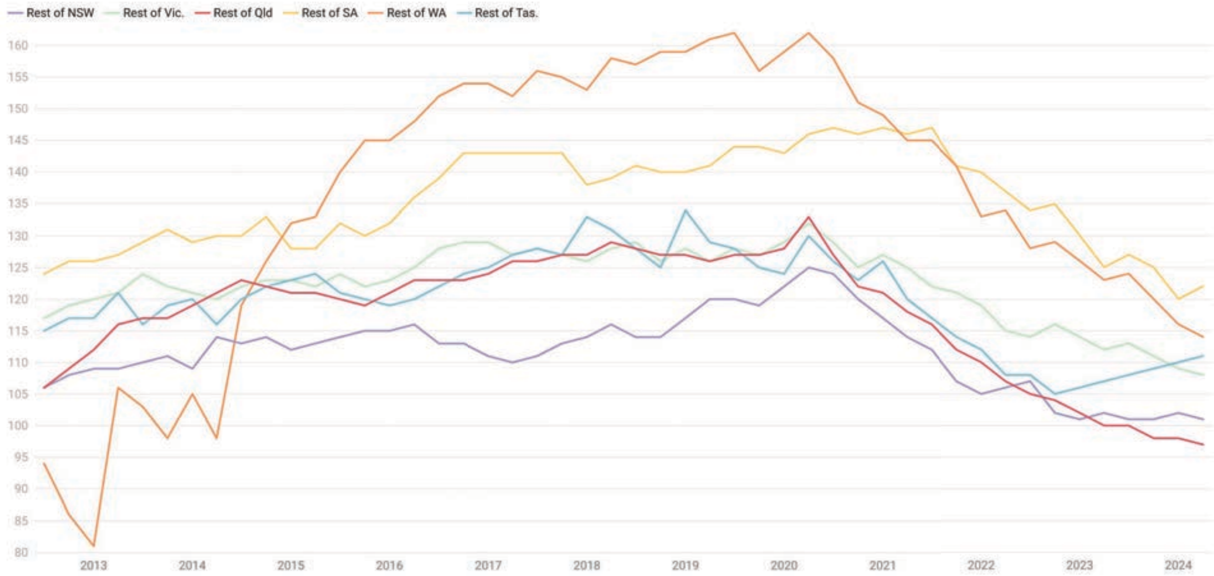


FIGURE 37. NET INTERNAL MIGRATION (POPULATION) TO ALL REST OF STATE AREAS

Source: ABS Regional internal migration estimates, August 2021

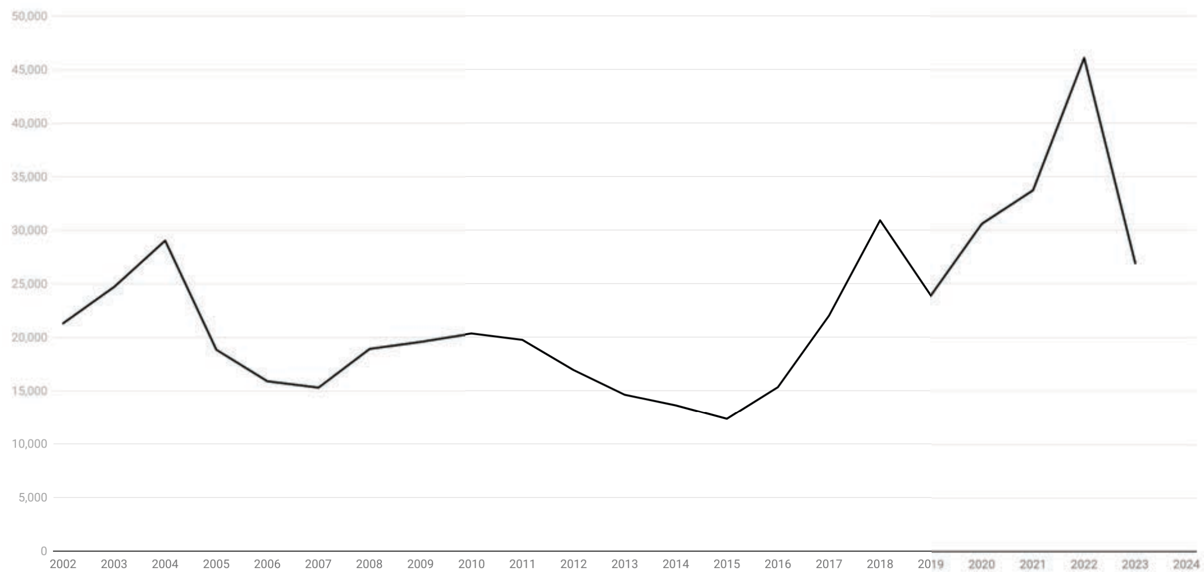


TABLE 14. NATIONAL RAI TRENDS – REST OF STATE AREAS (JUNE 2024)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	1-year CAGR[31]	2-year CAGR	3-year CAGR
Rest of NSW	106	109	114	113	116	110	116	120	125	114	106	102	101	-1%	-2%	-4%
Rest of Vic.	116	121	121	123	125	127	128	126	132	124	115	112	108	-4%	-3%	-5%
Rest of QLD	106	116	121	121	123	126	129	126	133	118	107	100	97	-3%	-5%	-6%
Rest of SA	123	127	131	128	136	143	139	141	146	146	137	126	122	-3%	-6%	-6%
Rest of WA	94	106	98	133	148	152	158	161	162	145	134	123	114	-7%	-7%	-8%
Rest of Tas.	115	121	116	124	120	127	131	129	129	120	107	107	111	3%	1%	-3%

Source: SGS Economics and Planning, 2024

[31]Cumulative Annual Growth Rate

TABLE 15. NATIONAL RAI SUMMARY – REST OF STATE AREAS (JUNE 2024)

	RAI	Share of income spent on rent	Relative unaffordability
Rest of NSW	101	30%	Moderately unaffordable rents
Rest of VIC	108	28%	Moderately unaffordable rents
Rest of QLD	97	31%	Unaffordable rents
Rest of SA	122	25%	Acceptable rents
Rest of WA	114	26%	Moderately unaffordable rents
Rest of TAS	111	27%	Moderately unaffordable rents

Source: SGS Economics and Planning, 2024

04 State trends

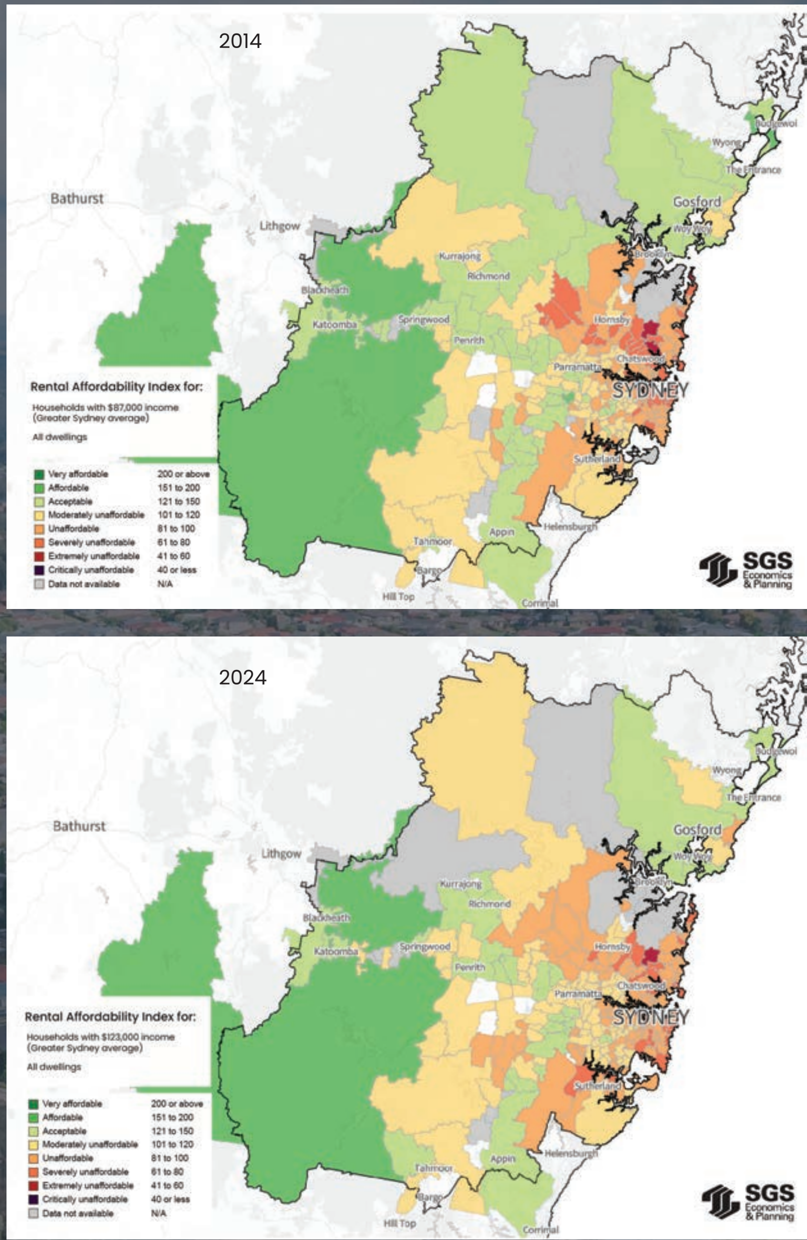
NSW Rental Affordability

A ten-year comparison.

Across NSW, rental affordability is worse in 2024 than in 2014.

- Greater Sydney's RAI score is 4 points lower than in 2014, at 99 compared to 103. The RAI score in regional NSW is 13 points lower in 2024 than 2014, at 101 compared to 114.
- Rents in Greater Sydney have increased 48.5 per cent since 2014, from a weekly average of $485 to $720. Rents in regional NSW have increased 70 per cent, from a weekly average of $300 to $510.
- Since 2014, the average annual income has increased 42.2 per cent in Greater Sydney and 50.0 per cent in regional NSW.

FIGURE 38: GREATER SYDNEY RENTAL AFFORDABILITY, 2014 AND 2024



04 State trends

GREATER SYDNEY

The average rental household in Greater Sydney has a gross income of $123,415 per annum.

With a RAI score of 99, rental affordability has declined across Greater Sydney in the last year. This is the third year in a row with a downward trend, following a period of improvement from 2017 to 2021.

For low-income households, this has exacerbated affordability concerns and Sydney remains critically unaffordable to significant proportions of the renting population. While the average rental household in Greater Sydney spends around 30 per cent of its total income on rent at the median rental rate, this share is much higher for lower-income households, meaning that there is a significant proportion of the renting population in Unaffordable to Extremely Unaffordable rental agreements.

Sydney's harbour, northern, and coastal suburbs represent the least affordable locations. There are no suburbs with coastlines in the Sydney Harbour with Acceptable rental affordability. Inner areas are also either Unaffordable or Extremely Unaffordable, extending beyond Parramatta in the west and Liverpool in the south-west.

Household	RAI Score	Share of income spent on rent	Relative unaffordability
Single person on JobSeeker payment	22	137%	Critically unaffordable
Single pensioner	35	86%	Critically unaffordable
Pensioner couple	51	59%	Extremely unaffordable
Single part-time worker parent on benefits	37	80%	Extremely unaffordable
Single full-time working parent	87	35%	Unaffordable
Single income couple with children	82	36%	Unaffordable
Dual income couple with children	165	18%	Affordable
Student sharehouse	76	39%	Severely Unaffordable
Minimum wage couple	77	39%	Severely Unaffordable
Hospitality worker	65	46%	Severely Unaffordable

Source: SGS Economics and Planning, 2024

The average rental household generally must travel 15-20km from the CBD to areas such as Campsie and Lakemba in the south or Rosehill and Paramatta to the west to find Acceptable rents.

The 12 months from June 2020 to June 2021 reflect many of the impacts of the COVID-19 pandemic. Following an improvement in affordability in late 2020, stemming from falling rents, the Sydney CBD (RAI score of 109) reverted to its Unaffordable pre-pandemic level (RAI score of 95) in 2021. It continued to fall in 2022 (RAI score of 92). In 2023 and 2024, it has continued to deteriorate and is now at 73.

Western and South-west Sydney (from Camden, through Liverpool, to Parramatta) were previously among the most affordable regions of the city, with RAI scores ranging from Acceptable to Affordable in 2021. These have deteriorated, becoming Moderately Unaffordable or Unaffordable (e.g., Leppington).

TABLE 16. TOP 5 LEAST AFFORDABLE POSTCODES IN GREATER SYDNEY (JUNE QUARTER, 2024)

Rank	Postcode	Suburbs	RAI score	Rent as share of avg household income
1	2092	Seaforth	49	61%
2	2085	Belrose	52	58%
3	2087	Killarney Heights, French Forest East	61	49%
4	2030	Vaucluse	66	45%
5	2107	Clareville	66	45%

Source: SGS Economics and Planning 2023
Note: RAI has been calculated using a rounded gross income of $125,000
Only postcodes with greater than 80 records are considered for the top 5 list.

FIGURE 39. RENTAL AFFORDABILITY INDEX, GREATER SYDNEY, 2012-2024

Source: SGS Economics and Planning, 2024

REST OF NSW

The average rental household in regional NSW has a gross income of $89,977 per annum.

With a RAI score of 101, Regional NSW straddles the border between Moderately Unaffordable and Unaffordable rents. The average rental household in regional NSW would face paying almost 30 per cent of its total income if renting at the median rate. If this trend continues, the region will soon fall into the Unaffordable category.

Over the past four years, the greatest decline is evident in the coastal areas of regional NSW (e.g., Tweed Heads, Port Macquarie, Coffs Harbour) and inland areas such as Orange and Dubbo. These changed from Affordable to Moderately Unaffordable and Unaffordable, reflecting a shift in housing preferences during the COVID-19 pandemic. Most of these areas have continued to see a downward shift in affordability over the last year, suggesting this change is likely to persist.

Household	RAI Score	Share of income spent on rent	Relative unaffordability
Single person on JobSeeker payment	44	69%	Extremely Unaffordable
Single pensioner	70	43%	Severely Unaffordable
Pensioner couple	80	37%	Severely Unaffordable
Single part-time worker parent on benefits	59	51%	Extremely Unaffordable
Single full-time working parent	138	22%	Acceptable
Single income couple with children	113	27%	Moderately Unaffordable
Dual income couple with children	225	13%	Very Affordable
Student sharehouse	104	29%	Moderately Unaffordable
Minimum wage couple	122	25%	Acceptable
Hospitality worker	115	26%	Moderately Unaffordable

Source: SGS Economics and Planning, 2024

While some areas of the state still offer Acceptable to Very Affordable rents, these tend to be remote and with limited access to services. Regional centres like Bathurst, Orange, Dubbo, Wagga Wagga, and effectively the entire coastline, all offer at best, Moderately Unaffordable rents at the median rental rate.

As Figure 39 shows, Regional NSW covers the full spectrum of rental affordability, however most postcodes share the same story of declining rental affordability. Byron Bay is one of the least affordable suburbs in the country, while Cooma, which has been Acceptable to Affordable, is now Moderately Unaffordable.

FIGURE 40. RENTAL AFFORDABILITY INDEX, REGIONAL NSW

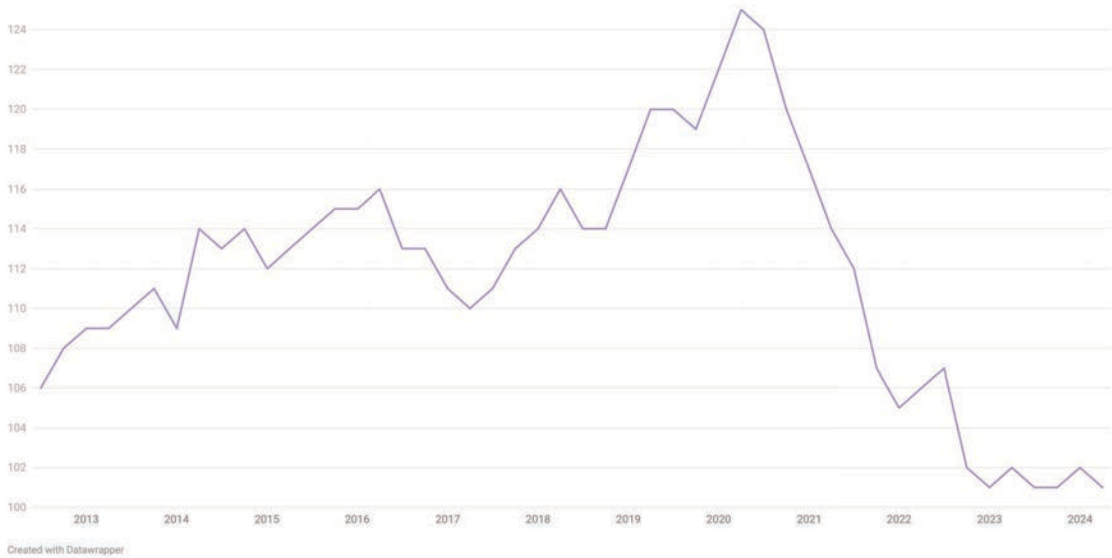
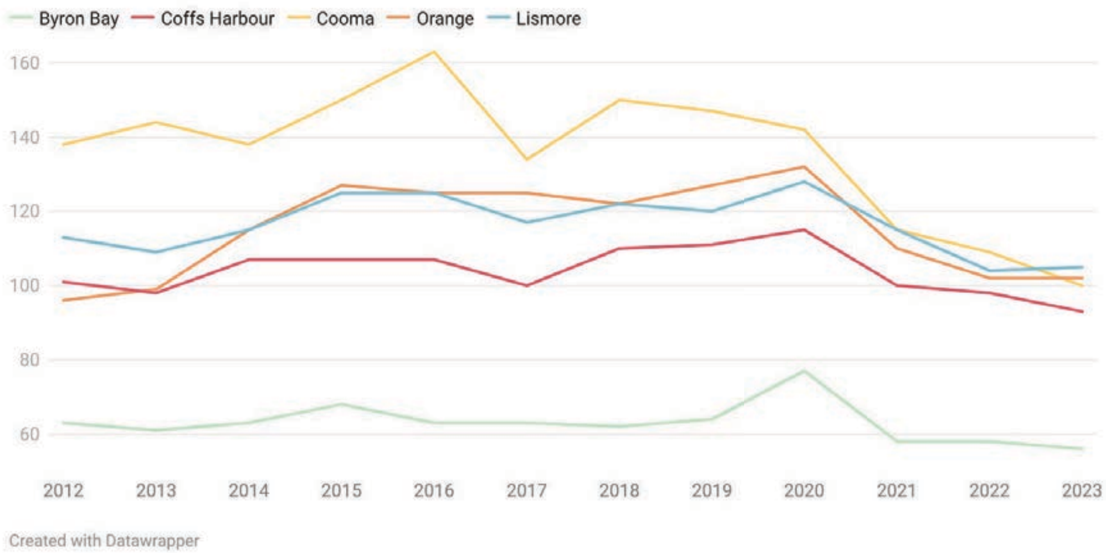


FIGURE 41. RENTAL AFFORDABILITY, SELECTED POSTCODES IN REGIONAL NSW



Source: SGS Economics and Planning, 2024
Note: Regional NSW rental household incomes increase from $54,312 in 2011 to $89,977 in 2024

4.2 Victoria

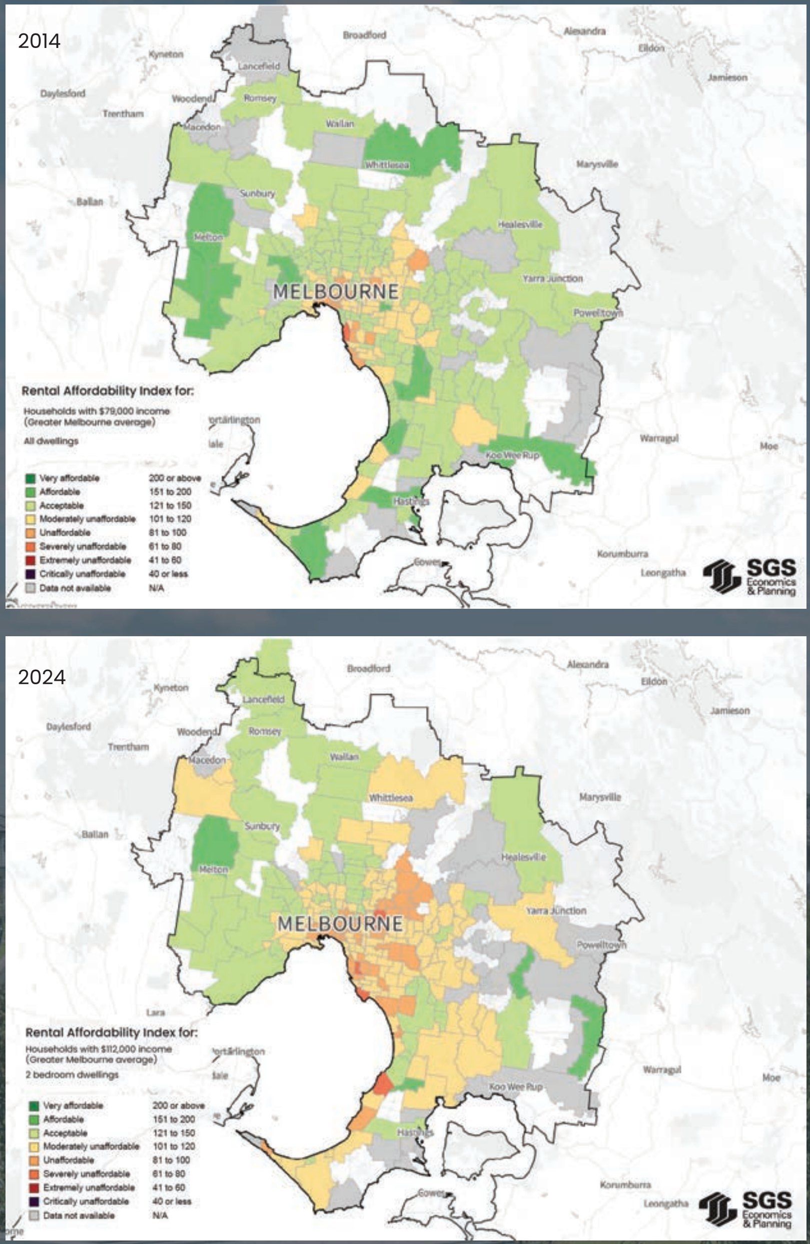
VIC Rental Affordability

A ten-year comparison.

Across Victoria, rental affordability is worse in 2024 than in 2014.

- Greater Melbourne's RAI score is 9 points lower than in 2014, at 118 compared to 127. The RAI score in regional Victoria is 13 points lower in 2024 than 2014, at 108 compared to 120.
- Rents in Greater Melbourne have increased 52.8 per cent since 2014, from a weekly average of $360 to $550. Rents in regional Victoria have increased 66.7 per cent, from a weekly average of $270 to $450.
- Since 2014, the average annual income has increased 41.9 per cent in Greater Melbourne and 49.3 per cent in regional Victoria.

FIGURE 42: GREATER MELBOURNE RENTAL AFFORDABILITY, 2014 AND 2024



GREATER MELBOURNE

The average rental household in Greater Melbourne has a gross income of $112,476 per annum.

With a RAI score of 118, affordability in Greater Melbourne has continued to decline, reaching its lowest point since 2011 (the extent of RAI data). After falling by 10 per cent in 2023, rental affordability fell by another 6 per cent through the year to June 2024. Rent increases occurred across all housing types (up 10 per cent on average), with three-bedroom properties increasing the most (up 14 per cent).

Average incomes increased by only 3 per cent over the same period, less than the headline increase in CPI (up 3.8 per cent). This means the incomes of most rental households in Melbourne are not keeping pace with either rent rises or increases in the general cost of living.

Despite falling below pre-pandemic affordability levels, Greater Melbourne remains Australia's second most affordable metropolitan region (after the ACT). The average rental household in Greater Melbourne pays around 25 per cent of its total income if renting at the median rate. This is considered Moderately Unaffordable.

The COVID-19 pandemic and associated public health responses have resulted in significant changes to the spatial pattern of rental affordability across Melbourne. In 2022, many inner suburbs, particularly in the inner north, provided Affordable rents (i.e., less than 15 per cent of household income), while most inner suburbs were at least Acceptable (rents less than 25 per cent of household income) for the average rental household. Renters could live as close as 5-10km away from the CBD in suburbs such as Footscray, North Melbourne, Parkville or Carlton, and Hawthorn in the southeast. From Footscray to Meadow Heights, a corridor of Affordable rents was available to the average rental household. In 2024, these Affordable areas have almost completely vanished, and many inner-city suburbs that had Acceptable rents in 2022, such as Docklands and Southbank, are now Unaffordable.

Household	RAI Score	Share of income spent on rent	Relative unaffordability
Single person on JobSeeker payment	30	99%	Critically Unaffordable
Single pensioner	48	62%	Extremely Unaffordable
Pensioner couple	63	48%	Severely Unaffordable
Single part-time worker parent on benefits	46	65%	Extremely Unaffordable
Single full-time working parent	101	30%	Moderately Unaffordable
Single income couple with children	101	30%	Moderately Unaffordable
Dual income couple with children	203	15%	Very Affordable
Student sharehouse	101	30%	Moderately Unaffordable
Minimum wage couple	96	31%	Unaffordable
Hospitality worker	115	26%	Moderately Unaffordable

Source: SGS Economics and Planning, 2024

The average rental household would have to look as far as Campbellfield, almost 20km north of the CBD, or Melton, over 30km west of the CBD, to find Affordable rents at the median rate. Those looking to reside in the east of the city would have to look even further out, with there being no Affordable rents closer than Cockatoo, over 45km from the CBD, for the average rental household.

Tertiary education precincts, such as Carlton, Parkville, and Hawthorn, became significantly more affordable in 2021. However, the return of students and face-to-face learning resulted in declining affordability during 2022, this accelerated in 2023 and 2024. These areas are mostly now Moderately Unaffordable to the average rental household, and students on lower incomes (even a student sharehouse with three members) will find them Severely Unaffordable.

Coastal suburbs in Brighton, Brighton East, Hampton, and Beaumaris have remained Unaffordable to Severely Unaffordable and are among the least affordable areas of Melbourne (more so than the inner city). Melbourne's five least affordable postcodes are listed in Table 16.

TABLE 17. TOP 5 LEAST AFFORDABLE POSTCODES IN GREATER MELBOURNE (JUNE QUARTER, 2022)

Rank	Postcode	Suburbs	RAI score	Rent as share of avg household income
1	3193	Beaumaris	64	47%
2	3930	Mount Eliza	75	40%
3	3126	Canterbury	77	39%
4	3187	Brighton East	77	39%
5	3104	Balwyn North	79	38%

Source: SGS Economics and Planning, 2024
Note: RAI has been calculated using a rounded gross income of $110,000
Only postcodes with greater than 80 records are considered for the top 5 list.

FIGURE 43. RENTAL AFFORDABILITY INDEX, GREATER MELBOURNE

Source: SGS Economics and Planning, 2024

REST OF VICTORIA

The average rental household in regional Victoria has a gross income of $84,203 per annum.

With a RAI score of 108, rental affordability in regional Victoria has decreased significantly since the onset of the COVID-19 pandemic in 2020, reaching another historic low in 2024. The average rental household in regional Victoria now faces paying 28 per cent of its total income if renting at the median rental rate.

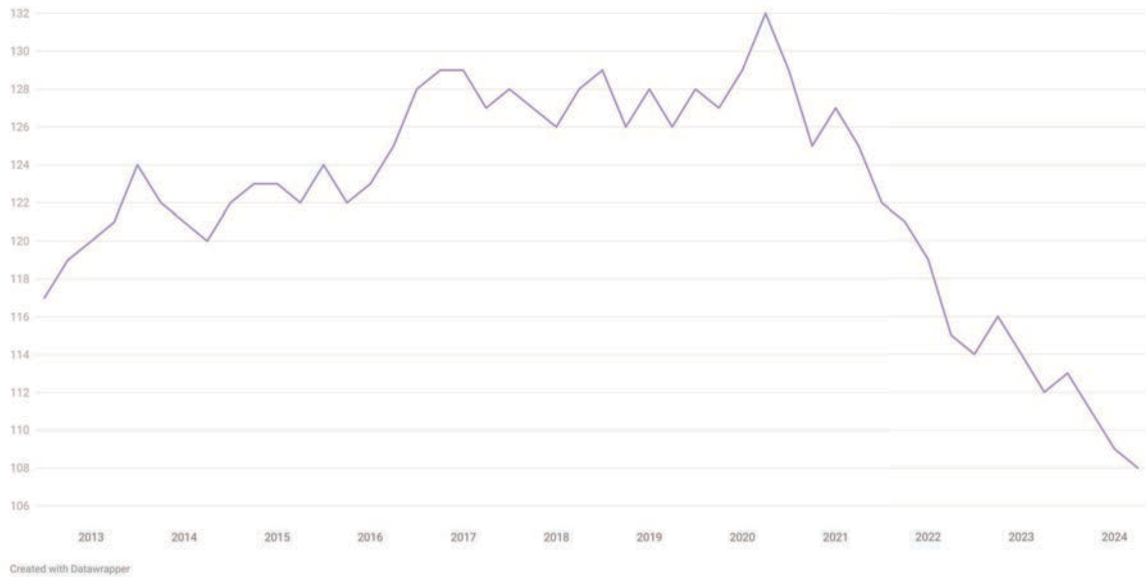
The trend of declining affordability is consistent across all parts of regional Victoria, albeit at different scales. The Surf Coast and Geelong regions experienced some of the largest decreases in affordability between 2020 and 2021, with Ocean Grove and Torquay now considered Severely Unaffordable to the average regional Victorian rental household. Apollo Bay, which had Acceptable rental affordability in 2019, now has Severely Unaffordable rents.
Affordability in regional cities such as Bendigo, Shepparton, and Ballarat have also continued to decline, becoming Moderately Unaffordable.

As Figure 43 demonstrates, most regional areas have seen declining affordability after reaching a peak in 2020 or 2021. Fringe commuter areas, such as Kyneton, have become Unaffordable over the last two years, while coastal towns, such as Ocean Grove and Warrnambool, are among the least affordable regions.

Household	RAI Score	Share of income spent on rent	Relative unaffordability
Single person on JobSeeker payment	51	59%	Extremely Unaffordable
Single pensioner	81	37%	Unaffordable
Pensioner couple	98	31%	Unaffordable
Single part-time worker parent on benefits	72	42%	Severely Unaffordable
Single full-time working parent	157	19%	Affordable
Single income couple with children	129	23%	Acceptable
Dual income couple with children	258	12%	Very Affordable
Student sharehouse	127	24%	Acceptable
Minimum wage couple	149	20%	Acceptable
Hospitality worker	122	25%	Acceptable

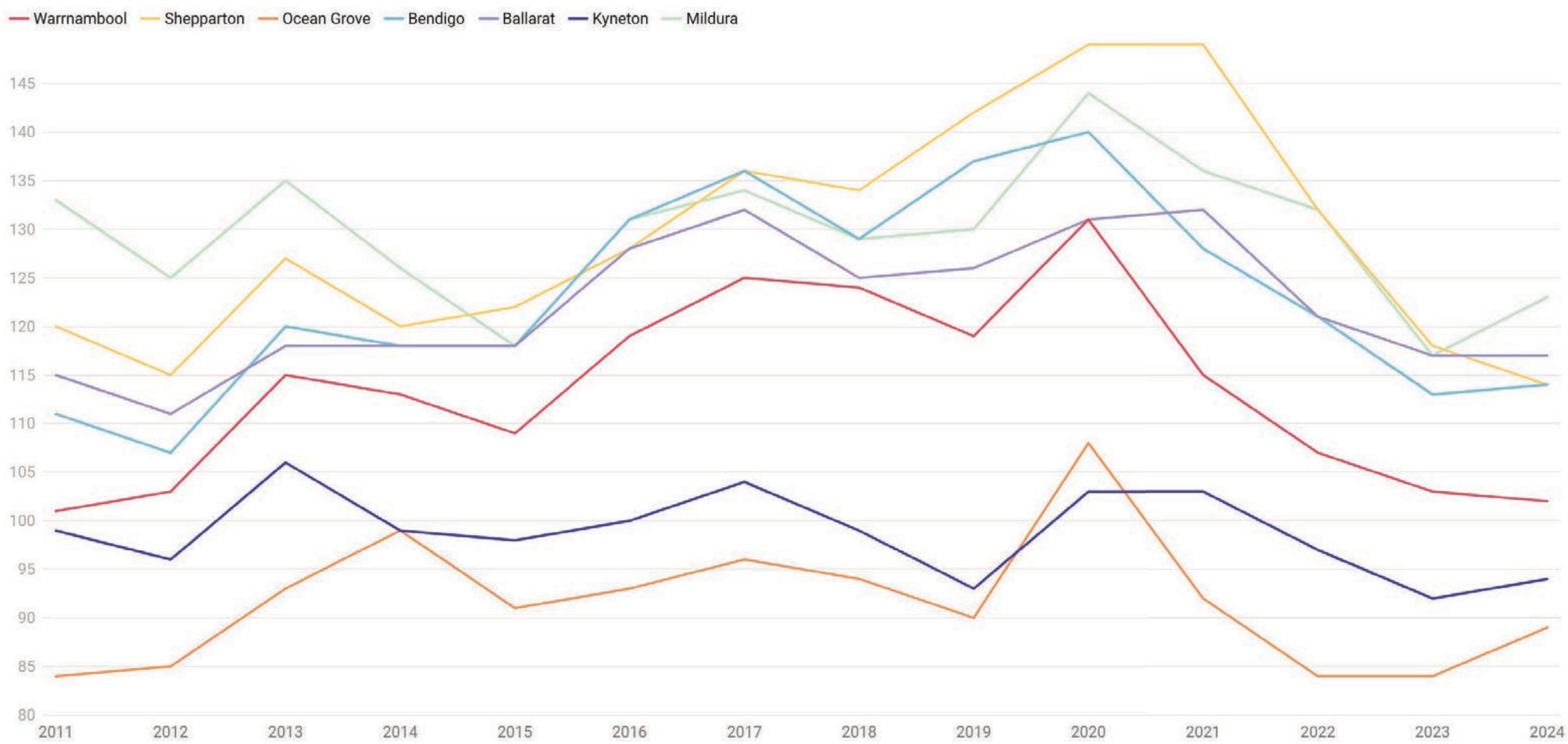
Source: SGS Economics and Planning, 2024

FIGURE 44. RENTAL AFFORDABILITY INDEX, REST OF VIC



Source: SGS Economics and Planning, 2024

FIGURE 45. RENTAL AFFORDABILITY INDEX, SELECTED POSTCODES IN REGIONAL VIC



Source: SGS Economics and Planning, 2024
Note: Regional VIC rental household incomes increase from $51,570 in 2011 to $84,203 in 2024

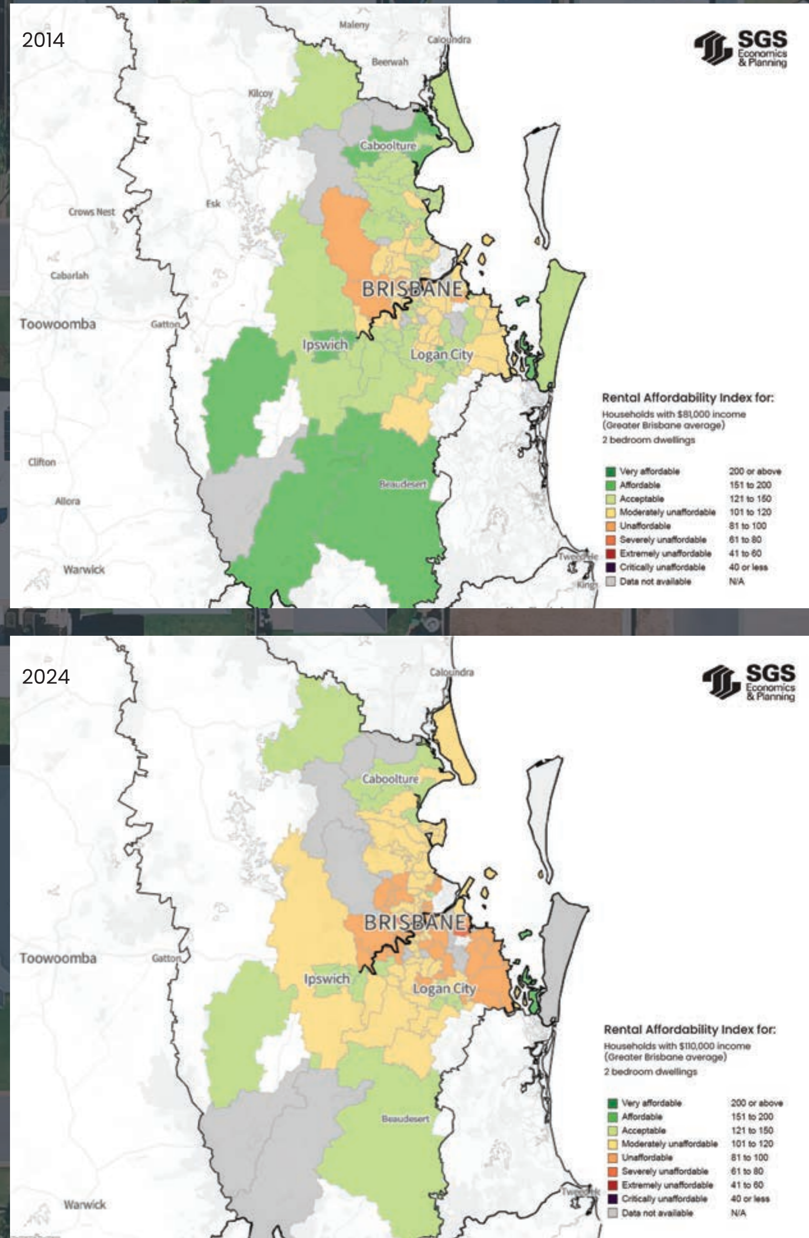
QLD Rental Affordability

A ten-year comparison.

Across Queensland, rental affordability is worse in 2024 than in 2014.

- Greater Brisbane's RAI score is 16 points lower than in 2014, at 104 compared to 120. The RAI score in regional Queensland is 7 points lower in 2024 than in 2014, at 114 compared to 121.
- Rents in Greater Brisbane have increased 56.8 per cent since 2014, from a weekly average of $389 to $610. Rents in regional Queensland have increased 75.5 per cent, from a weekly average of $346 to $607.
- Since 2014, the average annual income has increased 36.7 per cent in Greater Brisbane and 40.3 per cent in regional Queensland.

FIGURE 46: GREATER BRISBANE RENTAL AFFORDABILITY, 2014 AND 2024



GREATER BRISBANE

The average rental household in Greater Brisbane has a gross income of $110,347 per annum.

After four years of improvement between 2016 and 2020, rental affordability in Greater Brisbane has declined over the past four years and reached a historic low RAI score of 104 in 2024. The average rental household in Greater Brisbane now faces paying 29 per cent of its total income if renting at the median rate, which is considered Moderately Unaffordable.

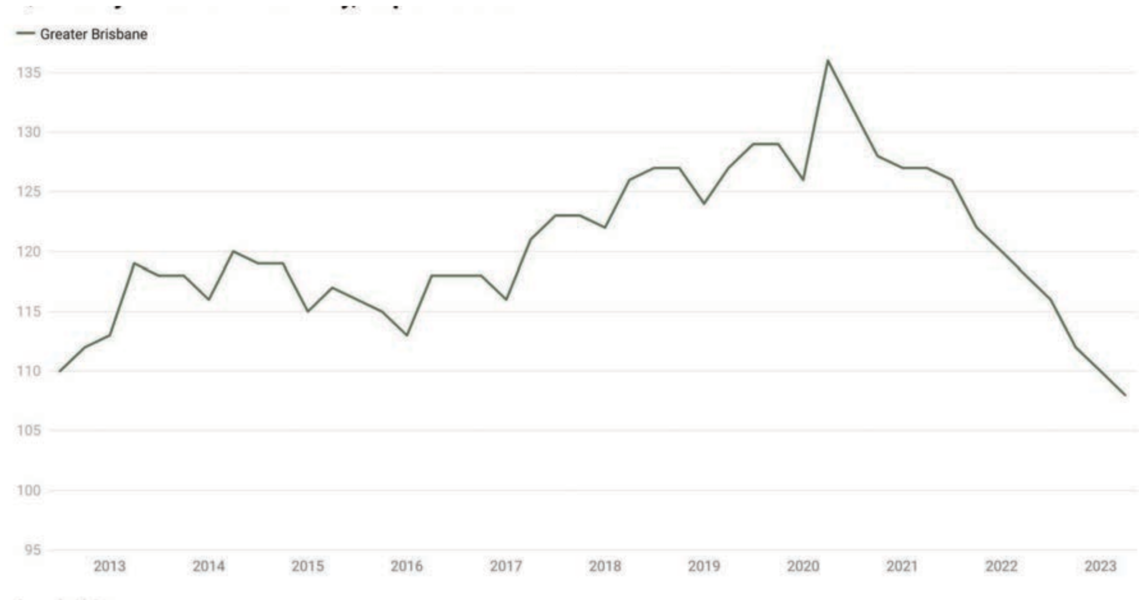
The spatial patterns of affordability have changed little over the last year. Many postcodes in inner to middle Brisbane remain Moderately Unaffordable to Unaffordable. Areas in Redlands City and to the North West, around Samford Valley, continue to be among the most unaffordable in Queensland, categorised as Severely Unaffordable.

In 2020, other than the Brisbane CBD itself (which was Moderately Unaffordable), most inner-city suburbs along the river offered Acceptable to Affordable levels of rental affordability. In 2024, there are no Affordable suburbs in Greater Brisbane and renters would need to look as far as Ipswich or Logan City, at least 10km from the CBD, to find Acceptable rents.
Over the past three years, areas to the north and south-east of Brisbane CBD have shifted from Acceptable to Unaffordable, with other areas remaining Moderately Unaffordable or Unaffordable. The outskirts of Greater Brisbane (Woodford, Rosewood, Sandstone Point and Caboolture) all declined in affordability by at least 20 per cent over the past three years.

Household	RAI Score	Share of income spent on rent	Relative unaffordability
Single person on JobSeeker payment	28	107%	Critically Unaffordable
Single pensioner	45	67%	Extremely Unaffordable
Pensioner couple	60	50%	Extremely Unaffordable
Single part-time worker parent on benefits	44	68%	Extremely Unaffordable
Single full-time working parent	102	30%	Moderately Unaffordable
Single income couple with children	100	30%	Moderately Unaffordable
Dual income couple with children	200	15%	Very Affordable
Student sharehouse	94	32%	Unaffordable
Minimum wage couple	91	33%	Unaffordable
Hospitality worker	71	42%	Severely Unaffordable

Source: SGS Economics and Planning, 2024

FIGURE 47. RENTAL AFFORDABILITY INDEX, GREATER BRISBANE



Source: SGS Economics and Planning, 2024

REST OF QUEENSLAND

The average rental household in regional Queensland has a gross income of $101,958 per annum.

Rental affordability in regional QLD has followed a similar pattern to that of Greater Brisbane. It decreased rapidly following a peak in June 2020 and has now reached a historic low of 97, making it the least regional area in the country.

Regional QLD had Acceptable rents four years ago but now falls into the Unaffordable category. The average rental household pays 31 per cent of its total income on rent, exceeding the rental stress threshold as measured by the RAI.

The Sunshine Coast is entirely Unaffordable to Severely Unaffordable. The area north of the Sunshine Coast, encompassing Coolum Beach, Eumundi, Tewantin, Cooroy and Noosa Heads, has been Severely Unaffordable for the last two years. Gympie and Hervey Bay have seen declining affordability and are now Moderately Unaffordable.

Likewise, the Gold Coast area to the south of Greater Brisbane offers only Unaffordable to Severely Unaffordable rents. In 2020, it offered Moderately Unaffordable to Unaffordable rents.

This shows that residents who are priced out of the Greater Brisbane rental market will also struggle to find affordable rental housing in other cities throughout Queensland. The median rent price is roughly the same in regional Queensland as in Greater Brisbane, despite the average rental household income outside of Brisbane being about $10,000 lower. This means that the average rental household in regional Queensland pays an additional 2 per cent of their income in rent compared to their Brisbane counterparts.

Regional centres, such as Toowoomba, Rockhampton, Townsville and Cairns, offered Acceptable to Very Affordable rent prices for the average renter in 2020. In 2024, they have all fallen to Acceptable, and the surrounding regions are generally Moderately Unaffordable to Unaffordable.

Household	RAI Score	Share of income spent on rent	Relative unaffordability
Single person on JobSeeker payment	32	93%	Critically Unaffordable
Single pensioner	52	58%	Extremely Unaffordable
Pensioner couple	65	46%	Severely Unaffordable
Single part-time worker parent on benefits	48	63%	Extremely Unaffordable
Single full-time working parent	110	27%	Moderately Unaffordable
Single income couple with children	99	30%	Unaffordable
Dual income couple with children	198	15%	Affordable
Student sharehouse	93	32%	Unaffordable
Minimum wage couple	99	30%	Unaffordable
Hospitality worker	86	35%	Unaffordable

Source: SGS Economics and Planning, 2024

FIGURE 48. RENTAL AFFORDABILITY INDEX, REST OF QLD

Source: SGS Economics and Planning, 2024

4.4 South Australia

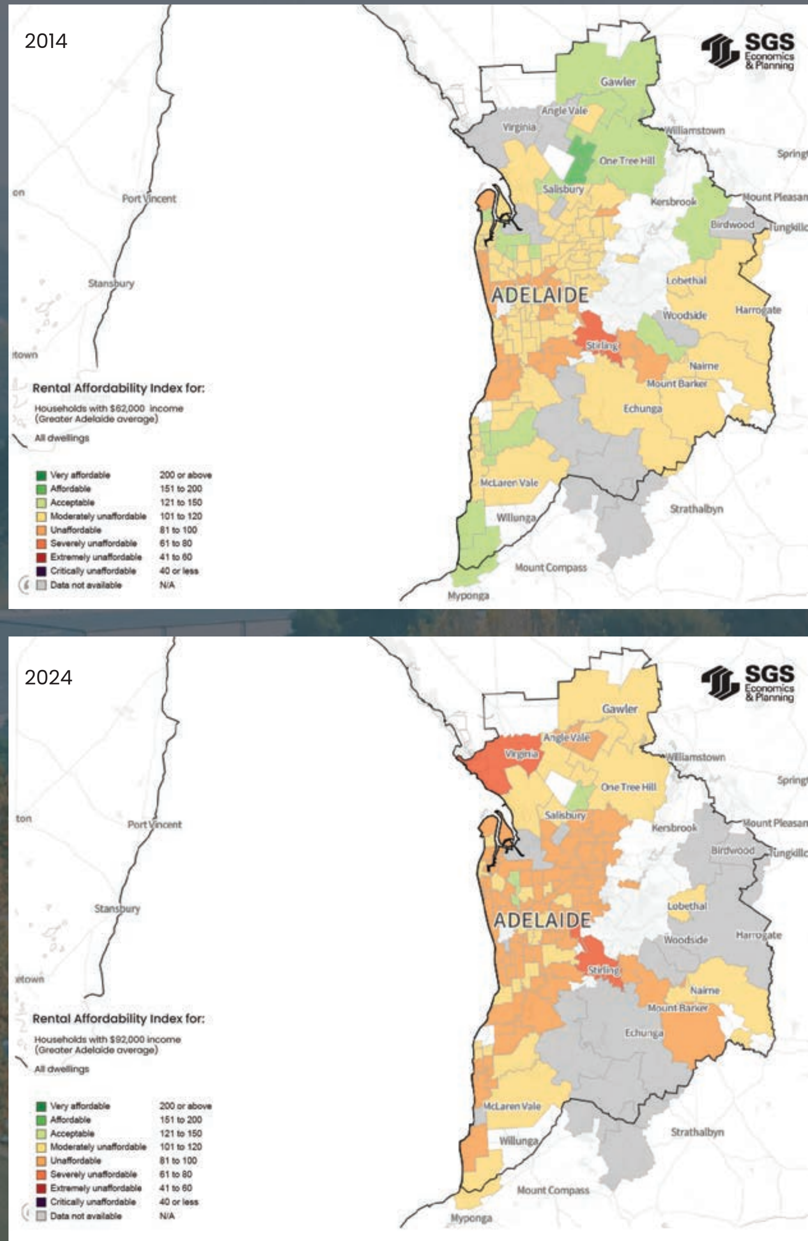
SA Rental Affordability

A ten-year comparison.

Across South Australia, rental affordability is worse in 2024 than in 2014.

- Greater Adelaide's RAI score is 14 points lower than in 2014, at 101 compared to 115. The RAI score in regional SA is 8 points lower in 2024 than in 2014, at 122 compared to 130.
- Rents in Greater Adelaide have increased 69.4 per cent since 2014, from a weekly average of $310 to $525. Regional SA rates have increased 52.0 per cent, from a weekly average of $250 to $380.
- Since 2014, the average annual income has increased 48.8 per cent in Greater Adelaide and 41.8 per cent in regional SA.

FIGURE 49. GREATER ADELAIDE RENTAL AFFORDABILITY, 2014 AND 2024



GREATER ADELAIDE

The average rental household in Greater Adelaide has a gross income of $91,601 per annum.

Affordability in Greater Adelaide has continued to decline over the last year, reaching a record-low RAI score of 101. If renting at the median rate, the average rental household in Greater Adelaide pays 30 per cent of their total income—reaching the threshold of rental stress, as measured by the RAI, for the first time.

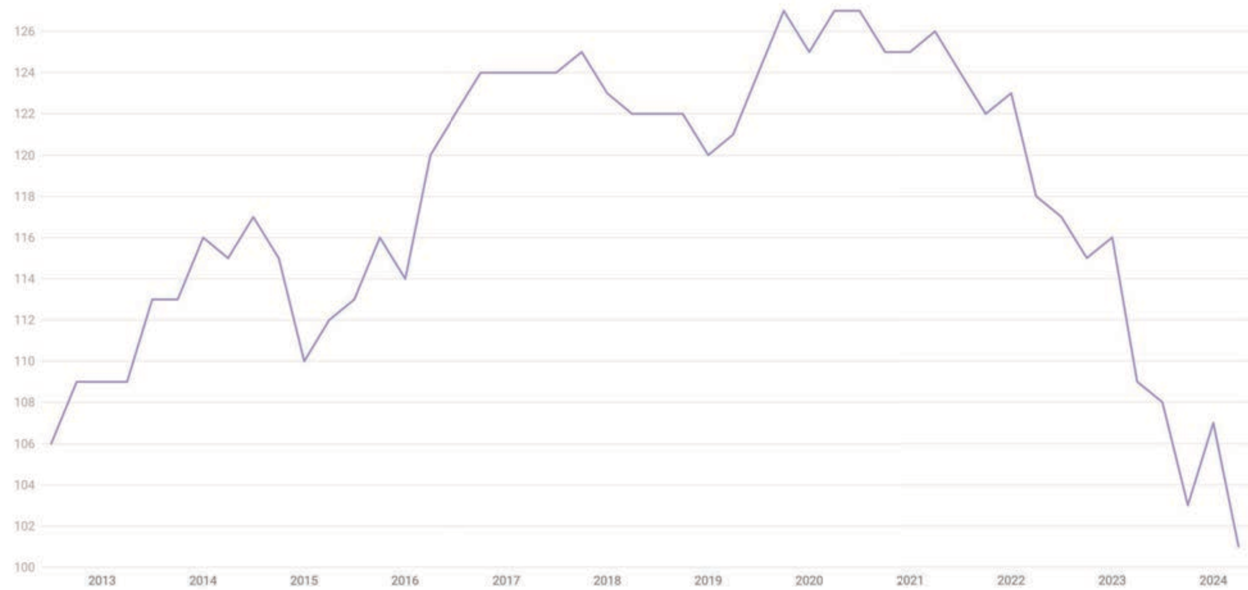
Although Greater Adelaide has the cheapest median rent of all major cities, it also has the lowest average household income, making it the third least affordable capital city for the average renter. Incomes increased by 5.2 per cent through the year to June 2024, while median rents increased 14.1 per cent over the same period.

The Adelaide CBD and surrounding suburbs have been more affordable than many suburban parts of the city. This largely represents the high proportion of small dwellings (one bedroom or studio) and is influenced by the presence of student accommodation. However, this trend of affordability, even in these locations, is downward, with the CBD moving down an affordability bracket to Moderately Unaffordable in 2024 (from Acceptable in 2023).

Household	RAI Score	Share of income spent on rent	Relative unaffordability
Single person on JobSeeker payment	39	76%	Critically Unaffordable
Single pensioner	63	48%	Severely Unaffordable
Pensioner couple	77	39%	Severely Unaffordable
Single part-time worker parent on benefits	57	53%	Extremely Unaffordable
Single full-time working parent	128	23%	Acceptable
Single income couple with children	107	28%	Moderately Unaffordable
Dual income couple with children	214	14%	Very Affordable
Student sharehouse	102	30%	Moderately Unaffordable
Minimum wage couple	117	26%	Moderately Unaffordable
Hospitality worker	97	31%	Unaffordable

Source: SGS Economics and Planning, 2024

FIGURE 50. RENTAL AFFORDABILITY INDEX, GREATER ADELAIDE



Source: SGS Economics and Planning, 2024

REST OF SOUTH AUSTRALIA

The average rental household in regional South Australia has a gross income of $80,107 per annum. Regional SA has the second lowest income of all regions among average rental households, after regional Tasmania.

Rents in regional SA have increased by 12.9 per cent in the last year, further constraining the budget of the average rental household, and especially those with lower incomes. Still, the region offers the cheapest median rents of any region in Australia.

With a RAI score of 126, affordability in regional SA has remained Acceptable for average income households since early 2016, and it remains the most affordable non-capital city area. It is the equal most affordable region in Australia, alongside Greater Melbourne. However, rental affordability has still declined by 8 per cent over the last year and has moved closest to the Moderately Unaffordable threshold since 2012. Over the last two years, rental affordability has dropped by 7 per cent per annum.

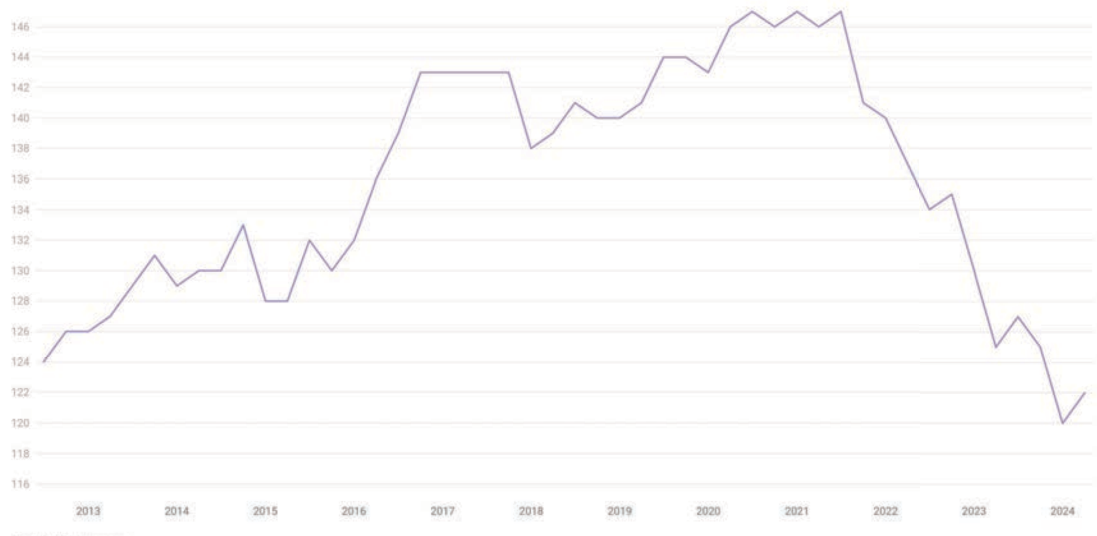
The average income household seeking to rent faces paying around 24 per cent of household income if renting at the median rate. This is an increase from 22 per cent which these households were required to pay in 2022. Along with regional WA, affordability in regional SA has declined by more than any other rest of state area.

Most areas outside Greater Adelaide offer better rents. However, even for the average rental household, renters would have to travel as far as Berri, near the Victorian border, to find Affordable rents. Port Pirie and Peterborough are also affordable to the average renter. For those on lower incomes however, there are very few locations of Acceptable affordability.

Household	RAI Score	Share of income spent on rent	Relative unaffordability
Single person on JobSeeker payment	61	49%	Severely Unaffordable
Single pensioner	98	31%	Unaffordable
Pensioner couple	120	25%	Moderately Unaffordable
Single part-time worker parent on benefits	88	34%	Unaffordable
Single full-time working parent	201	15%	Very Affordable
Single income couple with children	153	20%	Affordable
Dual income couple with children	306	10%	Very Affordable
Student sharehouse	145	21%	Acceptable
Minimum wage couple	182	16%	Affordable
Hospitality worker	152	20%	Affordable

Source: SGS Economics and Planning, 2024

FIGURE 51. RENTAL AFFORDABILITY INDEX, REST OF SA



Source: SGS Economics and Planning, 2024

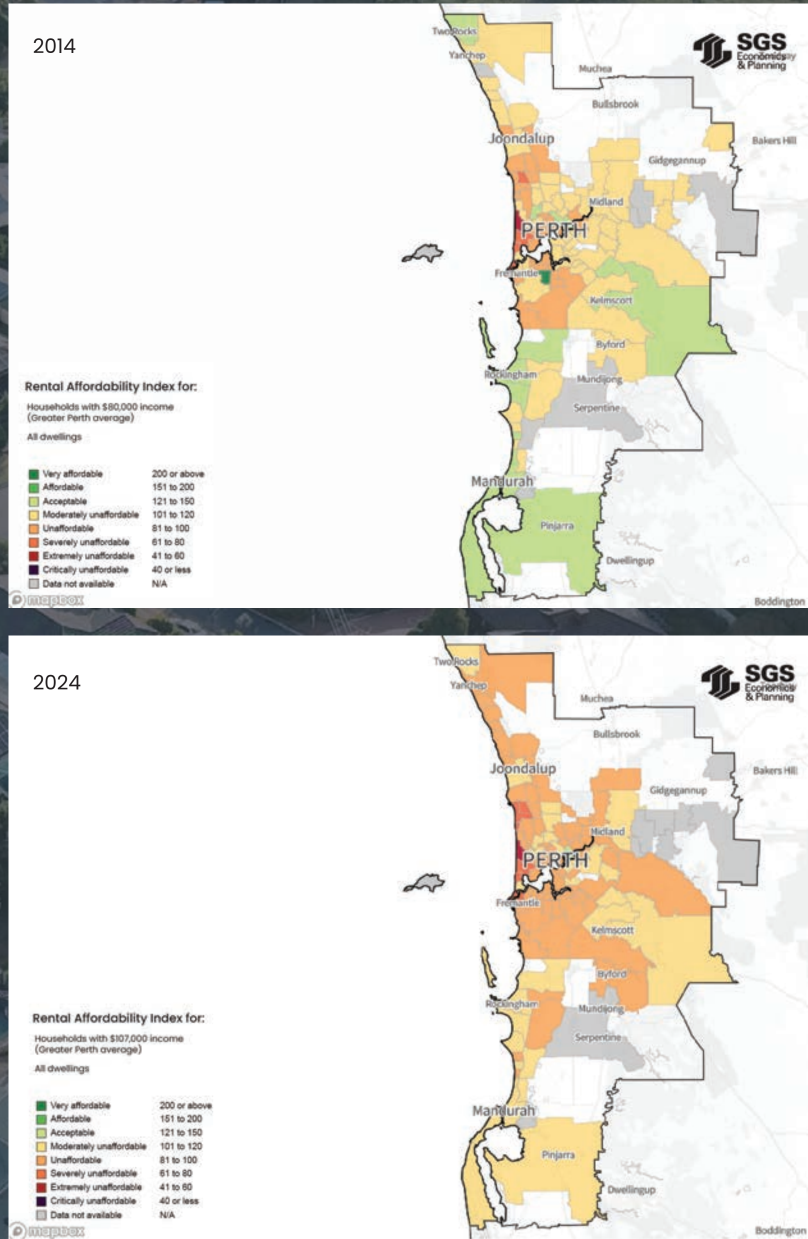
WA Rental Affordability

A ten-year comparison.

Despite affordability being better now than a decade ago, 2024 still marks a period of depressed affordability in regional WA. In 2014, the state was still recovering from a period of unaffordability resulting from rising housing costs during the resources boom. By June 2015, rental affordability had improved considerably in regional WA, with a RAI score of 133 (compared to 98 in June 2014). Rental affordability remained above 130 for the next seven years (peaking at 162 in 2019) before declining during the pandemic years.

- Greater Perth's RAI score is 7 points lower than in 2014, at 98 compared to 105. The RAI score in regional WA is 16 points higher in 2024 than 2014, at 114 compared to 98.
- Rents in Greater Perth have increased 43 per cent since 2014, from a weekly average of $440 to $630. Rents in regional WA have increased 13 per cent, from a weekly average of $505 to $572.
- Since 2014, the average annual income has increased by 33.3 per cent in Greater Perth and 32.5 per cent in regional WA.

FIGURE 52: GREATER PERTH RENTAL AFFORDABILITY, 2014 AND 2024



GREATER PERTH

The average rental household in Greater Perth has a gross income of $106,673 per annum.

Rental affordability in Greater Perth has declined considerably over the past four years (10 per cent per annum on average), hitting a record-low RAI score of 98 in 2024. This brings the city into the Unaffordable category for the first time.

Perth rents have risen sharply since the onset of the COVID-19 pandemic, which incomes, while high, have not offset. Since mid-2020, rents in Greater Perth have increased by almost 80 per cent, while incomes have increased just 15.2 per cent. The average rental household now faces paying 31 per cent of its income if renting at the median rate. Just four years ago, in mid-2020, this was 20 per cent.

This downward trend has been the most rapid across all capital cities. Before 2020, Perth was the most affordable capital city, but now ranks alongside Sydney as the least affordable in the country.

As of June 2024, no suburbs in Greater Perth offered Affordable rents to the average rental household, and only Maylands offered Acceptable rents (this is in part influenced by the prevalence of smaller and higher-density housing in this suburb). Likewise, the eastern and southeastern suburbs have shifted from largely having Acceptable rents to now being Moderately Unaffordable to Unaffordable.

A similar trend has been seen along the northern beach suburbs through to Two Rocks (where rents are largely Unaffordable), around Fremantle (where rents have shifted from Moderately Unaffordable to Unaffordable) and south through to Rockingham (where rents have shifted from Acceptable to Moderately Unaffordable).

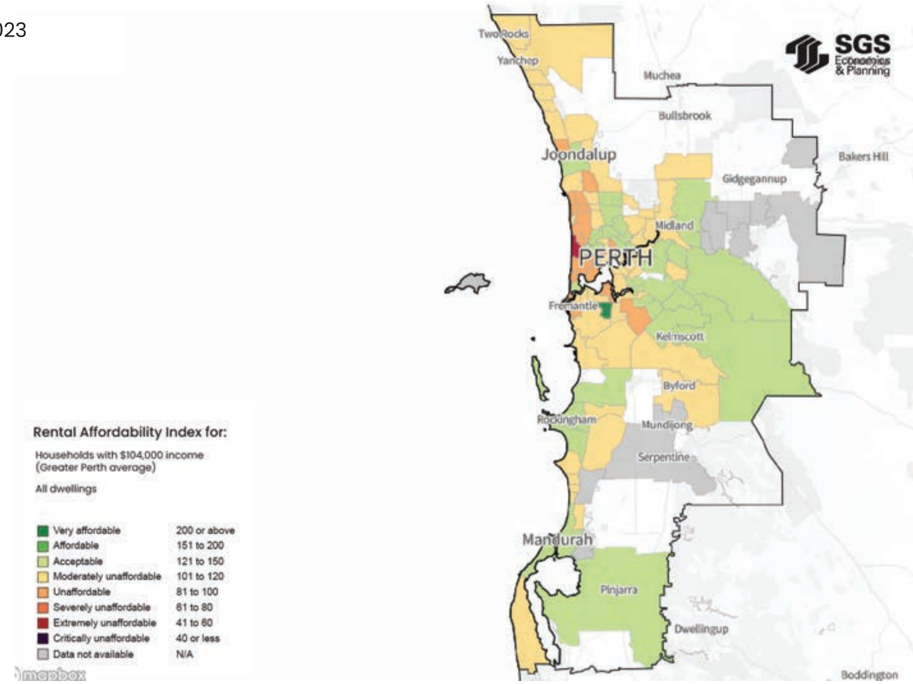
Renting is much less affordable for lower-income households, such as pensioners, those receiving JobSeeker payments, and hospitality workers. Low vacancy rates compound their pressure, increasing the difficulty and time needed to secure accommodation.

Household	RAI Score	Share of income spent on rent	Relative unaffordability
Single person on JobSeeker payment	23	133%	Critically Unaffordable
Single pensioner	36	83%	Critically Unaffordable
Pensioner couple	57	52%	Extremely Unaffordable
Single part-time worker parent on benefits	42	71%	Extremely Unaffordable
Single full-time working parent	98	31%	Unaffordable
Single income couple with children	98	31%	Unaffordable
Dual income couple with children	196	15%	Affordable
Student sharehouse	91	33%	Unaffordable
Minimum wage couple	87	34%	Unaffordable
Hospitality worker	59	51%	Extremely Unaffordable

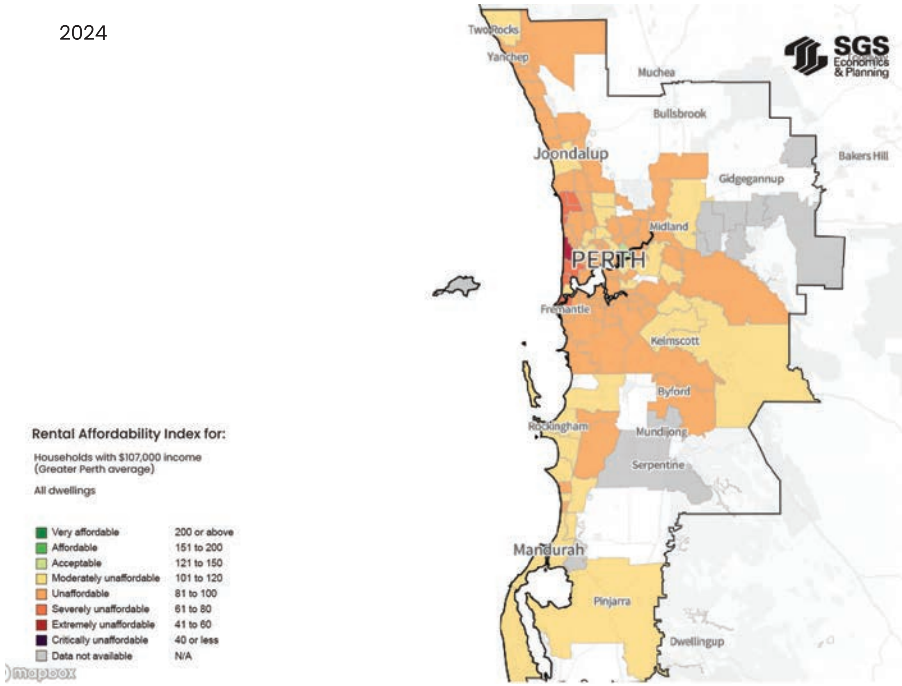
Source: SGS Economics and Planning, 2024

FIGURE 53. GREATER PERTH, JUNE QUARTER, 2023 AND 2024

2023

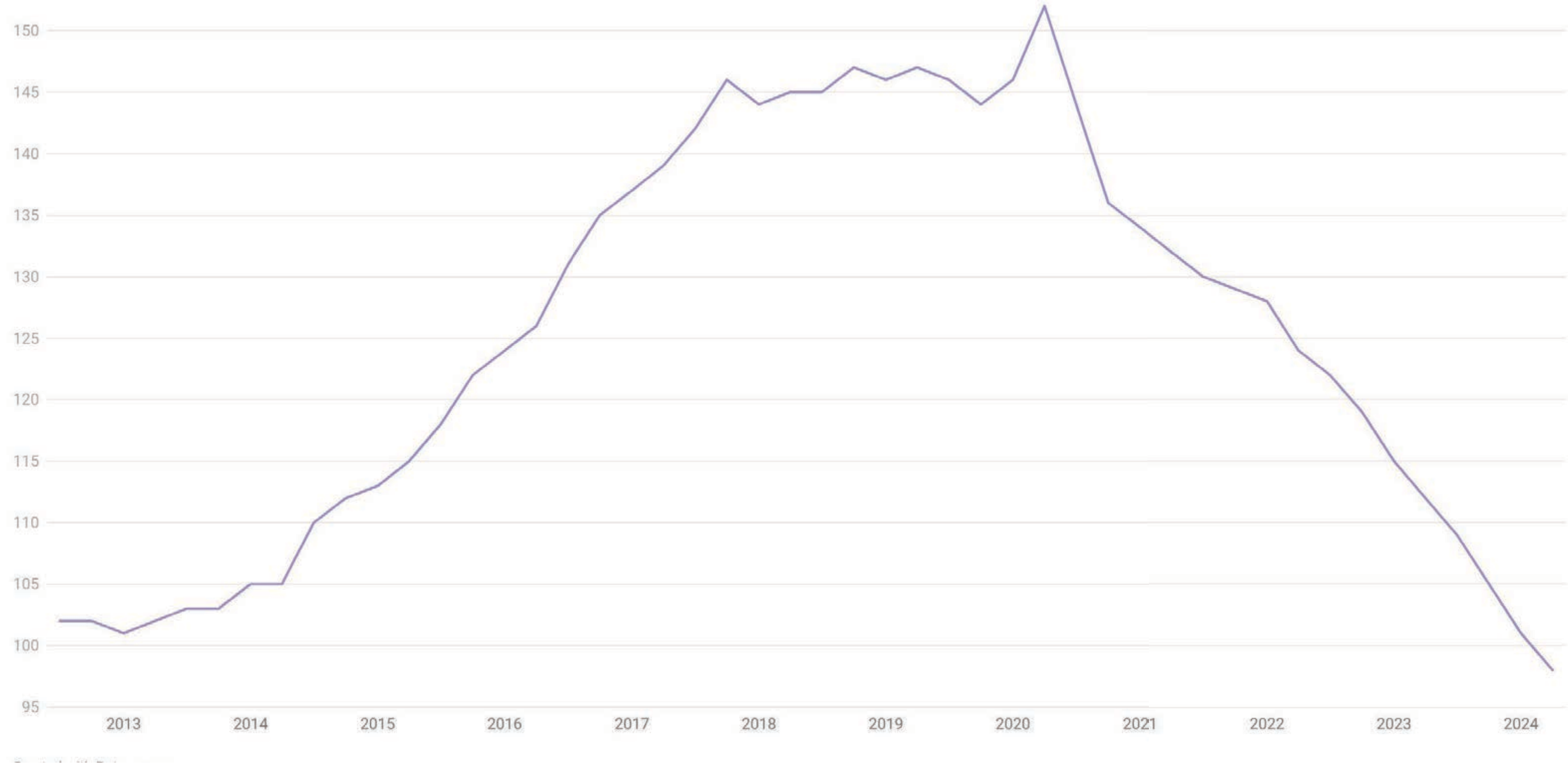


2024



Source: SGS Economics & Planning, 2024

FIGURE 54. RENTAL AFFORDABILITY INDEX, GREATER PERTH



Source: SGS Economics and Planning, 2024

REST OF WESTERN AUSTRALIA

The average rental household in regional Western Australia has a gross income of $113,493 per annum. This is the only case where regional incomes are greater than those in the capital city. High average incomes reflect and are skewed, by wages in the resources industry, with those in other sectors often earning far less.

Regional WA has a RAI score of 114, having declined by 7 per cent over the past year, and 8 per cent per annum over the last three years. In 2020, the average rental household would have paid 19 per cent of their income if renting at the median rental. This has now risen to 26 per cent in 2024.

Following rapidly improving affordability between 2014 and 2017, regional WA continued to improve, reaching peak affordability in 2020. However, since the onset of the pandemic, affordability has declined sharply and is at its lowest level since 2014.

Most of regional WA still offers Acceptable to Very Affordable rents, although covering such a massive land area, the variation between regional centres and remote communities is vast. Some parts of regional WA also operate outside the private rental market, with accommodation provided through social housing, employer-provided housing or community housing. On the household income side, Figure 53 illustrates the differences in average income across parts of regional WA.

Bunbury offers Acceptable to Moderately Unaffordable rents, while Busselton and Kalgoorlie are Moderately Unaffordable. Albany and Geraldton offer Acceptable rents, but Broome is Unaffordable and Karratha and Port Headland are both Severely Unaffordable.

Household	RAI Score	Share of income spent on rent	Relative unaffordability
Single person on JobSeeker payment	25	121%	Critically Unaffordable
Single pensioner	40	76%	Critically Unaffordable
Pensioner couple	63	48%	Severely Unaffordable
Single part-time worker parent on benefits	46	65%	Extremely Unaffordable
Single full-time working parent	109	28%	Moderately Unaffordable
Single income couple with children	109	28%	Moderately Unaffordable
Dual income couple with children	217	14%	Very Affordable
Student sharehouse	100	30%	Moderately Unaffordable
Minimum wage couple	96	31%	Unaffordable
Hospitality worker	69	44%	Severely Unaffordable

Source: SGS Economics and Planning, 2024

FIGURE 55. RENTAL HOUSEHOLD INCOME VARIATION ACROSS REST OF WA (DIFFERENCE TO REST OF WA AVERAGE)

Source: SGS Economics and Planning, 2024

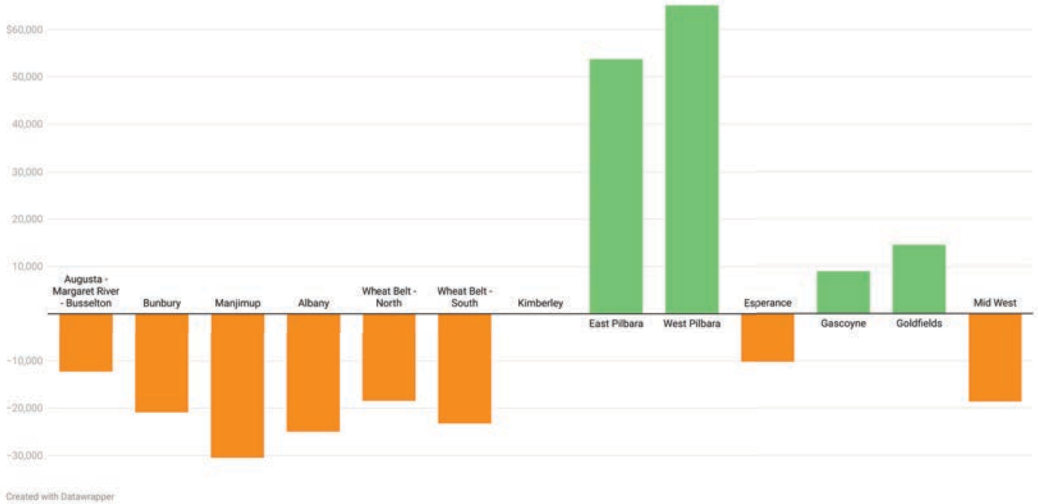
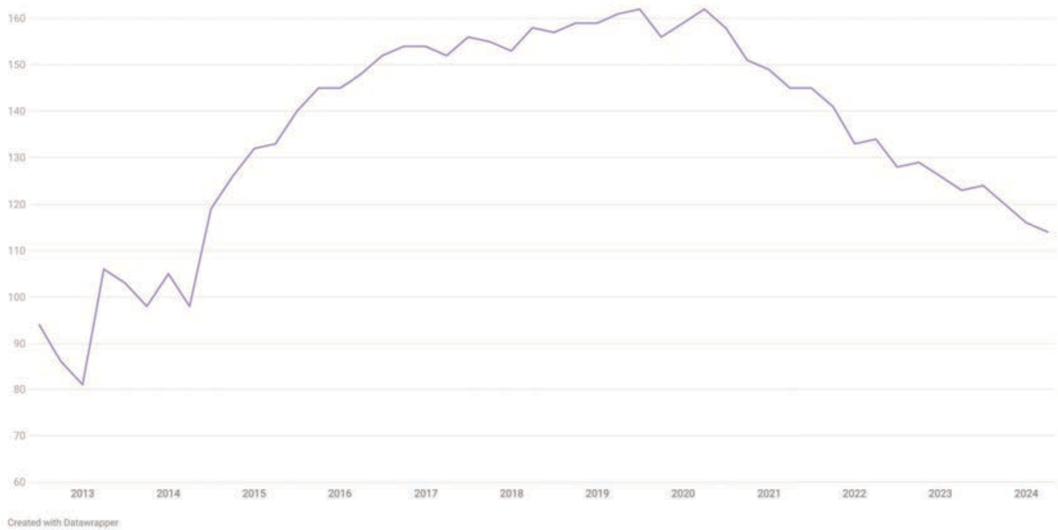


FIGURE 56. RENTAL AFFORDABILITY INDEX, REST OF WA

Source: SGS Economics and Planning, 2024



4.6 Tasmania

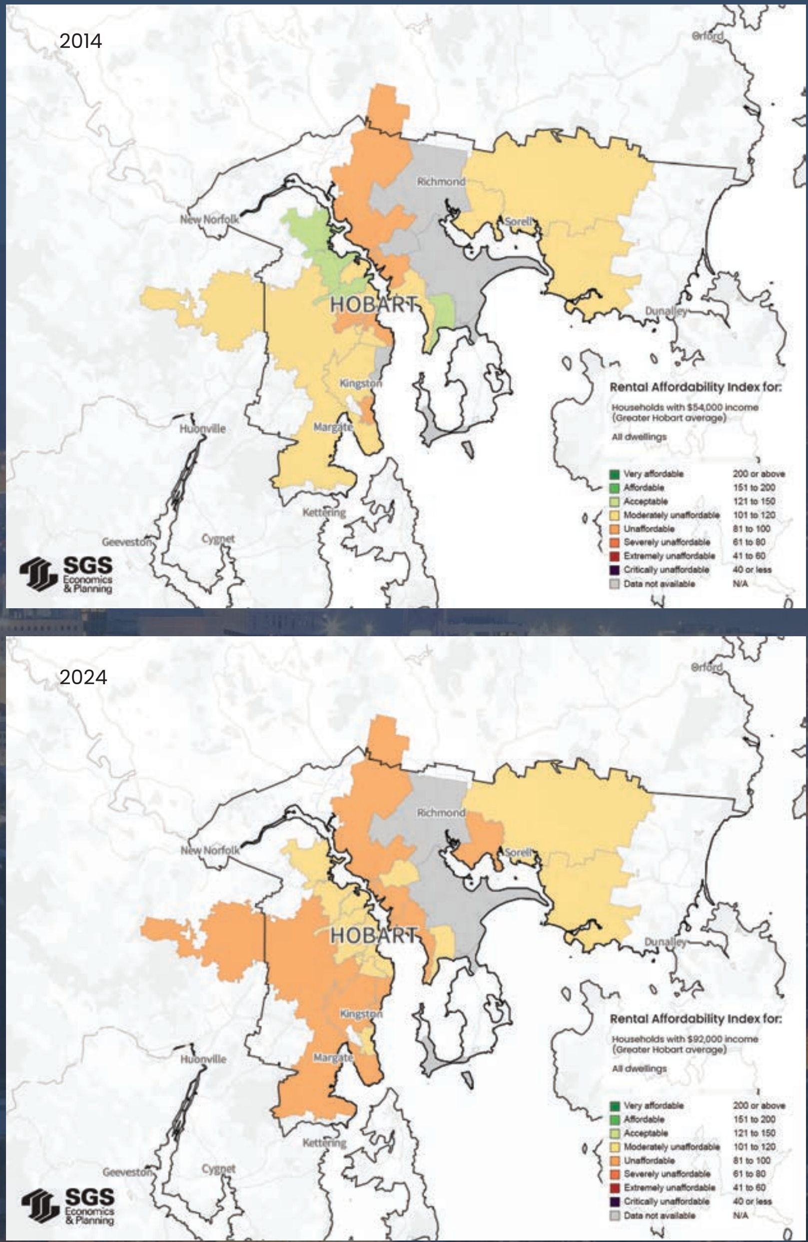
TAS Rental Affordability

A ten-year comparison.

In Greater Hobart, rental affordability is the same in 2024 as in 2014. In regional Tasmania, rental affordability is worse in 2024 than in 2014.

- Greater Hobart's RAI score is 108, the same as it was in 2014. The RAI score in regional Tasmania is 5 points lower in 2024 than 2014, at 111 compared to 116.
- Rents in Greater Hobart have increased 69 per cent since 2014, from a weekly average of $290 to $490. Regional Tasmania's rent has increased 13 per cent, from a weekly average of $235 to $400.
- Since 2014, the average annual income has increased 68.9 per cent in Greater Hobart and 70.2 per cent in regional Tasmania.

FIGURE 57: GREATER HOBART RENTAL AFFORDABILITY, 2014 AND 2024



GREATER HOBART

The average rental household in Greater Hobart has a gross income of $91,592 per annum.

Contrary to most capital cities, median rents in Greater Hobart have remained stable over the past year (increasing only 2.1 per cent), making Greater Hobart one of only two regions to see improved affordability in 2024 (the other being the ACT).

While this is an encouraging sign, rents increased rapidly over the previous few years (21.5 per cent from June 2020 to 2022), which has only been partially offset by the improvement in affordability in the years since. With a RAI score of 108, the average rental household still faces paying 28 per cent of their income if renting at the median rate, which is considered Moderately Unaffordable.

Since 2016, the median rental rate in Hobart has grown by over 60 per cent (consistent across dwelling sizes). Rents are now only 10 per cent lower than the Melbourne median, despite the average rental household income being over 18 per cent lower. However, this is an improvement relative to 2022, when median rents in Hobart were in fact 11 per cent higher than those in Melbourne.

Rapidly growing rents were likely driven by an inadequate supply of rental housing, as evidenced by the consistent unavailability of bond lodgement data in many areas of Hobart (shown as grey in the RAI map, particularly for smaller dwellings).

The onset of the COVID-19 pandemic resulted in significantly improved affordability in several parts of the city, from Central Hobart to Lindisfarne. However, these gains were short-lived. By June 2022, the RAI score returned to pre-pandemic lows. All parts of Greater Hobart are now considered Moderately Unaffordable or Unaffordable.

Household	RAI Score	Share of income spent on rent	Relative unaffordability
Single person on JobSeeker payment	43	71%	Extremely Unaffordable
Single pensioner	68	44%	Severely Unaffordable
Pensioner couple	80	37%	Unaffordable
Single part-time worker parent on benefits	59	51%	Extremely Unaffordable
Single full-time working parent	131	23%	Acceptable
Single income couple with children	111	27%	Moderately Unaffordable
Dual income couple with children	222	14%	Very Affordable
Student sharehouse	108	28%	Moderately Unaffordable
Minimum wage couple	122	25%	Acceptable
Hospitality worker	119	25%	Moderately Unaffordable

Source: SGS Economics and Planning, 2024

FIGURE 58. RENTAL AFFORDABILITY INDEX, GREATER HOBART

Source: SGS Economics and Planning, 2024

REST OF TASMANIA

The average rental household in regional Tasmania has a gross income of $76,699 per annum.

As with Hobart, rents in regional Tasmania have remained relatively stable (increasing only 2.6 per cent), resulting in improved affordability for the year ending June 2024. Regional Tasmania now has a RAI score of 111, an improvement on the historic low of 107 in 2023. This is likely a result of stagnant growth in regional Tasmania's population since 2022, with net internal migration negative in the 2023 financial year.

However, despite the improvement, rents are still considered Moderately Unaffordable, with the average rental household paying 27 per cent of their income if renting at the median rate.

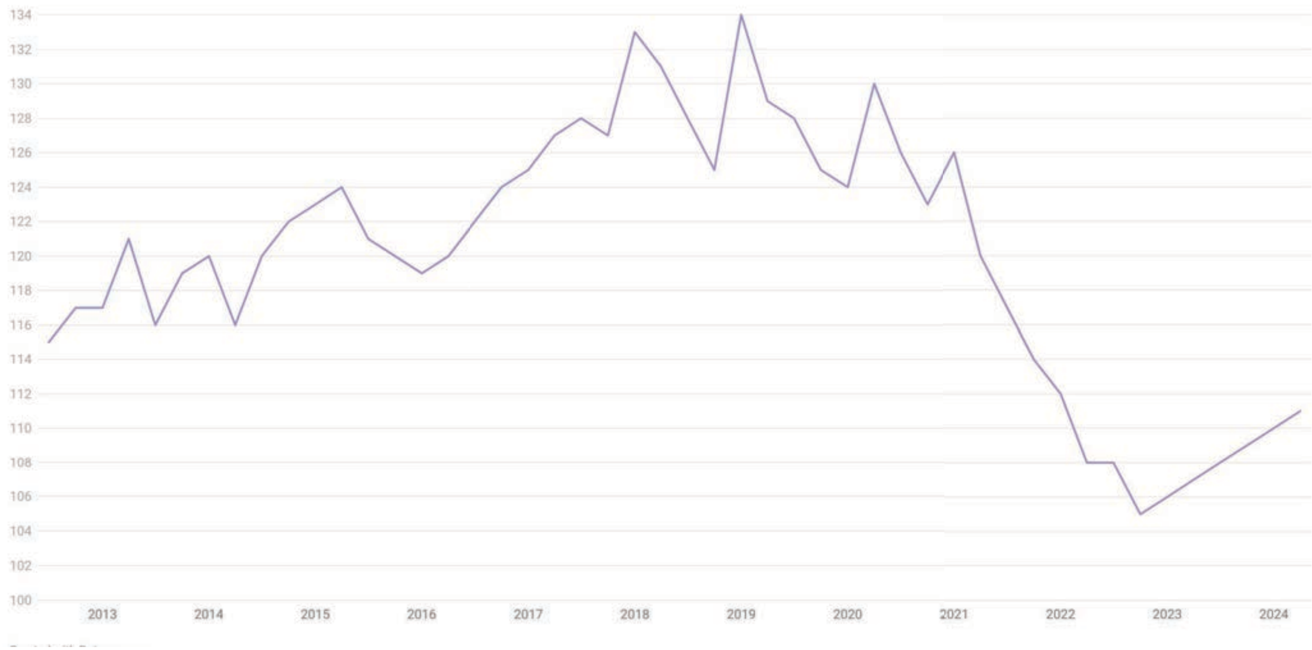
Regional centres in Tasmania, particularly Launceston, much like Hobart, offer Moderately Unaffordable to Unaffordable rents. To find Acceptable to Affordable rents, households would have to pursue opportunities in areas in the state's north-west.

For pensioner couples and other low-income households, there are few options for even Acceptable rents, and no suburbs for which these household types would find Affordable rents. Acceptable rents are available in central Tasmania and around Burnie and Smithton. These areas are further from services and are, therefore, likely to be fewer desirable options for pension households.

Household	RAI Score	Share of income spent on rent	Relative unaffordability
Single person on JobSeeker payment	52	58%	Extremely Unaffordable
Single pensioner	83	36%	Unaffordable
Pensioner couple	98	31%	Unaffordable
Single part-time worker parent on benefits	72	42%	Severely Unaffordable
Single full-time working parent	159	19%	Affordable
Single income couple with children	132	23%	Acceptable
Dual income couple with children	264	11%	Very Affordable
Student sharehouse	129	23%	Acceptable
Minimum wage couple	149	20%	Acceptable
Hospitality worker	141	21%	Acceptable

Source: SGS Economics and Planning, 2024

FIGURE 59. RENTAL AFFORDABILITY INDEX, REST OF TAS



Source: SGS Economics and Planning, 2024

4.7 Australia Capital Territory

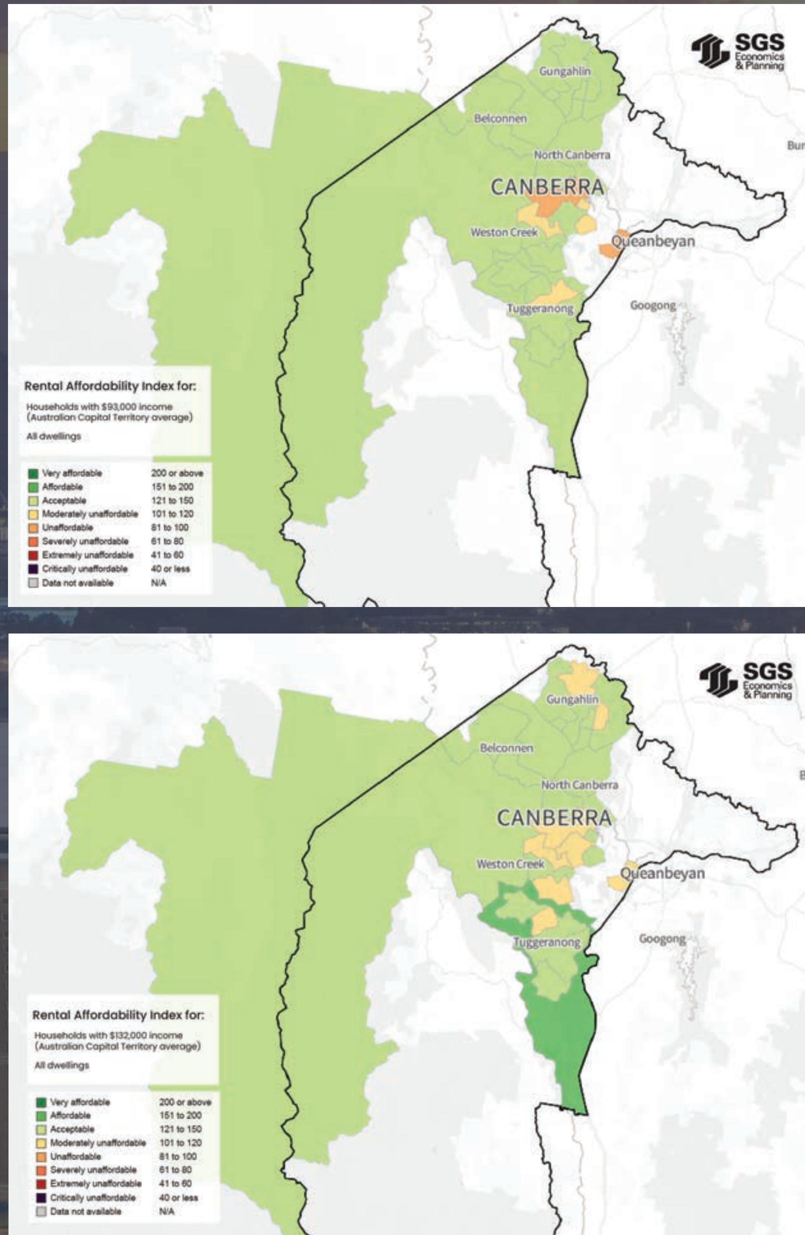
ACT Rental Affordability

A ten-year comparison.

In the ACT, rental affordability is marginally worse in 2024 than in 2014.

- The ACT's RAI score is 1 point lower than in 2014, at 128 compared to 129.
- Rents in the ACT have increased 43.4 per cent since 2014, from a weekly average of $415 to $595.
- Since 2014, the average annual income has increased 42.8 per cent in the ACT.

FIGURE 60: ACT RENTAL AFFORDABILITY, 2014 AND 2024



AUSTRALIAN CAPITAL TERRITORY

The average rental household in the Australian Capital Territory has a gross income of $126,248 per annum, the highest in the country.

With a RAI score of 128, the ACT is one of only two regions where rental affordability improved in 2024 (along with Regional Tasmania). It is now the most affordable capital city, with Acceptable rents to the average ACT rental household. However, this is partly driven by high average incomes (the ACT has the highest average income in the country). For low-income earners and students, the ACT is one of the most unaffordable rental markets.

Like other capital cities, particularly those most impacted by restrictions during the COVID-19 pandemic, the ACT experienced an improvement in affordability during 2020 and 2021. In 2022, this reverted, and the city reached its lowest RAI score since 2013. The modest improvement in the last two years has helped return affordability in the ACT to the level it was in 2021.

Household	RAI Score	Share of income spent on rent	Relative unaffordability
Single person on JobSeeker payment	30	101%	Critically Unaffordable
Single pensioner	47	63%	Extremely Unaffordable
Pensioner couple	63	48%	Severely Unaffordable
Single part-time worker parent on benefits	46	65%	Extremely Unaffordable
Single full-time working parent	117	26%	Moderately Unaffordable
Single income couple with children	104	29%	Moderately Unaffordable
Dual income couple with children	208	14%	Very Affordable
Student sharehouse	88	34%	Unaffordable
Minimum wage couple	96	31%	Unaffordable
Hospitality worker	76	40%	Severely Unaffordable

Source: SGS Economics and Planning, 2024

The spatial patterns of affordability within the city have changed little over the last year. In 2024, central Canberra shifted from Acceptable to Affordable, partly reflecting the prevalence of higher-density housing in this suburb. South Canberra remains Moderately Unaffordable, as do the suburbs surrounding town centres, such as Gungahlin, Woden, and Tuggeranong.

While the ACT remains on the border of Acceptable affordability, low-income households face particularly unaffordable rents (such as the student sharehouse and pensioner household profiles) pushed up by the overall high-income earning workforce. Every suburb in the ACT is Unaffordable to Severely Unaffordable for the student sharehouse household type. For pensioners, both singles and couples, the entire territory is Severely to Extremely Unaffordable, despite the improvement in rental affordability seen over the last year.

FIGURE 61. RENTAL AFFORDABILITY INDEX, ACT

Source: SGS Economics and Planning, 2024

Appendix 1

The following provides information on state and territory specific methodological considerations, including exclusion parameters used to exclude outliers and erroneous data. Across all states, where no valid data was available, a RAI score was not calculated.[32]

METROPOLITAN AND REST OF STATE ANALYSIS

Australian Capital Territory

- Metro and regional rents are calculated as true medians as unit records are available.
- The overall RAI uses the median of all 1-10 bedroom dwellings.
- All observations with fewer than ten listings were excluded from the analysis.

New South Wales

- Metro and regional rents are calculated as true medians as unit records are available.
- The overall RAI uses the median of all 1-10 bedroom dwellings.
- All observations with fewer than ten listings were excluded from the analysis.

Northern Territory

- At this stage, adequate rental data has not been sourced to develop indices for the Northern Territory.

South Australia

- Medians for bedroom categories are computed as the weighted average of the medians from the constituent categories.
- Metro and regional median rents reflect true medians as they were supplied in the available data.
- As available data was separated into dwelling types, these medians were aggregated (using weighted averages) to estimate median rents for two—and three-bedroom dwellings.
- In the calculation of the RAI for average households across the state (i.e. all dwellings), observations with fewer than ten listings were excluded from the analysis.

Tasmania

- Metro and regional rents are calculated as true medians as unit records are available.
- The overall RAI uses the median of all 1-10 bedroom dwellings.
- All observations with fewer than ten listings were excluded from the analysis.

Victoria

- Metro and regional rents are calculated as true medians as unit records are available.
- The overall RAI uses the median of all dwellings.
- All observations with fewer than ten listings were excluded from the analysis.

Western Australia

- Data was not reported if the median was based on fewer than ten listings.
- Metro and regional median rents are not included in available data. They are calculated as the weighted average of postcode medians.
- Data only includes median prices of 'all dwellings' by postcode (i.e. bedroom breakdown isn't
- available).

[32]Where a RAI could not be calculated, an 'n/a' is shown on the online map.

Queensland

- At this stage, rental data has been unavailable for all of Queensland. As a result, indices for Queensland incorporate the following regions only:
  - Greater Brisbane (Brisbane City, Moreton Bay Regional, Logan City, Redland City and Ipswich City Councils)
  - Sunshine Coast (Sunshine Coast Regional Council)
  - Gold Coast (Gold Coast City and Scenic Rim Regional Councils)
  - Darling Downs (Toowoomba Regional, Goondiwindi Regional, Western Downs Regional and Southern Downs Regional Councils)
  - Central Queensland (Gympie Regional, Fraser Coast Regional, Bundaberg Regional, Gladstone Regional, Rockhampton Regional, Livingstone Shire and Central Highlands Regional Councils), and
  - North Queensland (Cairns Regional, Douglas Shire, Townsville City, Mackay Regional, Isaac regional, Whitsunday Regional, Mareeba Shire, Tablelands Regional, Burdekin Shire Councils).
- Medians for bedroom categories are computed as the weighted average of the medians from the constituent categories. For example, the median rent of a three-bedroom dwelling is estimated as the weighted average of the rents of three-bedroom flats, three-bedroom townhouses and three-bedroom houses.
- The median rental price of 'all dwellings' is calculated as the weighted average of all 1-3 bedroom categories (this applies for overall RAI).
- Metro and regional median rents are not included in available data. They are calculated as the weighted average of postcode medians.
- Observations were excluded if there were fewer than ten listings for that postcode.

Appendix 2

REFERENCE LIST FOR HOUSEHOLD PROFILES

Australian Bureau of Statistics (ABS) (Employee Earnings and Hours, Australia, May 2021. Available online: https://www.abs.gov.au/statistics/labour/earnings-and-working-conditions/employee-earnings-and-hours-australia/may-2021

Australian Bureau of Statistics (ABS) (Average Weekly Earnings, Australia), Australia, May 2023. Available online: https://www.abs.gov.au/statistics/labour/earnings-and-working-conditions/average-weekly-earnings-australia/latest-release

Australian Bureau of Statistics (ABS) (2011, 2016, 2021), Census of Population and Housing. INCP Total Personal Income (weekly), Counting Persons, Place of Usual Residence.
Australian Government Department of Social Services, Age Pension. Available online: https://www.dss.gov.au/seniors/benefits-payments/age-pension

Fair Work. Available online: https://www.fairwork.gov.au/how-we-will-help/templates-and-guides/fact-sheets/minimum-workplace-entitlements/minimum-wages
Services Australia (2024) Available online: https://www.servicesaustralia.gov.au/organisations/about-us/corporate-publications-and-resources/guide-australian-government-payments/historical-versions-guide-australian-government-payments

CANBERRA / NGAMBRI / NGUNNAWAL

Level 2, 28-36 Ainslie Place
Canberra ACT 2601
+61 2 6257 4525
sgsact@sgsep.com.au

HOBART / NIPALUNA

PO Box 123
Franklin TAS 7113
+61 421 372 940
sgstas@sgsep.com.au

MELBOURNE / NAARM

Level 14, 222 Exhibition Street
Melbourne VIC 3000
+61 3 8616 0331
sgsvic@sgsep.com.au

SYDNEY / WARRANG

Suite 2.01/50 Holt Street
Surry Hills NSW 2010
+61 2 8307 0121
sgsnsw@sgsep.com.au