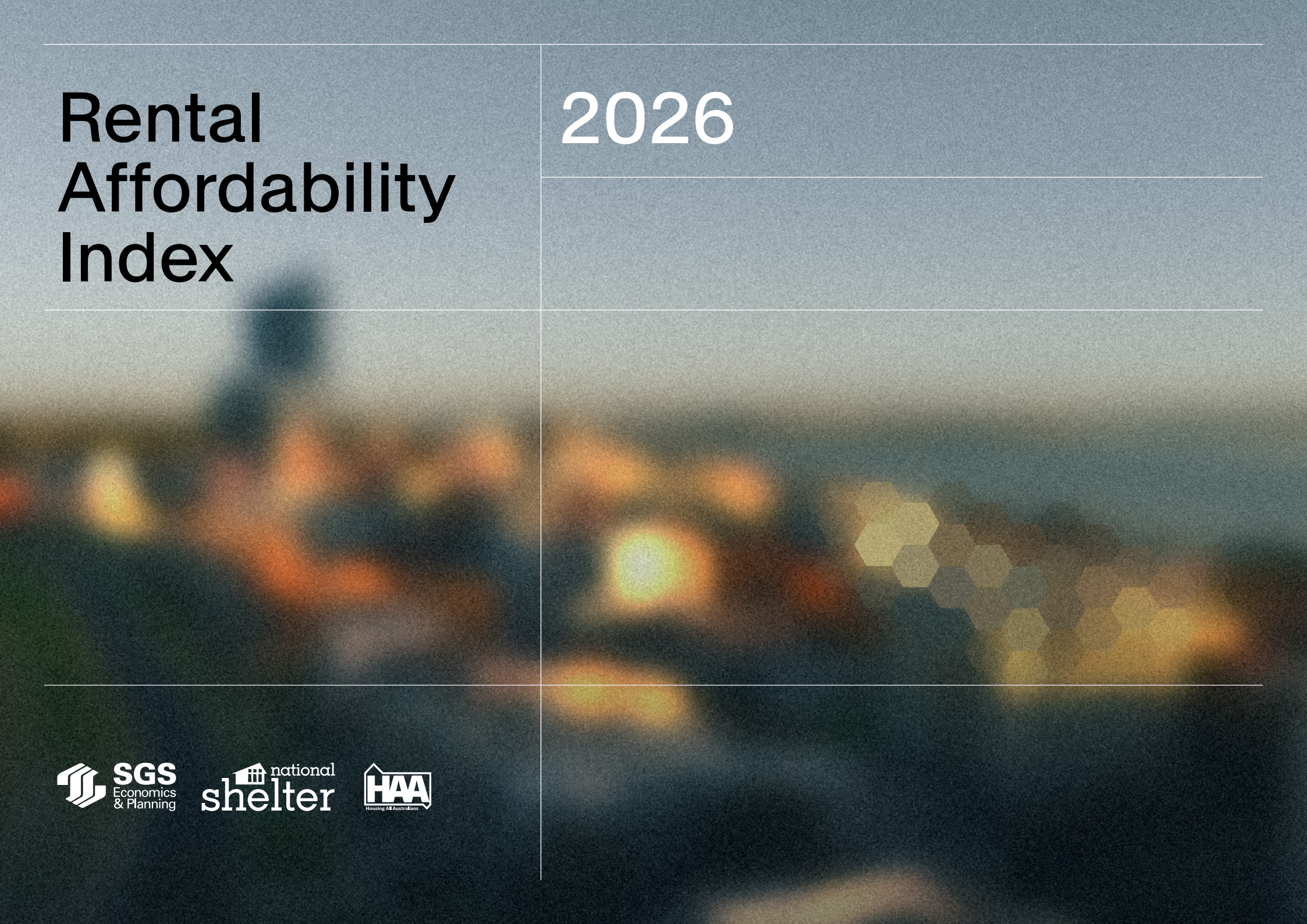
Rental Affordability Index

2026



SGS Economics & Planning

national shelter

HAA Housing All Australians

Foreword

Housing has traditionally sat outside how we think about public infrastructure. Yet without affordable homes near where people work, the rest of Australia's economy cannot function.



For more than a decade, National Shelter has worked alongside SGS Economics and Planning to develop and publish the Rental Affordability Index (RAI), creating a consistent national picture of the experience of renters across Australia. With Housing All Australians now part of the partnership, the RAI has become an important part of Australia's national housing evidence base.

One of the great strengths of the RAI is its consistency. By tracking rental affordability over time and across different places and household types, it allows us to see beyond the headline numbers and understand where pressures are deepening, who is being left behind, and how the experience of renting differs across Australia. That long-term view is increasingly valuable as governments consider what comes next in housing policy.

This year's findings reinforce just how broad the challenge has become. Rental affordability is not simply an issue for our largest capital cities, nor only for people on the very lowest incomes. The RAI identifies significant pressures across metropolitan and regional Australia, including for people receiving income support and key workers in essential occupations.

The partnership behind the RAI is also important. National Shelter brings the perspectives and experience of our State and Territory Shelter network. SGS Economics and Planning brings the analysis and consistent methodology that has underpinned the Index, while Housing All Australians has helped broaden the conversation about housing affordability and its consequences for businesses, workforces, and productivity.

After more than a decade of tracking rental affordability, the lesson is clear: we cannot treat this as a temporary problem requiring temporary responses. Australia needs sustained growth in public, social and affordable housing, adequate incomes and rental assistance, greater security for renters, and a long-term national approach to affordable rental supply that connects housing with jobs, infrastructure, services, and economic opportunity. These are themes National Shelter has also identified in its 2026 RAI policy response.

The RAI does more than tell us where we are. Its real value is helping us understand where we need to go next. I'm proud of our longstanding role in the RAI and grateful to our partners for continuing this important work.

Jackson Hills
Chief Executive Officer
National Shelter



Australia has a problem that has been building slowly and quietly for decades. And, whether we like to admit it or not, we have all participated in creating it. Housing affordability continues to deteriorate. But the 2026 Rental Affordability Index must be a wake-up call, particularly for Australian business.

This report must also be read in context. The statistics were compiled before the full impact of the 2026 Federal Budget housing and property tax changes could be reflected. At the time of writing, house prices are falling, and some may be tempted to believe the housing affordability crisis is beginning to correct itself.

A fall in the price of an already unaffordable home does not necessarily make it affordable, nor does it address the chronic shortage of social and affordable housing or the rental pressures confronting working Australians. Concerningly, anecdotal evidence suggests investors are leaving the market, but the longer-term impact on rental supply, rents and new housing delivery is not yet known.

The 2026 RAI is not simply a snapshot of today's property cycle. It is evidence of a structural failure that has developed over decades.

We are making it virtually impossible for many of the people who make our society function to live near the communities that need them. Teachers, early childhood educators, hospitality workers and other essential workers increasingly cannot afford to rent where their services are required.

This is no longer simply a social policy problem. It is a workforce problem, a productivity problem and an economic problem for Australia. No Australian capital city offers rents classified as Acceptable for a single early childhood educator. Hospitality workers face unaffordable rents across every capital city. If the people we need cannot afford to live where we need them, eventually the system will stop working. The danger is that it happens slowly.

Businesses struggle a little more to recruit. Workers commute a little further. Families surrender a little more of their income to rent. Frustration grows. We adjust to each deterioration until one day we look around and ask: How the hell did we allow ourselves to get here?

We already know the scale of the challenge. The 2021 statutory review of the National Housing Finance and Investment Corporation estimated Australia required 891,000 additional social and affordable homes over 20 years, requiring approximately $290 billion in capital investment. That is 44,500 homes every year for 20 years.

The 2026 RAI notes subsequent federal initiatives aspire to deliver around 10,000 homes annually for five years, leaving an estimated annual gap of approximately 34,500 homes. If 44,500 homes a year is the scale of the task, let's be transparent and say that. Let's establish a long-term national target, measure it every year and be honest about whether we are closing the gap.

The need does not change if the government changes. Politics operates in electoral cycles. Housing policy must operate across generations. That is why the response must be bipartisan and why business can no longer remain silent.

I do not blame any one government or political party. We have all allowed this to happen over decades. The uncomfortable truth is that no major political party has yet been willing or able to make all the difficult decisions required in the long-term interests of our children and grandchildren.

When people work hard, contribute to their communities and still believe a secure home is beyond their reach, financial insecurity becomes social insecurity. Resentment builds, anger follows and confidence in our economic, social and political institutions erodes.

We should not dismiss the possibility of civil unrest as alarmist. Housing is not the sole cause, but when housing pressures, cost-of-living pressures, stagnant wages, strained public services and declining trust collide, social cohesion can be threatened. Australia would be foolish to believe it is somehow immune.

Social cohesion is not something we should take for granted. Australia can, and should, do much better. We have strong institutions, enormous private-sector capability, innovation, compassion and fairness.

I describe this philosophy as compassionate capitalism, the belief that commercial success and social responsibility are not competing objectives. In my conversations with Australian business leaders, the response invariably ends with the same question: How can we help?

Now is the time to turn that goodwill into action. Government cannot solve a problem of this scale alone, nor should it be expected to. Housing must be recognised as fundamental economic infrastructure. We must bring government, business, institutional capital and the community sector together to increase supply and affordability at scale.

The housing crisis took decades to develop and will take decades to resolve. But continuing down our current path is a lose-lose proposition. The 2026 RAI should be our wake-up call. Government, business and the community must lean in together. Not for the next election cycle, but for the next generation.

Now that we know where this road leads, our grandchildren will have every right to ask why we chose to keep travelling down it.

Robert Pradolin
Executive Director
Housing All Australians



The Rental Affordability Index is Australia's most reliable and in-depth indicator of rental stress. Close to a third of all households rent. Increasingly, these households will be in the rental market for a very long time, and some households may never be able to purchase a home.

While the country continues to be in a housing crisis, the pressures are mostly acutely felt in the rental market. Renters on average earn a lower income, and the dynamics between demand and supply are such that the supply side dictates the price.

The Index cuts through assumptions and speculation to show how housing stress affects the millions of households that rent their homes.

At SGS Economics and Planning, we believe evidence should drive action. The Index exists to inform better decisions: decisions that put people's wellbeing first, that recognise renting is a long-term reality for many Australians, and that acknowledge the essential role of fair, secure housing in strong communities.

This work sits at the heart of our mission. Good housing policy can change the lives of Australians, elevate our economic productivity, and help businesses seeking to attract workers through better access to housing.

Housing is essential infrastructure and should be treated accordingly. This means investing in the long-term supply of social and affordable housing. It also means prioritising households in need of a home over investors.

The housing system is under strain, and every level of government and industry has a role to play. Our long-standing partnership with National Shelter and with Housing All Australians reflects our shared commitment to practical, evidence-based solutions.

Thank you to our team for their careful analysis, and to our partners and data providers who make this work possible. We hope this year's Index continues to spark informed debate, strengthen policy, and support practical solutions that move Australia toward affordable and secure housing for all.

Ellen Witte
Principal and Partner
SGS Economics and Planning

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SGS Economics and Planning, National Shelter, and Housing All Australians 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.

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ACN 007 437 729
www.sgsep.com.au

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Rental Affordability Index 2026

01

Introduction

1.1 PURPOSE

National Shelter and SGS Economics and Planning have published the Rental Affordability Index (RAI) annually since 2015. 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.

In 2025, Housing All Australians (HAA) joined National Shelter and SGS Economics and Planning to expand the scope of the Rental Affordability Index. This partnership brings the voice of the private sector to housing affordability discussions, recognising that housing affordability is not only a social issue, but fundamental to Australia's economic prosperity and productivity.

The persistent shortage of affordable housing now directly impacts business operations across all sectors nationally. Employers struggle to attract and retain talent, workers face lengthy commutes that reduce productivity, and businesses are considering relocating their operations due to housing-driven labour shortages.

This report, prepared for the 2026 RAI release, highlights changes in affordability from July 2025 to June 2026. It presents rental affordability outcomes for 11 Australian household types and shows the extent of affordability challenges experienced by many community groups.

1.2 ABOUT THIS REPORT

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

This report provides indices for capital cities and rest of state regions. More detailed information is available at the postcode level, where reliable data is available. An interactive map of the RAI at the postcode level can be viewed at: https://www.sgsep.com.au/projects/rental-affordability-index.

1.3 ACKNOWLEDGEMENTS

The project partners 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
- South Australian Housing Trust.

1.4 METHOD

A widely used standard is that when a low-income household spends more than 30% of its gross income on housing[2], it's considered to be in housing stress—a situation where rent consumes too great a share of a household's budget. This is known as the 30/40 rule[3].

The RAI reports on affordability (not rental stress), considering households at all income levels. This includes, but is not limited to, household profiles which fall within the lowest 40th percentile of income. It measures rental affordability using the following calculation:

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

Households that spend 30% of their income on rent have a RAI score of 100. This marks the critical threshold, the point at which rent becomes unaffordable and households are considered to be in rental stress.

When rent takes up a large share of income, it limits what households can spend on other essential needs, such as (but not limited to):

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

Table 1 shows how RAI scores correspond to different levels of rental affordability and rental stress.

- **Scores between 80 and 100** indicate **unaffordable rents**, with households paying between 30% and 38% of their income on rent.
- **Scores between 60-80** indicate **severely unaffordable rents**, with households paying 38% to 50% of their income on rent.
- **Scores between 40-60** indicate **extremely unaffordable rents,** where households spend 50% to 75% of their income on rent.
- **Scores of 40 or below** indicate **critically unaffordable rents**, where rent over 75% of household income.

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

- **Scores between 100-120** 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.
- **Scores between 120-150** indicate that households spend around 20-25% of their income on rent, which is considered acceptable.
- **Scores between 150-200** indicate that households spend around 15-20% of their income on rent, which is considered affordable.
- **Scores above 200** indicate that households are typically spending less than 15% of their income on rent, which is considered very affordable.

[1]The Northern Territory does not form part of this release as rental bond data was not available.
[2]Lowest 40th percentile 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)

Income

The RAI uses the total household income of renting households, which varies by region (capital cities and the rest of state) to capture differences in economic conditions across cities/regions. 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 Communities and Justice, NSW
- Department of Families, Fairness, and Housing, Victoria
- Department of Justice, Tasmania
- Government of Western Australia, Department of Communities
- Residential Tenancies Authority, Queensland
- Rental Bonds, Access Canberra, ACT Government
- South Australian Housing Trust.

Small area analysis

To demonstrate rental affordability across income levels and household types, small area analysis is conducted for various income ranges and dwelling sizes. Incomes range from $5,000 to $255,000 (in $5,000 increments), and dwelling sizes range from 1 to 5 bedrooms, as well as all dwellings combined, regardless of size.

Household profiles

To help illustrate how rental affordability affects different groups, 11 typical household types have been developed. These are summarised in Table 2.

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
41-60	60-75%	Extremely unaffordable rents
61-80	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%-20%	Affordable rents

Source: SGS Economics and Planning, 2026

[5] ABS Average Weekly Earnings, Australia, 2022

The interactive online RAI map lets users explore rental affordability across different household types by selecting various income levels and bedroom combinations.

To calculate RAI scores for each household type at the regional level (i.e., for 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). A reference list of the inputs and assumptions used for these household types is provided in Appendix B of this report.

State-specific methodological considerations

The RAI has been developed as stand-alone evidence for each state. While it's possible to compare results across states, these comparisons should be made with caution, as rental data varies between regions.

The calculation method described above has been slightly adjusted in each state to reflect available data. An overview of these state-specific considerations is provided in the appendix.

TABLE 2. LOW TO MODERATE INCOME AUSTRALIAN HOUSEHOLD TYPES, 2026[6]

Household type	Indicative gross annual income	Indicative dwelling size
Single pensioner	$42,804	1 bdr
Pensioner couple	$68,120	2 bdr
Single person on Jobseeker	$26,731	1 bdr
Single part-time worker parent on benefits	$49,166	2 bdr
Single full-time working parent	$116,422	2 bdr
Single income couple with children	$116,422	3 bdr
Dual income couple with children	$232,844	3 bdr
Student sharehouse	$106,273	3 bdr
Minimum wage couple	$104,491	2 bdr
Hospitality worker	$73,386	1 bdr
Early childhood educator	$72,032	1 bdr

Source: Compiled by SGS Economics and Planning, 2026.
Note: See Appendix B 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.

10 year change

In 2024, the Rental Affordability Index celebrated 10th annual release. This section highlights changes over the most recent 10 years (2016-2026).

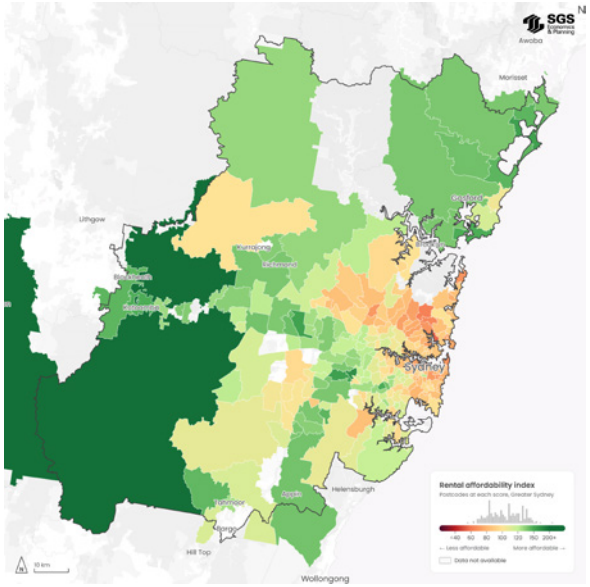
National trends:
Rental affordability has declined in most cities, reshaping communities nationwide.

Key highlights:
- 2015: RAI launched, and rental affordability improved in some cities
- 2020: COVID-19 pandemic temporarily boosted affordability
- 2015-2025: Sharp reversal. Affordability worsens, especially in regional and outer suburban areas.

NSW:
Greater Sydney's RAI score has decreased by 7 points since 2016, from 106 to 99 in 2026. Regional NSW recorded a sharper decline of 19 points, from 116 to 97 in 2026.

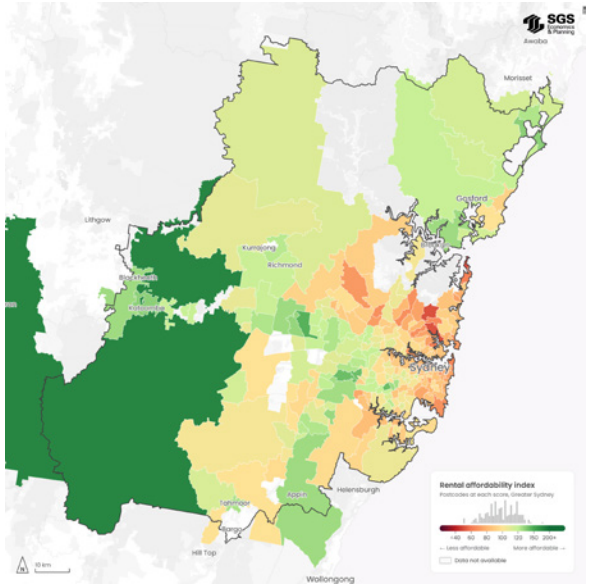
VIC:
Greater Melbourne's RAI score has decreased by 10 points between 2016 and 2026, from 127 to 117. Regional Victoria also saw a greater decline, from 125 to 105.

FIGURE 1. GREATER SYDNEY RAI, 2016



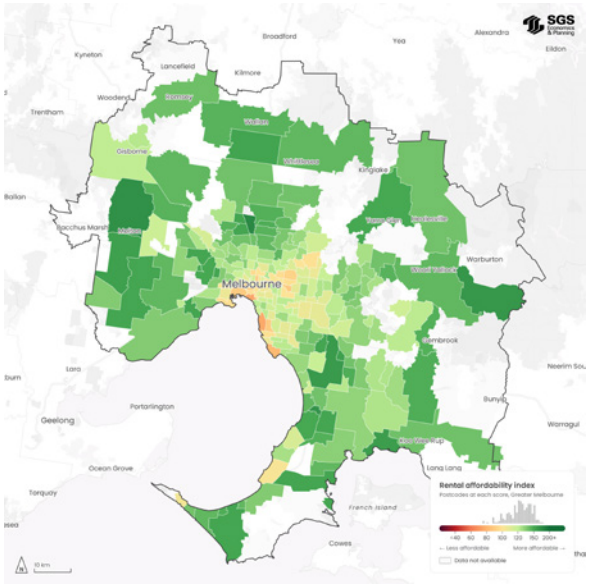
Source: SGS Economics and Planning 2026

FIGURE 2. GREATER SYDNEY RAI, 2026



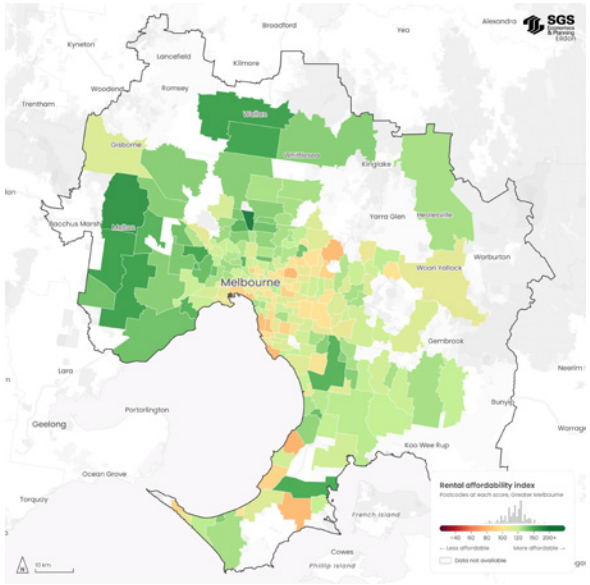
Source: SGS Economics and Planning 2026

FIGURE 3. GREATER MELBOURNE RAI, 2016



Source: SGS Economics and Planning 2026

FIGURE 4. GREATER MELBOURNE RAI, 2026



Source: SGS Economics and Planning 2026

Behind the research: The creators of the Index

QLD:
Greater Brisbane's RAI score has decreased by 17 points since 2016, from 118 to 101 in 2026. Regional Queensland saw a 31-point decline, from 123 to 92 in 2026.

SA:
Greater Adelaide's RAI score has decreased by 19 points since 2016, from 120 to 101 in 2026. Regional South Australia saw a 23-point decline, from 136 to 113 in 2026.

WA:
Greater Perth's RAI score has decreased by 32 points since 2016, from 126 to 94 in 2026. Regional Western Australia saw a 41-point decline, from 148 to 107 in 2026.

TAS:
Greater Hobart's RAI score has decreased by 17 points since 2016, from 115 to 98 in 2026. Regional Tasmania saw a 21-point decline, from 120 to 99 in 2026.

ACT:
One of the most stable capital cities, the ACT's RAI score has increased by 4 points since 2016, from 129 to 133 in 2026.

"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."

Ellen Witte, lead author of the Rental Affordability Index

"The RAI regularly shines a probing light on how private market renters, who now make up 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."

Marcus Spiller, one of the original contributors to the Rental Affordability Index

"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."

Saul Eslake, played a key role in development the RAI methodology

"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."

Adrian Pisarski, previous CEO of National Shelter and the initial driving force behind the RAI

"For ten years, the Rental Affordability Index has helped Australia understand the scale of the rental affordability problem. The next challenge is to use that evidence to change the outcome.

We must go upstream. If key workers cannot find affordable housing where society needs them, more households will move into housing stress and pressure on social housing, homelessness services and government support will continue to grow. We must intervene earlier in the housing continuum, before the financial and social consequences become too great to reverse.

The Rental Affordability Index tells us where affordability is failing. Recognising housing as fundamental economic infrastructure explains why that failure matters to Australia's future prosperity. PRADS is one practical way government, the community housing sector and the private sector can work together to improve the outcome.

By bringing private capital into genuinely affordable housing, supported by transparency and accountability, Australia can increase the supply of housing for its workforce while reducing long term pressure further down the housing continuum."

Robert Pradolin, Executive Director and a founding member of Housing All Australians

Housing is essential economic infrastructure

Housing affordability is not only a social issue. It is fundamental to Australia's productivity and economy.

Australia depends on people being able to live within reasonable proximity to where they work and where society needs them. Teachers, nurses, childcare workers, emergency services personnel, hospitality workers and other essential and key workers need access to housing close to the communities they serve.

When they cannot afford to live there, the unintended consequences extend well beyond the individual household. Businesses struggle to attract and retain workers, essential services become harder to staff, commuting distances increase and communities progressively lose access to the people and services they rely upon.

The danger is that this erosion happens slowly. We may not recognise the cumulative impact until services have already deteriorated and restoring them becomes increasingly difficult and expensive. We are heading towards a lose-lose outcome: workers cannot afford to live where they are needed, while communities and businesses cannot access the workers they need.

Housing must therefore be recognised as essential economic infrastructure. Just as investment in transport, hospitals, schools and utilities enables economic activity, access to appropriate and affordable housing enables the workforce that makes those systems and our economy function.

The challenge cannot be addressed by government alone. Australia needs government, the community housing sector, industry and institutional capital working together to increase supply, protect the public benefit created through government intervention and maintain accountability for the delivery of affordable housing. The PRADS affordable housing register, discussed in the case study in Section 3.4, is one proposed mechanism for providing that transparency and accountability.

The Rental Affordability Index provides an important evidence base for understanding where intervention is most urgently required.

02
Household snapshots

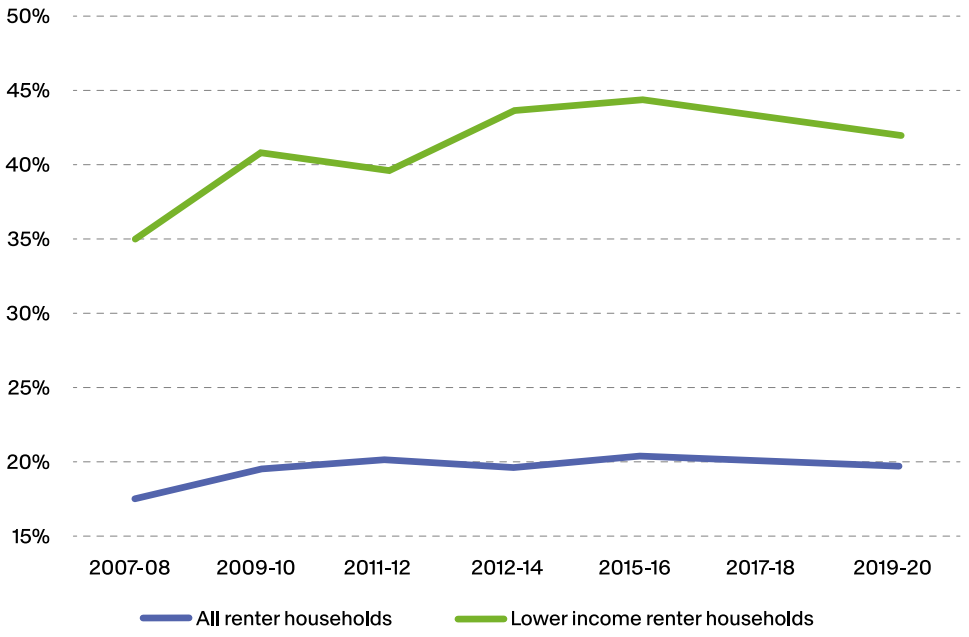
INTRODUCTION

The RAI profiles 11 different household types to demonstrate the rental situation for different income groups, age demographics and household compositions in Australia.

The report continues to show poor rental affordability for single people receiving JobSeeker payments, a situation which has seen little improvement over time.

Low-income households are particularly at risk. In 2019-20, 42% of all low-income households were in rental stress (spending more than 30% of their income on rent) - up from 35% in 2008. When considering only the private rental market, this rises to 58% of low-income households being in rental stress[7,8].

FIGURE 5. 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].
[8]The National Benchmarks (2026) from the National Housing Supply and Affordability Commission shows the same trend, despite differences in definitions and data samples

The selected households range from those dependent on income support to dual-income key worker couples. The 11 households are:

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

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 4 quarters since mid-2025, subject to 3.8% annual inflation.

Since 2023, higher interest rates used to combat inflation have compounded the impact on renters, as the cost of development slows new supply, would-be homebuyers enter the rental market, and landlords 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 Services Australia payment rates as of August 2026. 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[9], 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 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 B.

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

2.1

Single person on JobSeeker Payment

$26,731[10] p.a.

1

CRITICALLY UNAFFORDABLE TO EXTREMELY UNAFFORDABLE RENTS ACROSS ALL METROPOLITAN AND REST OF STATE AREAS

A single person aged 22 or over, receiving the JobSeeker payment and rent assistance, earns $26,731 a year. With no additional income, renting even a 1-bedroom home is well beyond affordable levels in every part of Australia. This household is typically considered low income and falls within the lowest 40th percentile of incomes.

[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



Rental affordability for single people on JobSeeker payments is Critically Unaffordable to Extremely Unaffordable across all metropolitan and rest of state areas. This has been a persistent issue, with the only improvement occurring during the period when the Coronavirus Supplement was in effect, as shown in Figure 6.

Key findings:

- In 2026, increases to the JobSeeker payment and Commonwealth Rent Assistance lifted incomes from $25,821 to $26,731 (3.5%).
- Rents remain Critically Unaffordable to Extremely Unaffordable nationwide with RAI scores between 22 and 57. Median rental rates represent between 52%-136% of total income available to these households.
- Greater Sydney is the worst performing city[11]. Almost no new 1-bedroom rentals over the last year would be considered affordable for a person on JobSeeker.
- Rest of state areas offer little relief, with all regional postcodes offering Severely Unaffordable rents at best.
- The payment is designed to be a temporary income supplement, meaning that those who find themselves in medium-to-long term unemployment will struggle to find affordable rental housing in a private market that is currently incapable of providing security for households on the most marginal of incomes.

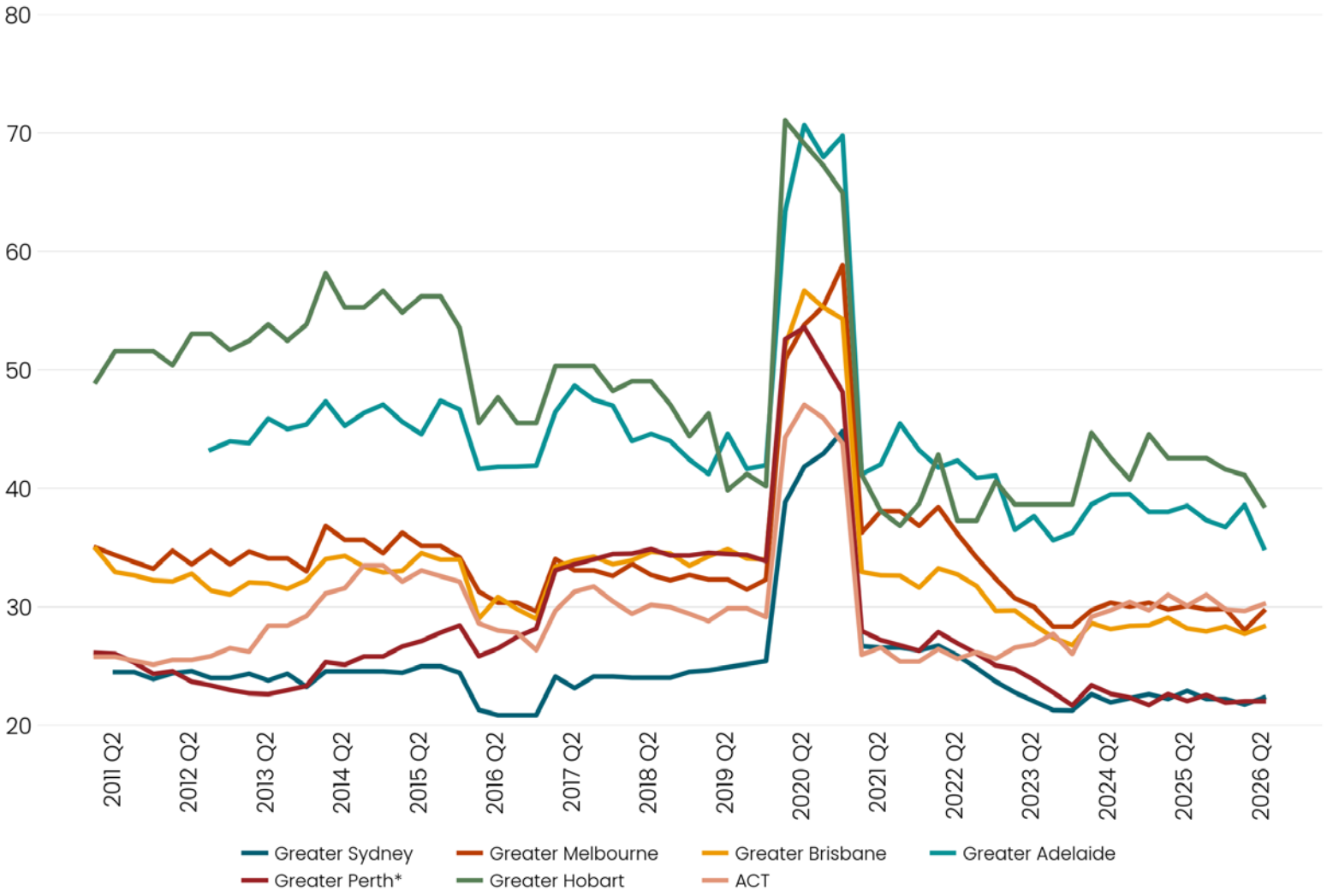
[10]Note that due to data limitations Perth RAI scores represent all dwellings rather than only 1-bedroom dwellings, which overstates unaffordability for lone-person households.

TABLE 3. RAI FOR SINGLE PERSON ON JOBSEEKER

	RAI score	Rent as a share of income	Relative Unaffordability
Greater Sydney	22	134%	Critically unaffordable
Rest of NSW	41	73%	Extremely unaffordable
Greater Melbourne	30	101%	Critically unaffordable
Rest of VIC	48	62%	Extremely unaffordable
Greater Brisbane	28	106%	Critically unaffordable
Rest of QLD	29	102%	Critically unaffordable
Greater Adelaide	35	86%	Critically unaffordable
Rest of SA	57	52%	Extremely unaffordable
Greater Perth*	22	136%	Critically unaffordable
Rest of WA*	24	126%	Critically unaffordable
Greater Hobart	39	78%	Critically unaffordable
Rest of TAS	47	64%	Extremely unaffordable
ACT	30	99%	Critically unaffordable

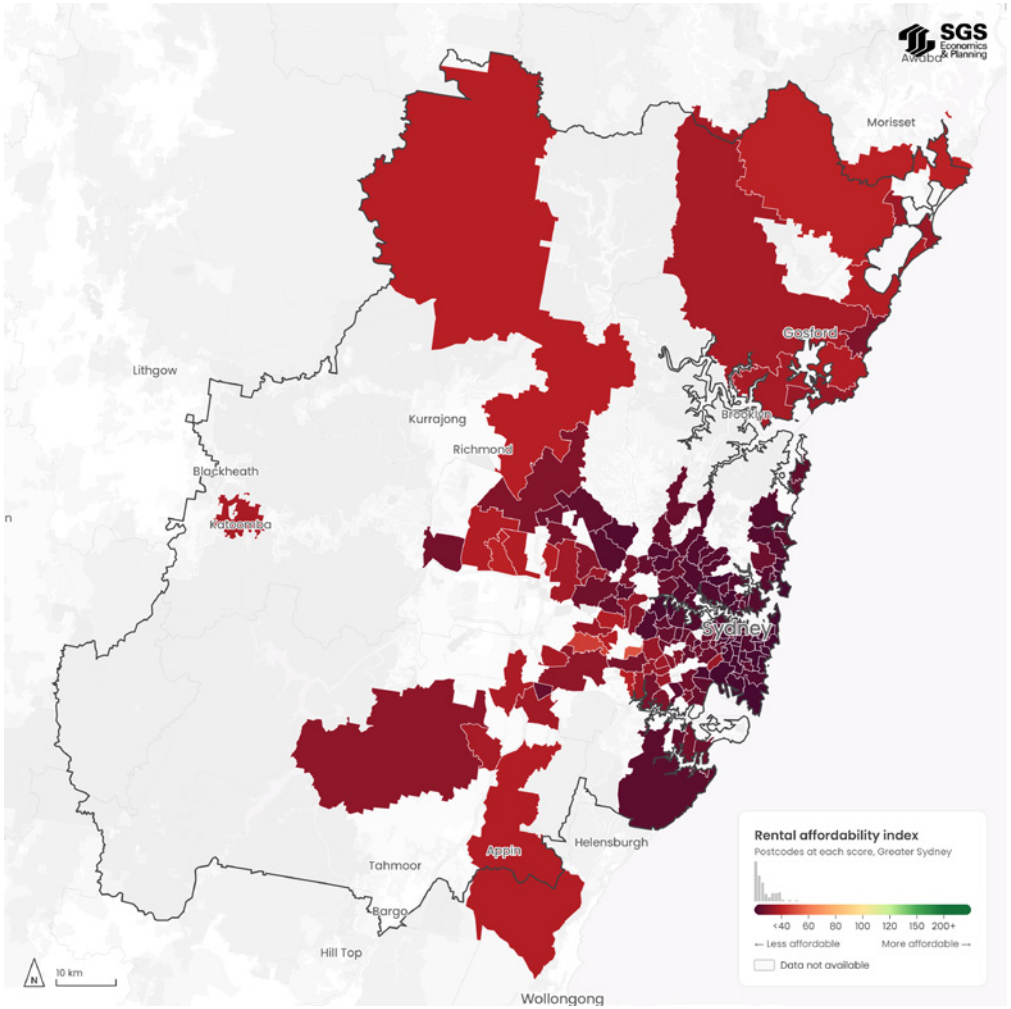
Source: SGS Economics and Planning, 2026
*RAI has been calculated using median rents for all dwelling types rather than one bedroom due to data unavailability.

FIGURE 6. RAI SCORES FOR A PERSON ON JOBSEEKER PAYMENTS, CAPITAL CITIES, 2011 - 2026



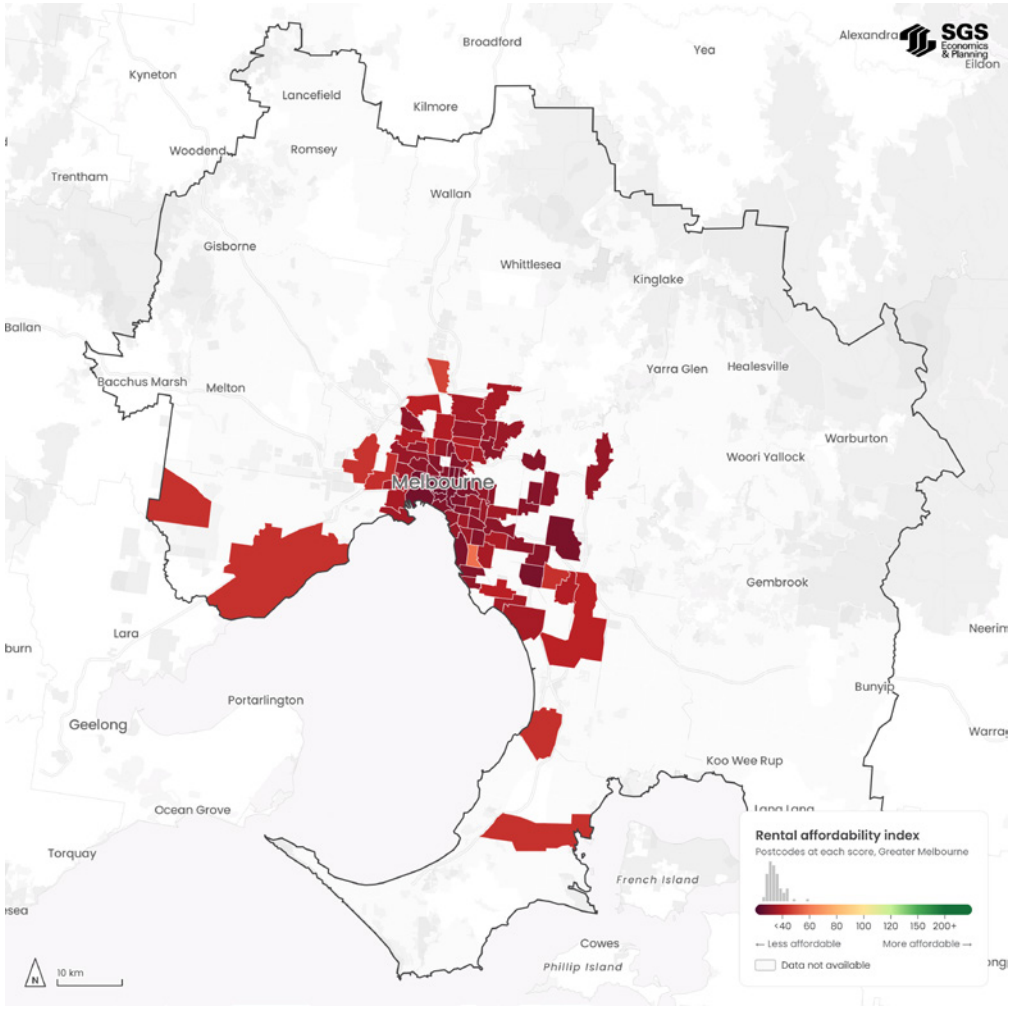
Source: SGS Economics and Planning, 2026

FIGURE 7. AFFORDABILITY FOR SINGLE PERSON ON JOBSEEKER PAYMENT RENTING IN GREATER SYDNEY, JUNE QUARTER, 2026



Source: SGS Economics and Planning, 2026

FIGURE 8. AFFORDABILITY FOR SINGLE PERSON ON JOBSEEKER PAYMENT RENTING IN GREATER MELBOURNE, JUNE QUARTER, 2026



Source: SGS Economics and Planning, 2026

2.2

Single pensioner

$42,804[12] p.a.

1

CRITICALLY UNAFFORDABLE TO SEVERELY UNAFFORDABLE IN METROPOLITAN AREAS AND CRITICALLY UNAFFORDABLE TO UNAFFORDABLE IN REST OF STATE AREAS

A single pensioner aged 65 or over typically rents a 1-bedroom home and relies solely on the Age Pension. With limited income and assets, and no additional earnings from work, their annual income is about $42,804. This household is typically considered low income and falls within the lowest 40th percentile of incomes.

[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



Single pensioner households face Severely to Critically Unaffordable rents in all capital cities, with housing cost pressures compounded by costs of ageing such as healthcare and reduced mobility or independence.

Key findings:

- Annual income for pensioners has increased by $1,750 since the last release (4.3%).
- In all cities, 1-bedroom homes are Severely Unaffordable or worse and close to no new rentals from the last year would be considered affordable for a single pensioner.
- Sydney remains the least affordable city[13], with median rents absorbing 84% of the pension leaving little available for everyday essentials.
- Figures 10 and 11 show the most affordable regions of Sydney and Melbourne (albeit still Severely Unaffordable) are those with lower accessibility to healthcare and transport.
- The need for access to healthcare and community services further limits housing options and difficulty navigating rental processes makes it harder to secure a private rental if they are displaced.
- Single pensioners can only afford private rents with the support of family, savings, or by moving into a group household. In Sydney, a pensioner who relies solely on the Age Pension will have to draw down over $75,000 per year from their savings to supplement their income to avoid rental stress at the median rate – a situation which is not sustainable for renters, who are unlikely to have significant asset wealth.

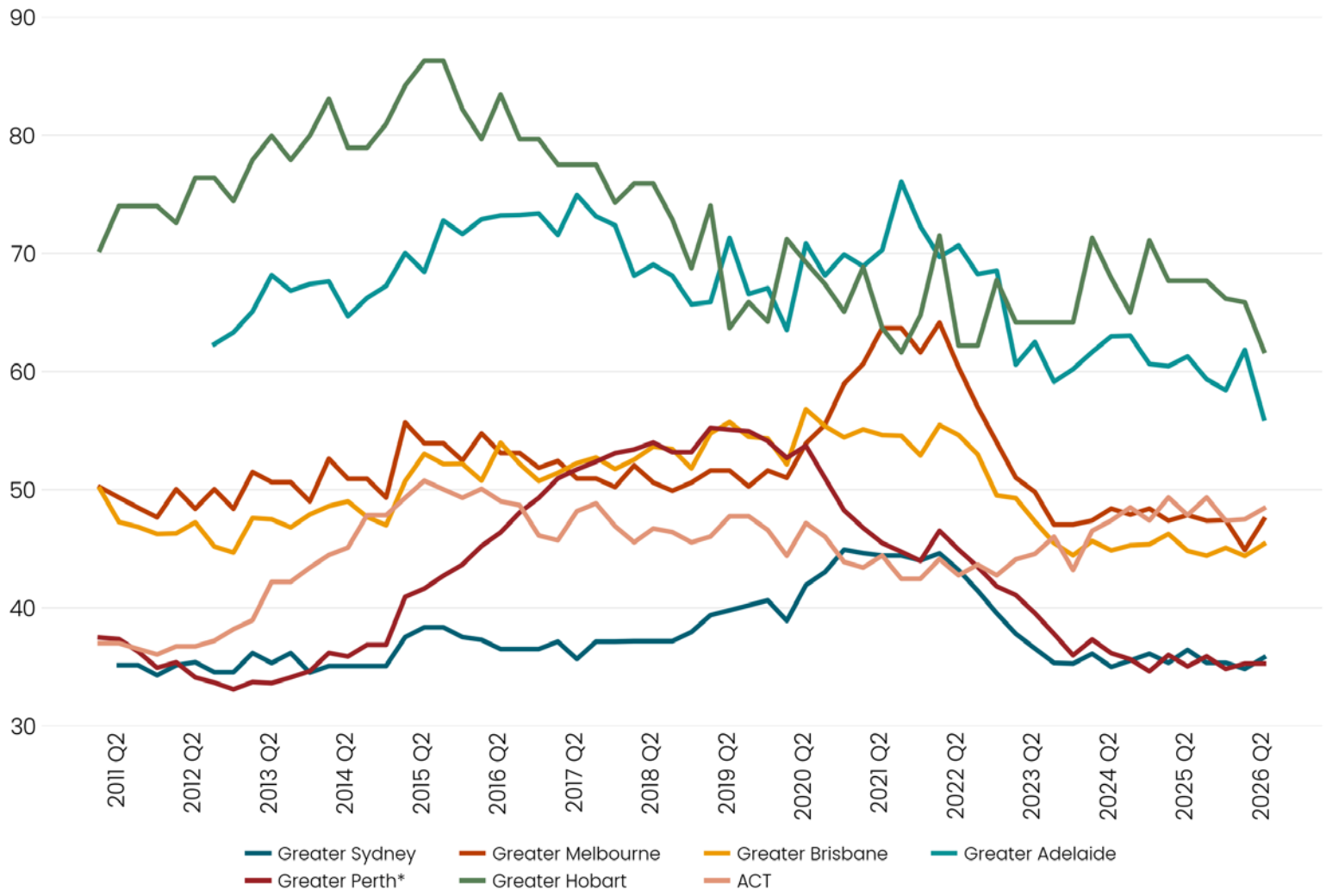
[13]Note that Perth has a lower reported RAI score but, due to data limitations, this represents all dwellings rather than only 1-bedroom dwellings

TABLE 4. RAI FOR SINGLE PENSIONER HOUSEHOLD

	RAI score	Rent as a share of income	Relative Unaffordability
Greater Sydney	36	84%	Critically unaffordable
Rest of NSW	66	45%	Severely unaffordable
Greater Melbourne	47	63%	Extremely unaffordable
Rest of VIC	77	39%	Unaffordable
Greater Brisbane	45	66%	Extremely unaffordable
Rest of QLD	47	63%	Extremely unaffordable
Greater Adelaide	56	54%	Extremely unaffordable
Rest of SA	92	33%	Unaffordable
Greater Perth*	35	85%	Critically unaffordable
Rest of WA*	38	79%	Critically unaffordable
Greater Hobart	62	49%	Severely unaffordable
Rest of TAS	75	40%	Severely unaffordable
ACT	48	62%	Extremely unaffordable

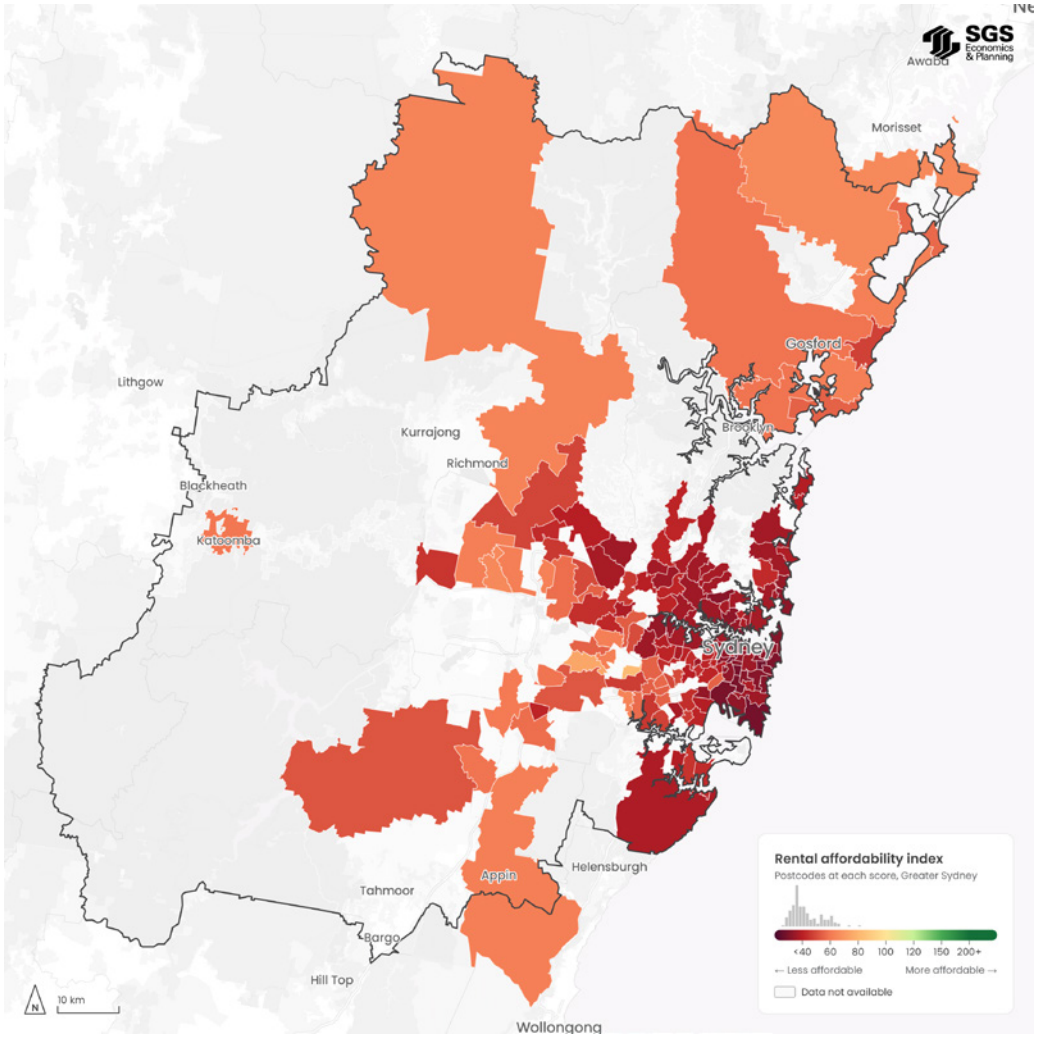
Source: SGS Economics and Planning, 2026
*RAI has been calculated using median rents for all dwelling types rather than one bedroom due to data unavailability.

FIGURE 9. RAI SCORES FOR A SINGLE PENSIONER, CAPITAL CITIES, 2011 - 2026



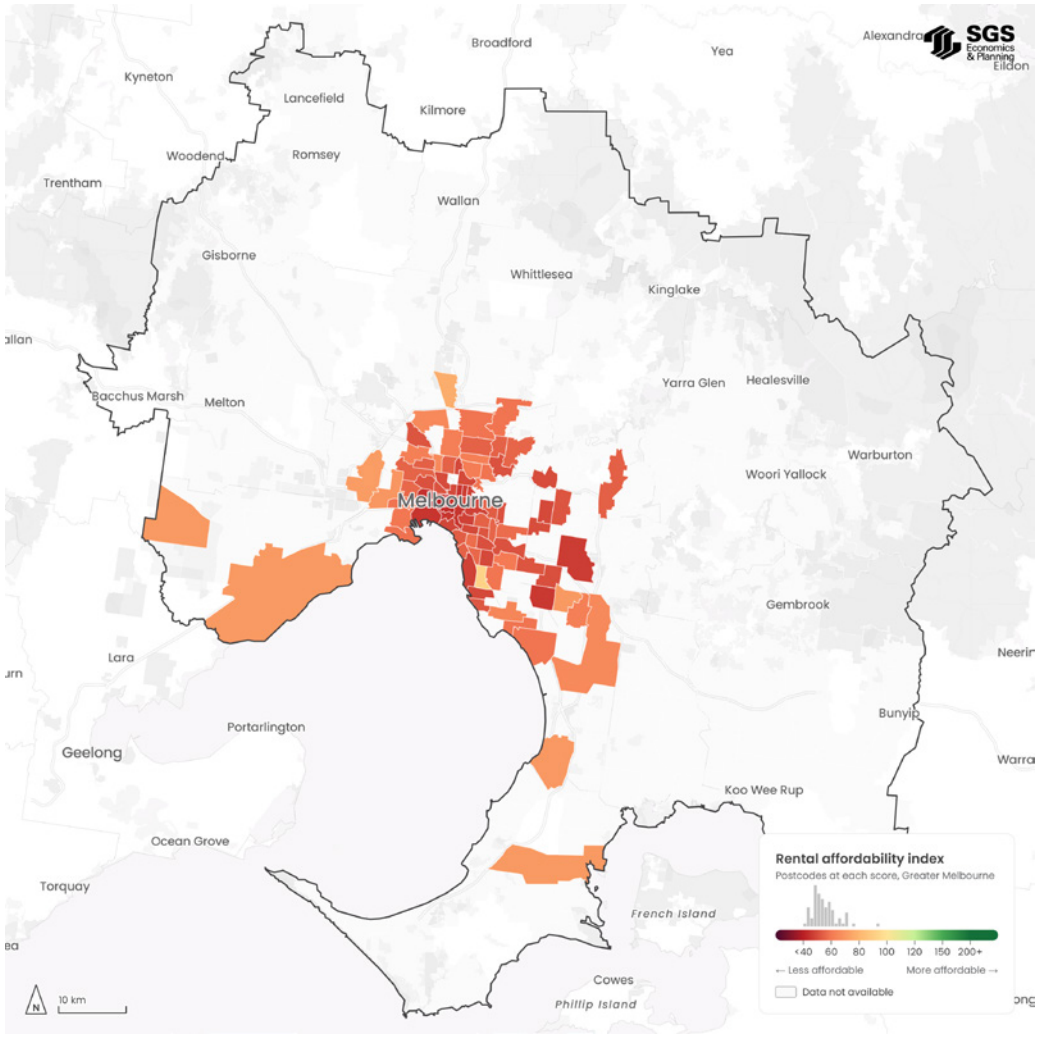
Source: SGS Economics & Planning, 2026

FIGURE 10. AFFORDABILITY FOR SINGLE PENSIONER RENTING IN GREATER SYDNEY, JUNE QUARTER 2026



Source: SGS Economics and Planning, 2026

FIGURE 11. AFFORDABILITY FOR SINGLE PENSIONER RENTING IN GREATER MELBOURNE, JUNE QUARTER 2026



Source: SGS Economics and Planning, 2026

2.3

Pensioner couple

$68,120[14] p.a.

2

EXTREMELY UNAFFORDABLE TO MODERATELY UNAFFORDABLE ACROSS ALL METROPOLITAN AND REGIONAL AREAS.

A couple aged 65 or over typically rents a 2-bedroom home and relies on the Age Pension, with one partner earning a small casual or part-time income of about $396 per fortnight. Combined, their annual income is around $68,120. This household is typically considered low income and falls within the lowest 40th percentile of incomes.



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

While faring better than single pensioner households, couple pensioner households generally face Severely Unaffordable rents in metropolitan areas.

Key findings:

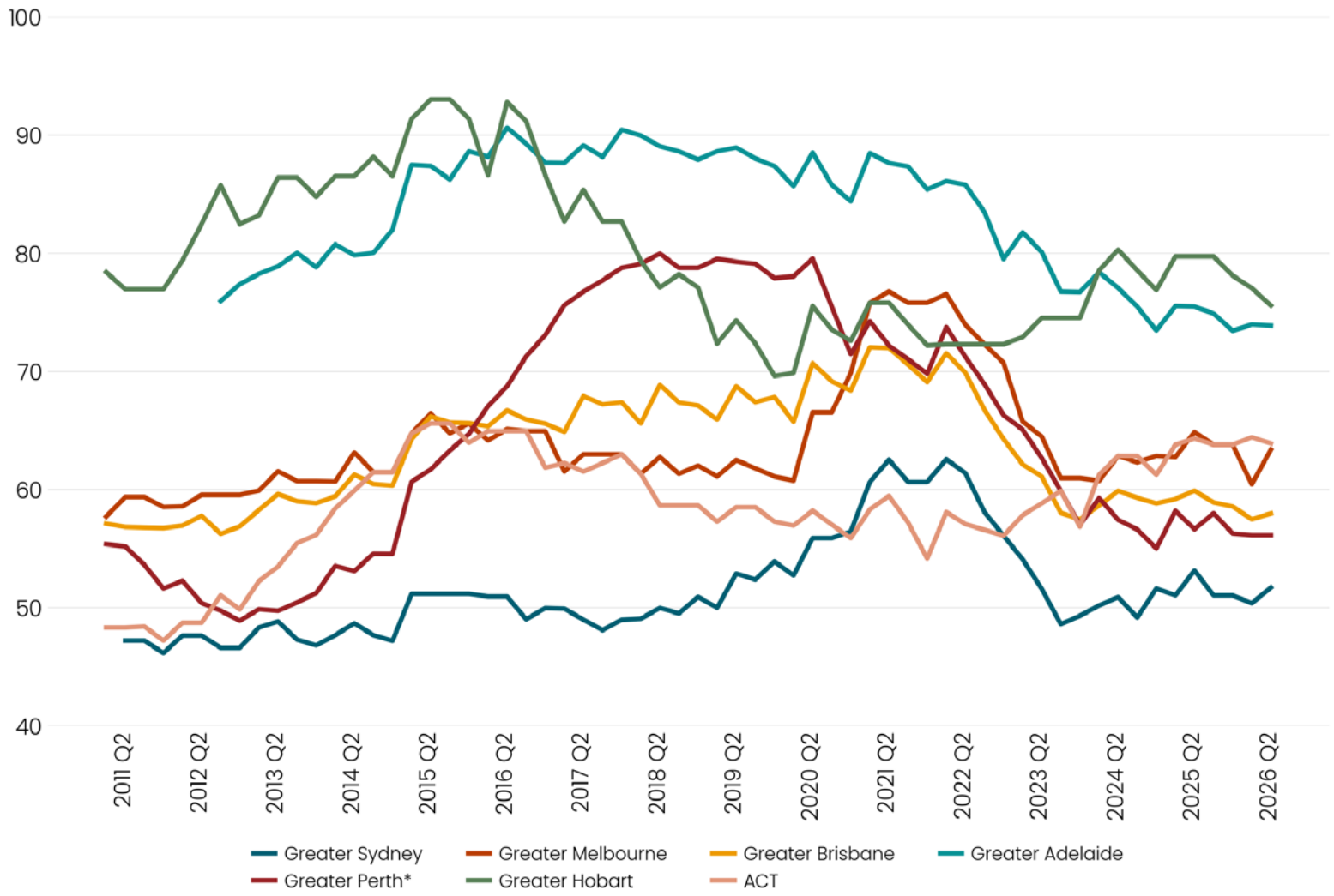
- Annual income for pensioner couples has risen by $1,773 since the last release (2.7%)
- Rents remain Extremely to Severely unaffordable in all cities, with median rental rates representing between 40-58% of total income available to these households.
- In Sydney and Melbourne, most suburbs within 10 kilometres of the CBD are Extremely Unaffordable (Figure 13 and Figure 14), requiring couples to spend over half their income on rent at median prices.
- Pockets of relief can be found in limited areas. These include Glen Innes (NSW), Devonport (TAS), Melton (VIC), and Rokeby (Hobart).
- While dwellings with cheaper rental rates (below the median) exist, there is no mechanism to ensure they reach low-income households.
- Additional costs, such as healthcare and the need for proximity to transport and services, further restrict where the elderly can afford to live.

TABLE 5. RAI FOR PENSIONER COUPLE HOUSEHOLD

	RAI score	Rent as a share of income	Relative Unaffordability
Greater Sydney	52	58%	Extremely unaffordable
Rest of NSW	79	38%	Severely unaffordable
Greater Melbourne	63	47%	Severely unaffordable
Rest of VIC	96	31%	Moderately unaffordable
Greater Brisbane	58	52%	Extremely unaffordable
Rest of QLD	63	48%	Severely unaffordable
Greater Adelaide	74	41%	Severely unaffordable
Rest of SA	112	27%	Moderately unaffordable
Greater Perth*	56	53%	Extremely unaffordable
Rest of WA*	60	50%	Extremely unaffordable
Greater Hobart	76	40%	Severely unaffordable
Rest of TAS	89	34%	Unaffordable
ACT	64	47%	Severely unaffordable

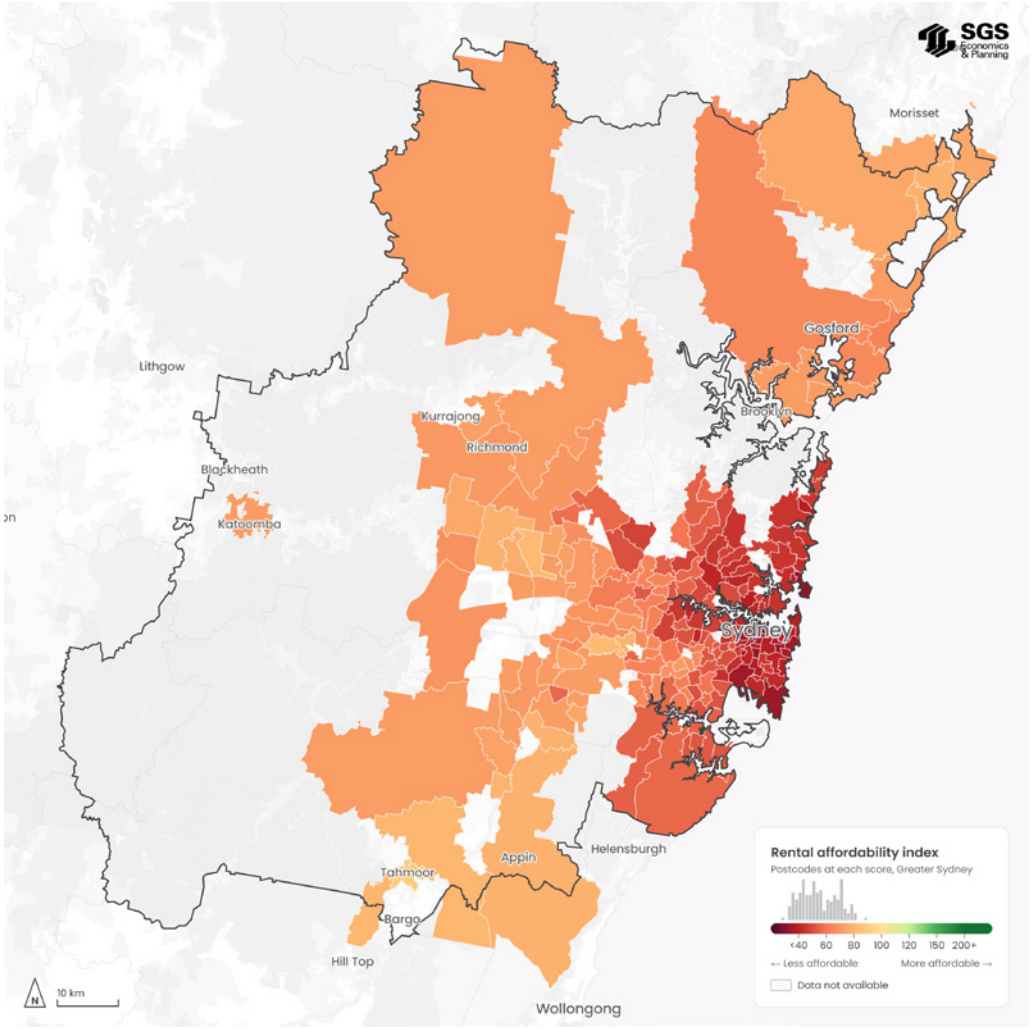
Source: SGS Economics and Planning, 2026
*RAI has been calculated using median rents for all dwellings rather than 2 bedrooms due to data unavailability

FIGURE 12. RAI SCORE FOR PENSIONER COUPLES, CAPITAL CITIES, 2011-2026



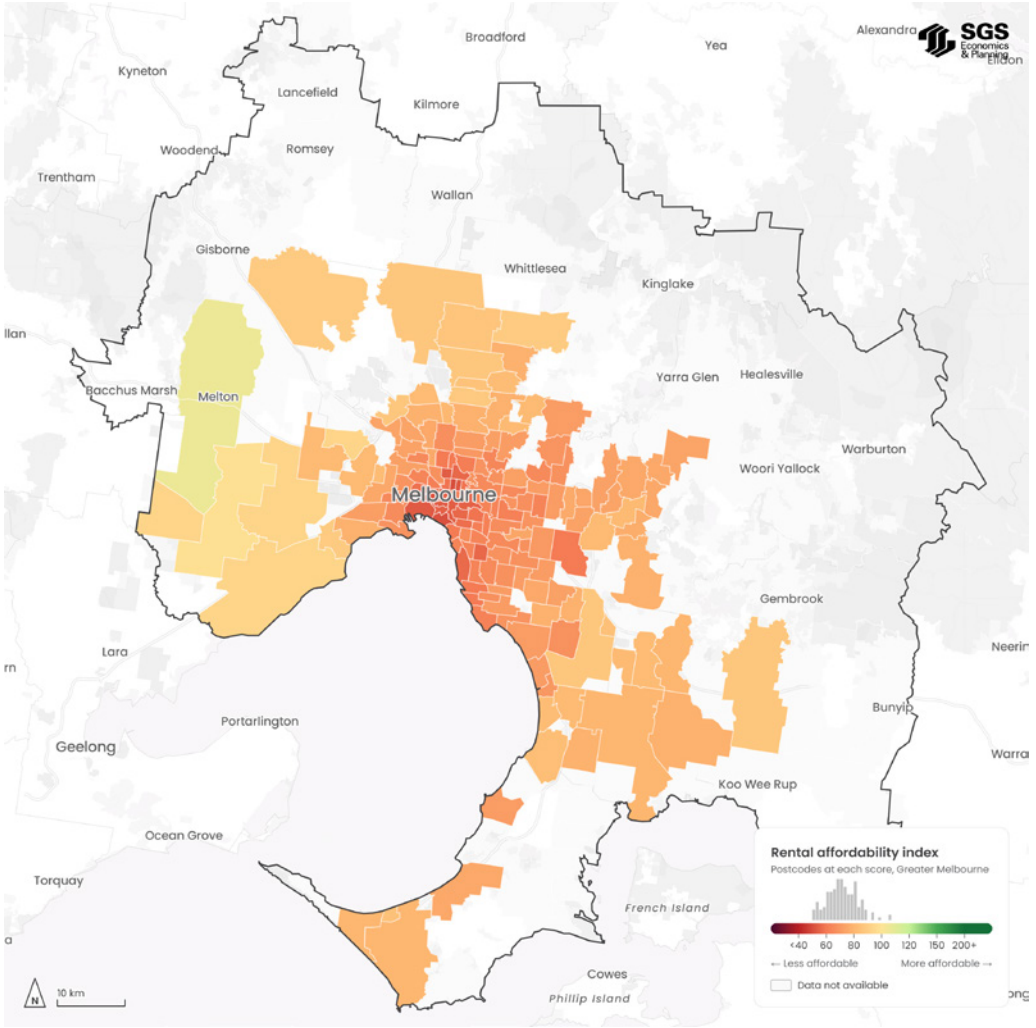
Source: SGS Economics and Planning, 2026

FIGURE 13. AFFORDABILITY FOR PENSIONER COUPLE RENTING IN GREATER SYDNEY, JUNE QUARTER, 2026



Source: SGS Economics and Planning, 2026

FIGURE 14. AFFORDABILITY FOR PENSIONER COUPLE RENTING IN GREATER MELBOURNE, JUNE QUARTER, 2026



Source: SGS Economics and Planning, 2026

2.4

Single part-time working parent on benefits

$49,166[15] p.a.

2

CRITICALLY UNAFFORDABLE TO EXTREMELY UNAFFORDABLE IN METROPOLITAN AREAS AND EXTREMELY UNAFFORDABLE TO UNAFFORDABLE IN REST OF STATE AREAS

This household includes a single parent with one child under 5, renting a 2-bedroom home. The parent receives a Parenting Payment and supplements it with casual or part-time work, bringing in an estimated annual income of $49,166. This household is typically considered low income and falls within the lowest 40th percentile of incomes.



[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

A single part-time worker parent on benefits faces Critically to Extremely Unaffordable rents in all capital cities. Like a single person on JobSeeker, this has become an entrenched trend, further intensified by the additional costs of childcare, education, and transport.

Key findings:

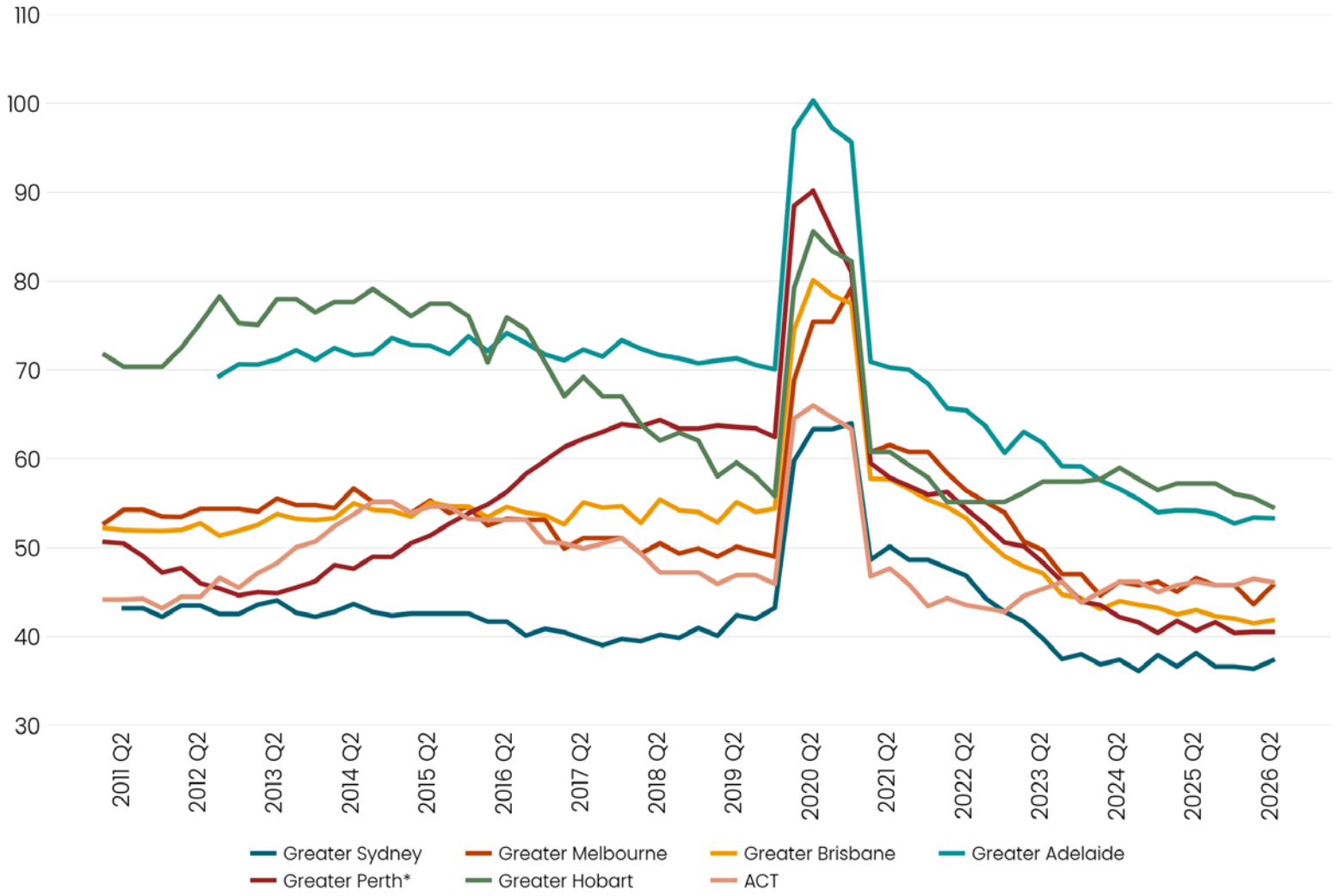
- Annual income for single part-time working parents has risen by $1,550 since 2025 (3.3%).
- In capital cities, median rental rates represent between 55-80% of total income available to these households.
- Rest of state areas offer little relief with Rest of SA being the most affordable area with median rents still taking up 37% of income.
- Single part-time working parents will not find Acceptable rents in any metro or regional postcode.
- The needs of households with children including access to employment opportunities and essential services such as childcare and education, further constrain their housing options.
- Even if a single part-time working parent is willing to give up space by accepting a 1-bedroom rental (vs 2-bedroom), median rents are still Severely Unaffordable to Critically Unaffordable (Figure 16 and Figure 17).

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

	RAI score	Rent as a share of income	Relative Unaffordability
Greater Sydney	37	80%	Critically unaffordable
Rest of NSW	57	53%	Extremely unaffordable
Greater Melbourne	46	66%	Extremely unaffordable
Rest of VIC	69	43%	Severely unaffordable
Greater Brisbane	42	72%	Extremely unaffordable
Rest of QLD	45	66%	Extremely unaffordable
Greater Adelaide	53	56%	Extremely unaffordable
Rest of SA	81	37%	Unaffordable
Greater Perth*	41	74%	Extremely unaffordable
Rest of WA*	44	69%	Extremely unaffordable
Greater Hobart	55	55%	Extremely unaffordable
Rest of TAS	64	47%	Severely unaffordable
ACT	46	65%	Extremely unaffordable

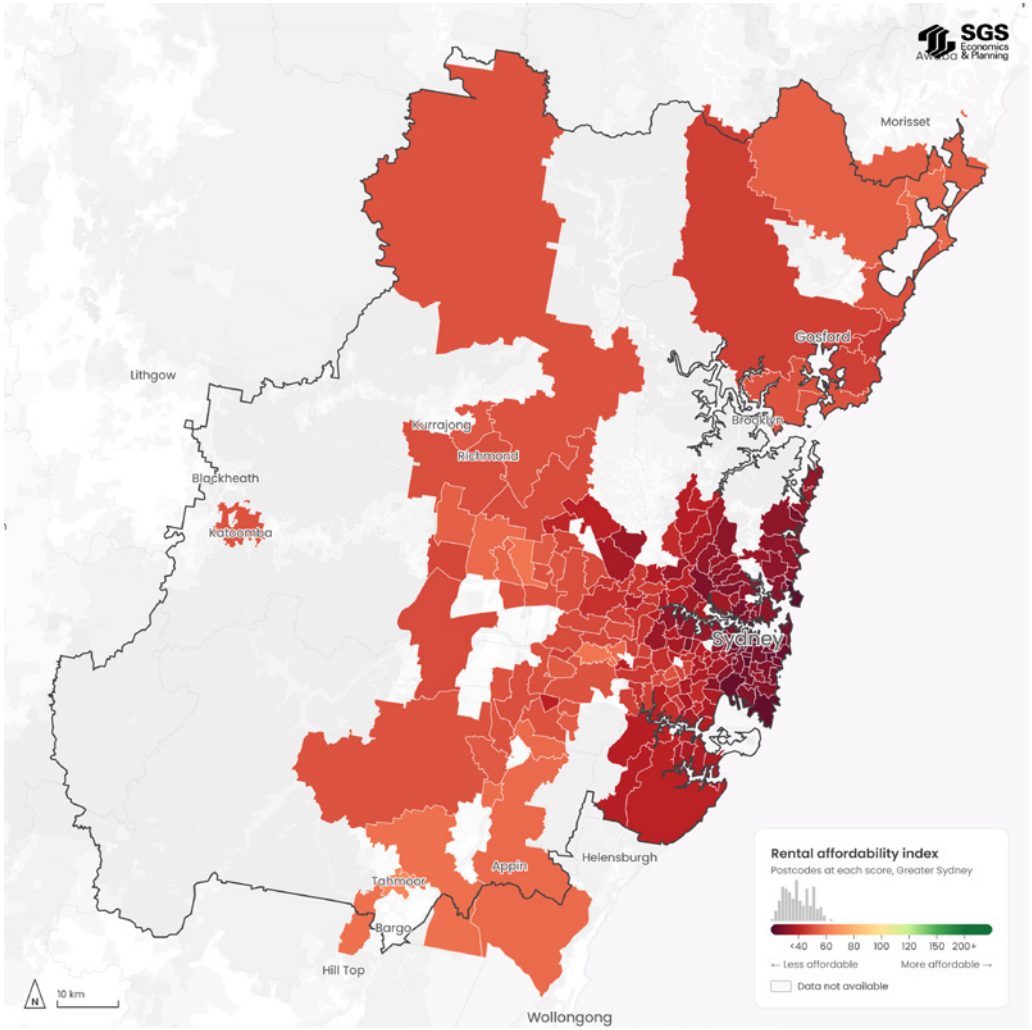
Source: SGS Economics and Planning, 2026
*RAI has been calculated using median rents for all dwellings rather than 2 bedrooms due to data unavailability

FIGURE 15. RAI SCORE FOR SINGLE PART-TIME WORKER PARENTS ON BENEFITS, CAPITAL CITIES, 2011-2026



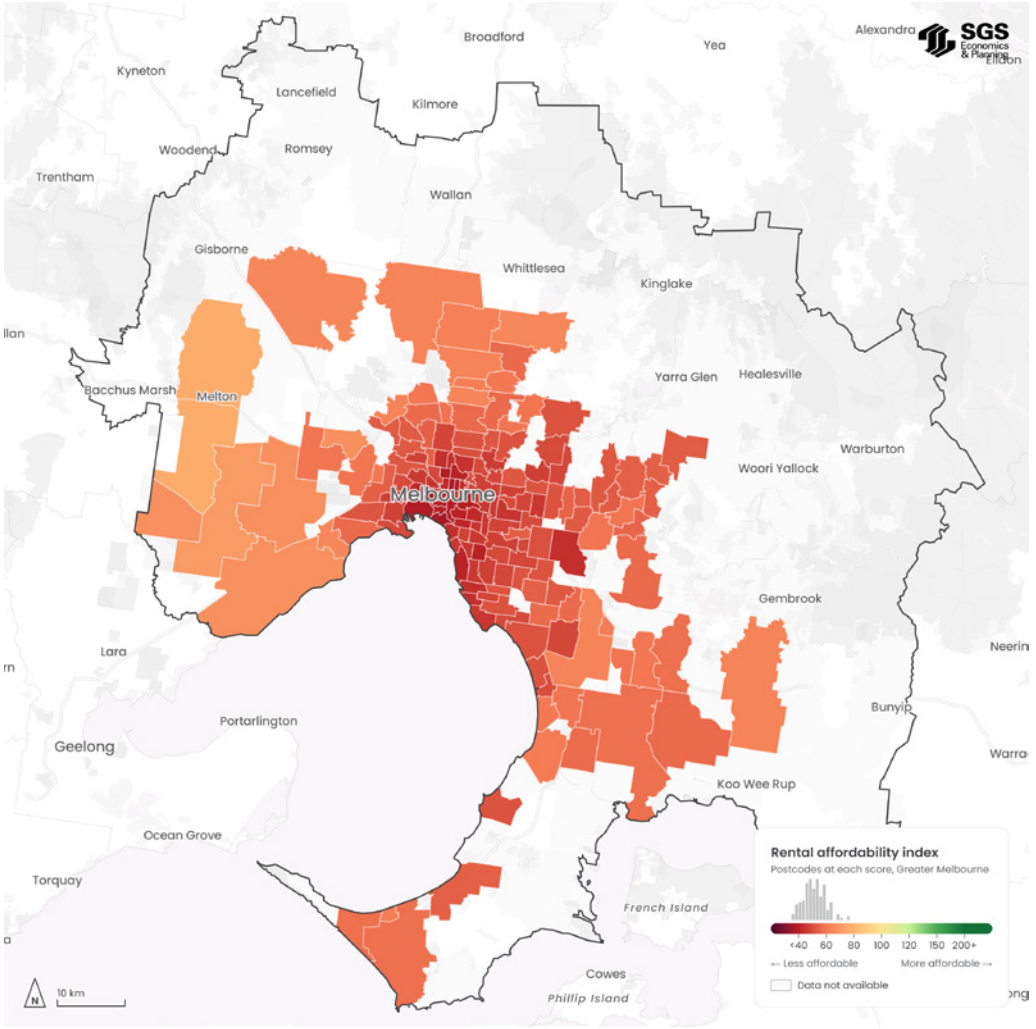
Source: SGS Economics & Planning, 2026

FIGURE 16. AFFORDABILITY FOR SINGLE PART-TIME WORKER PARENT ON BENEFITS RENTING IN GREATER SYDNEY, JUNE QUARTER, 2026



Source: SGS Economics and Planning, 2026

FIGURE 17. AFFORDABILITY FOR SINGLE PART-TIME WORKER PARENT ON BENEFITS RENTING IN GREATER MELBOURNE, JUNE QUARTER, 2026



Source: SGS Economics and Planning, 2026

2.5

Single full-time working parent

$116,422[16] p.a.

2

UNAFFORDABLE TO ACCEPTABLE IN METROPOLITAN AREAS AND MODERATELY UNAFFORDABLE TO AFFORDABLE IN REST OF STATE AREAS

This household includes a single parent with one child under 5, renting a 2-bedroom home. The parent works full-time as a teacher, earning an estimated annual income of $116,422.



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

Rental affordability for a single full-time worker parent varies significantly across cities and regions, reflecting differences in both incomes and rental markets.

Key findings:

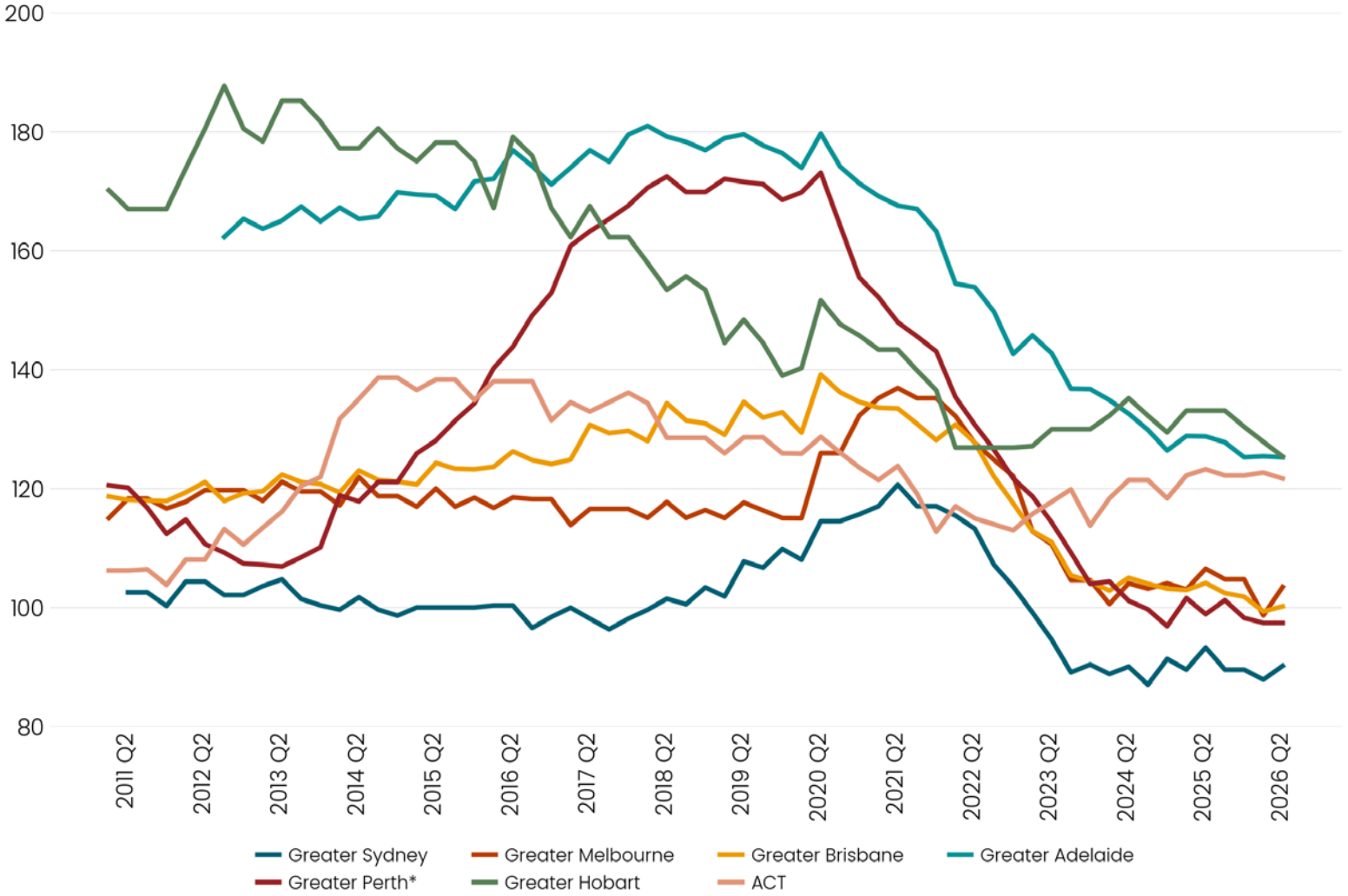
- Annual income for a single full-time working parent has increased by $2,345 over the past year (2.1%).
- Sydney is the least affordable capital city for a single full-time working parent, classified as Unaffordable.
- Affordability in the other capital cities is better, with Adelaide, Hobart and the ACT offering Acceptable rents. Melbourne and Brisbane are Unaffordable to Moderately Unaffordable but offer cheaper rents in the outer fringes.
- Rest of SA is the most affordable region, where rent consumes just 16% of income at the median rate.
- No capital city, except for the ACT, has meaningfully recovered from the post-2020 decline in affordability, although the period of rapidly declining affordability has eased in some cities.
- Figures 19 and 20 show that no inner-city areas in Sydney or Melbourne are classified as Affordable, with this ring of unaffordability slightly worsening over the last year.
- However, even with an affordable rental, this household type remains vulnerable to rental stress.
- The nature of being a sole-carer means that a large share of income is likely required for childcare and after-school care costs, adding to general cost of living pressures.
- Single parents also lack the security of a secondary income to support them during even temporary periods of unemployment.

TABLE 7. RAI FOR SINGLE FULL-TIME WORKING PARENT

	RAI score	Rent as a share of income	Relative Unaffordability
Greater Sydney	90	33%	Unaffordable
Rest of NSW	137	22%	Acceptable
Greater Melbourne	103	29%	Moderately unaffordable
Rest of VIC	157	19%	Affordable
Greater Brisbane	100	30%	Unaffordable
Rest of QLD	108	28%	Moderately unaffordable
Greater Adelaide	125	24%	Acceptable
Rest of SA	191	16%	Affordable
Greater Perth*	97	31%	Unaffordable
Rest of WA*	106	28%	Moderately unaffordable
Greater Hobart	125	24%	Acceptable
Rest of TAS	148	20%	Acceptable
ACT	122	25%	Acceptable

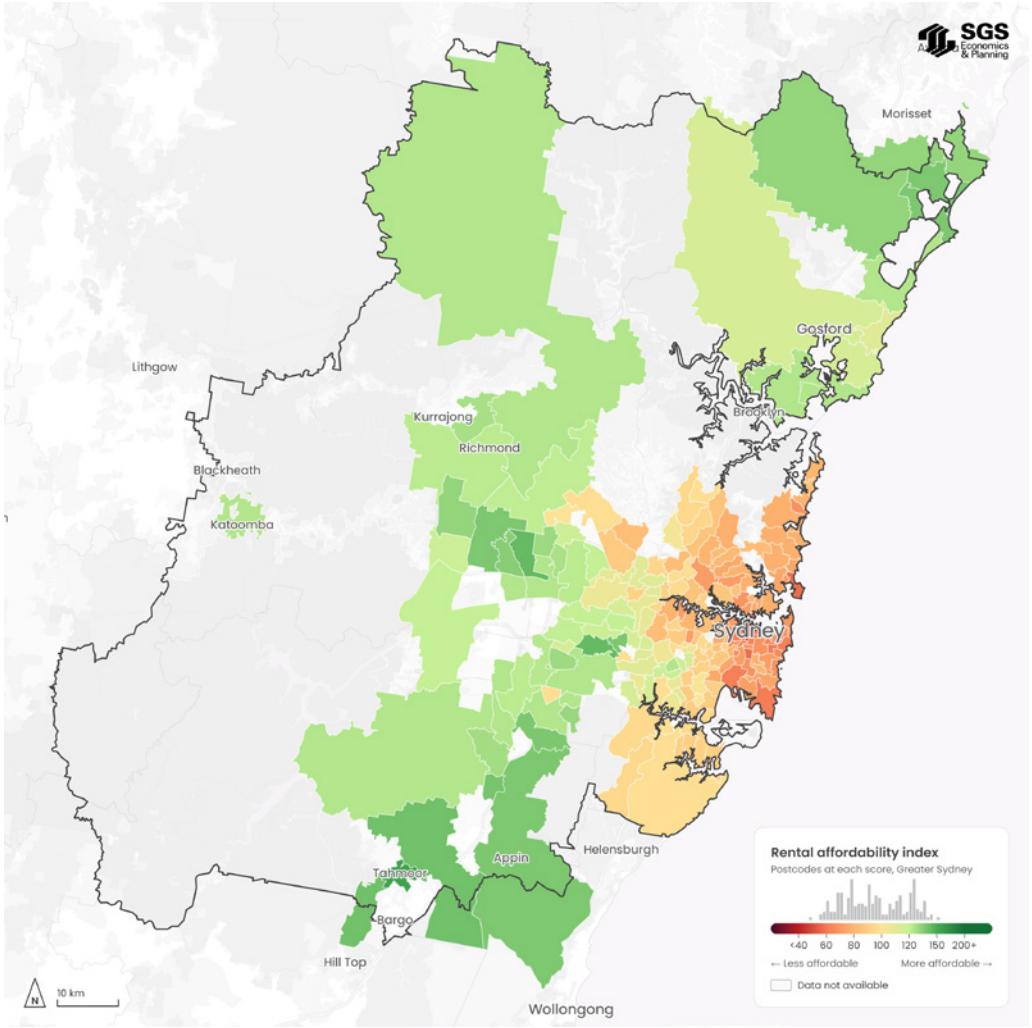
Source: SGS Economics and Planning, 2026
*RAI has been calculated using median rents for all dwellings rather than 2 bedrooms due to data unavailability

FIGURE 18. RAI SCORES FOR SINGLE FULL-TIME WORKING PARENT, CAPITAL CITIES, 2011 - 2026



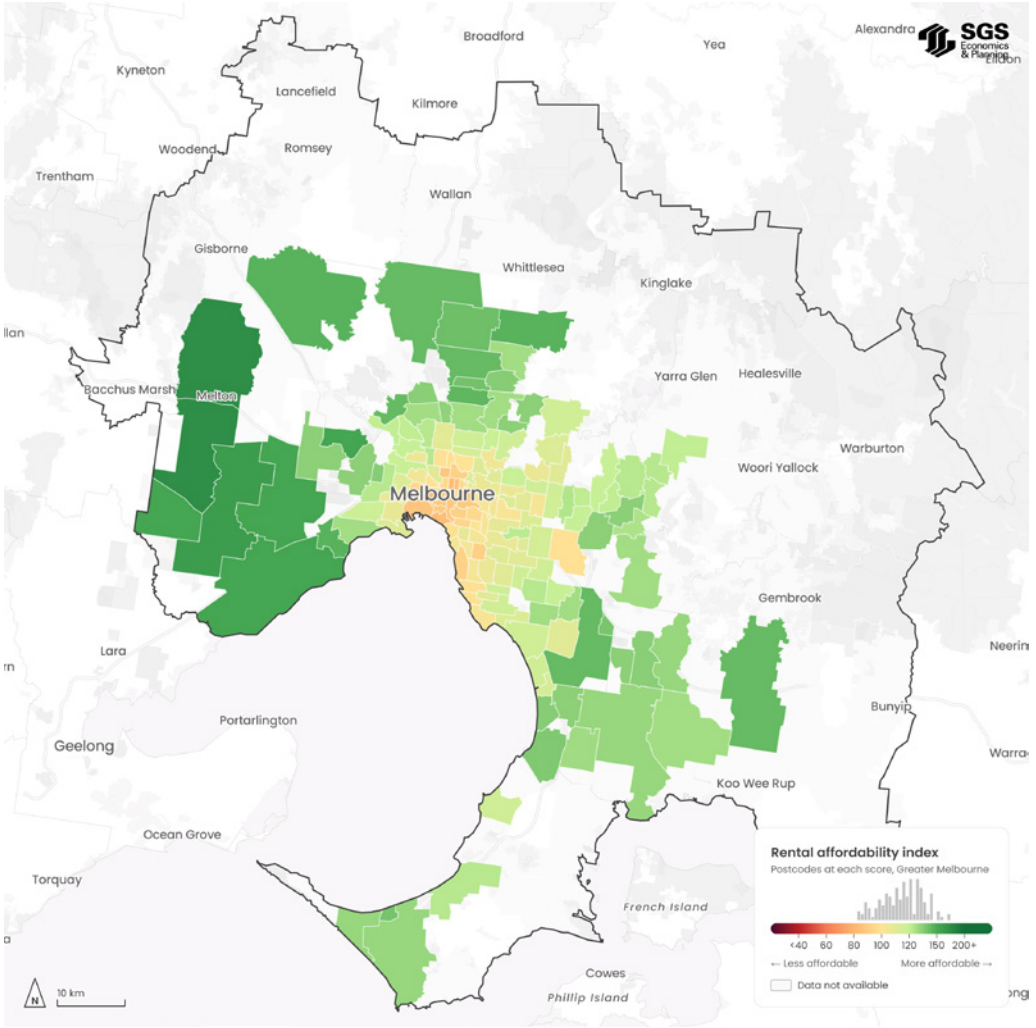
Source: SGS Economics and Planning, 2026

FIGURE 19. AFFORDABILITY FOR SINGLE FULL-TIME WORKING PARENT RENTING IN GREATER SYDNEY, JUNE QUARTER, 2026



Source: SGS Economics and Planning, 2026

FIGURE 20. AFFORDABILITY FOR SINGLE FULL-TIME WORKING PARENT RENTING IN GREATER MELBOURNE, JUNE QUARTER, 2026



Source: SGS Economics and Planning, 2026

2.6

Single income couple with children

$116,422[17] p.a.

3

UNAFFORDABLE TO MODERATELY UNAFFORDABLE RENTS IN METROPOLITAN AREAS[18]

The single income couple with children consists of 1 key worker, 1 stay-at-home parent, and 2 children, 1 under 5. This household seeks to live in a 3-bedroom rental dwelling. This household lives on a single key worker income of $116,422[19] per annum.



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

[18] 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

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

Rental affordability for a single income couple with children varies significantly across cities and regions. Being a single income household with dependents, and needing larger dwellings, means that rental affordability is Moderately Unaffordable to Unaffordable in all capital cities.

Key findings:

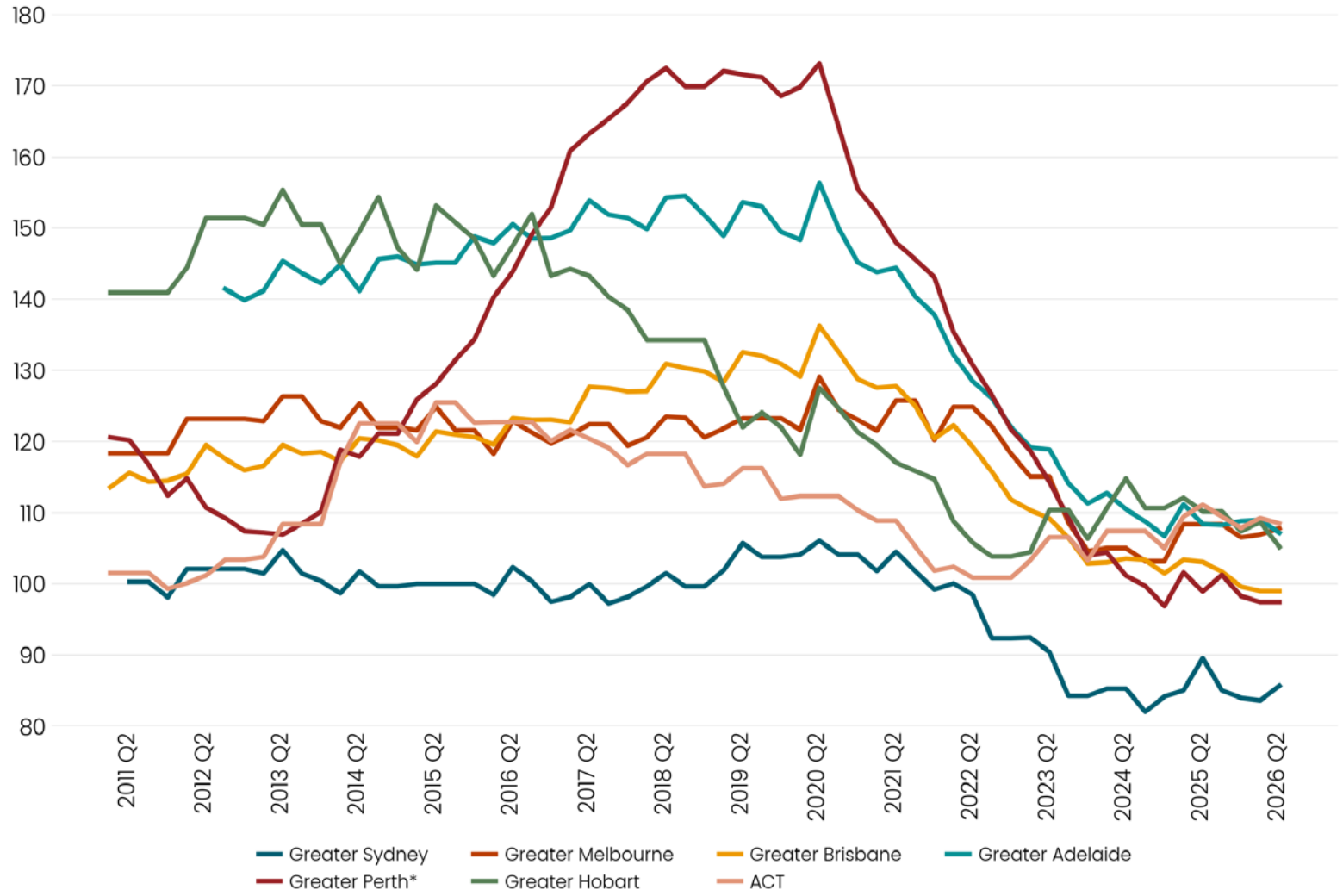
- Annual income for a single income couple with children has increased by $2,345 over the past year (2.1%).
- This household faces Unaffordable to Moderately Unaffordable rents across metropolitan areas, with Sydney being the least affordable capital.
- Since 2019, affordability has worsened significantly in Perth, Brisbane and Adelaide which were once Acceptable to Affordable.
- Affordability in the ACT has improved since 2022, shifting it from being the second least to the most affordable capital city.
- In metropolitan Sydney only 1 postcode has Acceptable rents and in Melbourne these are restricted to outer suburbs like in most other cities as shown in Figure 22 and Figure 23.
- Regional areas can offer relief for single income families with the median rents in Rest of VIC, Rest of SA and Rest of TAS classed as Acceptable. This is driven by a large share of 3-bedroom rentals in regional locations.
- With only a single income to support 2 adults and 2 children, this household faces significant non-housing expenses and remains vulnerable to rental stress and financial insecurity.
- The absence of a second income leaves this household vulnerable to significant financial strain in the event of unemployment.

TABLE 8. RAI FOR SINGLE INCOME COUPLE WITH CHILDREN

	RAI score	Rent as a share of income	Relative Unaffordability
Greater Sydney	86	35%	Unaffordable
Rest of NSW	114	26%	Moderately unaffordable
Greater Melbourne	108	28%	Moderately unaffordable
Rest of VIC	131	23%	Acceptable
Greater Brisbane	99	30%	Unaffordable
Rest of QLD	97	31%	Unaffordable
Greater Adelaide	107	28%	Moderately unaffordable
Rest of SA	145	21%	Acceptable
Greater Perth*	97	31%	Unaffordable
Rest of WA*	106	28%	Moderately unaffordable
Greater Hobart	105	29%	Moderately unaffordable
Rest of TAS	125	24%	Acceptable
ACT	108	28%	Moderately unaffordable

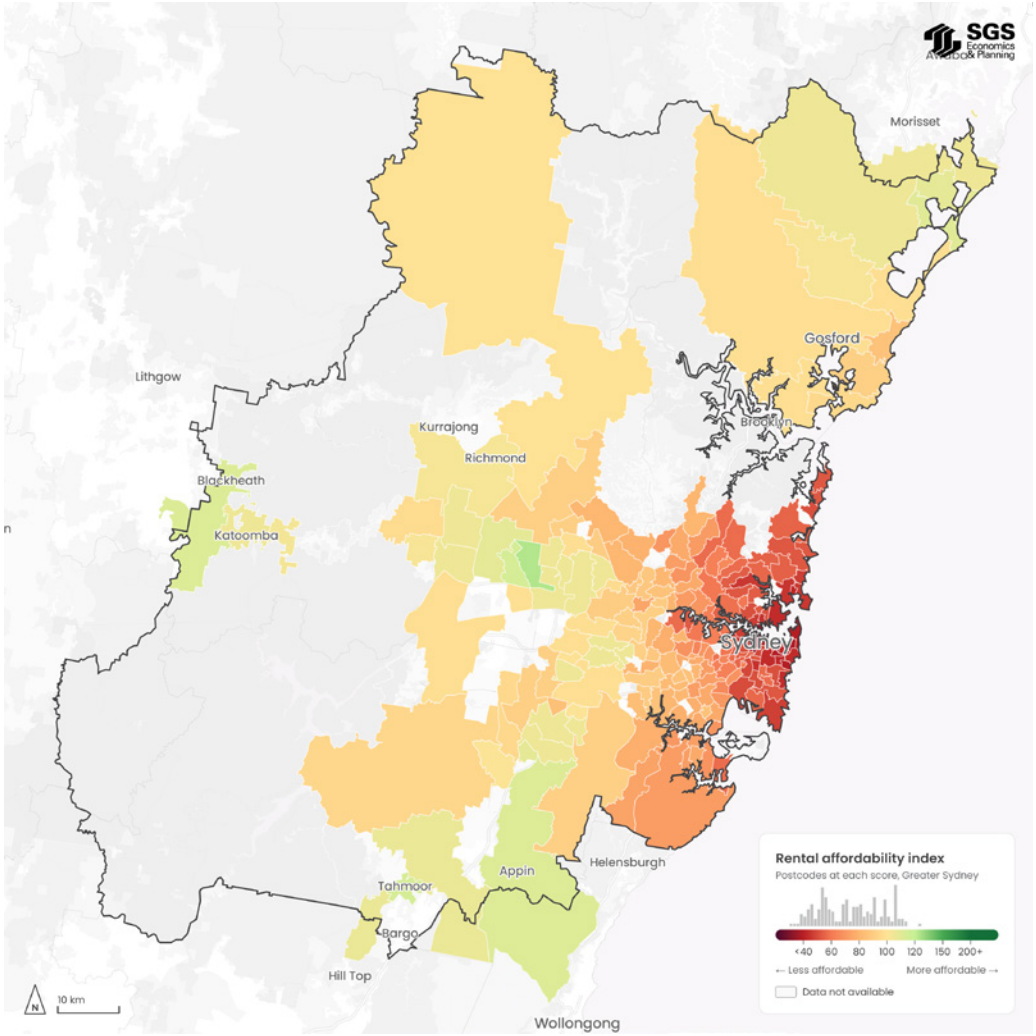
Source: SGS Economics and Planning, 2026
*RAI has been calculated using median rents for all dwellings rather than three bedrooms due to data unavailability

FIGURE 21. RAI SCORES FOR A SINGLE INCOME COUPLE WITH CHILDREN, CAPITAL CITIES, 2011-2026



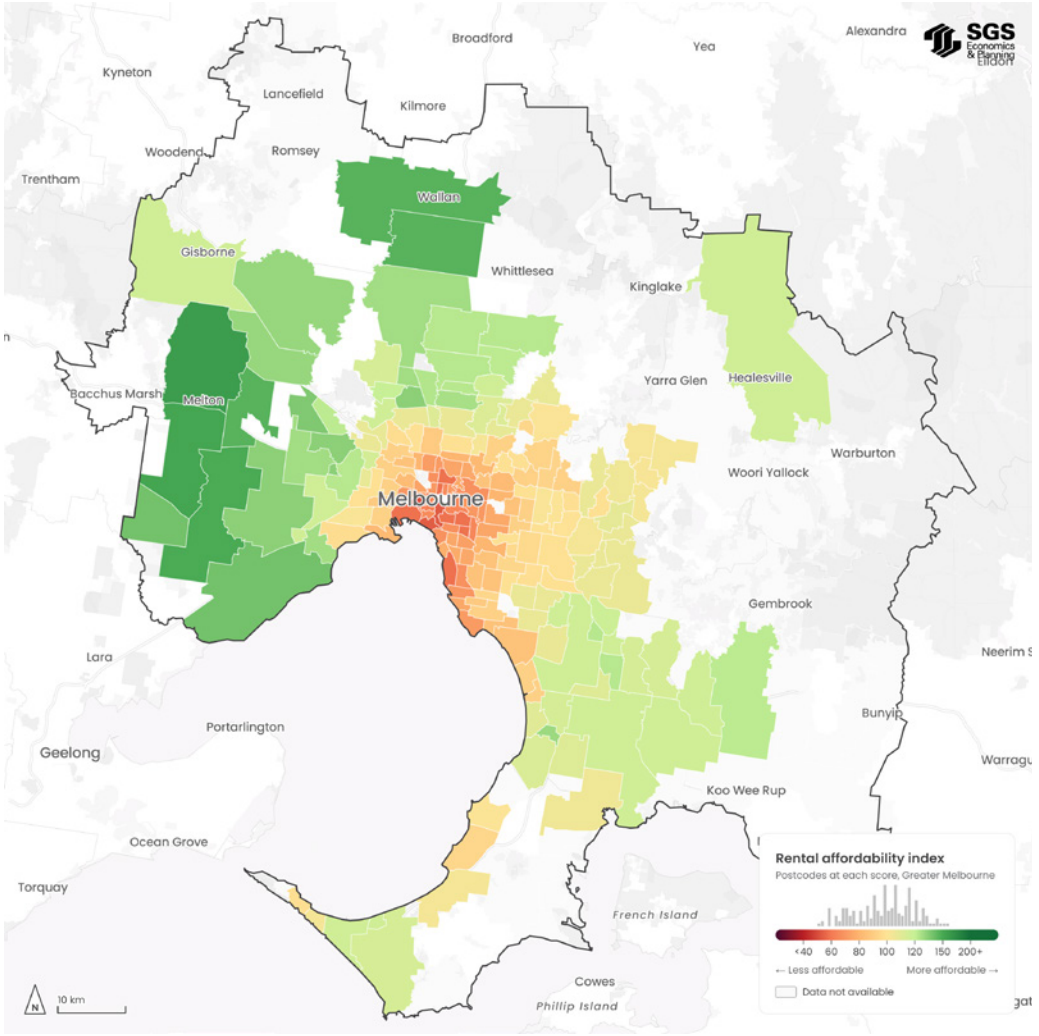
Source: SGS Economics and Planning, 2026

FIGURE 22. AFFORDABILITY FOR SINGLE INCOME COUPLE WITH CHILDREN RENTING IN GREATER SYDNEY, JUNE QUARTER, 2026



Source: SGS Economics and Planning, 2026

FIGURE 23. AFFORDABILITY FOR SINGLE INCOME COUPLE WITH CHILDREN RENTING IN GREATER MELBOURNE, JUNE QUARTER, 2026



Source: SGS Economics and Planning, 2026

2.7

Dual income couple with children

$232,844[20] p.a.

3

AFFORDABLE TO VERY AFFORDABLE ACROSS ALL METROPOLITAN AND REST OF STATE AREAS

The full-time key worker couple has 2 children under 10 and seeks to rent a 3-bedroom dwelling. This household lives on 2 full-time teachers' wages, with a combined annual income of $232,844 per annum[21].

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



Rental affordability for a dual income couple with children varies across cities and regions. Despite rising rental rates, affordability for this household remains Affordable to Very Affordable.

Key findings:

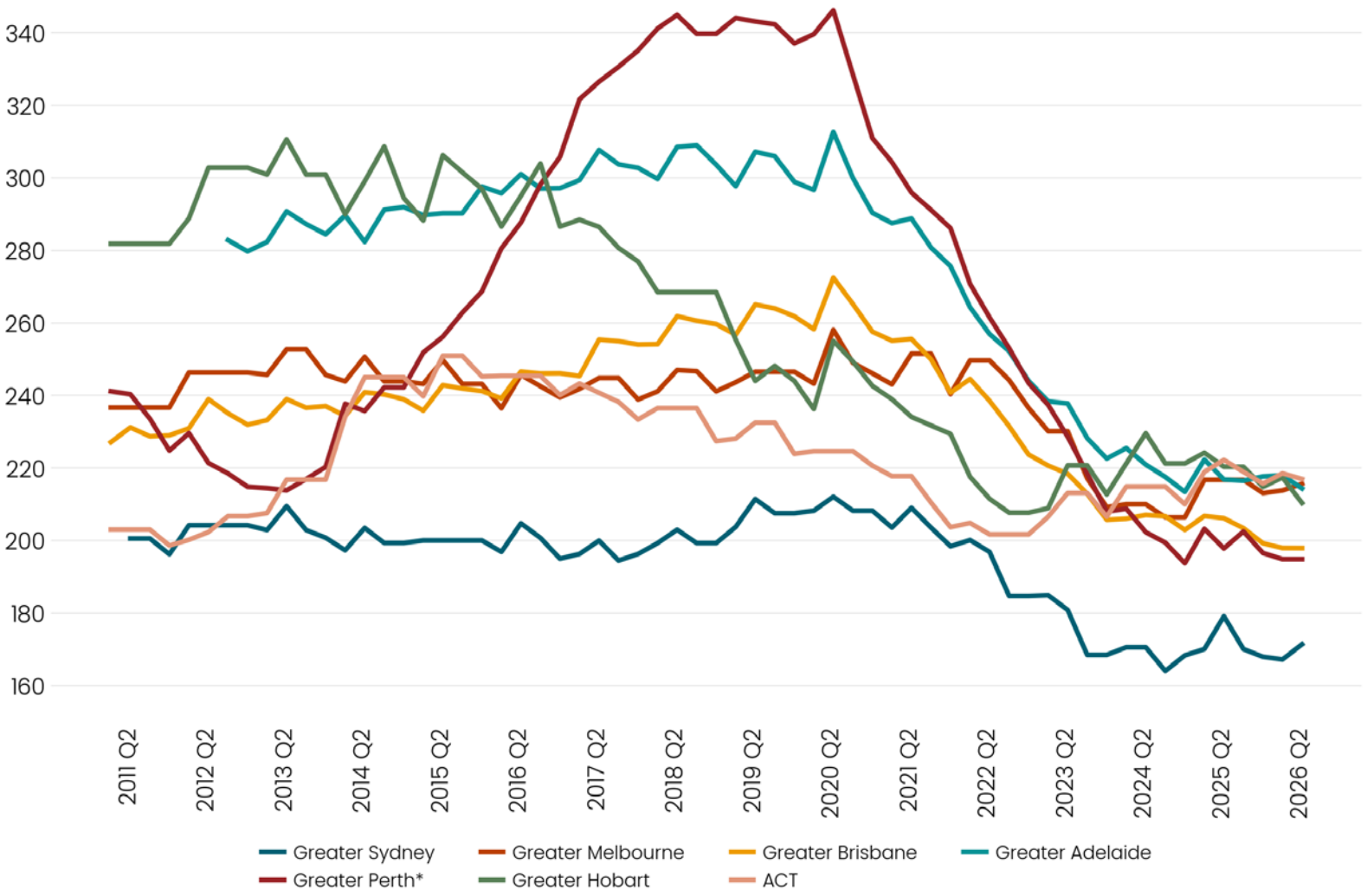
- Annual income for this household type has increased by $4,689 since 2025 (2.1%).
- Inner metropolitan regions, with high accessibility and amenity, remain relatively unaffordable even to the dual income couple, particularly due to their need for larger (3 bedroom) dwellings.
- This is worst in Sydney, where median rents in the inner north and south remain Moderately Unaffordable or worse and only the western suburbs are Acceptable or better.
- The inner-most ring of Melbourne is Moderately Unaffordable, but this quickly improves through the middle and outer rings of the city.
- Adelaide, Brisbane and Hobart offer Acceptable to Very Affordable rents.

TABLE 9. RAI FOR DUAL INCOME COUPLE WITH CHILDREN

	RAI score	Rent as a share of income	Relative Unaffordability
Greater Sydney	171	18%	Affordable
Rest of NSW	229	13%	Very affordable
Greater Melbourne	216	14%	Very affordable
Rest of VIC	263	11%	Very affordable
Greater Brisbane	198	15%	Affordable
Rest of QLD	193	16%	Affordable
Greater Adelaide	214	14%	Very affordable
Rest of SA	291	10%	Very affordable
Greater Perth*	195	15%	Affordable
Rest of WA*	212	14%	Very affordable
Greater Hobart	210	14%	Very affordable
Rest of TAS	250	12%	Very affordable
ACT	217	14%	Very affordable

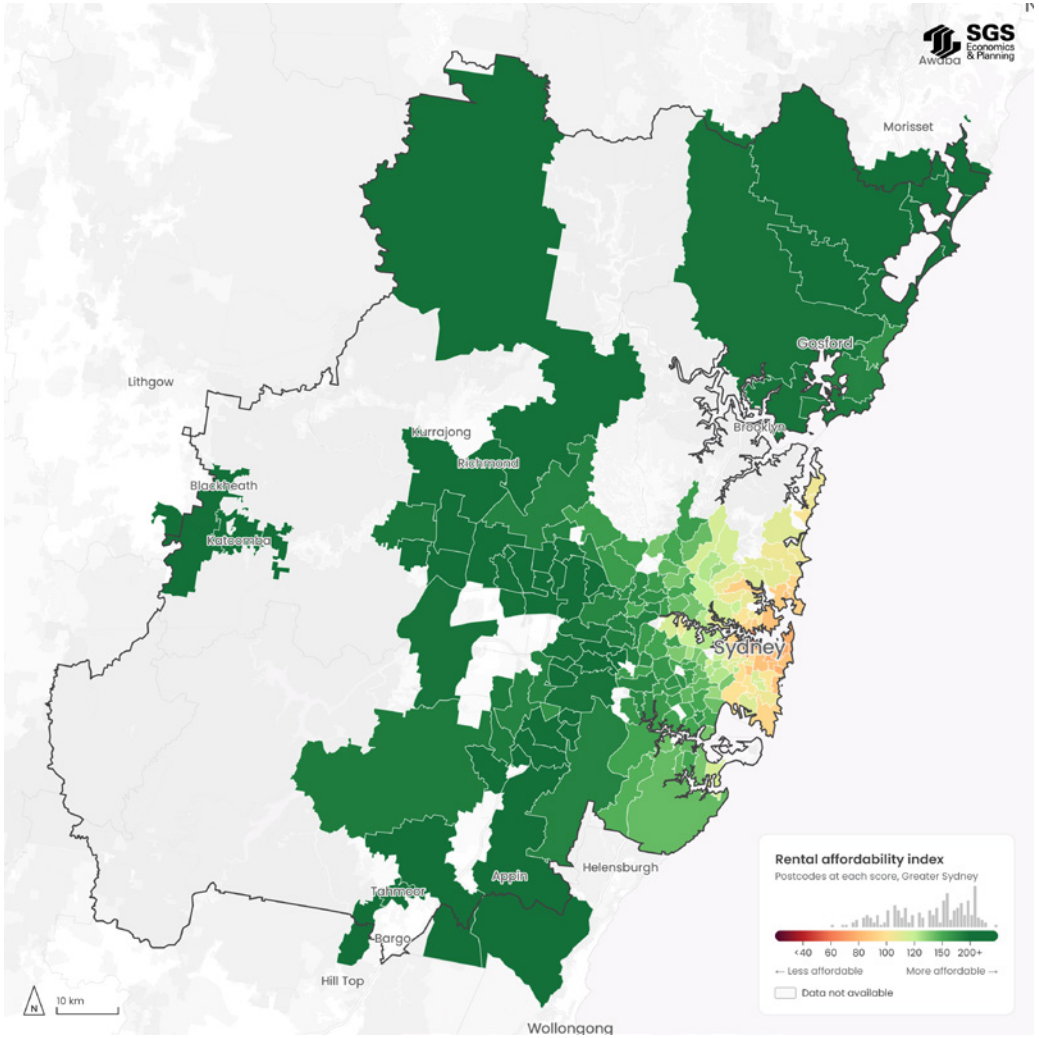
Source: SGS Economics and Planning, 2026
*RAI has been calculated using median rents for all dwellings rather than three bedrooms due to data unavailability

FIGURE 24. RAI SCORES FOR DUAL INCOME COUPLES WITH CHILDREN, CAPITAL CITIES, 2011-2026



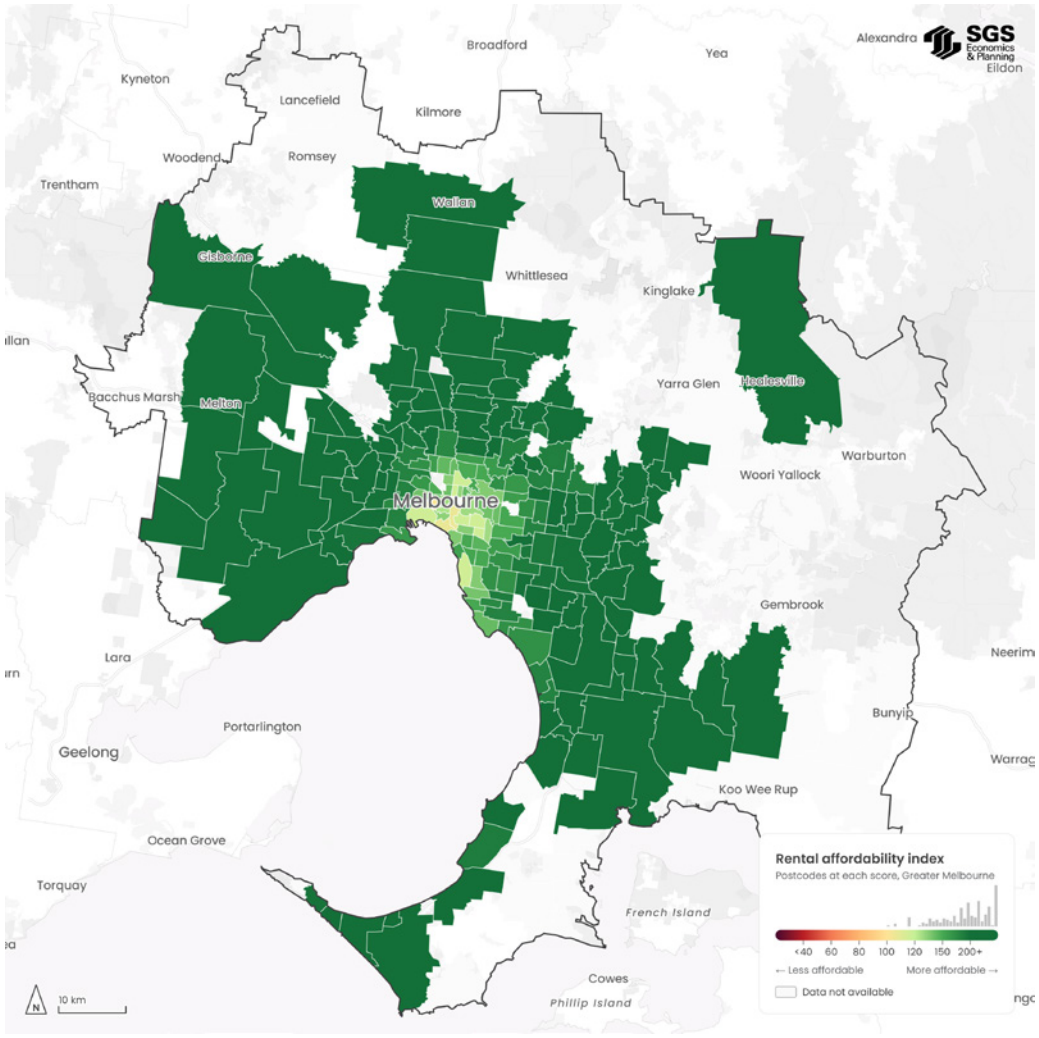
Source: SGS Economics and Planning, 2026

FIGURE 25. AFFORDABILITY FOR DUAL INCOME COUPLE WITH CHILDREN RENTING IN GREATER SYDNEY, JUNE QUARTER, 2026



Source: SGS Economics and Planning, 2026

FIGURE 26. AFFORDABILITY FOR DUAL INCOME COUPLE WITH CHILDREN RENTING IN GREATER MELBOURNE, JUNE QUARTER, 2026



Source: SGS Economics and Planning, 2026

2.8

Student sharehouse

$106,273 ($35,424 per student)[22] p.a.

3

UNAFFORDABLE TO SEVERELY UNAFFORDABLE ACROSS MOST METROPOLITAN AREAS

The student sharehouse household consists of 3 students aged between 18 and 35 seeking to rent a shared 3-bedroom dwelling. Each household member receives income support through Youth Allowance or Austudy and earns the maximum additional income permitted before their payments are affected. The estimated gross annual income for this household is $106,273 or $35,424 per student.

[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



Despite successive increases to Austudy payments, student sharehouse households face Moderately Unaffordable rents, or worse, across all capital cities.

Key findings:

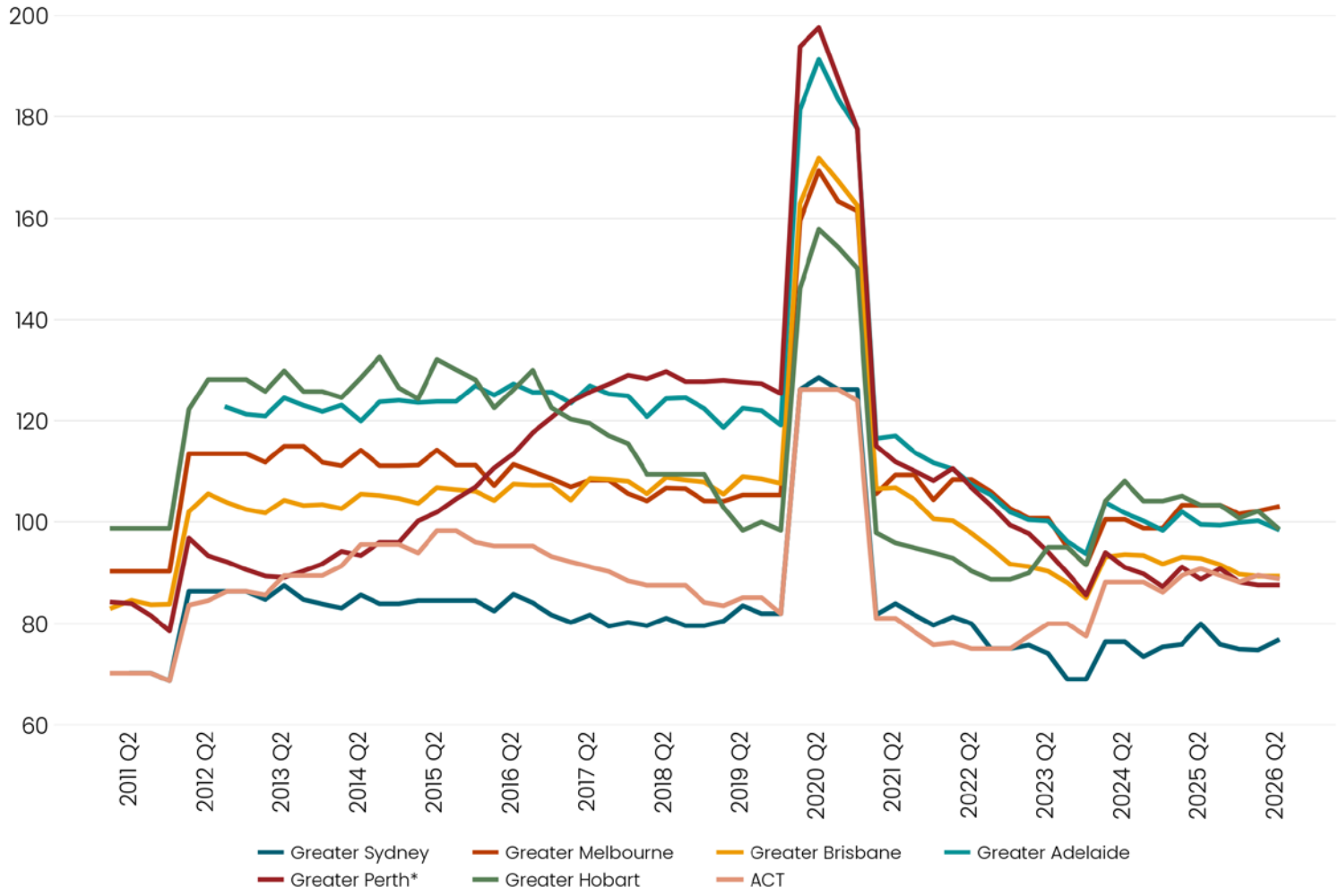
- Over the last year the income of the student sharehouse rose by $2,351 (2.3%).
- Rents remain Severely to Moderately Unaffordable in all cities, with median rental rates representing between 28-39% of total income available to these households.
- In areas close to major tertiary institutions, rents are Severely Unaffordable to Critically Unaffordable for the student household. Students are often forced to choose between experiencing rental stress or living in outer areas far from their institutions and essential services, resulting in longer commutes and higher travel costs.
- These households also face additional risks and vulnerabilities that increase housing and financial pressure, such as tenant turnover, study costs, and low financial security.
- As members of a typically young group household, students are also vulnerable due to their limited rental history and less experience engaging with rental laws, agents and rental providers.

TABLE 10. RAI FOR STUDENT SHAREHOUSE

	RAI score	Rent as a share of income	Relative Unaffordability
Greater Sydney	77	39%	Severely unaffordable
Rest of NSW	102	29%	Moderately unaffordable
Greater Melbourne	103	29%	Moderately unaffordable
Rest of VIC	125	24%	Acceptable
Greater Brisbane	89	34%	Unaffordable
Rest of QLD	87	34%	Unaffordable
Greater Adelaide	99	30%	Unaffordable
Rest of SA	133	23%	Acceptable
Greater Perth*	88	34%	Unaffordable
Rest of WA*	94	32%	Unaffordable
Greater Hobart	99	30%	Unaffordable
Rest of TAS	118	25%	Moderately unaffordable
ACT	89	34%	Unaffordable

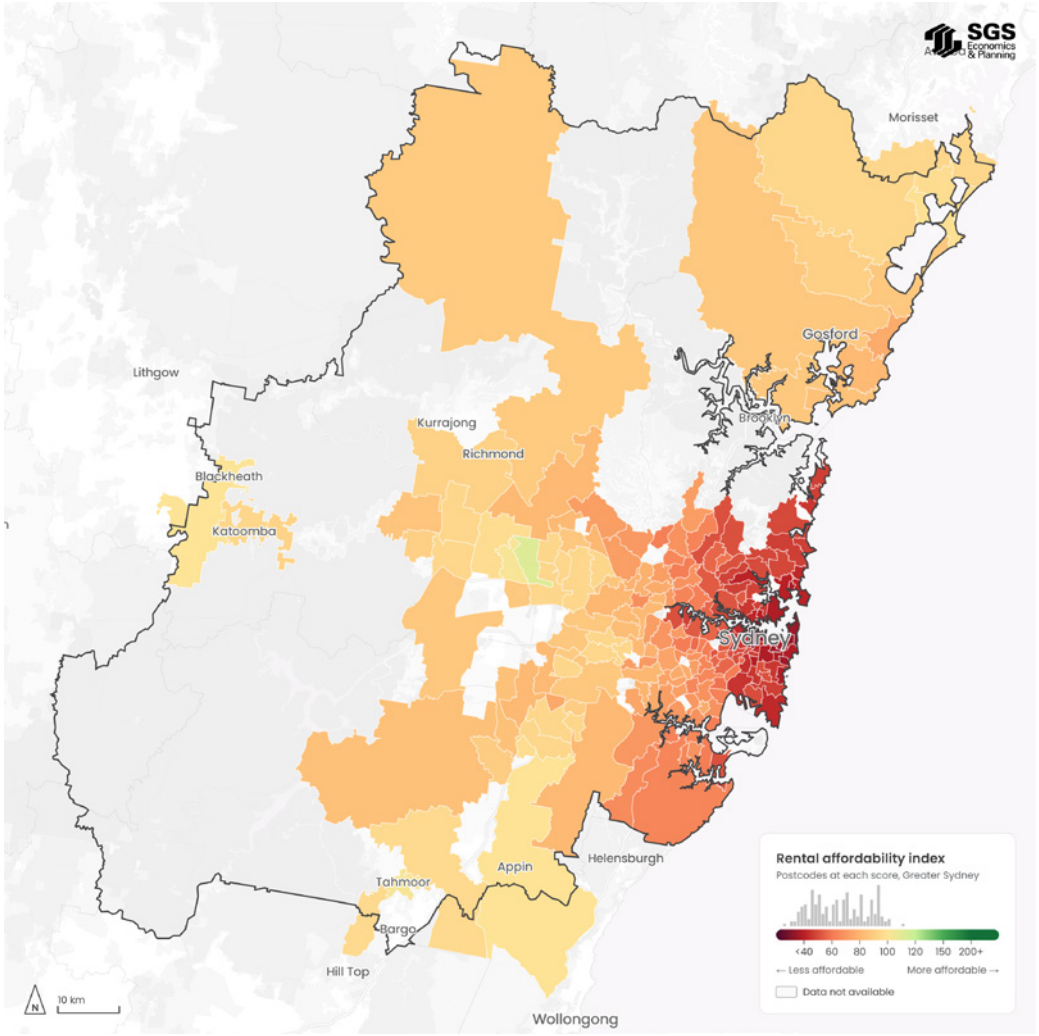
Source: SGS Economics and Planning, 2026
*RAI has been calculated using median rents for all dwellings rather than three bedrooms due to data unavailability

FIGURE 27. RAI SCORES FOR STUDENT SHAREHOUSES, CAPITAL CITIES, 2011-2026



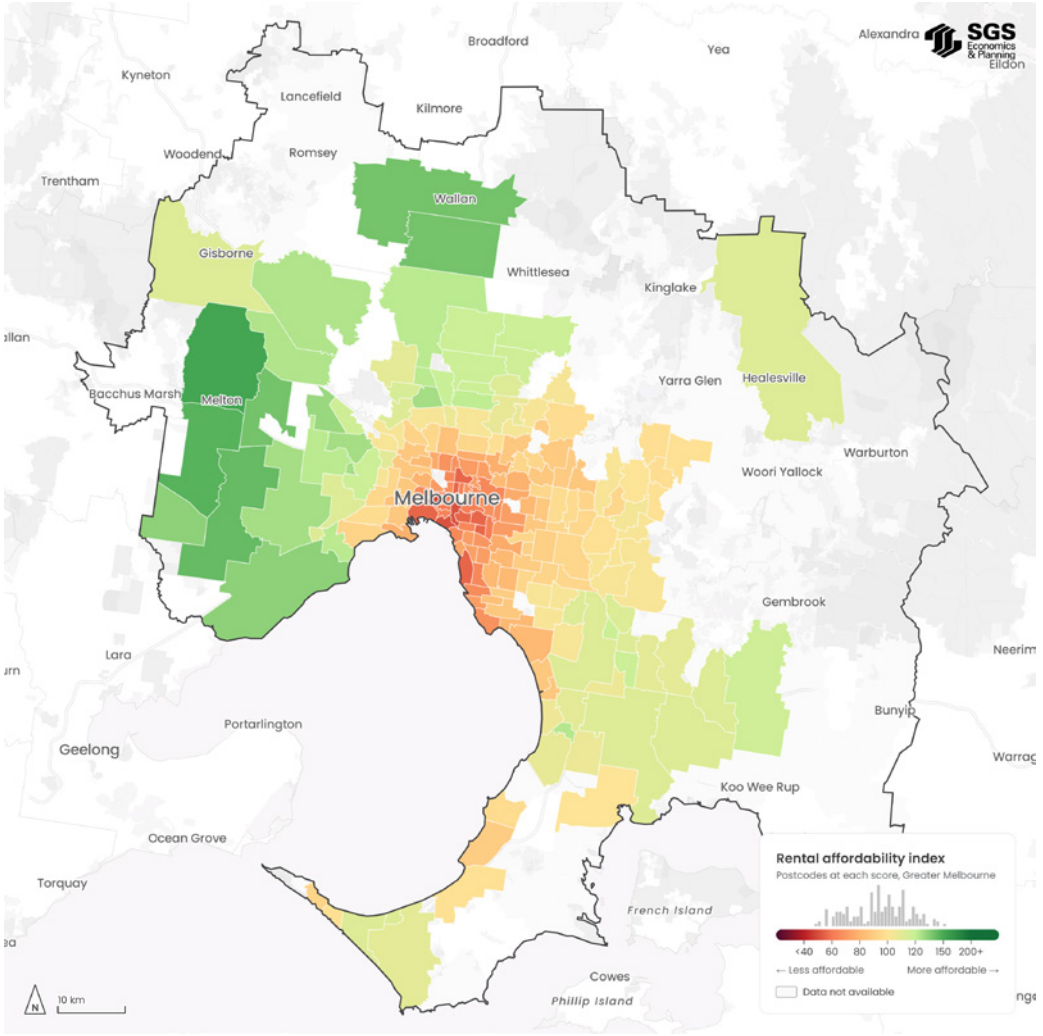
Source: SGS Economics and Planning, 2026

FIGURE 28. AFFORDABILITY FOR STUDENT SHAREHOUSE RENTING IN GREATER SYDNEY, JUNE QUARTER, 2026



Source: SGS Economics and Planning, 2026

FIGURE 29. AFFORDABILITY FOR STUDENT SHAREHOUSE RENTING IN GREATER MELBOURNE, JUNE QUARTER, 2026



Source: SGS Economics and Planning, 2026

2.9

Minimum wage couple

$104,491[23] p.a.

2

SEVERELY UNAFFORDABLE TO UNAFFORDABLE ACROSS MOST METROPOLITAN 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 2-bedroom dwelling. It does not receive any income or rental support. The estimated gross annual income for this household is $104,491. This household is typically considered low income and falls within the lowest 40th percentile of incomes.

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



Rental affordability for minimum wage couples differs sharply across Australia. This exposes the growing challenge for key workers trying to live in the nation's costliest cities and regions, imposing economic costs through inefficient labour markets and productivity losses.

Key findings:

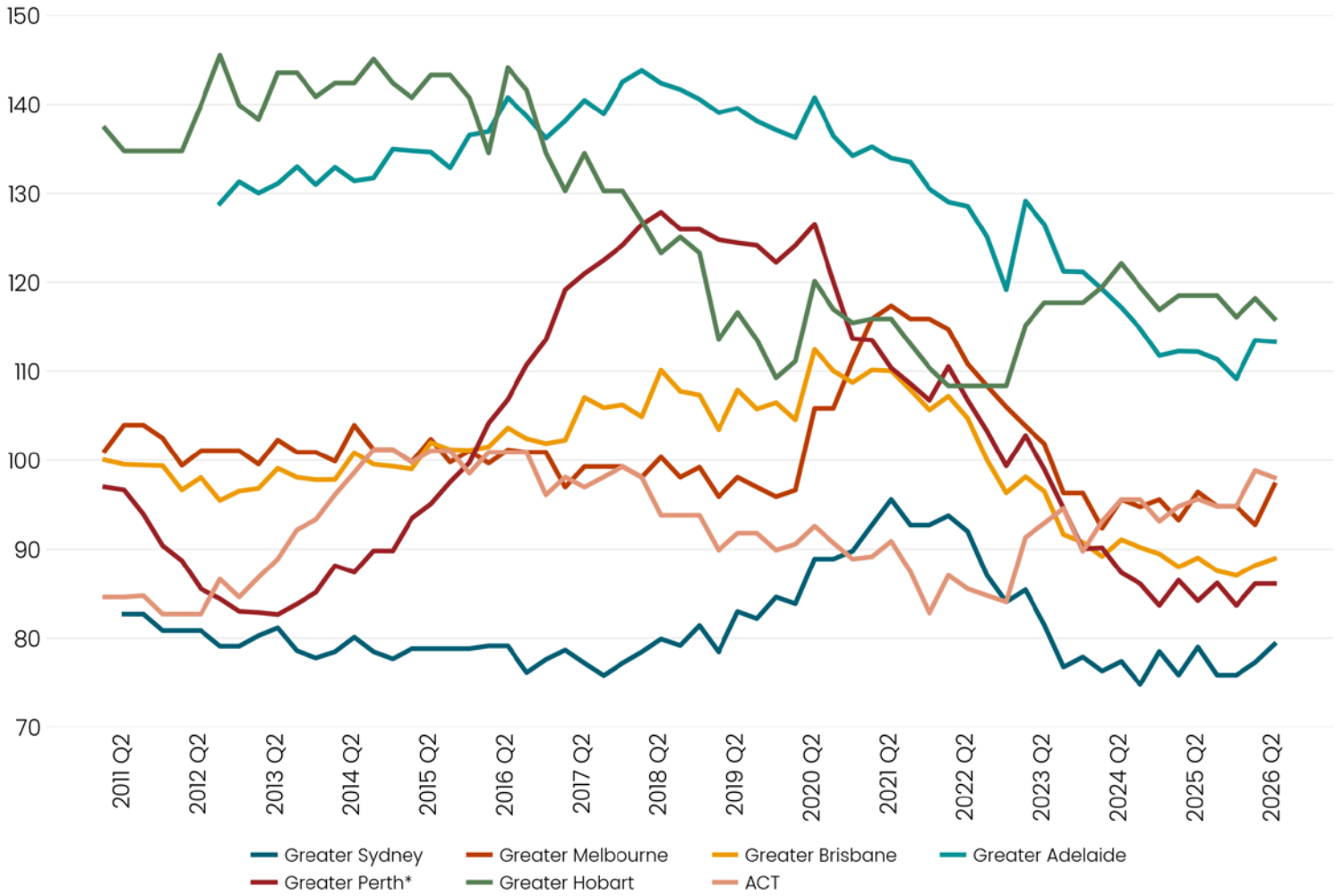
- The minimum wage increased by 6% over the last year, representing a $5,888 rise in income for the minimum wage couple.
- In capital cities, median rental rates consume between 26-38% of income available to these households.
- Affordability has improved in the ACT and Adelaide over the last year but remains at Unaffordable and Moderately Unaffordable levels.
- Despite the 6% rise in the minimum wage, other capitals have failed to see an improvement in affordability.
- Within the capital cities affordability is largely restricted to outer suburban areas. Shown in Figure 30 where Acceptable rents in Sydney are available in only a few pockets of the western suburbs.
- Rest of state areas do offer some relief with Rest of NSW, Rest of SA and Rest of TAS offering Acceptable to Affordable rents.
- Minimum wage workers are often employed on a casual basis and have inconsistent hours of work, meaning the 38-hour work week likely overstates their income.

TABLE 11. RAI FOR MINIMUM WAGE COUPLE HOUSEHOLD

	RAI score	Rent as a share of income	Relative Unaffordability
Greater Sydney	79	38%	Severely unaffordable
Rest of NSW	121	25%	Acceptable
Greater Melbourne	97	31%	Moderately unaffordable
Rest of VIC	147	20%	Affordable
Greater Brisbane	89	34%	Unaffordable
Rest of QLD	96	31%	Unaffordable
Greater Adelaide	113	26%	Moderately unaffordable
Rest of SA	171	17%	Affordable
Greater Perth*	86	35%	Unaffordable
Rest of WA*	93	32%	Unaffordable
Greater Hobart	116	26%	Moderately unaffordable
Rest of TAS	137	22%	Acceptable
ACT	98	31%	Unaffordable

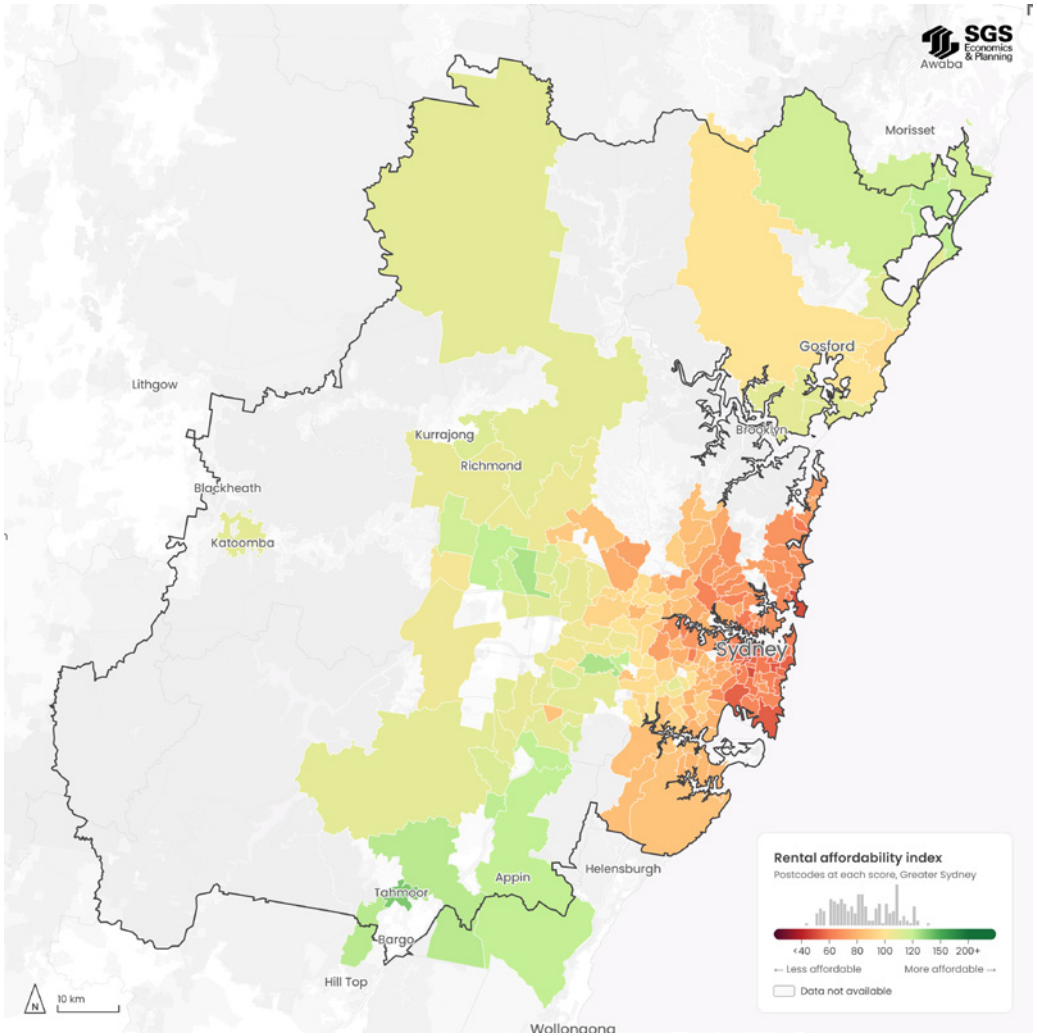
Source: SGS Economics and Planning, 2026
*RAI has been calculated using median rents for all dwellings rather than 2 bedrooms due to data unavailability

FIGURE 29. RAI SCORES FOR MINIMUM WAGE COUPLES, CAPITAL CITIES, 2011-2026



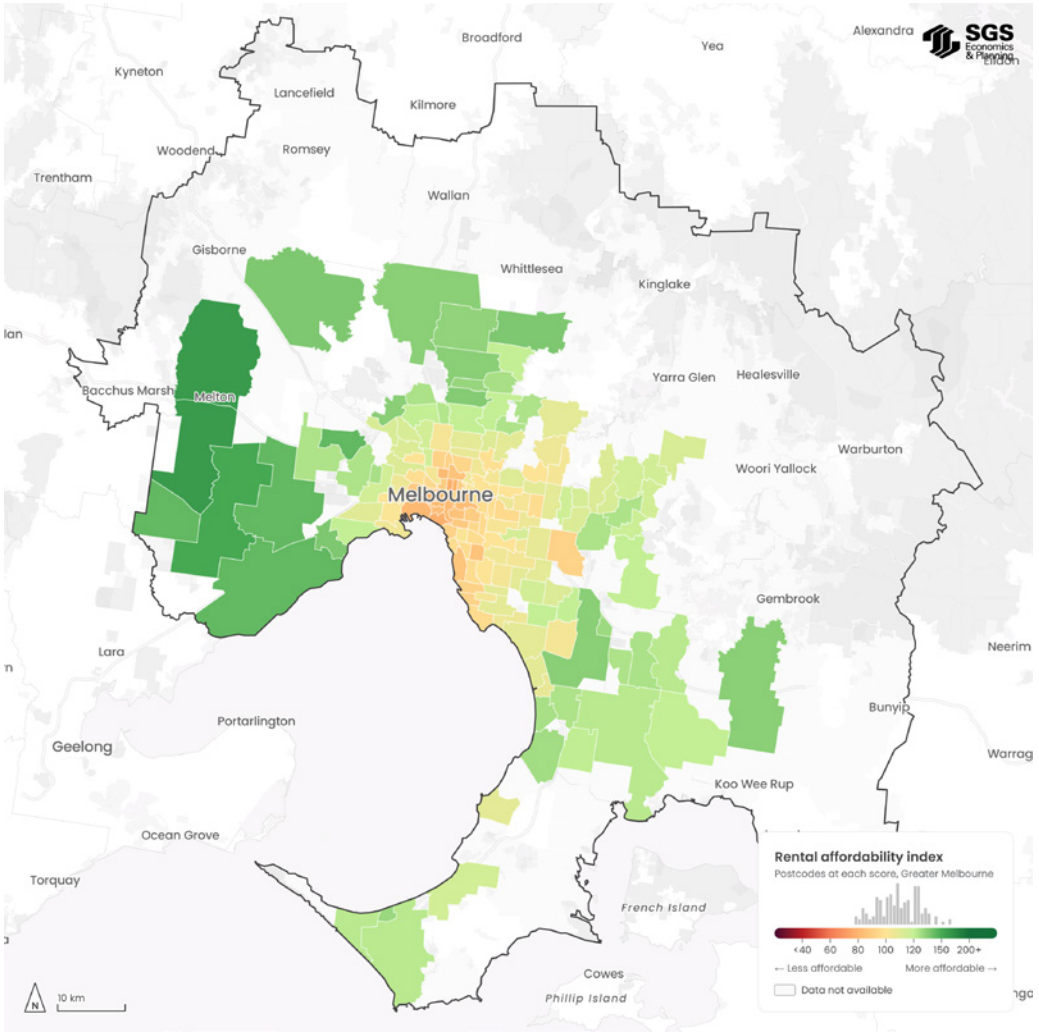
Source: SGS Economics and Planning, 2026

FIGURE 30. AFFORDABILITY FOR A MINIMUM WAGE COUPLE RENTING IN GREATER SYDNEY, JUNE QUARTER, 2026



Source: SGS Economics and Planning, 2026

FIGURE 31. AFFORDABILITY FOR A MINIMUM WAGE COUPLE RENTING IN GREATER MELBOURNE, JUNE QUARTER, 2026



Source: SGS Economics and Planning, 2026

2.10

Hospitality worker

$73,386[24] p.a.

1

EXTREMELY UNAFFORDABLE TO MODERATELY UNAFFORDABLE ACROSS MOST METROPOLITAN AREAS

The hospitality worker household is a lone-person household seeking to rent a 1-bedroom dwelling. This household is typically considered low income and falls within the lowest 40th percentile of incomes. This worker lives on a single hospitality worker income of $73,386 per annum[25].



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

Rental affordability for a hospitality worker varies widely across cities and regions, driven more by differences in local rental markets than by income levels. Despite being essential to their economies, hospitality workers face growing challenges finding affordable housing in the nation's costliest cities and regions.

Key findings:

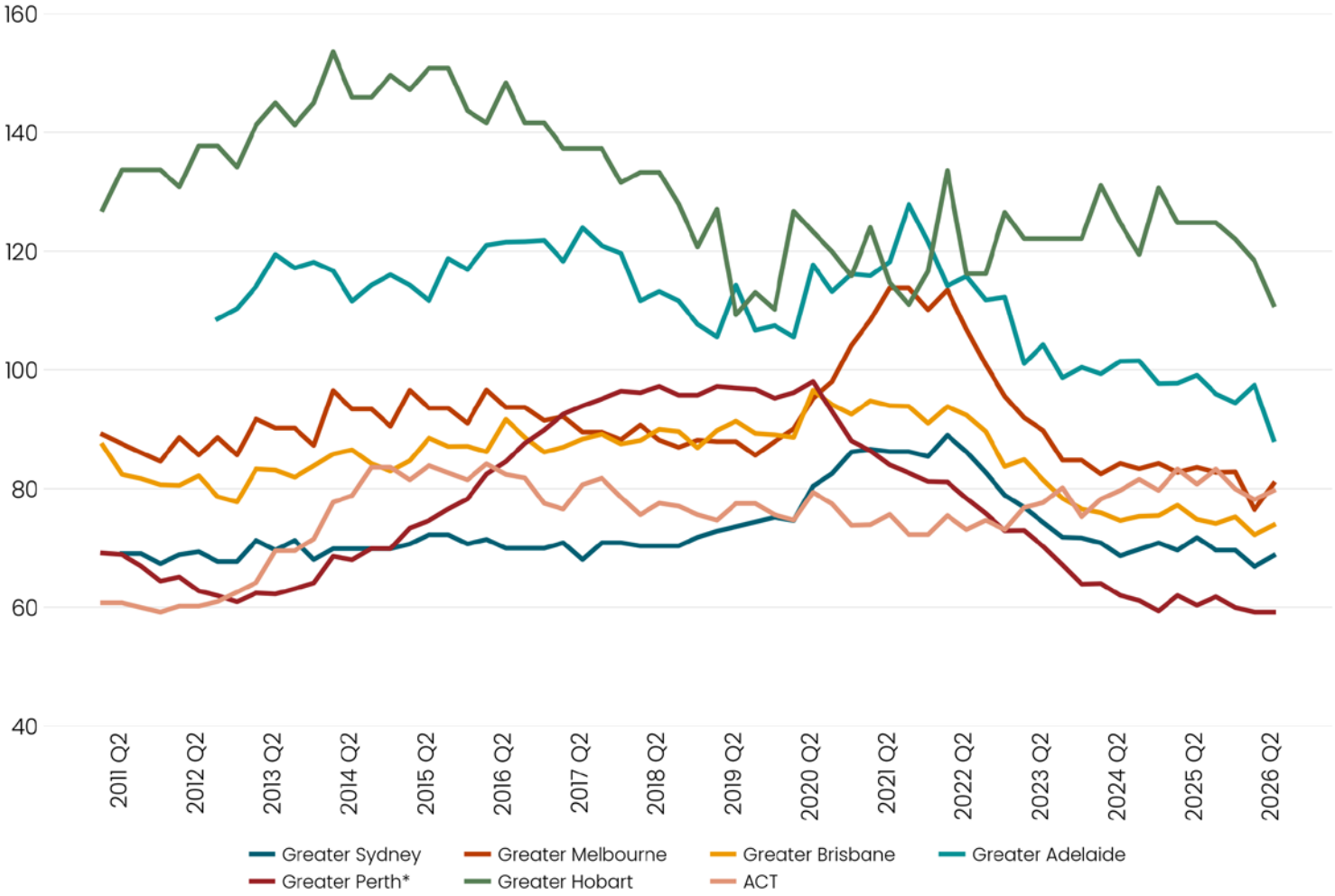
- Annual income for hospitality workers has risen by $1,174 (1.6%) over the last year.
- No capital cities are considered Acceptable for a hospitality worker, with Hobart seeing a steep decline in RAI scores from 125 to 111 over the last year, falling from Acceptable to Moderately Unaffordable levels.
- Adelaide has also seen decline in affordability for hospitality workers, falling from 99 to 88.
- Other capitals have not seen any significant shifts in the last year and remain at Extremely to Moderately Unaffordable levels.
- Hospitality precincts are typically located in central, inner suburbs where rents are the highest, forcing workers to make a trade-off between affordability and proximity to work.
- Early and late hours increase travel costs for those choosing to live further from their workplaces in more affordable areas.
- The seasonality of hospitality can leave workers vulnerable to periods of unemployment and the subsequent rental stress.

TABLE 12. RAI FOR HOSPITALITY WORKER

	RAI score	Rent as a share of income	Relative Unaffordability
Greater Sydney	69	44%	Severely unaffordable
Rest of NSW	111	27%	Moderately unaffordable
Greater Melbourne	81	37%	Unaffordable
Rest of VIC	120	25%	Acceptable
Greater Brisbane	74	41%	Severely unaffordable
Rest of QLD	81	37%	Unaffordable
Greater Adelaide	88	34%	Unaffordable
Rest of SA	146	21%	Acceptable
Greater Perth*	59	51%	Extremely unaffordable
Rest of WA*	68	44%	Severely unaffordable
Greater Hobart	111	27%	Moderately unaffordable
Rest of TAS	131	23%	Acceptable
ACT	80	38%	Severely unaffordable

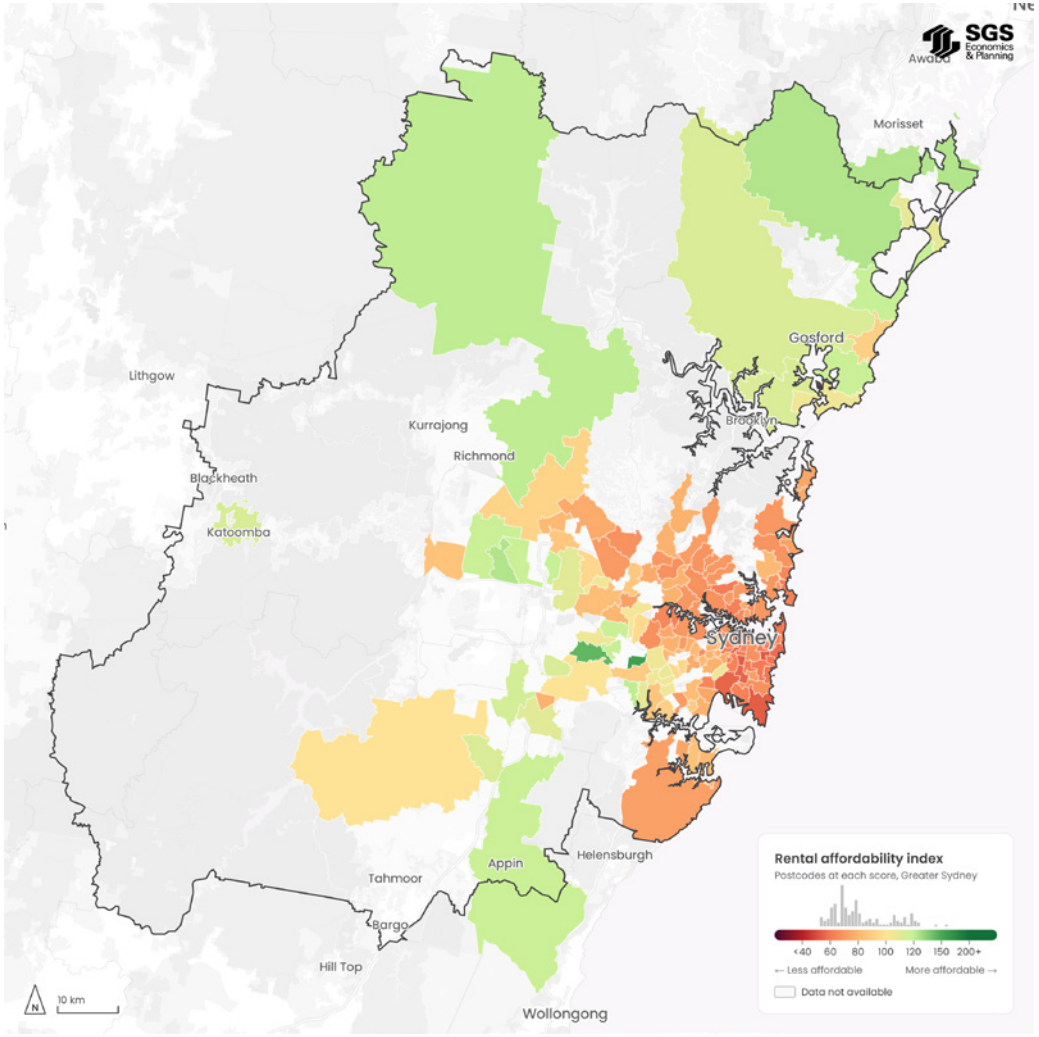
Source: SGS Economics and Planning, 2026
*RAI has been calculated using median rents for all dwellings rather than one bedroom due to data unavailability

FIGURE 32. RAI SCORES FOR HOSPITALITY WORKERS, CAPITAL CITIES, 2011-2026



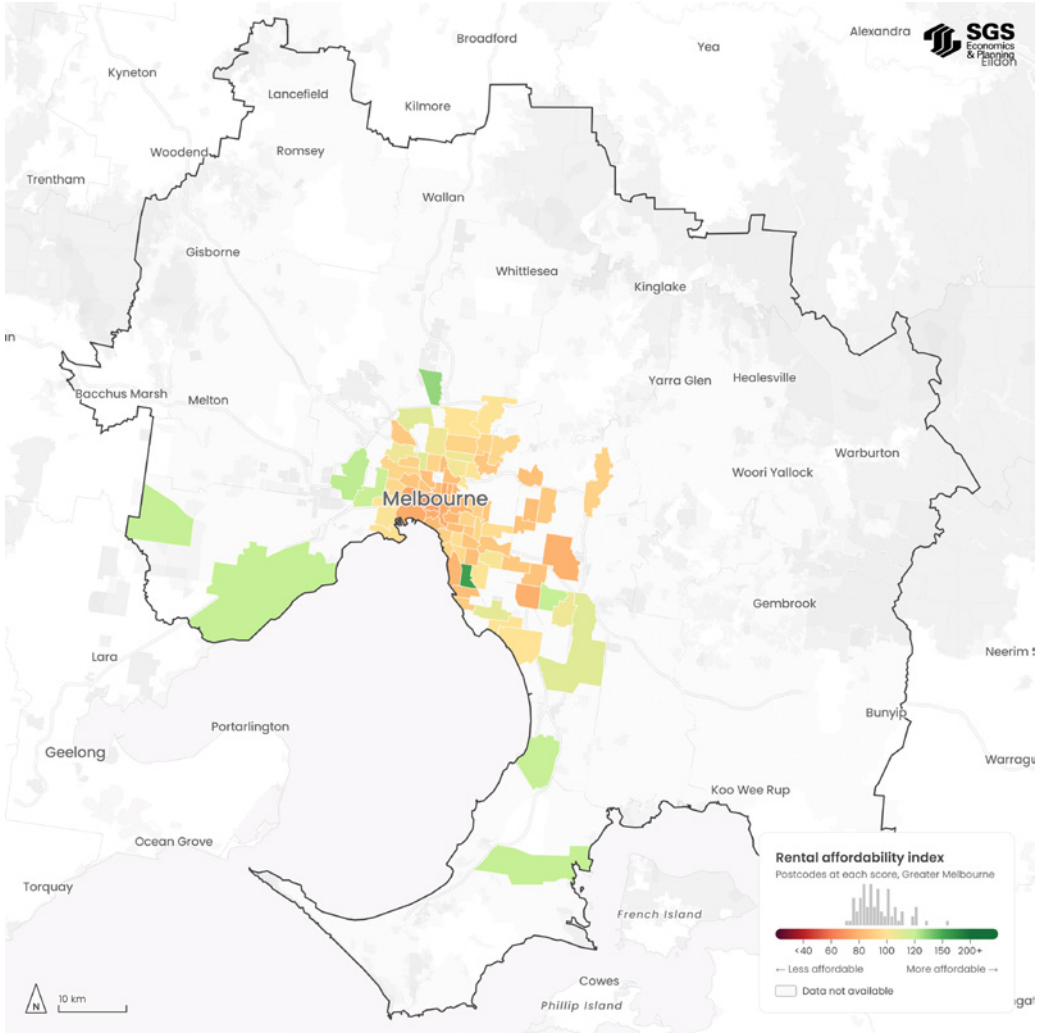
Source: SGS Economics and Planning, 2026

FIGURE 33. AFFORDABILITY FOR HOSPITALITY WORKERS RENTING IN GREATER SYDNEY, JUNE QUARTER, 2026



Source: SGS Economics and Planning, 2026

FIGURE 34. AFFORDABILITY FOR HOSPITALITY WORKERS RENTING IN GREATER MELBOURNE, JUNE QUARTER, 2026



Source: SGS Economics and Planning, 2026

2.11

Early childhood educator

$72,032[26] p.a.

1

EXTREMELY UNAFFORDABLE TO MODERATELY UNAFFORDABLE ACROSS MOST METROPOLITAN AREAS

The early childhood educator household is a lone-person household seeking to rent a 1-bedroom dwelling. This household is typically considered low income and falls within the lowest 40th percentile of incomes. This worker lives on a single early childhood educator income of $72,032 per annum[27].

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



Rental affordability for an early childhood educator varies widely across cities and regions, driven more by differences in local rental markets than by income levels. It should be noted that incomes also vary widely, based on the qualifications and responsibilities of the early childhood educator.

Despite being essential to their economies, early childhood educators face growing challenges finding affordable housing in the nation's costliest cities and regions.

Key findings:

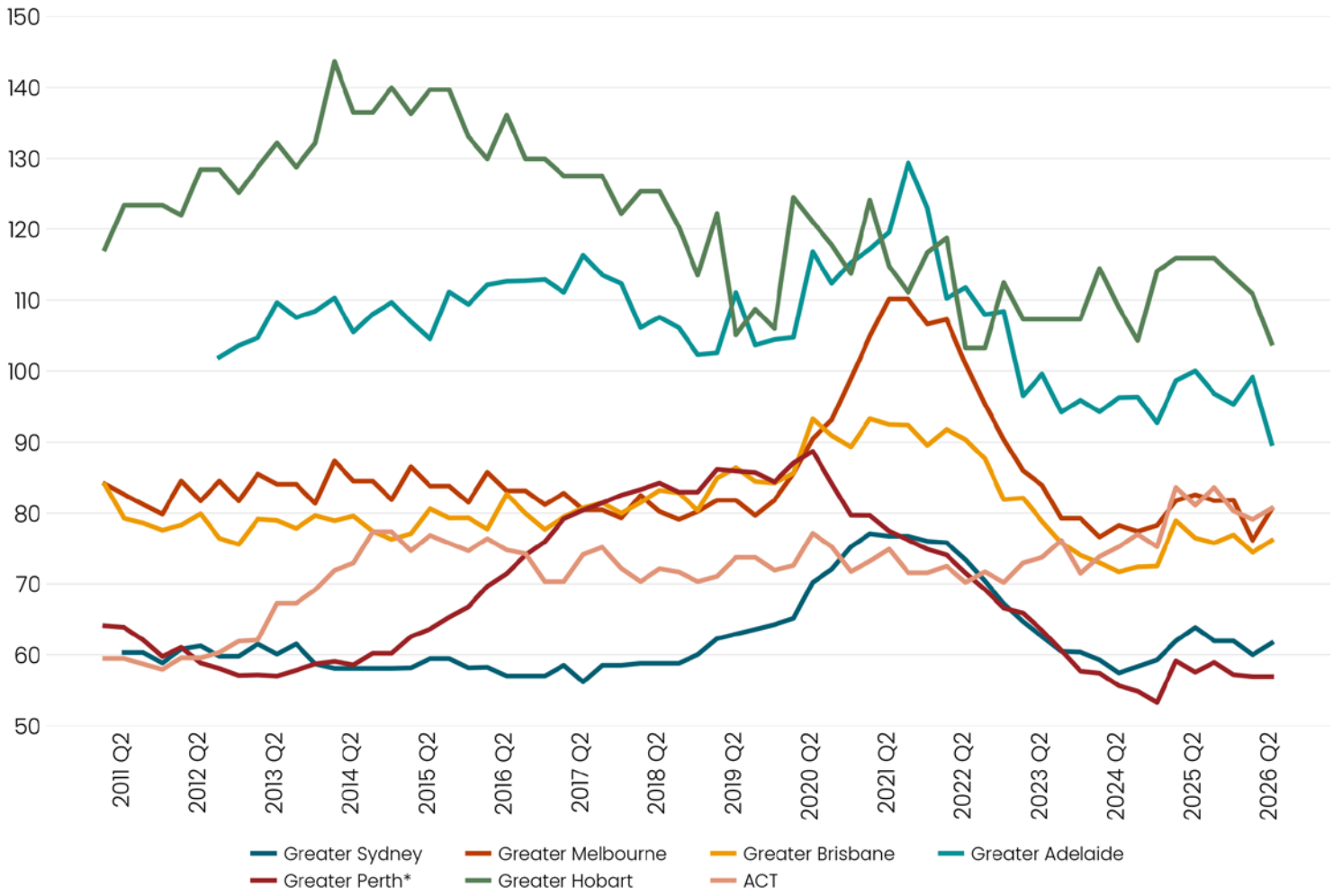
- No capital cities offer Acceptable rents for early childhood educators. Median rents range from Moderately Unaffordable levels in Greater Hobart to Severely Unaffordable levels in Greater Sydney.
- Rest of state areas are more affordable for early childhood educators however this is constrained by the limited availability of 1-bedroom rentals.
- Early childhood educators are crucial to enabling workforce participation and are in demand across all parts of Australia's cities and regions.
- However, for most early childhood educators finding an affordable rental close to work is not an option, given the scarcity of postcodes with Acceptable rents.

TABLE 13. RAI FOR EARLY CHILDHOOD EDUCATOR

	RAI score	Rent as a share of income	Relative Unaffordability
Greater Sydney	62	49%	Severely unaffordable
Rest of NSW	113	27%	Moderately unaffordable
Greater Melbourne	81	37%	Unaffordable
Rest of VIC	131	23%	Acceptable
Greater Brisbane	76	39%	Severely unaffordable
Rest of QLD	80	37%	Severely unaffordable
Greater Adelaide	90	33%	Unaffordable
Rest of SA	154	19%	Affordable
Greater Perth*	57	53%	Extremely unaffordable
Rest of WA*	65	46%	Severely unaffordable
Greater Hobart	104	29%	Moderately unaffordable
Rest of TAS	128	23%	Acceptable
ACT	81	37%	Unaffordable

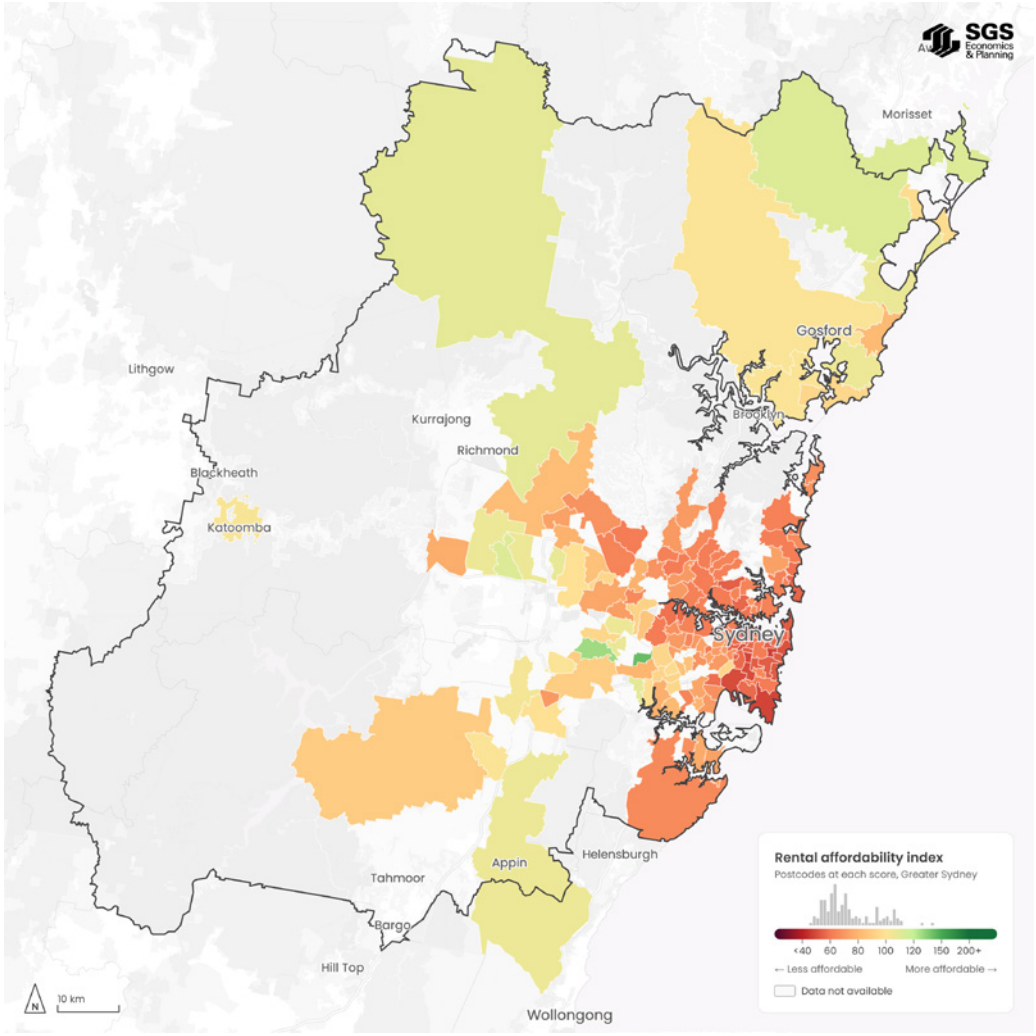
Source: SGS Economics and Planning, 2026
*RAI has been calculated using median rents for all dwellings rather than one bedroom due to data unavailability

FIGURE 35. RAI SCORES FOR EARLY CHILDHOOD EDUCATORS, CAPITAL CITIES, 2011-2026



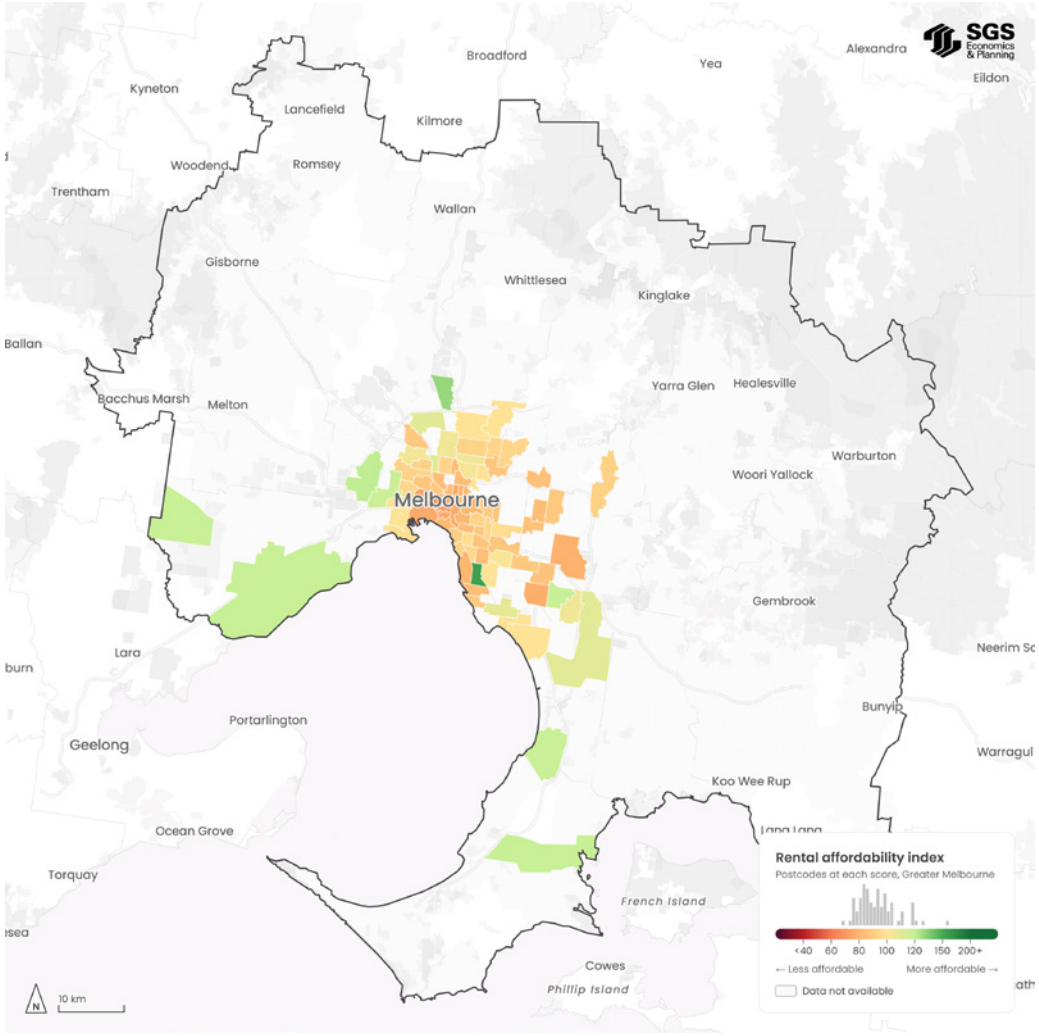
Source: SGS Economics and Planning, 2026

FIGURE 36. AFFORDABILITY FOR EARLY CHILDHOOD EDUCATORS RENTING IN GREATER SYDNEY, JUNE QUARTER, 2026



Source: SGS Economics and Planning, 2026

FIGURE 37. AFFORDABILITY FOR EARLY CHILDHOOD EDUCATORS RENTING IN GREATER MELBOURNE, JUNE QUARTER, 2026



Source: SGS Economics and Planning, 2026

Rental Affordability Index 2026

03

National trends

3.1 BACKGROUND

Nationwide, the proportion of renting households rose from 26% to 31% between 1995 and 2020. Over the same period, the proportion of public housing tenants almost halved, falling from 5.5% to 2.9%[28].

Housing costs for renting households have also risen over the same period, faster than for homeowners. Renters currently spend an average of 20% of their income on housing costs, while homeowners with a mortgage pay 15.5%. However, it is important to understand that averages mask the severe challenges faced by the many households who are less fortunate. The Australian Housing and Urban Research Institute (AHURI) estimates that 1.3 million households need additional housing assistance[29].

In Australia, the shift toward renting—alongside rising rental costs—has been driven by a range of factors. The introduction of the capital gains discount in 1999, combined with negative gearing, significantly increased the number of property investors competing with prospective homeowners. This has pushed more households out of home ownership and kept them in the rental market. Recent interest rate rises and growing income inequality have further intensified this trend.

Many would-be homeowners have been priced out by investors, leaving more middle- and higher-income households in the rental market for longer—a shift that has increased pressure on lower-income renters through rising rents. Additionally, higher-income households often seek more affordable rentals to save for a home deposit. This increases competition for lower-cost properties, displacing lower-income renters and heightening their housing stress.

Beginning in May 2022, interest rates rose from a historic low of 0.10% to 4.35%[30], the highest since 2011, creating several flow-on effects for renters. Rising development costs have slowed the delivery of new housing supply, while would-be first-home buyers have been pushed into the rental market[31], increasing competition. At the same time, landlords have sought to pass on higher costs to tenants, and with low vacancy rates, they often have 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 incentive to offer lower rents to low-income households was discontinued in 2014 and phased out in June 2026.

NRAS previously supported more than 38,000 properties, and its closure has reduced the supply of affordable housing. As a result, more low- and very low-income Australians are relying on the private rental market and paying unaffordable rents. In the most recent survey of housing occupancy and costs (ABS), 42% of all low-income renter households experienced rental stress, up from 35% in 2008, with rates as high as 47% for households in NSW[32].

Vacant dwellings in inner-city areas and holiday destinations, whether held as investments for capital appreciation or used as short-stay accommodation, exacerbate affordability issues by reducing the supply of homes available for long-term tenants.

In recent years, rest of state areas have been hit by multiple natural disasters, including the 2020 bushfires and 2022 floods, which damaged existing rental stock and disrupted new development. These events have further limited housing supply and driven up rental prices.

The combined impact of these factors has forced many renters to make difficult decisions—moving away from family and support networks to find affordable housing, accepting poor-quality or insecure accommodation, going without essentials, and in some cases experiencing homelessness.

[28]Australian Bureau of Statistics. Housing Occupancy and Costs 2019-20.
[29]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.
[30]Note that the cash rate target has continued to rise after June.
[31]Interest Rates and the Property Market, Jonathan Kearns, AFR Property Summit, 19 September, 2022
[32]Australian Bureau of Statistics. Housing Occupancy and Costs 2019-20. [Table 13].

3.2 METROPOLITAN AREAS

All capital cities, except Adelaide and the ACT, have seen a decline in rental affordability over the last year, albeit to different extents. The period of rapidly declining affordability has eased in some cities, although the market is still a long way off returning to pre-pandemic levels. Securing an affordable private rental is still a major challenge for the average household in Australia's cities.

Overall affordability trends

- The average rental household in all capital cities, except the ACT, faces Unaffordable to Moderately Unaffordable rents at the median rate.
- Perth is Australia's least affordable capital city, with an average rental household paying more than 32% of their income if renting at the median rate.
- Hobart saw the largest decline over the last year with RAI scores falling from 106 to 98, now classing the city as Unaffordable.
- Brisbane experienced the second largest decline over the last year falling from 103 to 101, approaching Unaffordable levels.
- Stabilisation in Melbourne and Sydney should not distract from the steep declines in affordability that occurred from 2021 to 2024, leaving it at a historic low point.
- In all capital cities, low- to medium-income households have been largely locked out of inner-city areas and are now limited to outer suburbs where rents are still rarely Acceptable.

Areas of improving affordability

There have been pockets of improved rental affordability in metropolitan areas over the past year.

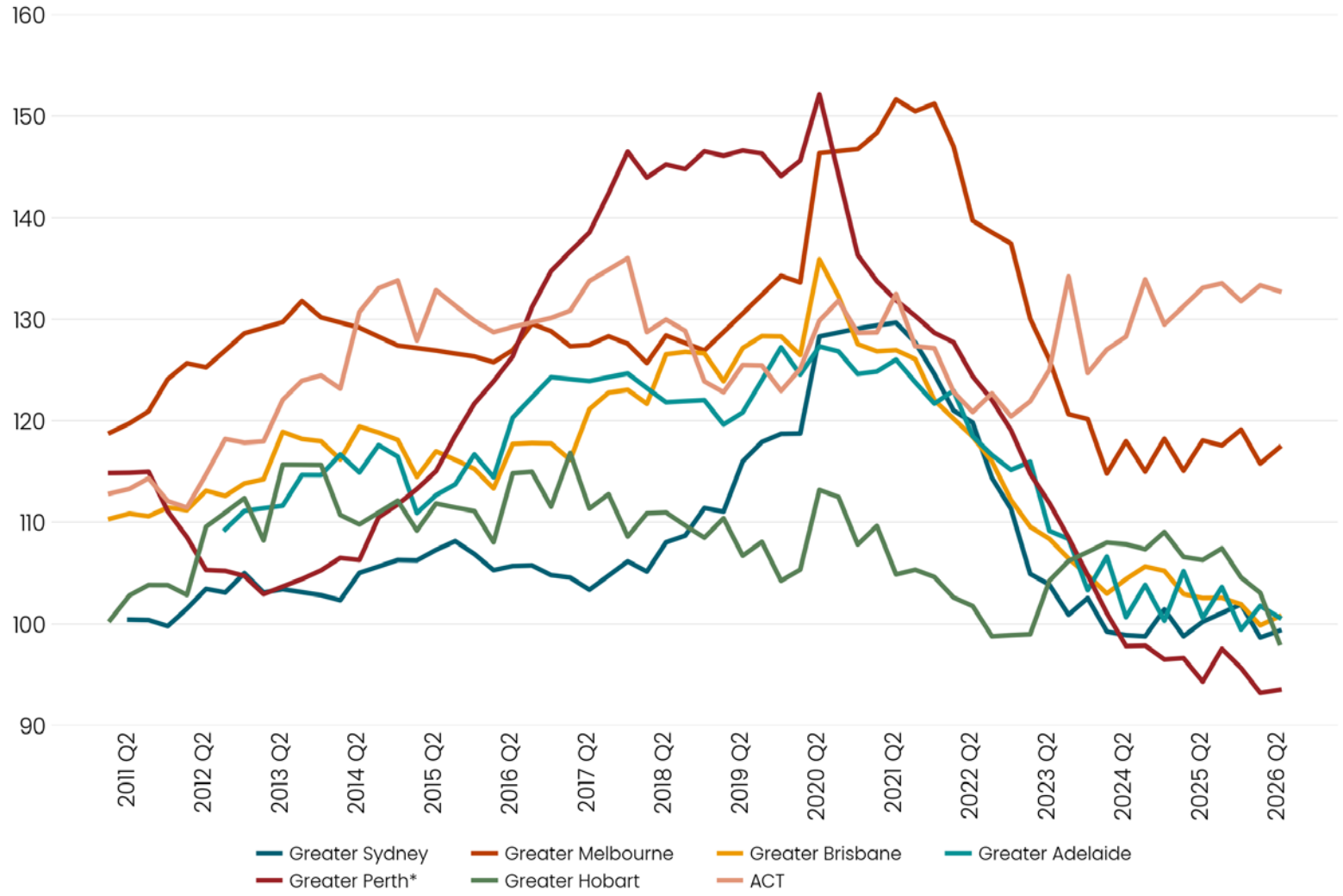
- In the ACT, although affordability has remained stable over the last year, there has been an overall improvement in the last 4 years as average incomes have outpaced rent increases, likely due to the rent stabilisation measures introduced in the ACT in 2019.
- However, it is important to note the relatively high average incomes in the territory: the ACT remains among the least affordable markets for low-income earners and students.

TABLE 14. NATIONAL RAI SUMMARY – METROPOLITAN AREAS (JUNE 2026)

	RAI score	Rent as a share of income	Relative Unaffordability
Greater Sydney	99	30.2%	Unaffordable
Greater Melbourne	117	25.6%	Moderately Unaffordable
Greater Brisbane	101	29.8%	Moderately Unaffordable
Greater Adelaide	101	29.8%	Moderately Unaffordable
Greater Perth	94	32.1%	Unaffordable
Greater Hobart	98	30.6%	Unaffordable
ACT	133	22.6%	Acceptable

Source: SGS Economics and Planning, 2026

FIGURE 38. RENTAL AFFORDABILITY, CAPITAL CITIES (2011-2026)



Source: SGS Economics and Planning, 2026

TABLE 15. NATIONAL RAI TRENDS – METROPOLITAN AREAS

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	1-year CAGR[33]	2-year CAGR	3-year CAGR
Greater Sydney	103	103	105	107	106	103	108	116	128	130	120	104	99	100	99	-1%	0%	-1%
Greater Melbourne	125	130	129	127	127	127	128	131	146	152	140	126	118	118	117	-1%	0%	-2%
Greater Brisbane	113	119	119	117	118	121	127	127	136	127	118	108	104	103	101	-2%	-2%	-2%
Greater Adelaide	109	112	115	113	120	124	122	121	127	126	118	109	101	101	101	0%	0%	-3%
Greater Perth	105	104	106	115	126	139	145	147	152	132	124	112	98	94	94	-1%	-2%	-6%
Greater Hobart	110	116	110	112	115	111	111	107	113	105	102	104	108	106	98	-8%	-5%	-2%
ACT	115	122	131	133	129	134	130	125	130	133	121	125	128	133	133	0%	2%	2%

Source: SGS Economics and Planning, 2026

[30]Cumulative Annual Growth Rate

3.3 REST OF STATE AREAS

Over the past year, affordability has declined across all rest of state areas by 1% to 8%. Most regions, aside from WA, which experienced lower affordability during the early 2010s mining boom, have reached record-low affordability over the last year.

- Rest of QLD remains the least affordable area. With a RAI score of 92, renting at the median rate would consume more than 32% of the average rental household's income. Affordability has declined by 6% a year since 2020.
- Rest of NSW also sits below the critical threshold with a score of 97.
- The largest declines in affordability over the last year occurred in Rest of SA and Rest of TAS which both fell by 8%.
- Rest of WA was the only Affordable rest of state area in 2020, but, like Perth, has since seen the steepest decline, deteriorating by 7% a year since 2020, with rents now considered Moderately Unaffordable.

This has been a persistent trend since 2020, with affordability declining in every rest of state area by at least 3% per year. During the COVID-19 pandemic, outward migration from cities drove up housing demand in rest of state areas with limited supply, reducing rental affordability and placing pressure on residents and local economies.

Existing regional households typically earn less than city residents relocating to rest of state areas to work remotely, leaving them at a disadvantage when competing for limited housing stock.

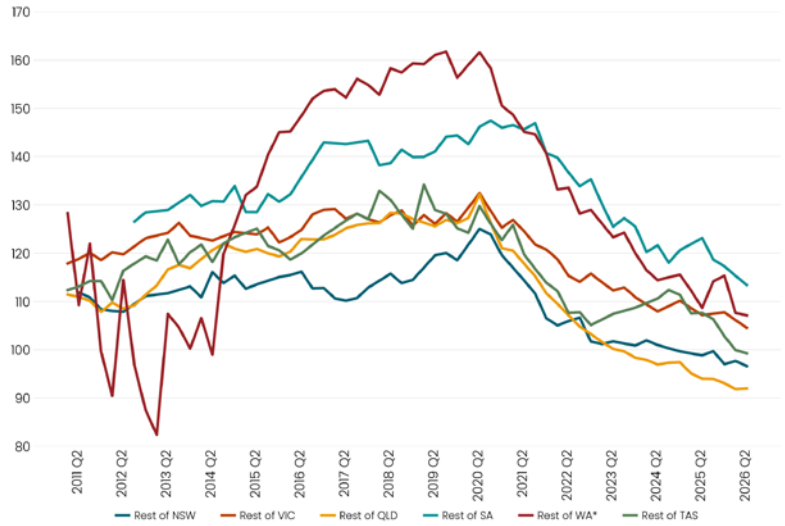
- Growing populations increase demand for essential services, which become difficult to deliver when there is a lack of affordable local housing.
- A less diverse range of rental stock in rest of state areas also limits affordable private rental options for lone-person households.

TABLE 16. NATIONAL RAI SUMMARY – REST OF STATE AREAS (JUNE 2026)

	RAI score	Rent as a share of income	Relative Unaffordability
Rest of NSW	97	31.0%	Unaffordable
Rest of VIC	105	28.6%	Moderately Unaffordable
Rest of QLD	92	32.6%	Unaffordable
Rest of SA	113	26.4%	Moderately Unaffordable
Rest of WA	107	28.0%	Moderately Unaffordable
Rest of TAS	99	30.2%	Unaffordable
ACT	133	22.6%	Acceptable

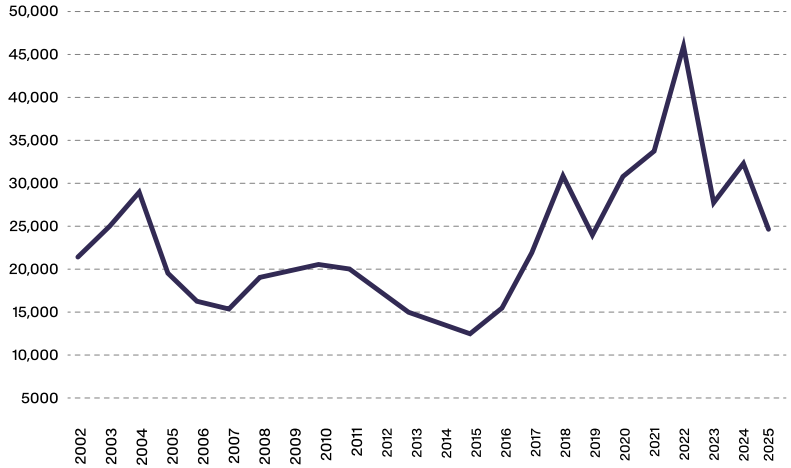
Source: SGS Economics and Planning, 2026

FIGURE 39. RENTAL AFFORDABILITY, REST OF STATE AREAS, 2011-2026



Source: SGS Economics and Planning, 2026

FIGURE 40. NET INTERNAL MIGRATION (POPULATION) TO ALL REST OF STATE AREAS



Source: ABS Regional internal migration estimates, August 2021
Source: ABS National, state and territory population, September 2026

TABLE 14. NATIONAL RAI TRENDS – REST OF STATE AREAS (JUNE 2026)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	1-year CAGR[34]	2-year CAGR	3-year CAGR
Rest of NSW	109	112	116	114	116	110	116	120	125	114	106	102	101	99	97	-2%	-2%	-2%
Rest of VIC	120	124	123	124	125	127	128	126	132	125	115	112	108	107	105	-2%	-2%	-2%
Rest of QLD	109	117	121	121	123	126	129	126	133	118	107	100	97	94	92	-2%	-3%	-3%
Rest of SA	127	129	131	129	136	143	139	141	146	146	137	125	122	123	113	-8%	-3%	-3%
Rest of WA	97	107	99	134	148	152	158	161	162	145	134	123	114	109	107	-1%	-3%	-5%
Rest of TAS	118	123	118	125	120	127	131	129	130	120	108	107	111	108	99	-8%	-5%	-3%

Source: SGS Economics and Planning, 2026

[34]Compound Annual Growth Rate

3.4 AN ECONOMIC IMPERATIVE

Key workers

Key workers—including childcare providers, hospitality workers, and teachers—play vital roles that form the backbone of Australia's economy.

Although rental costs vary significantly across cities and regions, key worker incomes fall within a narrow range. As a result, workers in well-located and highly productive areas—such as inner cities and major entertainment, health, or education precincts—often face a difficult trade-off between high rents and long, costly commutes.

Failure to provide affordable housing options for key workers across Australia's cities and regions has consequences that extend well beyond individual households. When workers cannot afford to live within reasonable proximity to their employment, businesses face increasing difficulties attracting and retaining the people they need to operate and grow. This leads to labour shortages, increased operating costs, reduced service delivery and constraints on business expansion.

These challenges are particularly significant in sectors such as healthcare, education, childcare and hospitality, where services depend on having a reliable workforce located close to the communities they serve.

The cumulative impact extends across the broader economy, constraining workforce participation, limiting business activity and reducing national productivity.

The scale of the challenge significantly exceeds the capacity of government funding alone. The 2021 statutory review of the National Housing Finance and Investment Corporation[35] estimated that addressing Australia's social and affordable housing shortfall would require approximately $290 billion in land and construction investment over 20 years. The review expressed this as a need for approximately 44,500 additional social and affordable homes each year.

Housing All Australians has compared that estimate with the Commonwealth's ambition to support approximately 10,000[36] homes annually over five years through Housing Australia programs. On that comparison, the indicative gap is approximately 34,500 homes each year. Delivery by states and territories will reduce part of that gap, but the comparison illustrates the scale of the investment challenge and why public funding alone cannot provide the entire solution.

Closing the gap requires Australia to mobilise additional sources of capital. Private sector participation must therefore form part of any solution delivered at the scale required.

CASE STUDY: LACK OF WORKER HOUSING CRIMPS REGIONAL BUSINESSES AND PRODUCTIVITY IN VICTORIA'S HIGH COUNTRY

Victoria's North East Region (or 'High Country') spans the municipalities of Alpine, Benalla, Indigo, Mansfield, Murrindindi, Towong, Wangaratta, and Wodonga — home to approximately 70,000 residents.
Analysis by SGS shows that housing related labour shortages—spanning both skilled and unskilled workers — are costing the North East more than $200 million each year in foregone income, or around 2.5% of regional GDP.

National productivity

Give Me Shelter, a report by SGS for Housing All Australians, estimates enhanced labour market productivity to be the largest source of benefits from investment in social and affordable housing infrastructure. More broadly, the benefit—cost—ratio (BCR) of addressing the need for housing assistance is estimated at over 2 — meaning that every dollar spent on housing assistance delivers over twice the value in economic and social returns.

With a benefit-cost ratio greater than those used for investment in roads, hospitals and schools, the reclassification of housing as fundamental economic infrastructure upon which to build a future prosperous Australia is compelling.

[35] https://treasury.gov.au/sites/default/files/2021-10/p2021-217760.pdf
[36] https://budget.gov.au/content/03-housing.htm

CASE STUDY: GOING UPSTREAM TO UNLOCK PRIVATE SECTOR INVESTMENT IN AFFORDABLE HOUSING

Australia cannot solve its housing crisis simply by responding to its ultimate consequence: homelessness. We must go upstream and address housing stress before it manifests as homelessness.

When working Australians can no longer afford to live in the communities where they are needed, housing stress increases and pressure on government housing assistance grows. If Australia is to reduce long-term demand for social housing and homelessness services, it must intervene earlier in the housing continuum by protecting and increasing the supply of genuinely affordable housing.

Government cannot achieve this alone. The scale of Australia's housing challenge requires the community housing sector and private sector capital, capability and property expertise to form part of the solution.

Housing All Australians is developing the Progressive Residential Affordability Development Solution, PRADS, as a nationally consistent framework to help unlock that participation. PRADS is intended to connect government incentives and value creation with genuinely affordable housing outcomes, transparent monitoring and long-term accountability.

Rather than prescribing a particular government incentive, PRADS is designed to operate across different planning, taxation and development systems. The underlying principle is simple: where public policy creates value in return for affordable housing, there should be a transparent and enduring way to demonstrate that the promised housing has been delivered and remains affordable for the required period.

At present, Australia has no nationally consistent way to identify, aggregate and monitor affordable housing obligations created through planning and other government interventions. Information is fragmented across jurisdictions and can be retained locally in spreadsheets and other disconnected systems. This limits the ability of state and national governments to assess whether affordability obligations are being met or to understand the cumulative housing delivered.

A digital register would record affordable properties, the source of the obligation, the required affordability period and the applicable compliance requirements. This would give government clearer visibility over whether the public policy outcome has been achieved, while giving community housing providers, developers and investors clearer and more consistent obligations. Greater transparency and accountability can build the confidence required to attract more private investment into affordable housing.

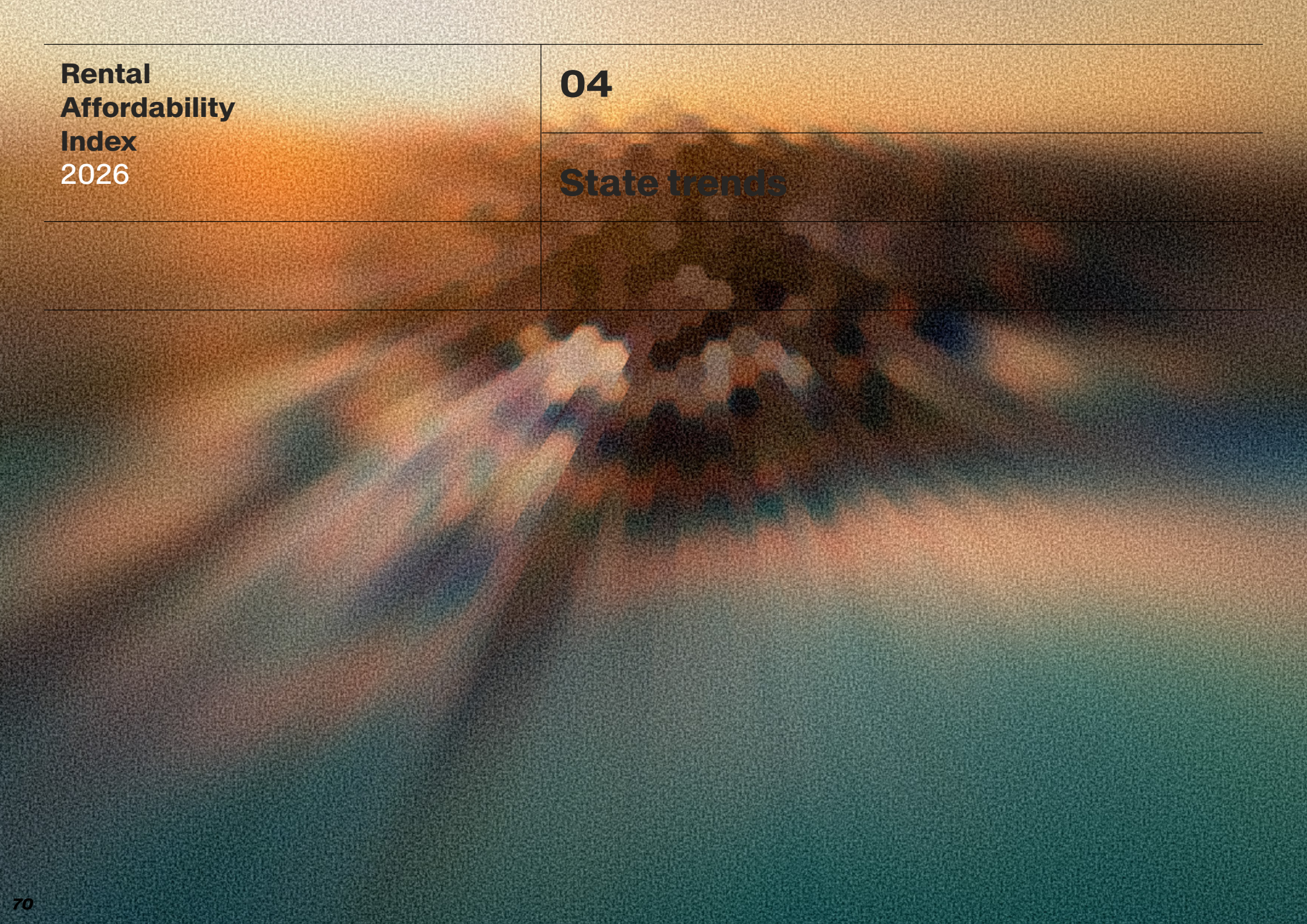
The need for this type of infrastructure is receiving wider recognition. The National Housing Supply and Affordability Council's State of the Housing System 2025 report (pg 66) identifies Housing All Australians' innovative approach (PRADS) to monitor affordable housing obligations. More recently, the UNSW City Futures Research Centre report Digital Public Infrastructure for Driving National Housing Policy Efficacy and Outcomes identified shared digital and data infrastructure as a missing capability in housing policy, delivery, monitoring and coordination. That report referenced PRADS as an example of how transparency could support the regulation of affordability.

PRADS is being developed collaboratively. Housing All Australians has held, and continues to hold, discussions about the approach with a number of state governments and at the Australian Government level. Discussions in Western Australia are also about to commence.

Rental Affordability Index 2026

04

State trends



Rental Affordability Index
2026

4.1

New South Wales

The average renting household in Greater Sydney has a gross annual income of $134,288.

Current snapshot

- Rental affordability in Sydney has marginally declined over the past year, with a RAI score of 99. The average rental household spends 30% of its income on rent at the median rate.
- Sydney's harbour, northern, and coastal suburbs are the least affordable, with no coastal areas offering Acceptable rents.
- To find Acceptable rents, the average household must travel at least 15-20km west of the CBD to areas like Campsie, Lakemba or Granville.
- It is important to note that high average incomes in Sydney mask the rental stress felt by low- to medium-income households.
- A couple earning the minimum wage will find no postcodes in the metro Sydney area with Affordable rents at the median rate.

Long-term trends

- Although rental affordability in Sydney has stabilised after a period of rapid decline from 2021 to 2024, the city remains less affordable than at any point during the 2010s.
- Western and South-west Sydney have declined from Affordable or Acceptable levels throughout the 2010s to Moderately Unaffordable or Unaffordable levels.

Household	RAI score	Rent as a share of income	Relative Unaffordability
Single pensioner	36	84%	Critically unaffordable
Pensioner couple	52	58%	Extremely unaffordable
Single person on JobSeeker	22	134%	Critically unaffordable
Single part-time worker parent on benefits	37	80%	Critically unaffordable
Single full-time working parent	90	33%	Unaffordable
Student sharehouse	77	39%	Severely unaffordable
Single income couple with children	86	35%	Unaffordable
Dual income couple with children	171	18%	Affordable
Minimum wage couple	79	38%	Severely unaffordable
Hospitality worker	69	44%	Severely unaffordable
Early childhood educator	62	49%	Severely unaffordable

Source: SGS Economics and Planning, 2026

FIGURE 41. RENTAL AFFORDABILITY INDEX, GREATER SYDNEY, 2011-2026



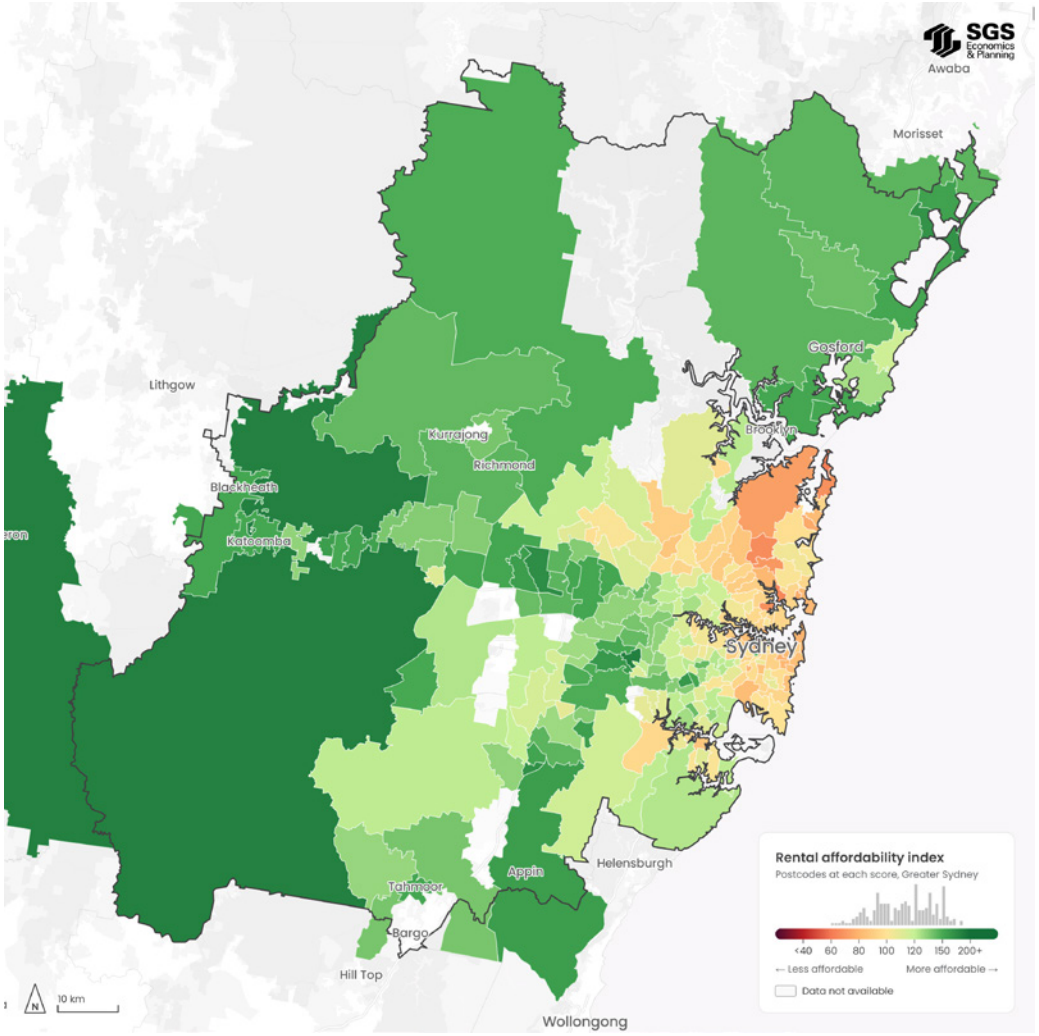
Source: SGS Economics and Planning 2026

TABLE 16. TOP 5 LEAST AFFORDABLE POSTCODES IN GREATER SYDNEY (JUNE QUARTER, 2026)

Rank	Postcode	Suburbs	RAI score	Rent as share of avg household income
1	2107	Clareville	62	48%
2	2030	Vaucluse	65	46%
3	2027	Edgecliff	65	46%
4	2070	Lindfield	67	45%
5	2126	Cherrybrook	67	45%

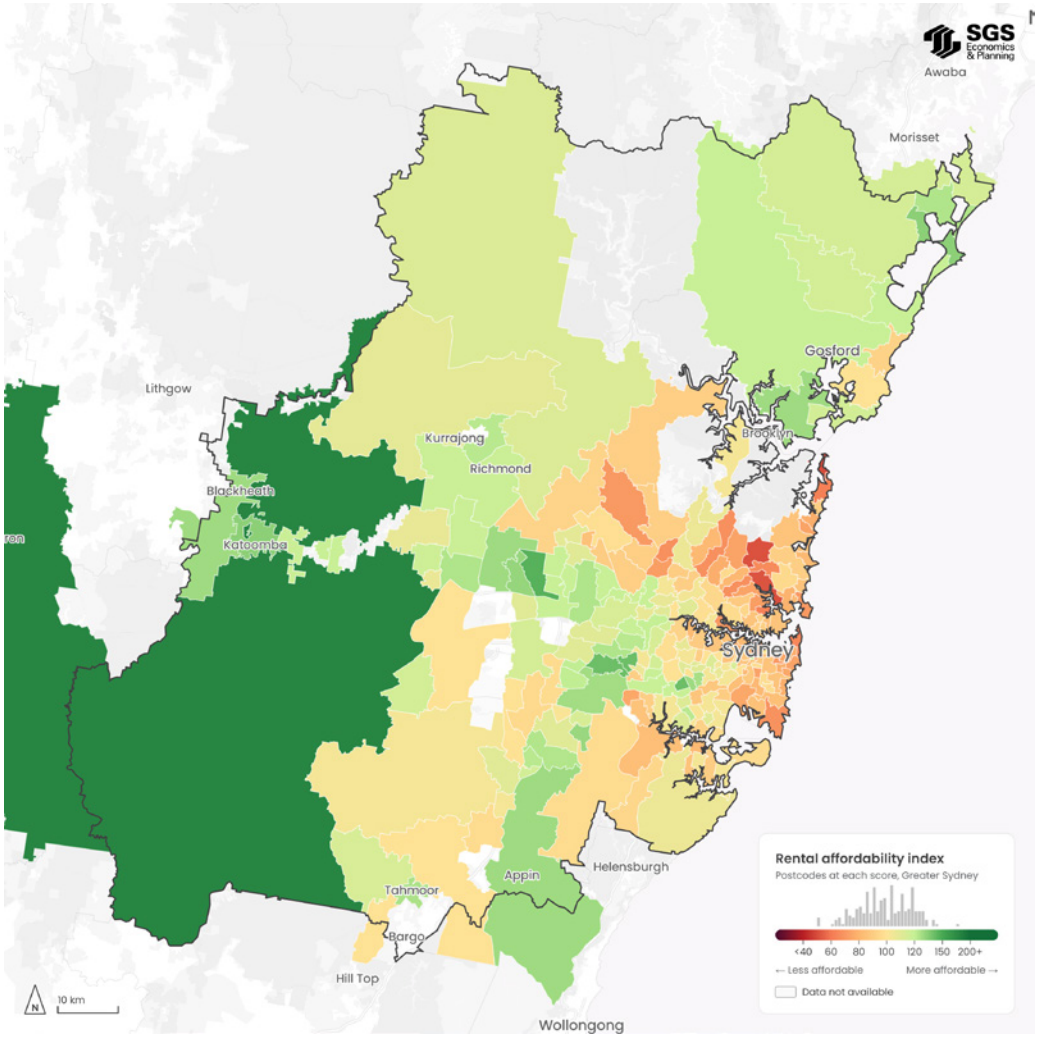
Source: SGS Economics and Planning 2026
Only postcodes with greater than 80 records are considered for the top 5 list.

FIGURE 42. GREATER SYDNEY, JUNE QUARTER, 2019



Source: SGS Economics and Planning, 2026

FIGURE 43. GREATER SYDNEY JUNE QUARTER 2026



Source: SGS Economics and Planning, 2026

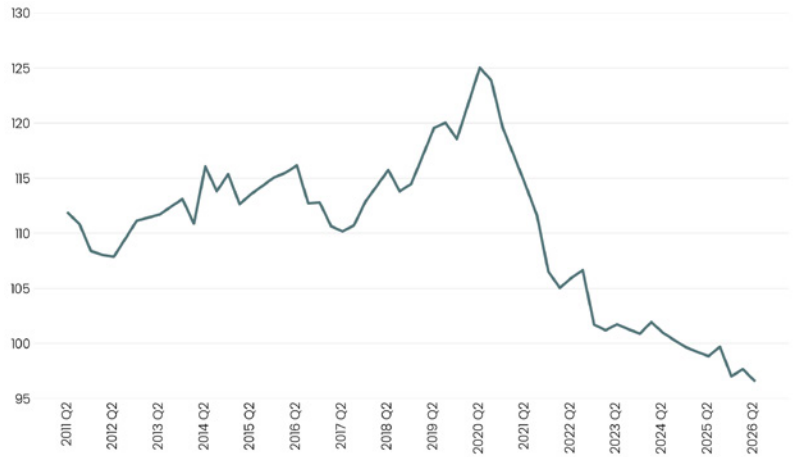
Rest of NSW		

The average rental household in Rest of NSW has a gross income of $97,143 per annum.

Household	RAI score	Rent as a share of income	Relative Unaffordability
Single pensioner	66	45%	Severely unaffordable
Pensioner couple	79	38%	Severely unaffordable
Single person on JobSeeker	41	73%	Extremely unaffordable
Single part-time worker parent on benefits	57	53%	Extremely unaffordable
Single full-time working parent	137	22%	Acceptable
Student sharehouse	102	29%	Moderately unaffordable
Single income couple with children	114	26%	Moderately unaffordable
Dual income couple with children	229	13%	Very affordable
Minimum wage couple	121	25%	Acceptable
Hospitality worker	111	27%	Moderately unaffordable
Early childhood educator	113	27%	Moderately unaffordable

Source: SGS Economics and Planning 2026

FIGURE 44. RENTAL AFFORDABILITY INDEX, REST OF NSW



Source: SGS Economics and Planning 2026

Current snapshot

Rental affordability in Rest of NSW has declined further over the past year, reaching Unaffordable levels with a RAI score of 97. An average rental household now pays 31% of its income on rent at the median rate.

- Regional cities and coastal communities have similar levels of unaffordability as Sydney's suburbs.
- Bathurst, Orange, Tamworth and Dubbo, previously considered Acceptable, are now Moderately Unaffordable.
- Byron Bay and Kingscliff are some of the least affordable areas in the country.
- Acceptable to Very Affordable rents are largely restricted to rural and remote inland areas with limited access to services.
- Rest of NSW is also largely inaccessible for lone-person households due to the scarcity of 1-bedroom rentals.

Long-term trends

Rest of NSW, once a more affordable rental market than Sydney throughout the 2010s, is now less affordable than the metropolitan area.

- The greatest decline in affordability has occurred along the NSW coastline, from Tweed Heads to Coffs Harbour to Port Macquarie, which is now predominantly classified as Unaffordable to Extremely Unaffordable.
- Over the last year Rest of NSW has seen a greater decline in affordability than metropolitan Sydney with RAI scores falling from 99 to 97

Rental Affordability Index
2026

4.2

Victoria

The average rental household in Greater Melbourne has a gross income of $121,063 per annum.

Current snapshot

- Rental affordability in Melbourne has stabilised over the past year, remaining Moderately Unaffordable, with a RAI score of 117, indicating that an average rental household pays around 26% of its total income on rent at the median rate.
- Melbourne's eastern suburbs, including the Bayside area, have the highest concentration of Unaffordable and Severely Unaffordable locations.
- Inner Melbourne, the inner south-east (Caulfield to Beaumaris), and the east (from Kew to Warrandyte and Glen Waverley) worsened in affordability, having already been among the least affordable areas of Melbourne.
- Northern suburbs, such as Coburg and Preston, which historically have offered more affordable options, are now Moderately Unaffordable.
- Renters can find Acceptable rents in Melbourne's western and northern corridors, beyond Sunshine West and Reservoir respectively.

Long-term trends

- While the decline in affordability has eased, it remains at the lowest level recorded since 2012.
- Before 2020, and particularly during the pandemic (up to 2022), many inner suburbs were Affordable for the average rental household. Renters could live within 5-10km of the CBD in suburbs such as Footscray, North Melbourne, Parkville, Carlton, and Hawthorn in the southeast. An affordable corridor once stretched from Footscray to Meadow Heights, but these areas have now almost completely vanished, with many inner-city suburbs, including Docklands and Southbank, now Unaffordable.
- Despite affordability falling below pre-pandemic levels, Melbourne remains Australia's second most affordable metropolitan region, after the ACT, by a large margin.

Household	RAI score	Rent as a share of income	Relative Unaffordability
Single pensioner	47	63%	Extremely unaffordable
Pensioner couple	63	47%	Severely unaffordable
Single person on JobSeeker	30	101%	Critically unaffordable
Single part-time worker parent on benefits	46	66%	Extremely unaffordable
Single full-time working parent	103	29%	Moderately unaffordable
Student sharehouse	103	29%	Moderately unaffordable
Single income couple with children	108	28%	Moderately unaffordable
Dual income couple with children	216	14%	Very Affordable
Minimum wage couple	97	31%	Unaffordable
Hospitality worker	81	37%	Unaffordable
Early childhood educator	81	37%	Unaffordable

Source: SGS Economics and Planning, 2026

FIGURE 45. RENTAL AFFORDABILITY INDEX, GREATER MELBOURNE



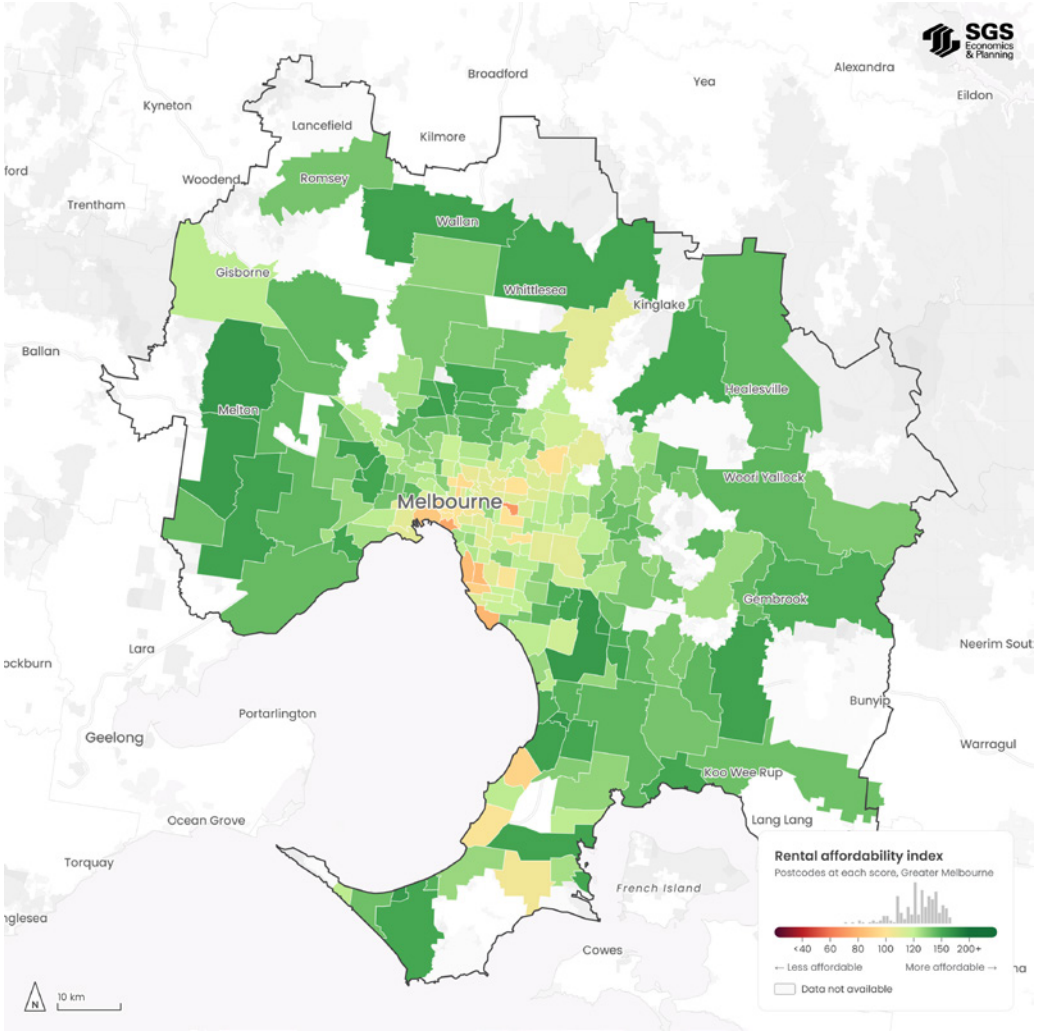
Source: SGS Economics and Planning 2026

TABLE 19. TOP 5 LEAST AFFORDABLE POSTCODES IN GREATER MELBOURNE (JUNE QUARTER, 2026)

Rank	Postcode	Suburbs	RAI score	Rent as share of avg household income
1	3104	Balwyn North	78	39%
2	3186	Brighton	85	35%
3	3124	Camberwell	87	34%
4	3149	Mount Waverley	87	34%
5	3207	Port Melbourne	87	34%

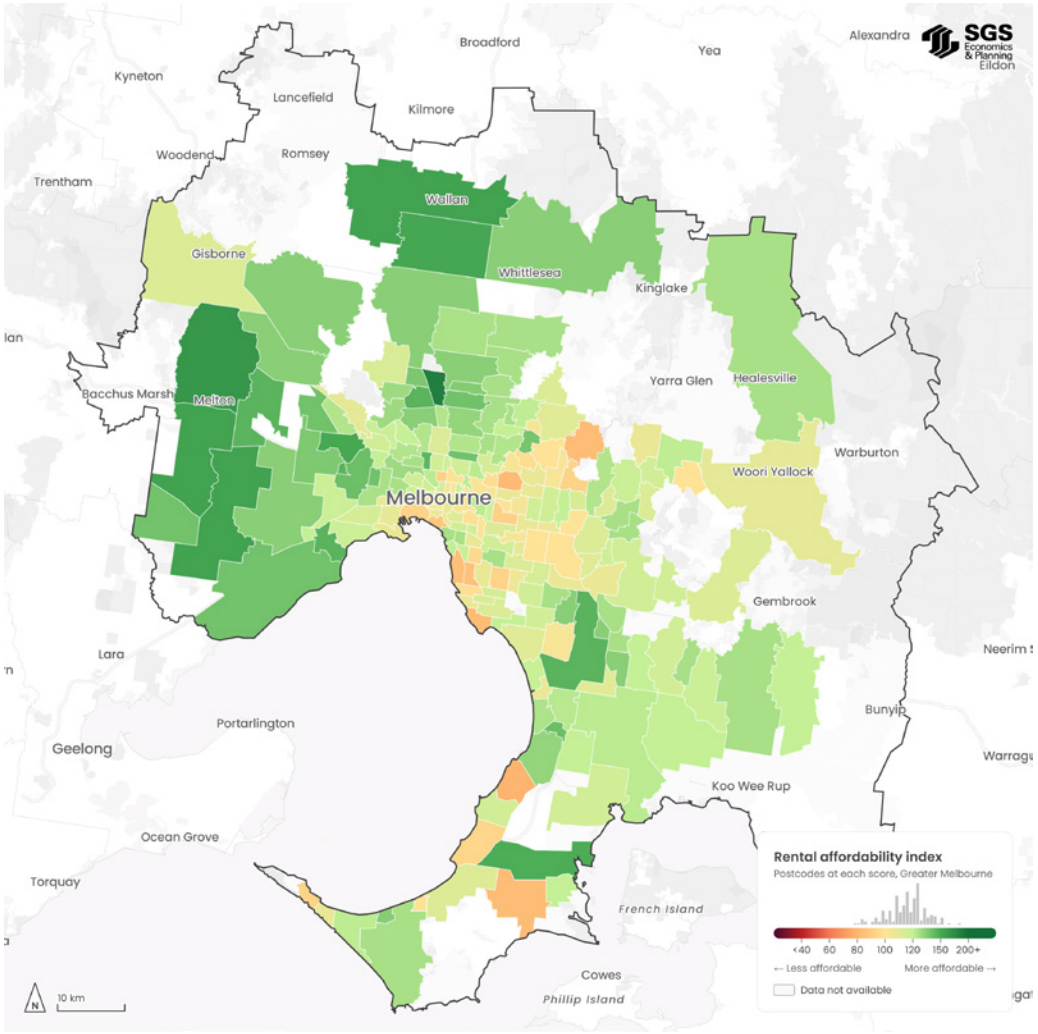
Source: SGS Economics and Planning, 2026
Note: RAI has been calculated using a rounded gross income of $120,000
Only postcodes with greater than 80 records are considered for the top 5 list.

FIGURE 46. GREATER MELBOURNE, JUNE QUARTER, 2019



Source: SGS Economics and Planning, 2026

FIGURE 47. GREATER MELBOURNE, JUNE QAURTER, 2026



Source: SGS Economics and Planning, 2026

Rest of Victoria	

The average rental household in Rest of VIC has a gross income of $90,631 per annum.

Household	RAI score	Rent as a share of income	Relative Unaffordability
Single pensioner	77	39%	Severely unaffordable
Pensioner couple	96	31%	Unaffordable
Single person on JobSeeker	48	62%	Extremely unaffordable
Single part-time worker parent on benefits	69	43%	Severely unaffordable
Single full-time working parent	157	19%	Very Affordable
Student sharehouse	125	24%	Acceptable
Single income couple with children	131	23%	Acceptable
Dual income couple with children	263	11%	Very Affordable
Minimum wage couple	147	20%	Acceptable
Hospitality worker	120	25%	Acceptable
Early childhood educator	131	23%	Acceptable

Source: SGS Economics and Planning 2026

FIGURE 48. RENTAL AFFORDABILITY INDEX, REST OF VIC



Source: SGS Economics and Planning, 2026

Current snapshot

- Rental affordability in Rest of VIC declined rapidly over the past year, reaching a new low point recorded by the RAI since 2012, and remaining Moderately Unaffordable.
- The western coastline of Rest of VIC, from Geelong to Anglesea, through to Apollo Bay and Warrnambool, is now considered Unaffordable or Severely Unaffordable for the average rental household.
- Acceptable rents can still be found in a few areas, including Ararat, Maryborough, and parts of Gippsland.

Long-term trends

- Rental affordability in Rest of VIC was considered Acceptable and stable throughout the 2010s.
- Since 2020, affordability has deteriorated rapidly and consistently, driven by outward migration from cities, rising construction costs, and a slower pace of new housing supply. This is consistent with the experience of regional areas nationwide.
- Coastal communities such as Warrnambool and Apollo Bay, which offered Acceptable rents pre-2020, are now Unaffordable, with median rents consuming over 30% of the average income.
- Across Rest of VIC, affordability has been declining, few locations now considered Acceptable or Affordable.
- The regional hubs of Bendigo, Shepparton, and Ballarat have all experienced deteriorating affordability, now rated Moderately Unaffordable or worse.
- Fringe commuter areas such as Woodend, Kilmore-Broadford, and Warburton have also rapidly declined in affordability.

4.3 Queensland

The average rental household in Greater Brisbane has a gross income of $118,802 per annum.

Household	RAI score	Rent as a share of income	Relative Unaffordability
Single pensioner	45	66%	Extremely unaffordable
Pensioner couple	58	52%	Extremely unaffordable
Single person on JobSeeker	28	106%	Critically unaffordable
Single part-time worker parent on benefits	42	72%	Extremely unaffordable
Single full-time working parent	100	30%	Unaffordable
Student sharehouse	89	34%	Unaffordable
Single income couple with children	99	30%	Unaffordable
Dual income couple with children	198	15%	Affordable
Minimum wage couple	89	34%	Unaffordable
Hospitality worker	74	41%	Severely unaffordable
Early childhood educator	76	39%	Severely unaffordable

Source: SGS Economics and Planning 2026

FIGURE 49. RENTAL AFFORDABILITY INDEX, GREATER BRISBANE



Source: SGS Economics and Planning, 2026

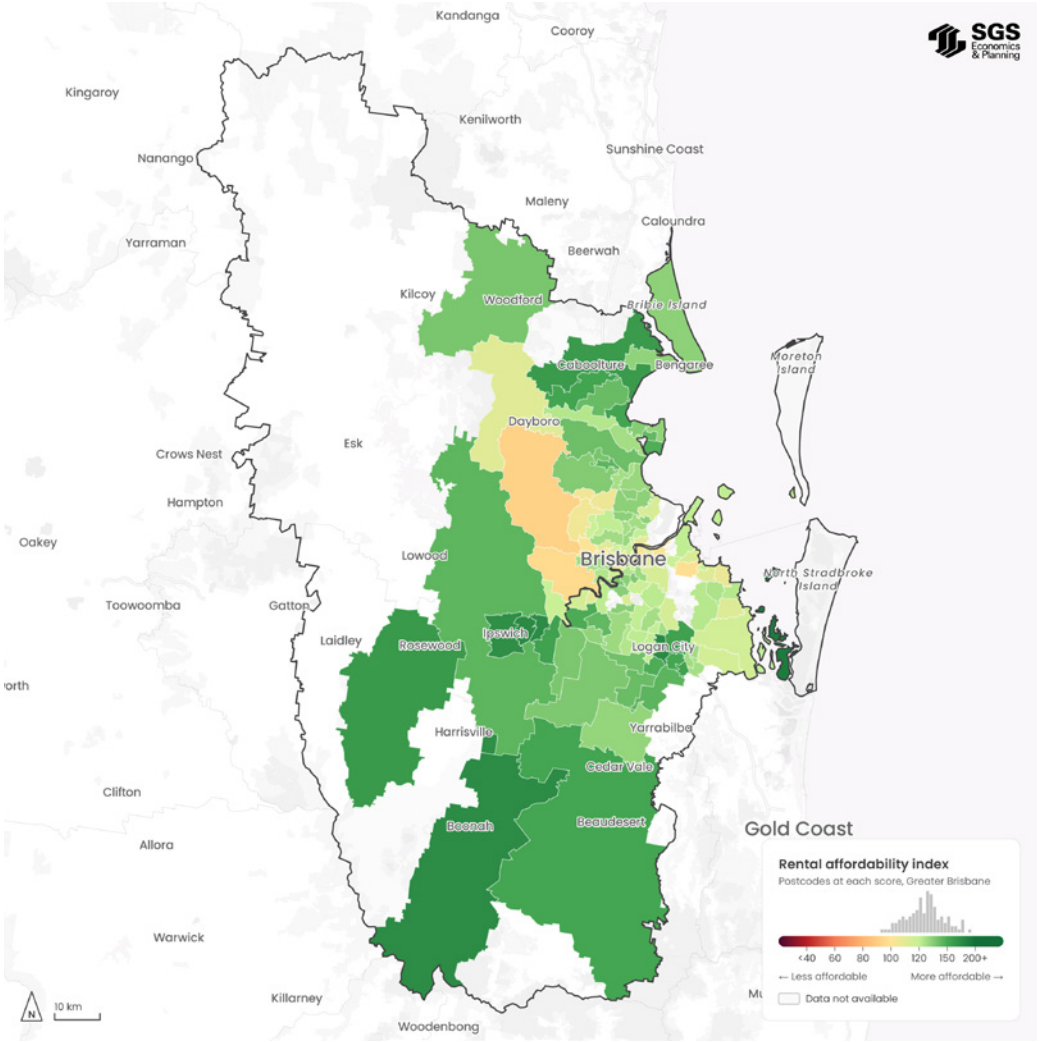
Current snapshot

- Rental affordability in Brisbane has declined over the past year, with a RAI score of 101. An average rental household now pays roughly 30% of its income on rent at the median rate.
- As in many other capital cities, this represents the worst level of rental affordability recorded by the RAI.
- Most areas across the city are now Moderately Unaffordable or Unaffordable.
- The average rental household would find Acceptable rents in only 7 Brisbane postcodes, sparsely scattered across the city's south and west.
- Unlike other capitals, even Brisbane's outer fringe offers little relief, leaving few options for low-to-medium income households.

Long-term trends

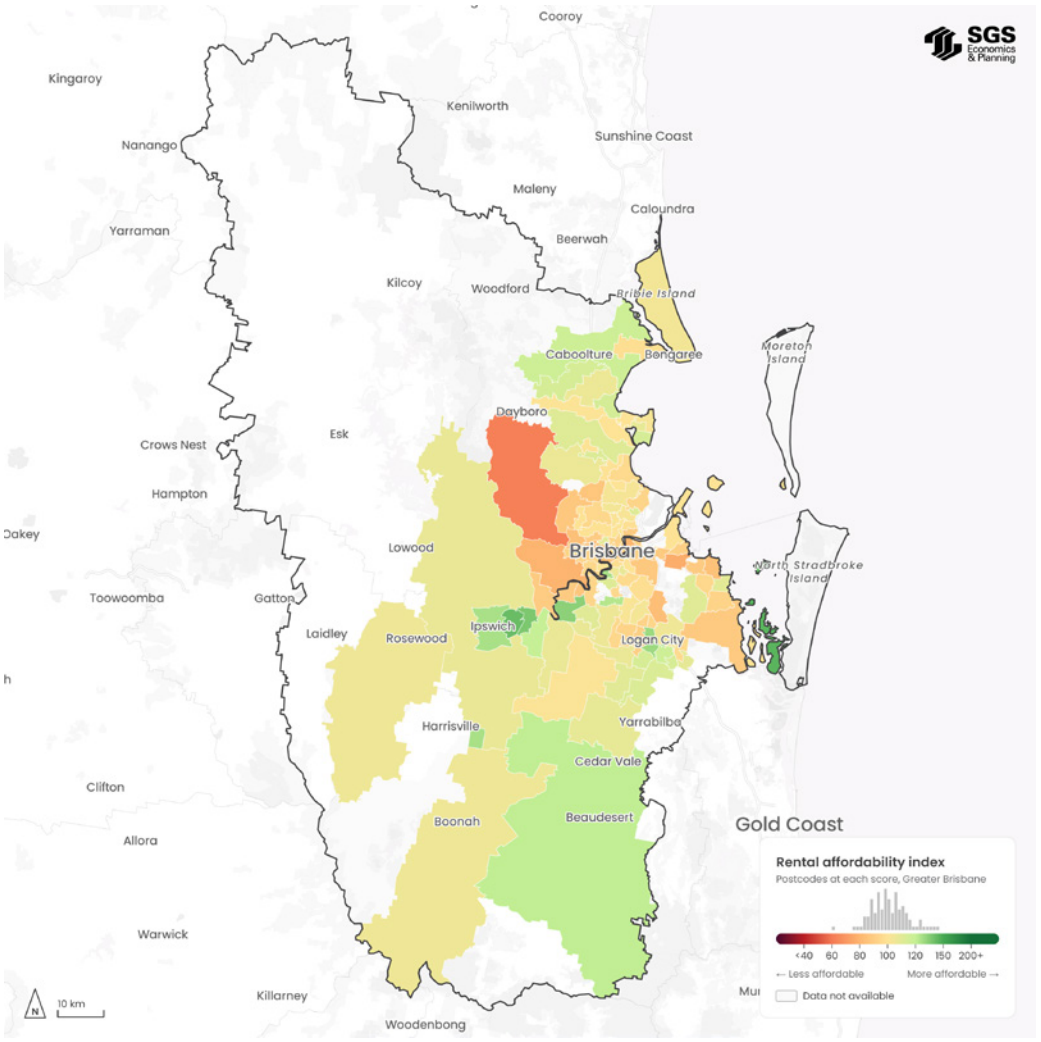
- After 4 years of improvement between 2016 and 2020, rental affordability in Brisbane was high with most of the city offering Acceptable and Affordable rents.
- Since 2020 there has been a sharp decline in affordability with RAI scores for Brisbane sitting at historic lows.

FIGURE 50. GREATER BRISBANE, JUNE QUARTER, 2019



Source: SGS Economics and Planning, 2026

FIGURE 51. GREATRE BRISBANE, JUNE QUARTER, 2026



Source: SGS Economics and Planning, 2026

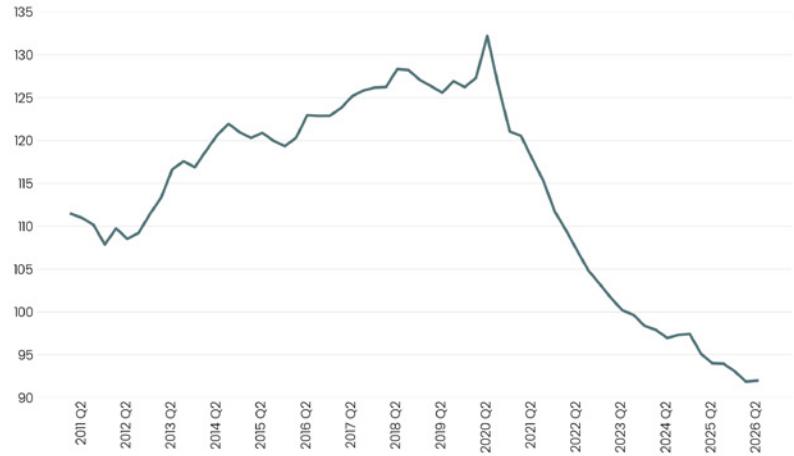
Rest of Queensland	

The average rental household in Rest of QLD has a gross income of $109,770 per annum.

Household	RAI score	Rent as a share of income	Relative Unaffordability
Single pensioner	47	64%	Extremely unaffordable
Pensioner couple	63	48%	Severely unaffordable
Single person on JobSeeker	29	102%	Critically unaffordable
Single part-time worker parent on benefits	45	66%	Extremely unaffordable
Single full-time working parent	108	28%	Moderately unaffordable
Student sharehouse	87	34%	Unaffordable
Single income couple with children	97	31%	Unaffordable
Dual income couple with children	193	16%	Affordable
Minimum wage couple	96	31%	Unaffordable
Hospitality worker	81	37%	Unaffordable
Early childhood educator	80	37%	Severely unaffordable

Source: SGS Economics and Planning 2026

FIGURE 52. RENTAL AFFORDABILITY INDEX, REST OF QLD



Source: SGS Economics and Planning 2026

Current snapshot

- Rest of QLD remains the least affordable region in the country with a RAI score of 92. This means median rents consume more than 32% of the average rental household's income. The Gold Coast and Sunshine Coast are the largest rental markets in Rest of QLD and have a strong influence on the aggregate score.
- Soaring rents along Queensland's south-east coast, including the Unaffordable to Severely Unaffordable Gold Coast, Sunshine Coast and surrounds, have pushed Rest of QLD's median rent above Brisbane's, despite lower household incomes.
- Regional centres with strong employment opportunities, including Toowoomba and Cairns, are Moderately Unaffordable however Rockhampton and Townsville are Acceptable.

Long-term trends

- Rental affordability in Rest of QLD was Acceptable and steadily improving during the 2010s, and during this period was more affordable than Brisbane.
- Since 2020, however, affordability has worsened more rapidly than in Brisbane, making Rest of QLD less affordable than the capital.
- Acceptable and Affordable rents, once common across Rest of QLD outside of the Gold Coast and Sunshine Coast, are becoming increasingly scarce as rents shift towards Moderately Unaffordable and Unaffordable levels.

Rental Affordability Index
2026

4.4

South Australia

The average rental household in Greater Adelaide has a gross income of $101,166 per annum.

Household	RAI score	Rent as a share of income	Relative Unaffordability
Single pensioner	56	54%	Extremely unaffordable
Pensioner couple	74	41%	Severely unaffordable
Single person on JobSeeker	35	86%	Critically unaffordable
Single part-time worker parent on benefits	53	56%	Extremely unaffordable
Single full-time working parent	125	24%	Acceptable
Student sharehouse	99	30%	Unaffordable
Single income couple with children	107	28%	Moderately unaffordable
Dual income couple with children	214	14%	Very affordable
Minimum wage couple	113	26%	Moderately unaffordable
Hospitality worker	88	34%	Unaffordable
Early childhood educator	90	33%	Unaffordable

Source: SGS Economics and Planning 2026

FIGURE 53. RENTAL AFFORDABILITY INDEX, GREATER ADELAIDE



Source: SGS Economics and Planning 2026

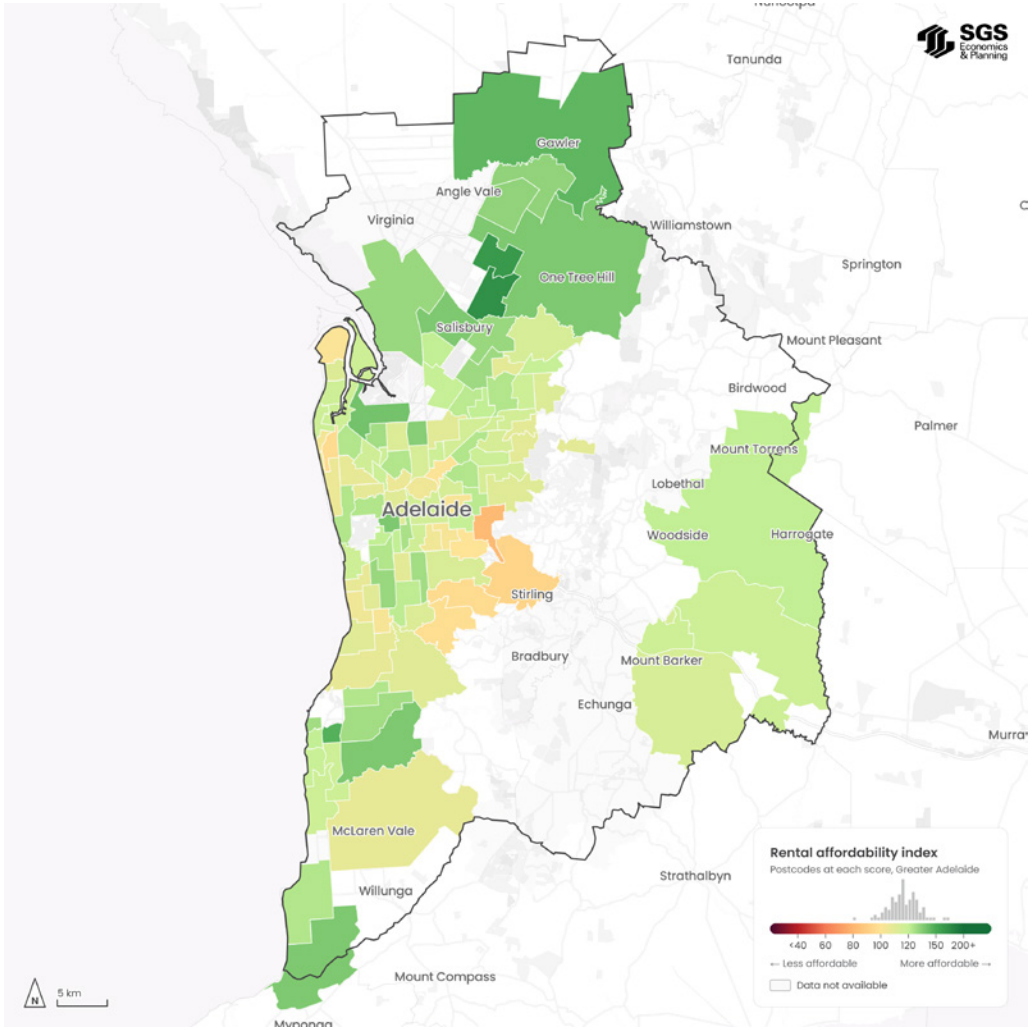
Current snapshot

- Rental affordability in Greater Adelaide has remained stable over the past year, at a historical low point RAI score of 101.
- Out of the capital cities, Greater Adelaide has the second lowest average rental household income, after Hobart.
- Unlike other capital cities, affordability in Adelaide varies little between postcodes, with only a relatively small gap between the least and most affordable areas.
- For the average household there are no postcodes with Acceptable rents in Greater Adelaide, leaving them with no option but to manage unaffordable rents.

Long-term trends

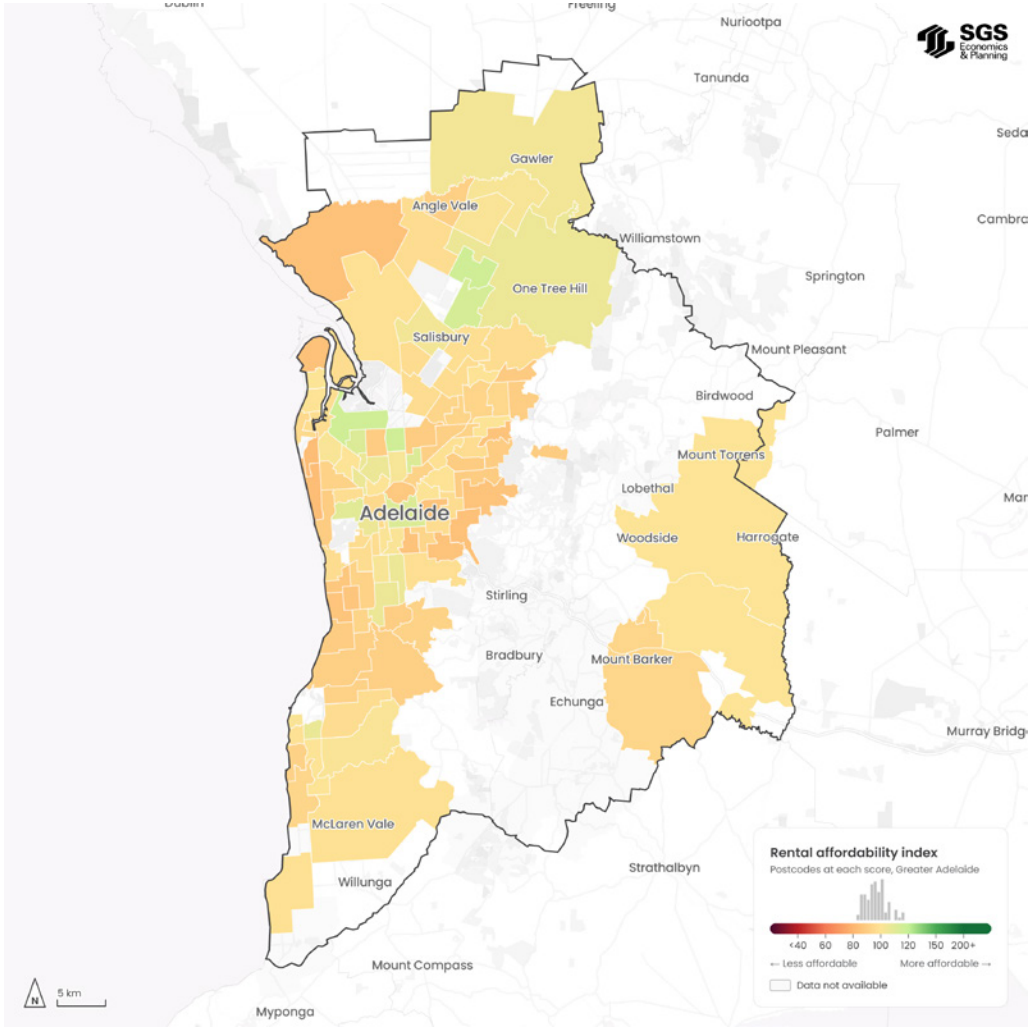
- After a steep decline starting in 2020, affordability has stabilised in Adelaide over the last 2 years.
- 10 years ago, most postcodes in Adelaide fell into the range of Moderately Unaffordable to Acceptable rents.
- Today, even Adelaide's more affordable outskirts— including McLaren Vale, Salisbury and Gawler— are Unaffordable to Moderately Unaffordable.

FIGURE 54. GREATER ADELAIDE, JUNE QUARTER, 2019



Source: SGS Economics and Planning, 2026

FIGURE 55. GREATER ADELAIDE, JUNE QUARTER, 2026



Source: SGS Economics and Planning, 2026

Rest of SA	

The average rental household in Rest of SA has a gross income of $88,472 per annum. Rest of SA has the second-lowest average income among rental households of all regions, after Rest of TAS.

Household	RAI score	Rent as a share of income	Relative Unaffordability
Single pensioner	92	33%	Unaffordable
Pensioner couple	112	27%	Moderately unaffordable
Single person on JobSeeker	57	52%	Extremely unaffordable
Single part-time worker parent on benefits	81	37%	Unaffordable
Single full-time working parent	191	16%	Affordable
Student sharehouse	133	23%	Acceptable
Single income couple with children	145	21%	Acceptable
Dual income couple with children	291	10%	Very affordable
Minimum wage couple	171	17%	Affordable
Hospitality worker	146	21%	Acceptable
Early childhood educator	154	19%	Affordable

Source: SGS Economics and Planning 2026

FIGURE 56. RENTAL AFFORDABILITY INDEX, REST OF SA



Source: SGS Economics and Planning, 2026

Current snapshot

- Rest of SA has the lowest median rents in the country and, with a RAI score of 113, is Australia's most affordable rest of state area.
- However, over the past year affordability has fallen from Acceptable to Moderately Unaffordable levels.
- Rental affordability is poor in the commuter towns surrounding Greater Adelaide, both north and south, where rents are Unaffordable for the average Rest of SA rental household.
- These towns face additional demand from city workers seeking cheaper rents whilst also needing to house local households on regional level incomes.
- Acceptable and Affordable rents are concentrated in areas near the Victorian border and remote towns in the west of the state.

Long-term trends

- Rest of SA has been the most affordable rest of state area in Australia for much of the past 13 years.
- It has followed a similar pattern to Greater Adelaide, with affordability declining in the early 2020s however, unlike the capital, Rest of SA has continued to decline over the last year.

Rental Affordability Index
2026

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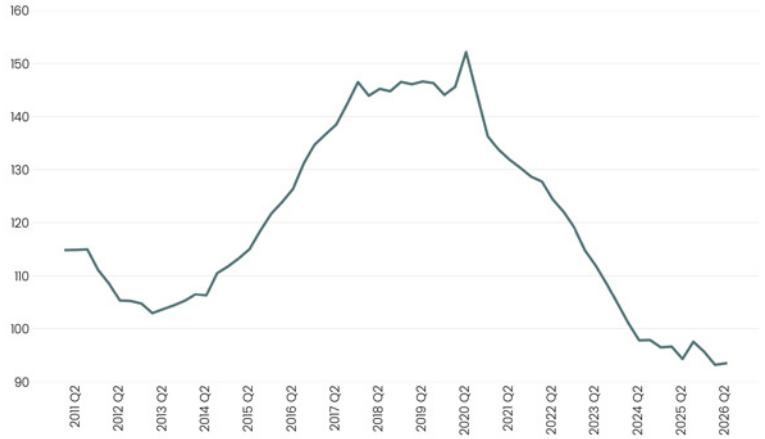
Western Australia

The average rental household in Greater Perth has a gross income of $113,447 per annum.

Household	RAI score	Rent as a share of income	Relative Unaffordability
Single pensioner	35	85%	Critically unaffordable
Pensioner couple	56	53%	Extremely unaffordable
Single person on JobSeeker	22	136%	Critically unaffordable
Single part-time worker parent on benefits	41	74%	Extremely unaffordable
Single full-time working parent	97	31%	Unaffordable
Student sharehouse	88	34%	Unaffordable
Single income couple with children	97	31%	Unaffordable
Dual income couple with children	195	15%	Affordable
Minimum wage couple	86	35%	Unaffordable
Hospitality worker	59	51%	Extremely unaffordable
Early childhood educator	57	53%	Extremely unaffordable

Source: SGS Economics and Planning 2026

FIGURE 57. RENTAL AFFORDABILITY INDEX, GREATER PERTH



Source: SGS Economics and Planning, 2026

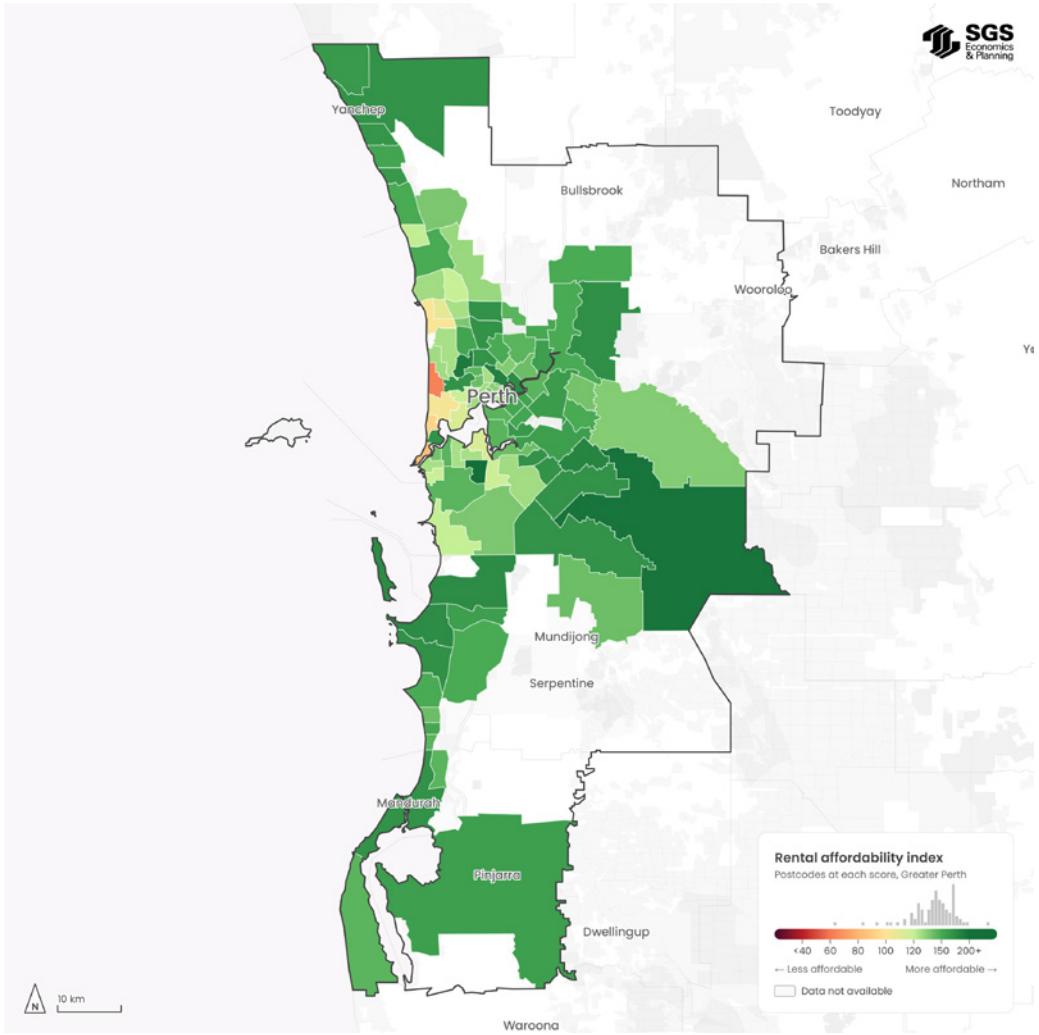
Current snapshot

- Rental affordability in Perth is the lowest among Australian capital cities. With a RAI score of 94, the city is classified as Unaffordable, meaning the average renter household would pay over 30% of its income if renting at the median rate.
- The entire metropolitan area is Moderately to Extremely Unaffordable, with the coastal and central suburbs experiencing the worst affordability.
- This marks a stark shift from just 3 years ago, when several corridors of Acceptable affordability existed, including well-located areas such as Maylands to Marangaroo.
- The affordability crisis is even more acute for low-income households—including pensioners, minimum wage earners, and early childhood educators— who now face severe difficulty finding rentals that do not place them in rental stress.

Long-term trends

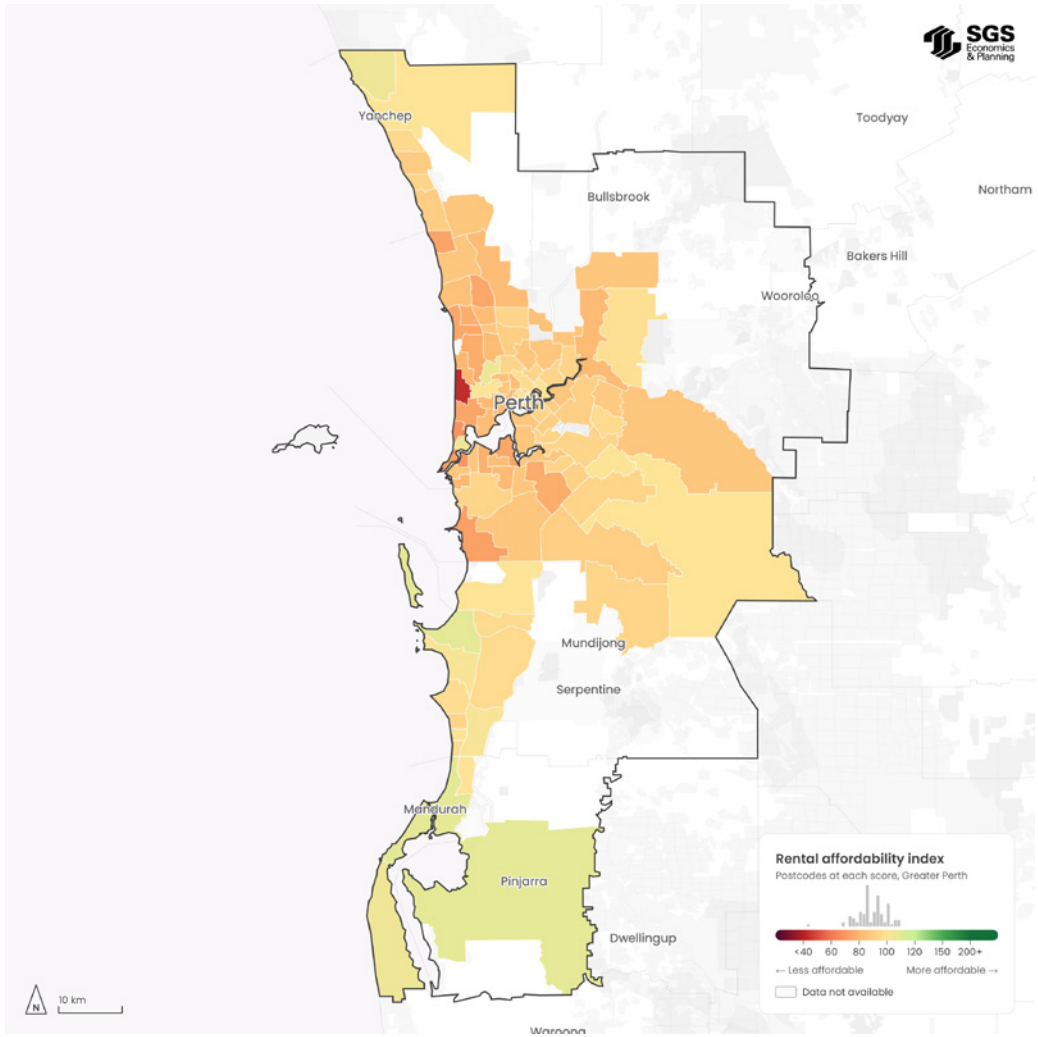
- Affordability in Perth has fluctuated significantly over time, influenced heavily by economic cycles and the resources sector.
- Affordability improved steadily throughout the 2010s. This was driven primarily by lower rents in the aftermath of the mining boom, with the median rate falling by 20% between 2012 and 2020.
- At this point, most postcodes outside of the beachside suburbs were considered Acceptable to Affordable.
- Soaring rents since 2020—rising by 99%—have completely erased the affordability gains made in previous years.

FIGURE 58. GREATER PERTH, JUNE QUARTER, 2019



Source: SGS Economics and Planning, 2026

FIGURE 59. GREATER PERTH, JUNE QUARTER, 2026



Source: SGS Economics and Planning, 2026

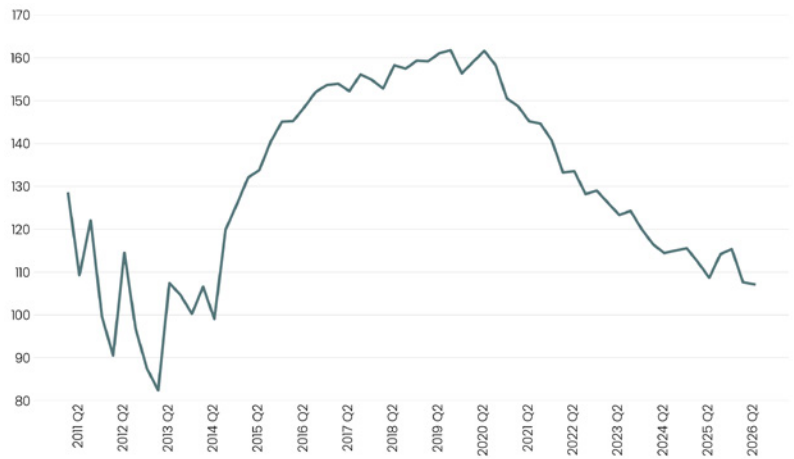
Rest of WA		

The average rental household in Rest of WA has a gross income of $120,700 per annum. This is the only case where Rest of WA incomes exceed 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.

Household	RAI score	Rent as a share of income	Relative Unaffordability
Single pensioner	38	79%	Critically unaffordable
Pensioner couple	60	50%	Extremely unaffordable
Single person on JobSeeker	24	126%	Critically unaffordable
Single part-time worker parent on benefits	44	69%	Extremely unaffordable
Single full-time working parent	106	28%	Moderately unaffordable
Student sharehouse	94	32%	Unaffordable
Single income couple with children	106	28%	Moderately unaffordable
Dual income couple with children	212	14%	Very affordable
Minimum wage couple	93	32%	Unaffordable
Hospitality worker	68	44%	Severely unaffordable
Early childhood educator	65	46%	Severely unaffordable

Source: SGS Economics and Planning 2026

FIGURE 60. RENTAL AFFORDABILITY INDEX, REST OF WA



Source: SGS Economics and Planning 2026

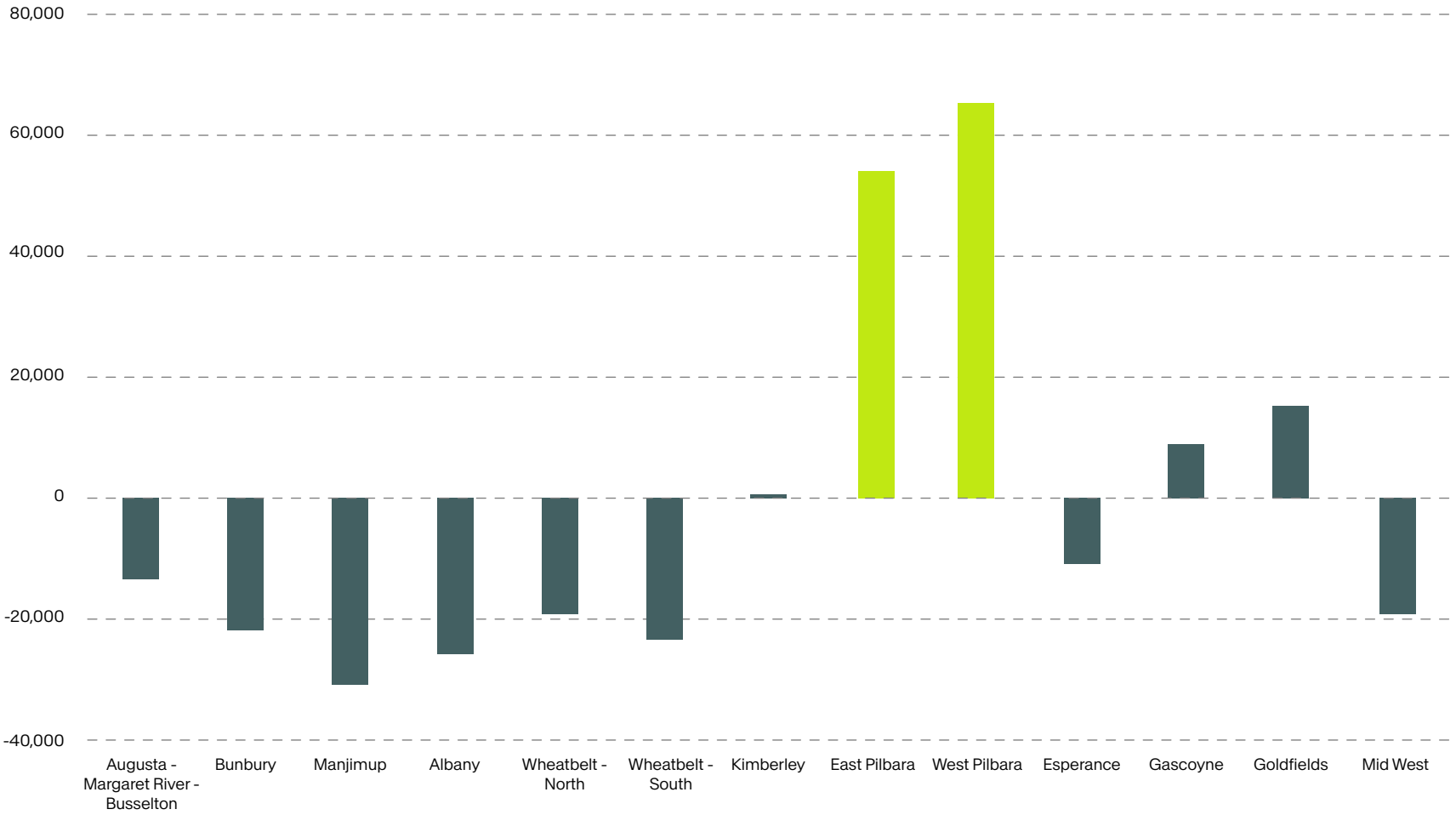
Current snapshot

- Rest of WA has a RAI score of 107, classified as Moderately Unaffordable, declining slightly over the past year.
- There is significant regional variation, with affordability levels ranging from Acceptable to Extremely Unaffordable across the state.
- In the north, from Exmouth to Broome (Gascoyne, Pilbara and Kimberley regions), affordability is the worst, with rents predominantly ranging from Severely Unaffordable to Extremely Unaffordable.
- The coastal parts of the Mid West region in WA offer Acceptable to Affordable rents in Port Denison, Geraldton, Kalbarri whilst Jurien Bay in the Wheatbelt region is Unaffordable.
- In the South West of WA, Bunbury has Moderately Unaffordable rents and the Busselton to Margaret River region is Unaffordable. Albany, in the Great Southern, has Moderately Unaffordable rents.
- Acceptable rents can be found along the southernmost coastline of the state, including Esperance, and across some inland towns as well.
- Some parts of Rest of WA operate outside the private rental market, with housing provided through social housing, employer accommodation, or community housing.

Long-term trends

- Like Perth, affordability in Rest of WA has fluctuated significantly in line with economic cycles in the resources sector.
- In 2020, the average rental household would have paid 19% of its income on rent at the median rate; by 2026, this has risen to 28%.
- After a period of rapid improvement between 2014 and 2017, affordability in Rest of WA peaked in 2020. Since the onset of the COVID-19 pandemic, however, it has declined sharply, reaching its lowest level since 2014.

FIGURE 61. RENTAL HOUSEHOLD INCOME VARIATION ACROSS REST OF WA – REGIONAL (STATISTICAL AREA 3) DIFFERENCE TO REST OF WA AVERAGE



Source: ABS Census 2021

Rental Affordability Index
2026

4.6

Tasmania

The average rental household in Greater Hobart has a gross income of $98,631 per annum.

Household	RAI score	Rent as a share of income	Relative Unaffordability
Single pensioner	62	49%	Severely unaffordable
Pensioner couple	76	40%	Severely unaffordable
Single person on JobSeeker	39	78%	Critically unaffordable
Single part-time worker parent on benefits	55	55%	Extremely unaffordable
Single full-time working parent	125	24%	Acceptable
Student sharehouse	99	30%	Unaffordable
Single income couple with children	105	29%	Moderately unaffordable
Dual income couple with children	210	14%	Very affordable
Minimum wage couple	116	26%	Moderately unaffordable
Hospitality worker	111	27%	Moderately unaffordable
Early childhood educator	104	29%	Moderately unaffordable

Source: SGS Economics and Planning 2026

FIGURE 62. RENTAL AFFORDABILITY INDEX, GREATER HOBART



Source: SGS Economics and Planning, 2026

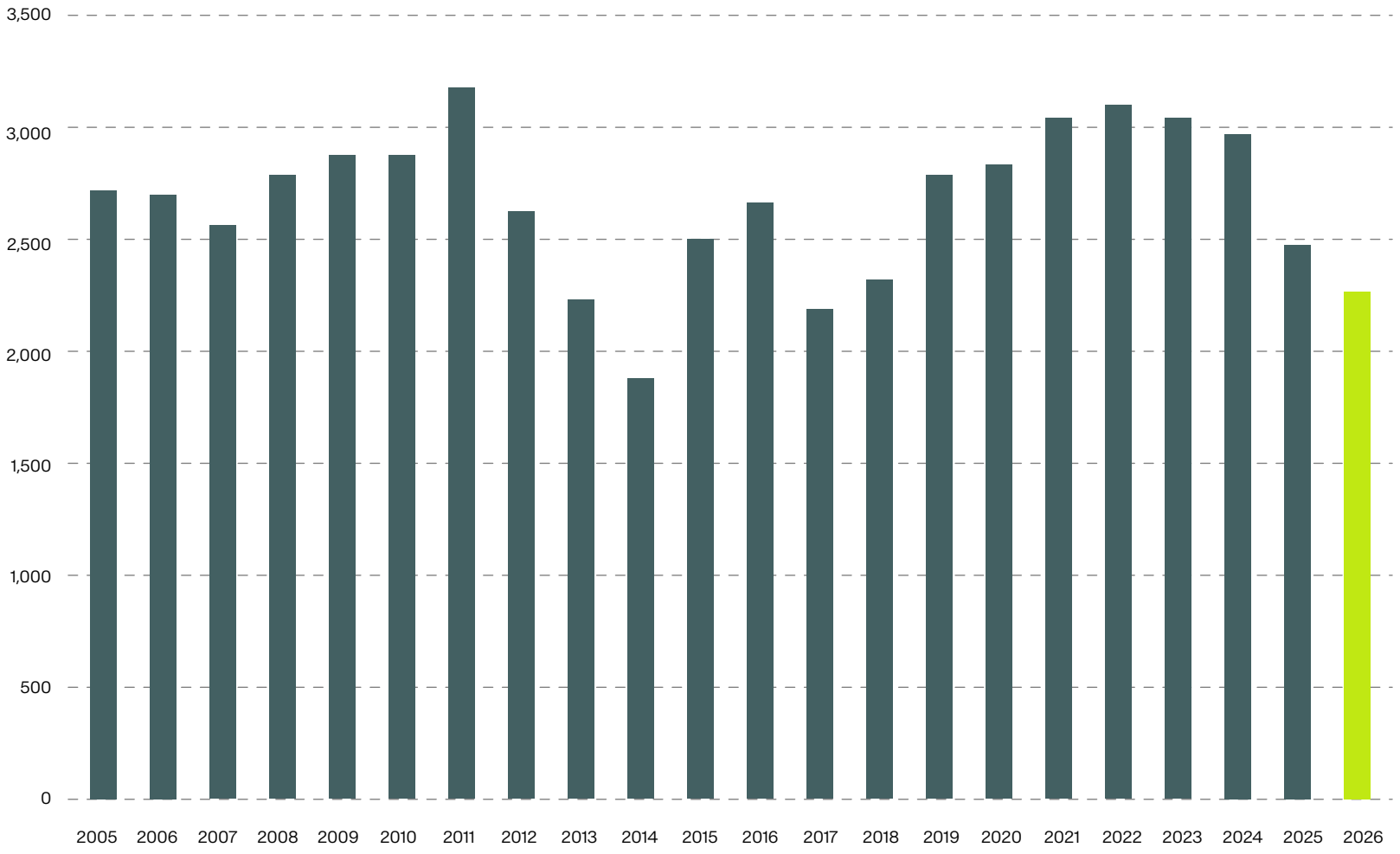
Current snapshot

- Affordability in Greater Hobart has declined over the past year to Unaffordable levels with a RAI score of 98, making Hobart the second least affordable capital city behind Perth.
- Median rents in Hobart sit at $580 per week, higher than Melbourne's $570. However, the average rental household income in Hobart is 19% lower than in Melbourne, highlighting the greater affordability pressures faced by Hobart renters.
- All areas within Hobart are Moderately Unaffordable or worse, unlike Melbourne and Sydney, which retain small clusters of Acceptable rents on their outer fringes.
- Rising rents are likely driven by an insufficient supply of medium- and high-density rentals, reflected in the grey areas in the RAI maps for 1-bedroom dwellings, where data is unavailable.

Long-term trends

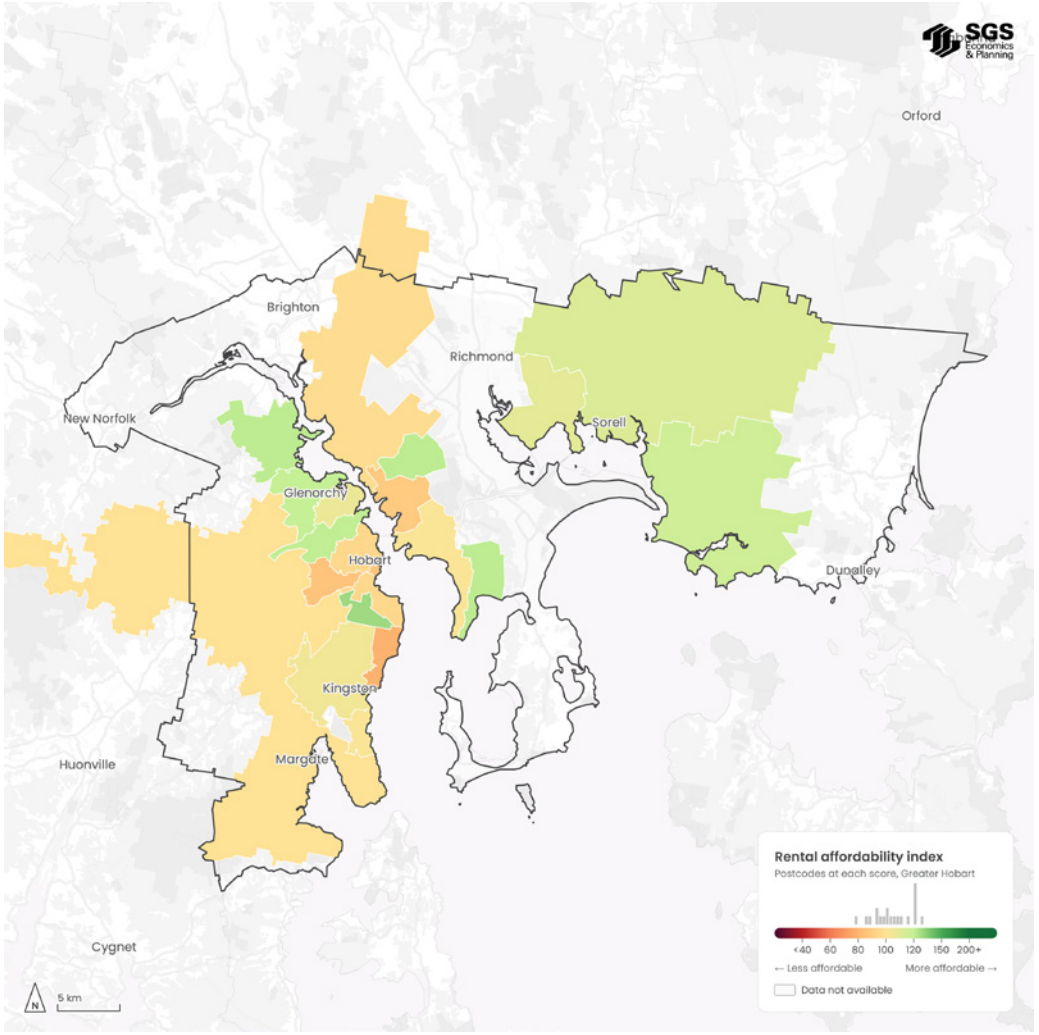
- Between 2015 and 2022, Hobart was among the 2 least affordable capital cities in Australia (alongside Sydney), as rent rose far faster than household incomes amid a period of strong interstate migration to Tasmania.
- This trend reversed from 2022 to 2024 as net interstate migration to Tasmania declined and the state saw higher rates of new dwelling supply compared to the 2010s.
- Since 2025 this gain in affordability has since been completely eroded, as dwelling completions have slowed and recent net internal migration outflows (to the rest of Australia) have abated.

FIGURE 63. DWELLING COMPLETIONS, TASMANIA



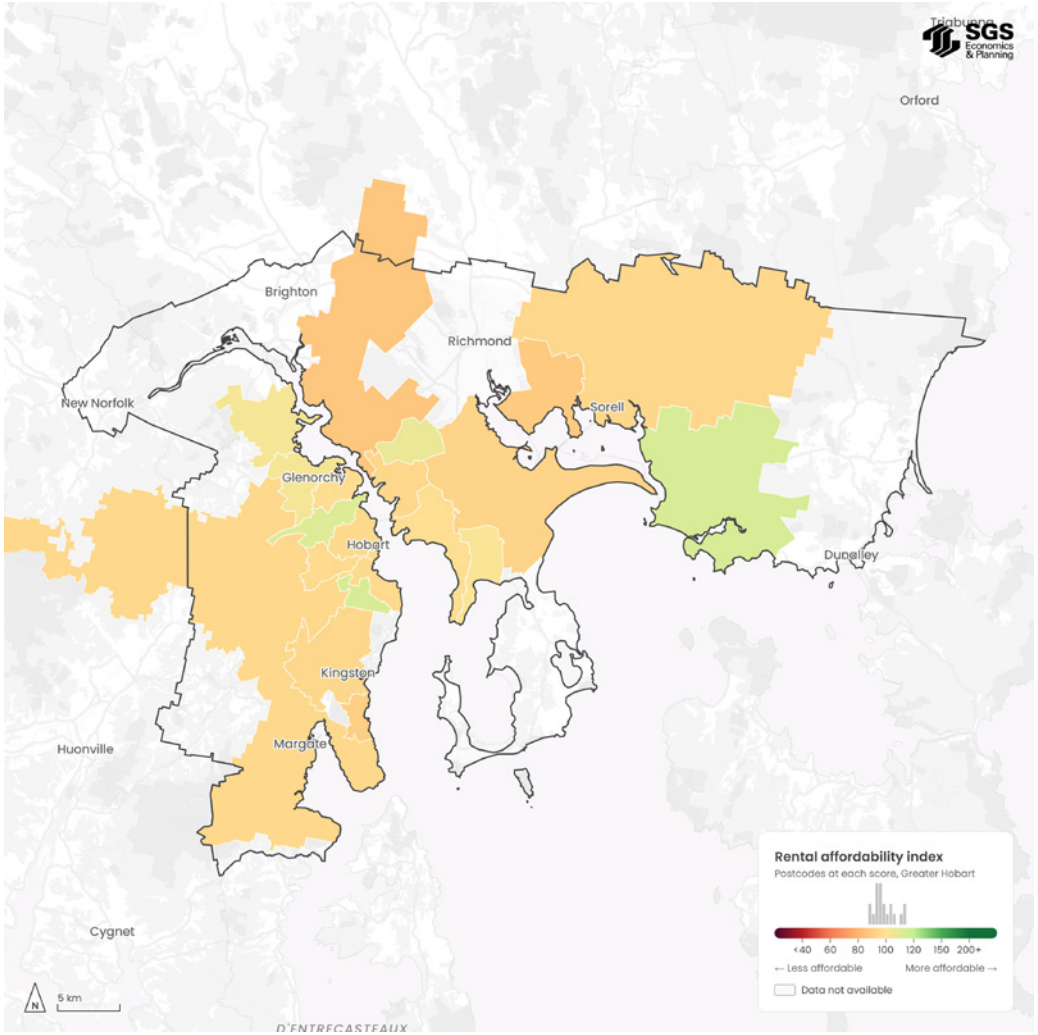
Source: Building Activity, Australia, ABS (March 2026)
Note: 2026 financial year completions are estimated based on data up to March

FIGURE 64. GREATER HOBART, JUNE QUARTER, 2019



Source: SGS Economics and Planning, 2026

FIGURE 65. GREATER HOBART, JUNE QUARTER, 2026



Source: SGS Economics and Planning, 2026

Rest of Tas	

The average rental household in Rest of TAS has a gross income of $82,593 per annum.

Household	RAI score	Rent as a share of income	Relative Unaffordability
Single pensioner	75	40%	Severely unaffordable
Pensioner couple	89	34%	Unaffordable
Single person on JobSeeker	47	64%	Extremely unaffordable
Single part-time worker parent on benefits	64	47%	Severely unaffordable
Single full-time working parent	148	20%	Acceptable
Student sharehouse	118	25%	Moderately unaffordable
Single income couple with children	125	24%	Acceptable
Dual income couple with children	250	12%	Very affordable
Minimum wage couple	137	22%	Acceptable
Hospitality worker	131	23%	Acceptable
Early childhood educator	128	23%	Acceptable

Source: SGS Economics and Planning 2026

FIGURE 66. RENTAL AFFORDABILITY INDEX, REST OF TAS



Source: SGS Economics and Planning, 2026

Current snapshot

- Affordability in Rest of TAS has declined sharply over the past year, with the RAI score falling from 108 to 99, placing it in the Unaffordable range.
- Regional centres such as Launceston, Devonport and Burnie, now record Unaffordable rents.
- Acceptable rents are increasingly scarce, limited to smaller towns such as Smithton, Wynyard and Queenstown.

Long-term trends

- Rental affordability in Rest of TAS was Acceptable for much of the 2010s, remaining significantly more affordable than Hobart.
- However, rapid rent increases from 2020 to 2022 eroded affordability, leaving Rest of TAS's rental market comparable to Hobart's.
- Like Hobart, affordability in Rest of TAS improved from 2022 to 2024 but has since declined down to a historical low in 2026.

Rental Affordability Index
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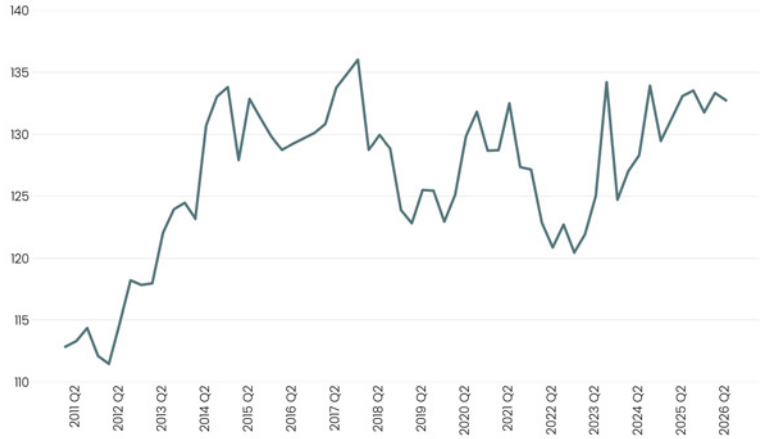
Australian Capital Territory

The average rental household in the Australian Capital Territory has a gross income of $142,658 per annum, the highest in the country.

Household	RAI score	Rent as a share of income	Relative Unaffordability
Single pensioner	48	62%	Extremely unaffordable
Pensioner couple	64	47%	Severely unaffordable
Single person on JobSeeker	30	99%	Critically unaffordable
Single part-time worker parent on benefits	46	65%	Extremely unaffordable
Single full-time working parent	122	25%	Acceptable
Student sharehouse	89	34%	Unaffordable
Single income couple with children	108	28%	Moderately unaffordable
Dual income couple with children	217	14%	Very affordable
Minimum wage couple	98	31%	Unaffordable
Hospitality worker	80	38%	Severely unaffordable
Early childhood educator	81	37%	Unaffordable

Source: SGS Economics and Planning 2026

FIGURE 67. RENTAL AFFORDABILITY INDEX, ACT



Source: SGS Economics and Planning, 2026

Current snapshot

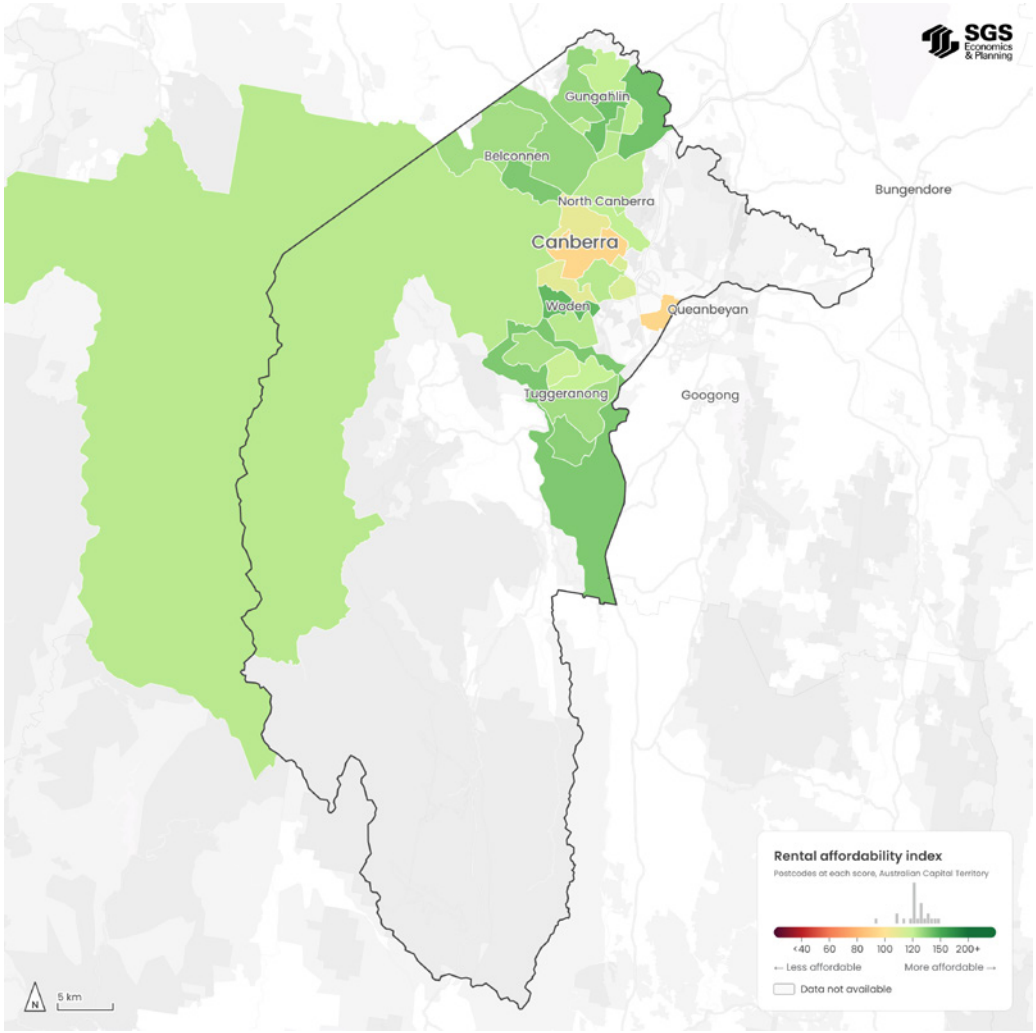
- Affordability in the ACT has held steady over the past year, with the RAI score staying at 133, maintaining its position as Australia's most affordable capital city.
- Affordability across the ACT is predominantly Acceptable, with only limited areas, such as Curtin to Garran and Monash to Macarthur, classified as Moderately Unaffordable.
- High average incomes in Canberra contribute to the city's affordability.

However, they mask the challenges faced by low-income and vulnerable households, such as students and minimum-wage couples, who are unable to find Acceptable rentals at the median rate within the ACT.

Long-term trends

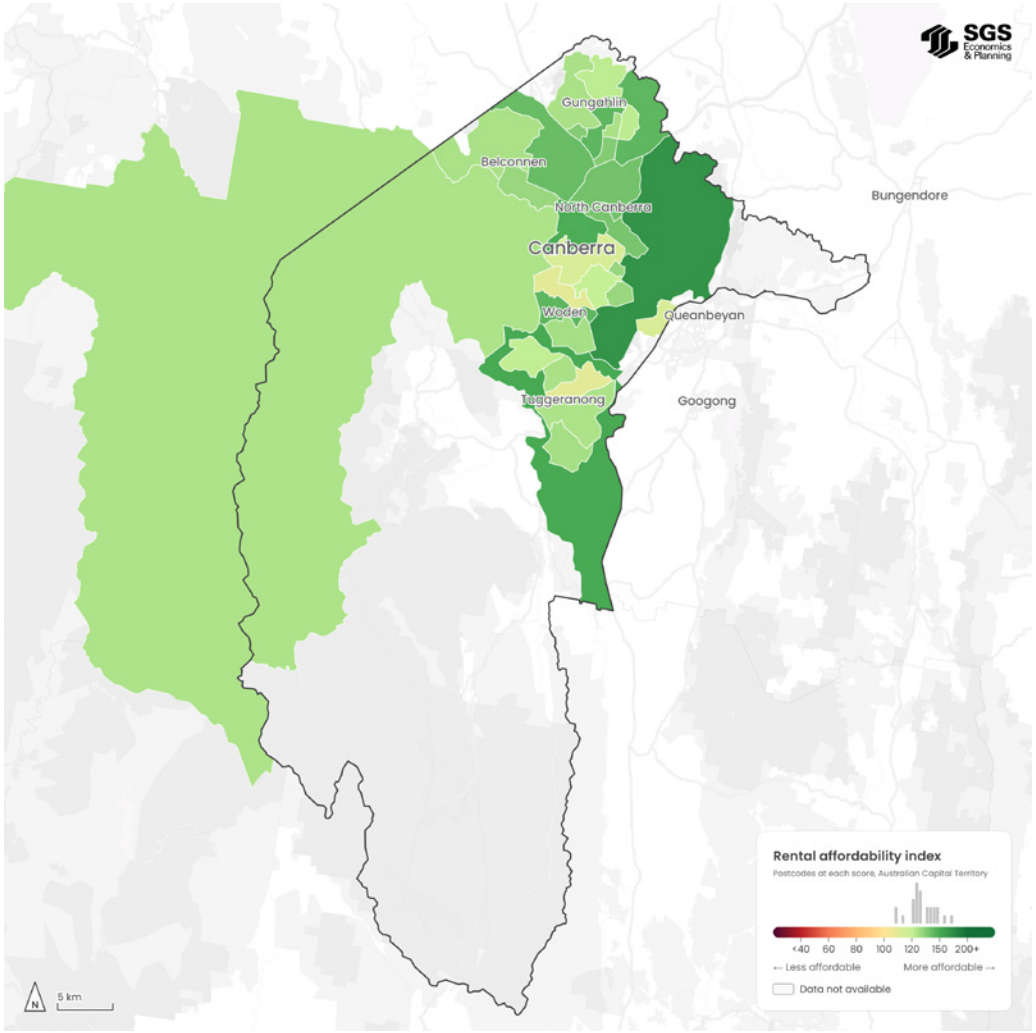
- Rental affordability in the ACT remained stable throughout the 2010s and during the COVID-19 pandemic.
- Over the past 3 years, rental rates have stabilised, supported by increased housing supply and policy measures such as the CPI-linked rent increase cap. Meanwhile, rising household incomes have further improved overall affordability across the Territory.

FIGURE 68. ACT, JUNE QUARTER, 2019



Source: SGS Economics and Planning, 2026

FIGURE 69. ACT, JUNE QUARTER, 2026



Source: SGS Economics and Planning, 2026

Appendix A

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[37].

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.

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 3-bedroom dwelling is estimated as the weighted average of the rents of 3-bedroom flats, 3-bedroom townhouses and 3-bedroom houses.
- The median rental price of 'all dwellings' is calculated as the weighted average of all 1-4 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.

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 2-and 3-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).

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

Appendix B

Reference list for household profiles

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

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Services Australia (2025) 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