

Census shows group solution to high housing costs

- ELIZA OWEN
- The Australian
- 12:00AM June 29, 2017
- [Save](#)
-
-

While wage growth sits at a record low 1.9 per cent against higher costs in basic needs like housing and health, and consumer confidence hits a 12-month low, it is no wonder that people are paying more attention than ever to the census.

The new data give a clearer perspective of the state of Australian households, and how households are changing in response to factors such as housing affordability and low income growth.

The 2016 census data reveals how people are dealing with unaffordable housing in the capital cities: a rapid increase in group households.

A group household is one that consists of two or more unrelated people, where all residents are 15 or over. The national increase in group households in the five years to 2016 was 10.5 per cent. This is lower than the previous census, which was 14.35 per cent, and coincided with rents rising over 38 per cent in the five years.

However, the group household type grew rapidly compared with a 7 per cent rise in the number of total households, and 7 per cent in the number of single households across Australia.

Where there have been high house price pressures such as in Sydney, the number of share households rose by an astonishing 18 per cent from the previous census against a total household rise of about 7 per cent.

While social and demographic trends may explain the increase in group households — such as people marrying later in life and still qualifying as a “group” household — it is important to recognise the relationship between increasing rents and deposit hurdles, and the rise of share housing. Indeed, the decision to marry later could be the result of being unable to attain a family home earlier.

The toughest barrier to entering the housing market is saving a deposit. The 2016 census data suggests that since 2011, the typical household mortgage

repayment across the capital cities was either unchanged, or fell (with the exception of Darwin) in the wake of low interest rates.

The 2011 census was taken when the average standard variable rate was 7.8 per cent. By the 2016 census it had fallen to 5.25 per cent. Lower interest rates reduced the cost of outstanding mortgages while new homeowners also benefited from lower interest rates, despite those same low interest rates encouraging rapid price increases in several of the capital cities.

Another contentious issue is the number of vacant homes in a time of housing pressures.

At the time of the census, 11.2 per cent of dwellings were recorded as unoccupied — which worked out to over one million homes across Australia.

Eliza Owen is commercial research analyst at CoreLogic.