

Rental Affordability Snapshot 2026

Report

Greater Sydney and the Illawarra

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Acknowledgement of country

Anglicare Sydney acknowledges the traditional custodians and cultural knowledge holders of the lands on which we work and live. This land has been home first for Aboriginal and Torres Strait Islander People, Nations, and Elders. We express our gratitude in the sharing of this land, our sorrow for the cost of that sharing and our hope that we can move forward toward a place of justice and partnership together.

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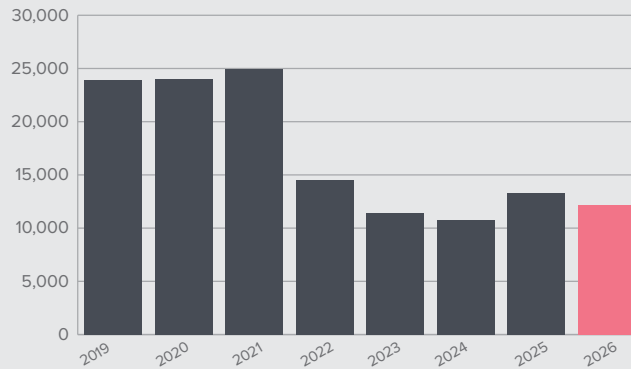
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Key Findings

On the Snapshot weekend,

12,155

private rentals were advertised for rent in Greater Sydney and the Illawarra.



The number of listings has **not** returned to pre-pandemic levels

Of 12,155 advertised rental properties...



were affordable and appropriate for a **couple on the Age Pension**



were affordable and appropriate for a **single person on the minimum wage**



were affordable and appropriate for a **single parent with 2 children on the minimum wage**



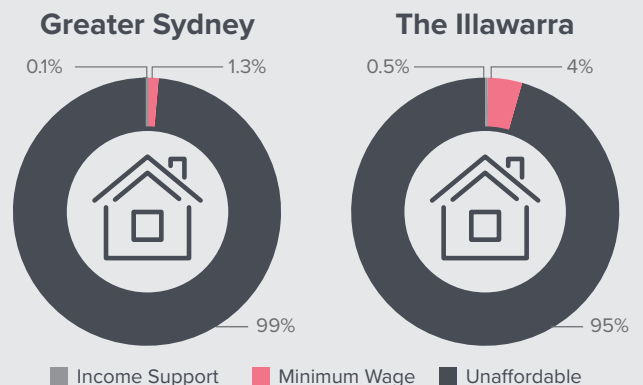
were affordable and appropriate for a **family with 2 children on JobSeeker**

Only **10** unique rental properties were affordable and appropriate for any of the households living on **income support payments**

Rentals affordable and appropriate for households on the **minimum wage** have decreased by **86%** over 5 years

2021 **1,342** → 2026 **184**

The proportion of affordable and appropriate rentals for low-income households in Greater Sydney and the Illawarra was **low**



In 2026 **10** out of **18** regions had **NO** affordable and appropriate rentals for households on **income support payments**



Regions with **NO** affordable rentals – **2026**

1. Sydney - City & Inner South
2. Sydney - Eastern Suburbs
3. Sydney - Northern Beaches
4. Sydney - Sutherland

Regions with **largest number of affordable** rentals – **2026**

1. Sydney - Blacktown
2. Sydney - South West
3. Sydney - Outer West & Blue Mountains
4. Southern Highlands & Shoalhaven



What can be done?



Increase social and affordable housing

Deliver 10,000 new social dwellings annually in Australia; prioritise affordable housing development in NSW



Support low-income renters

Increase JobSeeker to \$80 per day; increase Commonwealth Rent Assistance; strengthen renters' rights



Prioritise vulnerable renters

Expand crisis and transitional housing for DFV victim-survivors; expand homelessness prevention services for older people in NSW

Introduction

On the weekend of 14-15 March 2026, Anglicare agencies across Australia conducted a Rental Affordability Snapshot, based on rental listings data provided by REA Group and displayed on the *realestate.com.au* website. Anglicare Sydney conducted that part of the Snapshot covering Greater Sydney, the Illawarra, Southern Highlands and the Shoalhaven.

The Snapshot seeks to highlight the difficulty for low-income households in finding affordable and appropriate rental properties. This study defined an *affordable* rental property as one which required up to 30% of a household's income in rent. Exceeding the 30% benchmark is commonly seen as an indicator of housing stress among low-income households. In terms of *appropriateness*, share accommodation was only deemed appropriate for single person households and inappropriate for those receiving a Disability Support Pension. A bedsit or one-bedroom property was deemed to be the minimum necessary for a couple without children, a 2-bedroom property was the minimum necessary for a couple or single parent with one child and a 3-bedroom property was the minimum necessary for a family with two children. It should be noted that the last of these minimum levels, which brings our reporting into line with Anglicare Australia's reporting, was not adopted in Anglicare Sydney reports prior to 2025. The general effect of this change is to reduce the number of affordable and

appropriate properties identified for families with children, particularly minimum wage households. All numbers from previous years cited in this report have been adjusted to reflect this assumption.

Base income levels were calculated for 13 household types: nine receiving government benefits as the primary income source and four on the minimum wage. Apart from the income received for each type of benefit, Commonwealth Rent Assistance (CRA), Family Tax Benefit (FTB) Parts A and B, Energy Supplement, Pension Supplement and Pharmaceutical Allowance were also included in household income. The most recent levels of benefits introduced after 20th March 2026 were used. It was assumed that households receiving the minimum wage were receiving the lowest after-tax level of this wage; Family Tax Benefits and Parenting Payments were also included where applicable.

The following report provides results for Greater Sydney^a and the Illawarra Region (including Shoalhaven and the Southern Highlands).^b According to the 2021 Census, there were around 1.8 million households in Sydney (including the Central Coast) and almost 180,000 in the Illawarra and surrounds – collectively accounting for about two-thirds (69%) of households in NSW. Nearly one third of households in Sydney (32%) and over one fifth of households in the Illawarra (22%) were privately renting their home.



Anglicare Sydney assists individuals and families on low incomes with affordable housing or other supports. We provide secure and affordable tenancies for over 800 residents through our social and affordable housing, where residents pay up to 30% of their income on rent. About three in four residents are over 65 years old, and six in seven are women. Before coming to Anglicare's social and affordable housing, about half were in the private rental market and over a third were homeless or in insecure housing (such as staying with a friend or living in a refuge). In addition, Anglicare Sydney provides a small number of transitional accommodation units for families fleeing family and domestic violence (FDV).

Anglicare Sydney has also recently begun providing affordable housing for key workers, where residents pay rent at a discount from the market rate. This housing is for low-income workers who provide essential services in industries such as aged care, health, hospitality and education, to allow them to live closer to their place of employment. There are plans to expand the number of dwellings and geographical reach of our key worker housing, through building new housing, purchasing and/or converting existing housing and forming partnerships with other entities to provide housing.

In 2025, Anglicare Sydney assisted over 14,200 clients through our Financial Wellbeing and Community programs, providing support for households experiencing financial hardship. These services provide material assistance, such as help with rental arrears and utility bills, alongside casework support such as financial capability training and financial counselling, with the aim of relieving short-term financial pressure while strengthening people's ability to manage their finances.

Across all visits to Anglicare community hubs in 2025, there were 1,100 instances of assistance with rental arrears to help clients maintain their tenancy. These rental arrears services utilised DSS funds of over \$1,000,000 during the year. The average cost of a rental arrears service in 2025 was \$921, a 47% increase since 2019 when the average cost was \$625, reflecting rising rents and the growing level of financial support required to prevent tenancy loss.



Findings

The number of advertised rentals has not returned to pre-pandemic levels

On the Snapshot weekend, **12,155** private properties were advertised for rent in Greater Sydney and the Illawarra. This was a 9% decrease from the number of listings in 2025 (n=13,334) and was 49% less than the number of listings in 2019 (n=23,921), prior to the COVID-19 pandemic.

Only 10 properties were affordable and appropriate for those on income support

While a property can be affordable and appropriate for more than one household type, such properties have only been counted once in the total. It was found that only **10** unique properties in Greater Sydney and the Illawarra were affordable and appropriate for people living on income support payments without placing them into housing stress. Most of these properties were in Greater Sydney (n=7) and three were in the Illawarra region.

Among households receiving **income support payments**, couples on the Age Pension had the largest number of affordable and appropriate properties available to them across Sydney and the Illawarra (n=8), followed by single people on the Age Pension (n=2). No suitable properties were found for couples with two children receiving the JobSeeker Payment, single parents with two children on the Parenting Payment, single parents with one child on either JobSeeker or Parenting Payment, or single people on the Disability Support Pension, JobSeeker or Youth Allowance.

In the 2026 Snapshot, there were 10 affordable and appropriate properties available for people on benefits, a lower number than the 17 properties in 2025. In both years, this represents only 0.1% of all properties which were advertised on the Snapshot weekends and underlines that the vast majority of households living on benefits and renting in the private rental market would typically experience housing stress.

Only 184 properties were affordable and appropriate for those on the minimum wage

There were **184** unique properties in Greater Sydney (including the Central Coast) and the Illawarra that were affordable and appropriate for people living on the minimum wage without placing them into housing stress. Most of these properties were in Greater Sydney (n=155) with the remainder in the Illawarra region (n=29).

The Snapshot results revealed that **minimum wage earners** had a greater chance than people on benefits of obtaining housing without being put under housing stress. Prospects were best for couple families where both partners earned the minimum wage (n=177). However, few affordable properties were available for other household types dependent on the minimum wage. For instance, single parents with two children on the minimum wage who were also eligible for Parenting Payment Single could only afford three suitable properties.

In the 2025 Snapshot, there were 242 unique affordable and appropriate properties available for minimum wage households, compared with 184 in 2026; the proportion has also dropped slightly from 1.8% to only 1.5% of all properties advertised on the Snapshot weekend. In the past five years, the number of affordable and appropriate properties for single people earning the minimum wage has plummeted, from 97 in 2021 to only 7 this year.

Advertised share houses continued to increase but were largely unaffordable for people on the JobSeeker Payment and Youth Allowance

Share accommodation is an important source of housing for single people on low incomes. Around the Snapshot weekend, an indicative search of share accommodation advertised on the *Flatmates.com.au* website was undertaken for the Sydney region and the Wollongong region.^c Of the 3,252 share properties advertised in the Sydney region, 73 were affordable for a single person on the Age Pension and 241 were affordable for a single person on the minimum wage. Only two share properties were affordable for a single person on the JobSeeker Payment and two share properties were affordable for a person on the Youth Allowance.

In the Wollongong region, 5 out of 103 share houses were affordable for a person on the Age Pension and 19 were affordable for a person on the minimum wage. No share properties were affordable for a person on JobSeeker or the Youth Allowance. No analysis of appropriateness was conducted on these share-houses. From a more detailed analysis of the *Flatmates* website conducted in 2020,¹ it is likely that a significant proportion of the listings would be inappropriate for the single person households in this Snapshot; for example, having special conditions attached (e.g. females or students only).

The total number of share houses advertised on the *Flatmates* platform in Sydney and Wollongong

increased by 7%, from 3,134 in 2025 to 3,355 in 2026. Since 2023, the number of share houses has more than doubled. However, the proportion of share houses which were affordable for a single person on the Age Pension has remained at 3% or lower in the last four Snapshots. In the same period, the proportion affordable for a person on the minimum wage has been 9% or lower. Shrestha *et al.* (2023) found that the median rent for share accommodation in Sydney advertised on the *Flatmates* website in August 2022 was \$300 per week,² which is unaffordable for any single person living on benefits or the minimum wage in this study.



Aaliyah

Aaliyah lives in private rental accommodation in South West Sydney with her three young children and extended family members. She relies solely on the Parenting Payment as her source of income. Following family violence by her former partner, Aaliyah has been unable to secure alternative housing due to the severe shortage of affordable rental properties. As a result, she remains in an overcrowded living

arrangement that does not meet her family's needs.

Aaliyah has lived in the same rental property for around ten years. Over this period, the rent has increased every year, rising from \$450 per week to \$620 per week. Paying the rent is her highest priority and is always the first expense she covers each fortnight.

Once rent is paid, there is very limited income available for other essentials such as food, transport, clothing and medications. When prices increase or unexpected costs arise, Aaliyah has little flexibility and must reduce spending on these basic needs. At times, she has relied on food vouchers from Anglicare to help manage short term financial pressure.

Despite the financial strain, Aaliyah continues to prioritise housing stability for her children. However, ongoing rent increases have progressively reduced her capacity to cover everyday expenses, leaving her household under persistent financial stress.

Aaliyah's experience illustrates how women and families on low incomes can remain trapped in unsuitable or unsafe housing due to the lack of affordable rental options. For households reliant on income support, even long-term tenancies can become increasingly unaffordable as rents rise year after year.

Table 1: Number of Affordable and Appropriate Private Rental Properties Advertised on 14-15 March 2026 in Greater Sydney and the Illawarra, by Household Type

#	Household Type	Income Type	Number Affordable & Appropriate*	Percentage Affordable & Appropriate
1	Couple, two children (one aged less than 5, one aged less than 10)	JobSeeker Payment (both adults)	0	0%
2	Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	0	0%
3	Couple, no children	Age Pension (both adults)	8	0.07%
4	Single, one child (aged less than 5)	Parenting Payment Single	0	0%
5	Single, one child (aged over 14)	JobSeeker Payment	0	0%
6	Single	Age Pension	2	0.02%
7	Single aged over 21	Disability Support Pension	0	0%
8	Single	JobSeeker Payment	0	0%
9	Single aged over 18	Youth Allowance	0	0%
Total unique properties for Income Support recipients			10	0.08%
10	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage (both adults)	177	1.46%
11	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage (one adult), Parenting Payment Partnererd	3	0.02%
12	Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage and Parenting Payment Single	3	0.02%
13	Single	Minimum Wage	7	0.06%
Total unique properties for Minimum Wage recipients			184	1.51%
Total Properties advertised			12,155	

*assumes a three-bedroom property is necessary for a family with two children

Greater Sydney and the Illawarra

Affordable and appropriate rental properties for low-income households by region 2026

Lithgow Region

2 properties for income support households
15 properties for minimum wage households
out of **33** rentals advertised

Sydney - Western

1 property for income support households
74 properties for minimum wage households
out of **2,129** rentals advertised

Sydney - South

2 properties for income support households
3 properties for minimum wage households
out of **1,197** rentals advertised

Illawarra

1 property for income support households
5 properties for minimum wage households
out of **392** rentals advertised

Southern Highlands & Shoalhaven

2 properties for income support households
24 properties for minimum wage households
out of **232** rentals advertised

Sydney - Central Coast

0 properties for income support households
18 properties for minimum wage households
out of **573** rentals advertised

Sydney - North

1 property for income support households
2 properties for minimum wage households
out of **1,627** rentals advertised

Sydney - Greater Parramatta

1 property for income support households
42 properties for minimum wage households
out of **2,511** rentals advertised

Sydney - CBD & Surrounds

0 properties for income support households
1 property for minimum wage households
out of **3,461** rentals advertised

The five Greater Sydney regions shown in this map are the five Districts of the NSW Department of Planning, Housing and Infrastructure. The four regions outside Greater Sydney are the Central Coast Statistical Area Level 4 (SA4); the Lithgow region (postcodes 2790, 2845 and 2847); the Illawarra SA4; and the Southern Highlands and Shoalhaven SA4.

A further breakdown of results into 17 SA4's can be found in a separate report, *Rental Affordability Snapshot 2026: Breakdown of Results by Statistical Area*.

Discussion

Income support households

The findings above show how difficult it is for people in Greater Sydney and the Illawarra regions of NSW living on low incomes to find appropriate and affordable rental accommodation. The situation is particularly difficult for people living on income support payments. Our Snapshot found that there were no affordable and appropriate rental properties advertised on the Snapshot weekend for any of the households on any payment other than the Age Pension. These results highlight the entrenched disadvantage faced by working-age people on income support, who have virtually no chance of securing housing without experiencing rental stress.

Within Greater Sydney and the Illawarra, the 10 unique affordable and appropriate rental properties for households dependent upon income support payments were scattered across North Sydney and Hornsby (n=1), Parramatta (n=1), Inner South West Sydney (n=1), Blacktown (n=1), Outer West Sydney and Blue Mountains (n=1) and the Lithgow region (n=2).^d There was one affordable and appropriate property located in the Illawarra and two properties in the Southern Highlands/Shoalhaven region. For 10 out of the 18 regions in Greater Sydney and the Illawarra, there were no affordable and appropriate rentals for any households on income support payments. These results confirm that areas outside metropolitan Sydney, such as the Central Coast, Blue Mountains, Illawarra and South Coast, cannot be relied upon as lower-cost alternatives, as they also face their own critical lack of affordable and appropriate rental housing.

Minimum wage households

Although minimum wage households had greater access to affordable rental properties than those on income support, the overall number of affordable and appropriate rentals in Greater Sydney and the Illawarra remains extremely limited. Only 184 unique rental properties were affordable and appropriate for these households, representing just 1.5% of the total. Properties suitable for minimum wage households in this study were largely located in Blacktown (n=39),

South West Sydney (n=27), Outer West Sydney and Blue Mountains (n=25), Outer South West Sydney (n=20), the Central Coast (n=18) and the Lithgow region (n=15). Some 24 suitable properties were also available in the Southern Highlands and Shoalhaven and 5 in the Illawarra.

Across Greater Sydney and the Illawarra, far fewer properties were available for a couple or single parent with two children, earning only one minimum wage (n=3 or 0.02% of advertised properties for both households), compared with a couple with two children where both partners earned the minimum wage (n=177; 1.5%). This shows that even full-time work paid at the minimum wage is insufficient to secure an affordable rental property. The limited availability of affordable rental properties for such households increases the likelihood of rental stress, the acceptance of inappropriate housing and the experience of long commuting times.

The decline in recent years in affordable rentals for minimum wage earners is particularly concerning. Comparing this year's Snapshot with the results from five years ago, during the COVID-19 pandemic, shows that the availability of affordable rental properties for minimum wage households in Sydney and the Illawarra has fallen from 5.4% to just 1.5% of advertised properties. There were 1,342 unique affordable and appropriate properties in 2021 compared with 184 properties in 2026, an 86% decrease.

Share accommodation

The growing number of advertised share houses highlights how renters are adapting to the lack of affordable apartments and houses by seeking alternative forms of housing. While share accommodation listings have increased substantially since 2023, the Snapshot shows that this growth has not translated into meaningful gains in affordability for people on the lowest incomes. Very few share properties were affordable for people on the JobSeeker Payment or Youth Allowance, and even share accommodation deemed affordable may be inappropriate due to conditions placed on tenants.



Numbers of advertised rentals

This year's Snapshot weekend had a lower number of properties listed for rent in Greater Sydney and the Illawarra than last year, from 13,334 in 2025 to 12,155 in 2026, an overall decrease of 9%. The number of listings remains far below the pre-pandemic number of 23,921 in 2019. This limited availability intensifies competition, placing upward pressure on rents and further disadvantaging low income households who are the group least able to compete in a tight rental market.

The Illawarra region experienced a greater fall in listings since 2025 than Greater Sydney (-18% compared with -8%). Within Greater Sydney, most regions saw decreases in listings of between 0% and -19% except for the Lithgow region (+14%), Outer South West Sydney (+12%), the Eastern Suburbs (+4%) and South West Sydney (+2%). These results were reflected in very low vacancy rates recorded in both Sydney (1.1% in March 2026) and Wollongong (0.8%), which were even lower than at the time of the Snapshot last year.^{3,4}

Sydney and the Illawarra remain unaffordable

Sydney remains the most expensive capital city rental market in Australia for both houses and units. The median rent for houses across Greater Sydney in the December quarter of 2025 showed an annual increase of +3.9% to \$800 per week. Median rents for units in Sydney increased over the year to December 2025 by +7.1% to \$750 per week. In Wollongong, the median rent for houses increased by +5.6% over the year to December to \$750 per week and, in the Shoalhaven, the median rent for houses was \$580 per week in December 2025.⁵ Rents in all areas remain high compared with income support payments and wages.

While some factors influencing rental demand and supply have shifted since the COVID-19 pandemic, the core drivers of unaffordability remain. Systemic failures mean that the private rental market is not delivering housing that is affordable for people on the lowest incomes. Inadequate investment in social and affordable housing, combined with income support payments and wages that lag far behind market rents, has left low-income households with few viable options in Greater Sydney and the Illawarra.

Conclusion

In conclusion, the 2026 Rental Affordability Snapshot shows very few affordable and appropriate housing options for low-income renters in Greater Sydney and the Illawarra. Regardless of fluctuations in the number of listings, for more than a decade the Snapshot has consistently shown that renting in the private market is unaffordable for people living on government income support payments. For households on the minimum wage, the number of affordable rental properties has declined markedly in recent years, further limiting their options in a tight rental market and pushing them into housing stress.

The results from Rental Affordability Snapshots over the years show that the rental crisis in Sydney and the Illawarra will not be resolved unless decisive action is taken by Government. This points to the need for coordinated policy responses that address both the structural drivers of unaffordability and the immediate pressures faced by low-income renters. The following section outlines a set of targeted policy recommendations aimed at increasing affordable housing supply, supporting people to remain housed, and prioritising those most vulnerable to housing instability.



Daniel

Daniel is 72 years old and lives with his wife in private rental accommodation in Greater Sydney. They rely primarily on the Age Pension, supplemented by a small amount of superannuation. Daniel's wife has long-term health issues, and the household lives on a fixed and limited income.

Daniel and his wife have rented the same property for around five years. Paying the rent is their highest priority and is always covered before other household expenses. Living on a fixed income leaves little room to absorb rising costs, and Daniel is acutely aware that renting offers none of the long-term security associated with home ownership.

Household finances became more constrained when their adult daughter moved back into the home after being unable to sustain her own private rental due to health issues and rising rents. While the arrangement provided family support, it also increased everyday living costs.

Daniel is increasingly concerned about their future housing situation as they age. The property has multiple steps and limited accessibility, making it difficult for his wife to move around safely. As renters, they are restricted in what modifications can be made, and Daniel knows that moving to a more suitable home would likely involve significantly higher rent.

Reflecting on the broader housing situation, Daniel feels that renters like him are being left behind. *"You might be able to live on the pension if you own your own house," he says, "but if you're paying rent, I don't know how you're supposed to manage."*

Daniel's experience highlights the precarious position of older renters on low incomes, for whom paying market rent alongside basic living costs makes housing security increasingly difficult to maintain.

What can be done?

Greater Sydney and the Illawarra are in the midst of an escalating rental affordability crisis that requires urgent and sustained action from both Federal and State Governments, working in partnership with community organisations and the housing sector.

This final section of the report sets out three key recommendations to Government. For each, we outline the nature of the problem, the current policy context, and the practical actions required to improve housing affordability and stability for renters across the region.

Addressing the rental crisis requires action across three fronts:

- increasing the supply of social and affordable housing,
- increasing financial assistance and other supports for private renters, and
- prioritising support for the most vulnerable.

Recommendation 1: Protect and grow the supply of social and affordable housing

What is the problem?

Australia's social housing system is unusually small by international standards. Australia ranks among the lowest in OECD countries for its proportion of social housing, sitting at 4% of total housing stock,⁶ compared with around 16-17% in the UK. Despite national efforts that have increased the number of social dwellings, the proportion of social housing in Australia is actually falling, decreasing from around 4.8% of housing in 2011 to 4.1% in 2024.⁷

It is estimated that there is a shortfall in social housing of 640,000 households nationally, with 144,700 in NSW alone.⁸ Clearly, our nation needs further social housing provision to support a growing population that is under increased financial pressure in the housing system.

Alongside an acute need for more social housing, increased pressure across Australia's housing system has also created a growing need for affordable housing. Many households earn too

much to qualify for social housing but cannot secure stable housing in the private rental market without experiencing significant financial stress. As a result, around 13% of all households live in housing stress,⁹ a figure that rises to 82% among low-income rental households.¹⁰ Affordable housing is designed to address this gap, providing homes at below-market rents for low- and moderate-income households who would otherwise struggle to meet their rental costs.

What is being done?

At the federal level, policy has increasingly focused on financing mechanisms to expand social and affordable housing supply. The central initiative is the Housing Australia Future Fund (HAFF), administered through Housing Australia, which aims to support the delivery of social and affordable homes. This is now in its final round of allocations, with no indication of further housing funding beyond then. The Commonwealth is also progressing the National Housing Accord, a national partnership with the States and industry to support the provision of 1.2 million new homes by 2029, including affordable housing commitments. In addition, the National Housing Infrastructure Facility provides concessional finance for infrastructure that unlocks housing development. While these are helpful in advancing the supply of social and affordable housing, they are unable to address the full scale of social and affordable housing needs in Australia.

At the state level, the NSW Government has introduced a range of planning and delivery mechanisms intended to support social and affordable housing. The state's approach is guided by the NSW Housing and Homelessness Plan and related housing strategies, alongside planning reforms such as the NSW Housing Pattern Book aimed at accelerating housing delivery. NSW also continues to use inclusionary affordable housing mechanisms in selected precincts, requiring developer contributions towards affordable housing. Earlier supply programs, such as the Social and Affordable Housing Fund, delivered social and affordable homes through partnerships with community housing providers but are now closed.

What can be done?

Federal Government

- **R1.1 A greater commitment to social housing investment**

In a time of unprecedented housing challenge, radical investment is needed to ensure Australia has a functional social housing sector. The Federal Government needs to partner with the States and Community Housing Providers to deliver an additional 10,000 new social dwellings annually.

- **R1.2 Reform tax settings**

The Commonwealth could generate significant funding for social and affordable housing by reforming existing tax concessions. Around \$800 million per year is currently foregone through Build-to-Rent (BTR) tax concessions.¹¹ Requiring projects to include at least 15% affordable housing as a condition of eligibility would reduce this fiscal cost while ensuring public subsidies deliver broader housing benefits. Similarly, Capital Gains Tax (CGT) discounts cost the federal budget around \$27 billion annually. Rebalancing these discounts to favour new housing supply over existing detached dwellings could both reduce foregone revenue and support additional housing construction.

State Government

- **R1.3 Prioritise Government land for social and affordable housing**

Expand the use of suitable Government-owned land in areas of high housing demand to support the delivery of new social and affordable housing, ensuring public land contributes directly to addressing housing need.

- **R1.4 Introduce mandatory inclusionary zoning across NSW**

Introduce mandatory inclusionary zoning, requiring a proportion of homes in new developments and major rezonings to be reserved for affordable housing. These homes should remain as affordable housing into the long term and be managed by Community Housing Providers to ensure appropriate ongoing allocation and management.

- **R1.5 Strengthen partnerships with Community Housing Providers**

Increase capital funding and partnership opportunities with Community Housing Providers to expand their capacity to deliver and manage new social and affordable housing across NSW.

Recommendation 2: Increase financial assistance and other supports for private renters

What is the problem?

The growing challenges within our housing system are not just supply-side challenges, but also barriers to affordability and accessibility. Despite massive government investment in new housing, this has so far failed to impact the affordability crisis in the private rental market. There remains a vast gap between the rate of growth in incomes and the rate of growth in housing costs.

Over the last 10 years, average wages have grown at around 2.6% annually,¹² barely keeping up with average inflation of around 3% annually,¹³ meaning that real wages have stagnated or been in decline. Over the same period, average house prices grew by roughly 5% to 5.5% per year,¹⁴ and rents grew by around 4% annually.¹³ In practical terms, real incomes have stagnated or declined, while housing costs have risen significantly.

The result is that housing has simply become less affordable for many Australians, particularly those on low incomes and government benefits. As housing is the greatest cost for most Australian households, this demonstrably impacts quality of life. Some 60% of people receiving the JobSeeker Payment and 72% of people receiving the Parenting Payment live in poverty, as well as 52% of people in public housing.¹⁵

What is being done?

At the federal level, the main measures aimed at addressing affordability pressures have focused on building more housing through the Housing Australia Future Fund (HAFF) and the Housing Accord. Outside of this, there have been annual incremental increases to income supports. The Commonwealth has delivered modest increases to Commonwealth Rent Assistance, alongside small adjustments to payments such as JobSeeker and Parenting Payment in recent federal budgets. While these increases provide welcome additional support for low-income households, they remain insufficient to keep pace with rising rents and the widening gap between incomes and housing costs.

At the state level, the NSW Government has focused primarily on measures aimed at increasing overall housing supply through planning reforms and accelerated approvals. These include new planning pathways intended to support social and affordable housing developments, and broader rezoning initiatives designed to increase housing construction. While these reforms aim to increase housing supply over time, there is ongoing debate about whether supply-focused measures alone will significantly improve affordability for low-income households facing immediate cost pressures. In 2025, the private rental sector in NSW underwent reform to end “no grounds” evictions, limit the frequency of rent increases, and make it easier for renters with pets, among other changes. The NSW Rental Commissioner has overseen important and overdue changes to the rental sector; however further reform is needed to ensure renters face less rental volatility.

What can be done?

Federal Government

- **R2.1 Increase JobSeeker and Youth Allowance**

Increase the JobSeeker Payment to \$80 per day to ease pressure on Australians most acutely affected by poverty and cost-of-living pressures, providing social benefits to the most vulnerable in society and delivering \$1.24 in economic and health returns for every dollar spent.¹⁶ It is also important to help younger Australians living out of home by

increasing the Youth Allowance, to bring it into line with JobSeeker rates to support young people hit hardest by the rental market.

- **R2.2 Increase and re-index Commonwealth Rent Assistance**

Enhance rental affordability by increasing Commonwealth Rent Assistance by 40% for singles and 50% for couples to relieve pressure on those worst affected by increasing private rents. In addition, adjust indexation to the cheapest 25% of rentals in the market to address realities faced by renters.

State Government

- **R2.3 Invest in wraparound supports**

While the Social and Affordable Housing (SAHF) program included tailored support for residents, this has not been replicated in more recent funding for social and affordable housing. The State Government should also invest in wraparound support services to ensure better sustained tenancy outcomes for vulnerable tenants.

- **R2.4 Strengthen renters’ rights**

Continue to strengthen tenancy protections to improve security and stability for renters. This should include tighter limits on rent increases, stronger protections against unfair evictions, and improved dispute resolution processes so that renters are better able to maintain stable housing in a tightening rental market.

Recommendation 3: Prioritise vulnerable groups in our housing system

What is the problem?

As Australia’s housing system sustains more pressure, the effects are felt unequally. Many groups are disproportionately affected by negative outcomes in affordability, supply, and quality of housing, including low-income renters, single-parent households, older women, young people, people receiving income support, First Nations Australians, and people experiencing domestic and family violence.

The 2026 Anglicare Rental Affordability Snapshot demonstrates that, across Australia, people receiving JobSeeker can afford less than 1% of rental listings,¹⁷ highlighting the extreme mismatch between income support payments and the cost of housing. This leaves many households unable to secure stable housing without experiencing significant financial stress.

Some groups face particularly acute housing disadvantage. Older women are one of the fastest growing groups experiencing homelessness in Australia, often due to lower lifetime earnings and superannuation balances, relationship breakdown and insecure housing later in life.¹⁸ First Nations Australians are also significantly more likely to experience homelessness, with rates around eight times higher than for non-Indigenous Australians.¹⁹

Domestic and family violence (DFV) is the leading cause of homelessness among women and children in Australia, with large numbers approaching homelessness services each year after leaving unsafe living situations.²⁰ Without safe and affordable housing options, many victim-survivors face the impossible choice between homelessness and remaining in unsafe situations.

What is being done?

At the federal level, responses to housing vulnerability have largely focused on targeted support programs for people at risk of homelessness. Through the National Housing and Homelessness Agreement, the Commonwealth provides funding to states and territories to support homelessness services and housing assistance for vulnerable groups. Federal funding also supports programs addressing domestic and family violence and housing instability, including crisis accommodation and specialist homelessness services. While these programs provide critical support to people experiencing housing insecurity, they primarily respond to housing crises after they occur rather than addressing the structural drivers that place vulnerable groups at greater risk of homelessness.

At the state level, the NSW Government funds a range of homelessness and support services aimed at assisting people experiencing acute housing stress. These supports include crisis accommodation, transitional housing and specialist services for groups such as victim-survivors of domestic and family violence, young people and Aboriginal and Torres Strait Islander communities. NSW has also introduced targeted housing initiatives for vulnerable groups, including programs aimed at supporting people exiting homelessness services or leaving unsafe domestic situations. While these measures provide important frontline assistance, many services report demand significantly exceeding available support, reflecting the growing number of households at risk of homelessness.

What can be done?

Federal Government

- **R3.1 Expand funding for crisis and transitional accommodation**

Extend and expand the Housing Australia Future Fund Crisis and Transitional Accommodation Program and ensure it is funded at \$40 million per year until at least 2036. Sustained investment would support the development of additional crisis and transitional accommodation for people experiencing homelessness and those leaving unsafe domestic situations.

- **R3.2 Improve financial supports for people leaving domestic and family violence**

Amend eligibility criteria within the No Interest Loan Scheme (NILS) to remove continuity-of-address requirements for people fleeing domestic and family violence. This would enable victim-survivors to access immediate no-interest loans for essential relocation costs such as appliances, transport and household goods.

- **R3.3 Establish a national pipeline of recovery housing for victim-survivors**

Create a national pipeline of purpose-built, long-term domestic and family violence recovery housing, funding at least 3,000 new dedicated social and affordable homes per year. Homes should be delivered through Community Housing Providers in partnership with specialist DFV services to ensure safe, long-term housing pathways.

State Government

- **R3.4 Expand homelessness prevention services for older Australians**

Fund an early intervention and homelessness prevention service for older Australians, modelled on Victoria's *Home at Last* program. This program supports older people experiencing or at risk of homelessness for the first time, by providing housing information, advocacy, referrals and practical support. A cost-benefit analysis found that every dollar invested in *Home at Last* generated \$2.30 in social value.²¹

- **R3.5 Increase transitional housing pathways for people leaving homelessness services and DFV services**

Invest in additional transitional housing programs for people leaving crisis accommodation or domestic and family violence services, ensuring that short-term crisis responses are connected to stable medium-term housing options.

- **R3.6 Enable “Meanwhile Use” of vacant or under-utilised property for transitional housing**

Establish planning and funding mechanisms that allow vacant government land and buildings to be temporarily repurposed for transitional accommodation while awaiting redevelopment. “Meanwhile” housing models can provide rapid, flexible accommodation for people experiencing homelessness while longer-term housing supply is developed.






Endnotes

- a. 'Greater Sydney' is here defined as the Sydney Greater Capital City Statistical Area (GCCSA) including the Central Coast and the Lithgow region (postcodes 2790, 2845 and 2847).
- b. The 'Illawarra Region' is here defined as the Illawarra Statistical Area Level 4 (SA4) and the Southern Highlands and Shoalhaven SA4.
- c. Flatmates regions used.
- d. For complete results by Statistical Area Level 4 region, refer to *Rental Affordability Snapshot 2026: Breakdown of Results by Statistical Area – Greater Sydney and the Illawarra* on Anglicare Sydney's website <https://www.anglicare.org.au/research-and-advocacy/>

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