

Number of Australians facing housing stress doubles

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The number of Australians who couldn't pay their rent or mortgage on time has more than doubled due to COVID-19, new data from The Australian National University (ANU) shows.

The survey of more than 3,200 people shows the proportion of Australians not being able to meet their regular [housing](#) costs jumped from 6.9 percent in April to 15.1 percent in May.

Study co-author, Professor Matthew Gray, said the findings also paint a disturbing picture for renters and young adults when it came to [housing stress](#).

"Our findings show the level of housing stress is substantially higher for renters than [mortgage](#) holders," Professor Gray said. "What's also worrying is that [young adults](#) are experiencing very high rates of housing stress, with 44 percent of people aged 18 to 24 years unable to pay their rent on time. Young Australians are still more likely to be in housing stress once income and [socioeconomic status](#) is controlled for, suggesting that there is more to housing stress than just income for this group. This is because their accumulated savings and wealth are likely to be low."

The survey also examined policies introduced by Australian governments and banks to protect renters and mortgage holders who are unable to make their payments.

"These policies are helping with 22.2 percent of mortgage holders being successful to reduce or freeze their mortgage payments," Professor Gray said. "Just over one-in-ten renters have been able to reduce or freeze their payments. Everyone needs a safe and secure housing and a roof over their heads. If incomes start to fall at the bottom end of the income distribution then many Australians will be on shaky ground."

The study shows the number of Australians aged 18 to 24 who experienced higher levels of housing stress increased threefold between April and May—from 10.3 percent to 27.5 percent.

"We also found an almost threefold increase in housing stress for

Australians aged 35 to 44 over the same period, with the proportion rising from 5.9 percent to 19.1 percent," study co-author Professor Nicholas Biddle said. "Clearly the COVID-19 pandemic has put lots of young Australians under incredible stress. And this is while they are also likely dealing with other major stresses in their lives like potential loss of [income](#)."

More information: Biddle et al., COVID-19 and mortgage and rental payments: May 2020 (2020). csrm.cass.anu.edu.au/sites/default/files/2020-06/20200520_housing_FINAL.pdf

Provided by Australian National University

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