

# Australian working class faces rental affordability crisis

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A recent report on the housing crisis in Australia reveals a broken system of soaring rental costs, stagnant or declining wages, and the evisceration of public and social housing.

The report, “Out of Reach: Australia’s Rental Crisis and the Decline of Social Housing” was produced by Everybody’s Home, a national campaign organisation dedicated to raising attention to the housing crisis. It is based on SQM Research Weekly Rents Index, which tracks advertised rent prices across the country.

The report shows, through a comparison of current rental prices with those of three and ten years ago, that renters are “being pushed to the brink” as housing costs are not only outpacing wages, but are increasing at an ever faster rate.

Every capital city has been impacted, with the steepest increases in places once considered affordable, such as Adelaide and Hobart.

On average across all capital cities, house rent prices have increased 59.8 percent to \$858 per week over the past ten years. Units have seen an increase of 52.4 percent to \$639 per week.

The sharpest increase has come in the past three years. Since 2022, house rents across the country have increased by an average of \$205 per week, or 31.3 percent, and units by \$168 (35.7 percent).

In the state capitals:

- Brisbane house rents have reached an average of \$754 per week, up 23.9 percent since 2022 and 67.6 percent since 2015. Units have increased to \$597.60 per week, a growth of 38.2 percent over three years and 62.9 percent in the past decade.

- The average weekly rent for houses in Perth is now \$833.50, up 43.1 percent in three years and 64.4 percent in 10 years. Units have increased to \$654.5 per week, a 51.7 percent rise in just the past three years.

Adelaide house prices have skyrocketed to an average of \$660.20 per week, from \$365.20 in 2015. This is an 80.8 percent increase, with the last three years seeing a growth of 25.6 percent. Units have increased to \$517.60, up 40.1 percent since 2022.

- In Melbourne, weekly house rents have increased to \$756.10 per week on average, a rise of 58.3 percent in the last ten years, and 35.3 percent in the last three. The average price for units has increased by 34.6 percent since 2022, to \$570.20 per week.

- Average rents in Sydney remain the highest, at \$1,075.40 per week for a house, an increase of 55.3 percent in ten years and 32.7 percent in three. Unit prices have also seen a large increase in the last three years, up 36.4 percent to an average of \$705.80 per week.

- In Hobart, weekly rent for houses now averages \$569.40, a 75.7 percent increase from \$324 in 2015.

In every case, these figures vastly outstrip the nominal growth of wages. An analysis of Wage Price Index data from the Australian Bureau of Statistics (ABS) reveals that in the last ten years, wages have increased by an average of just 28.9 percent.

Since mid-2022, when the Labor government of Prime Minister Anthony Albanese scraped into power under the slogan of a “Better Future,” wages have increased by only 11.5 percent, while average rent prices have soared by more than one third.

Despite the Labor government’s fraudulent claims that they had improved wages and conditions during their first time in office, they have, in fact, presided over the worst fall in working-class living standards in decades. Both the federal and state Labor governments have spearheaded attacks on real wages and social spending.

Since the March quarter of 2022, for example, public

sector wages have increased by an average of just 9.33 percent. This is a direct result of punitive wage caps imposed on health workers, educators and other public sector workers with the vital aid of the union bureaucracies, which have shut down numerous mass strikes and pushed through sell-out deals.

The sharp discrepancy between stagnant wages and soaring rental costs has led to ever higher levels of rental stress. A 2024 survey found that up to 70 percent of renting households fit this category, spending more than 30 percent of net income on rent.

The “Out of Reach” report notes that the sharp rises in rent have emerged amid a “national failure to grow and maintain social housing.” The Australian Institution of Health and Welfare (AIHW) has reported that the proportion of social housing to total housing has declined from 4.7 percent in 2013 to just 4.1 percent in 2024, with some experts stating that the current social housing stock is as low as 3.8 percent.

The federal Labor government has promoted its \$10 billion Housing Australia Future Fund (HAFF) as the “single biggest investment to support social and affordable housing in more than a decade,” with the aim of building 30,000 “social and affordable” homes over five years. Even if fulfilled, this represents just 5 percent of the estimated affordable housing shortage of around 600,000.

However, after being forced to confess earlier this year that not a single new home had been built under the scheme, Labor now claims that a meagre 5,000 dwellings have been “completed,” more than three years after the HAFF was a central election promise. The government has not stated how many of these were newly built, rather than purchased and refurbished.

Meanwhile, state Labor governments are in fact worsening the housing crisis through the wholesale destruction of public housing.

This includes the planned tearing down of 44 public housing towers across Melbourne, the largest destruction of public housing in Australian history. This will force around 10,000 residents—representing the most vulnerable sections of the population, including migrant families, the elderly and disabled, as well as low-income workers—out of their homes and their communities. A similar operation is being carried out at Sydney’s Waterloo South housing estate.

The reason for the destruction of the public housing

towers is twofold—to reduce state government debts through the selling or leasing of public land, and to drive working class residents out of prime inner-city locations to create lucrative new profit opportunities for the billionaire developers and investors.

No solution to the deepening housing crisis will be found through appeals to the governments that are overseeing it, or to any section of the political establishment. What is needed is a fight for a political alternative to capitalism, under which all human need—including for a decent place to live—is subordinated to the demands of big business.

Such a fight requires the building of new organisations of struggle, neighbourhood and workplace rank-and-file committees. Through these committees, public housing tenants, private renters and home “owners” saddled with decades’ worth of mortgage debt—that is, the vast majority of the working class—can organise a unified political and industrial fight for a socialist program, based on the needs of ordinary people, not the insatiable profit demands of the wealthy elite.



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