

# Age is the most significant predictor of housing stress, study finds

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Credit: AI-generated image ([disclaimer](#))

While everyone is feeling the pinch from the rising cost of living and inflation, a new study says younger people are experiencing the pressure most when it comes to housing.

Findings published in a recent [AHURI report](#) led by UNSW Canberra

suggest it's bleak for adults under 25, who are estimated to enter [housing stress](#) at three times the rate of those aged 65 and above.

For the research, the team, which included researchers from UNSW Sydney and the Swinburne University of Technology, developed a [predictive model](#) for entering housing stress based on the complexity of critical [life events](#) in interaction with household resources. To create the model, they used data from the [Household, Income and Labor Dynamics in Australia \(HILDA\) Survey](#) between 2005 and 2018, which follows the lives of more than 17,000 Australians.

They found age is the biggest predictor of the risk of entering housing stress, with adults under 25 being 214% more likely to struggle with housing costs than [older adults](#) aged 65 and above. The risk reduces slightly to 154% for those aged 25–34 and 156 for those aged 35–44.

Employment status is the next largest predictor after age, with [unemployed people](#) 144% more likely to enter housing stress than those in full-time employment. Not having a university education is associated with a 78% higher risk of entering housing stress.

A person is considered to be in housing stress if they're in the bottom 40% of [income distribution](#) and spending more than 30% of their before-tax income on [housing costs](#). Those in housing stress may not have enough remaining to cover food, clothing and other essentials.

"Different critical life events occur at different ages, which can have an impact on household income and push people into housing stress," says Dr. Milad Ghasri, lead author of the report from UNSW Canberra.

"Using a risk-pathway model, we can detect based on certain factors which demographics might be likely to enter into housing stress following certain life events but are not yet eligible for support, and if they're likely to recover from it without intervention."

The research also found that renters are 125% more likely to enter housing stress than owners and are also less likely to recover from it. The probability of recovering from housing stress in the first year of entering housing stress is 39.4% for renters and 48.9% for homeowners.

"Renting is much more insecure than homeownership. It's a particularly insecure tenure in Australia, more so than in many other countries, because of our limited protections for renters, including allowing no grounds terminations and unlimited rent increases," says Professor Hazel Easthope, Deputy Director of UNSW's City Futures Research Center and a report co-author.

## **Understanding housing stress and life events**

While young to early middle-aged adults between 18–44 years, those looking for work and people living in [rental housing](#) are the groups most vulnerable to housing stress, those aged 65 and above who own their own home, have a postgraduate degree and are engaged in full-time employment are the most resilient to housing stress.

"Life events that impact housing stress can occur more rapidly for [younger people](#) who have not had a chance to build up the safety net to fall back on, such as savings from their career or support systems," Prof. Easthope says. "But the impact of housing stress can be extreme, no matter the age."

While younger adults are more likely to enter housing stress, they're also more likely to recover from it, according to the research. However, adults aged 65 and above who are less likely to enter housing stress are much less likely to exit it if they do.

"For [older people](#), if they use up all their resources, they may not be able to easily pivot in the job market or have certain obligations which make

it less likely they will recover if they fall into housing stress following a critical life event," Dr. Ghasri says.

The critical life events that increase the likelihood of entering housing stress are the birth/adoption of a child, separation, marriage, giving care to a family member, or being let go or made redundant. The researchers say understanding more about these events as contributors to housing stress can support proactive policy options.

"A significant shortcoming of housing assistance is that it's provided only once someone is in urgent need," Dr. Ghasri says. "Rather than stepping in once someone is already struggling, we can use modeling to shape early intervention policies, which may reduce the need for long-term assistance."

Provided by University of New South Wales

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