

Housing a nation in all the politics and changes of today: A complex issue

Does Australia have a cost-of-living crisis, or it is more a cost of housing crisis?

Whether it is renting or buying, housing cost looms large in budgetary considerations.

Governments certainly recognise the latter ‘crisis’ and often release statements identifying this as a sad situation and that are doing everything they can to help. Though, every time I hear of a new government inquiry into housing, my first reaction is to cringe as they appear to be useless window dressing ‘Utopia’ style arrangements with housing building numbers rearranged like the deckchairs on the Titanic.

When considering issues for the present situation, many aspects come to mind, though of course the main one is simply housing stock. Put plainly if there was always a large glut of housing and vendors desperate to sell, housing prices would be cheaper. More people would probably be living in a house they are paying off.

Overall, though there would be less rental stock.

It appears that the fundamental issue is that housing stock, particularly in capital cities, has not kept up with our population increase, though there are other factors that have arisen in the last forty years in particular.

I include a few below, and please note I am merely trying to highlight that this is a complex issue and that bemoaning the situation in general does not address our inter-related society and economy.

Low interest rates facilitated more people entering the housing market over the last decade (not that they are as low now – in 2024), but oddly, people are generally not aware of, or have forgotten, the high interest rates that were around in the late 1980s and early 1990s. I knew people who were paying 19% on their mortgage. This has a significant impact on housing prices.

Having noted the above, in general **a major issue today is that higher proportional deposits are needed**. This makes it more difficult to simply get a deposit together.

It is illuminating to learn that the last few years has seen a significant increase in the number of children securing a deposit from family ('the bank of Mum and Dad'¹).

The amount needed for repayment is also a critical feature, and while not higher proportionally compared to the 1980s, rates of repayment are still higher now than a few years ago.

Immigration. Obviously if there was no immigration the housing market would be substantially impacted and prices would be less. This is also related to Overseas Students. Similarly if there were no overseas students, rental properties in university suburb areas would be vastly impacted with vacancies. Interestingly this happened during Covid as many students returned to their home country. Another area is apartment purchases by overseas families for students, one of the growth areas since the 1980s. This leads into the issue of underutilised housing.

People owning more than one house that are not fully utilised, particularly holiday homes or homes they use for business and short stays.

While this appears to be mainly in the apartment area, particularly in tourist and capital city areas, empty or underutilised housing is a major issue, including public housing in the major cities. Quicker attention to re-allocating public housing, and flexibility when circumstances change would be helpful policy foci.

Short term rental arrangements. The growth of Airbnb has contributed to the difficulty of obtaining rentals in some areas², and also added to general rental cost increases as holiday arrangements bring premium pricing. I was interested to hear (via advertising) of the new Australian Airbnb campaign that argues ordinary Australians have been helped by having a property as they received income at critical times, and essentially outlining how they want to help Australians.

¹ [Huge rise in Bank of Mum and Dad loans](#)

² [Are short-term rentals like Airbnb fueling the rental crisis? It depends on where you live - ABC News](#)

Divorce and Separation. One family ends up needing two homes. A real estate advisor in a regional area told me that one of the main groups now seeking (lower cost) rentals are one of the former spouses, usually the woman with children.

People owning rental properties and using negative gearing. A hugely contentious area. The Menzies Research Centre had a good overview of this area, noting the complexity, and the occupations of owners, and percentages using negative gearing.³ One issue to consider with less or no negative gearing is while there could be possibly more homes for sale, there would also be less opportunity for those needing to rent.

People living in large homes with spare bedrooms.

A particular issue here as people age is the number of single people on aged pensions who are now more reluctant to downsize because they will lose their pension when selling their home. While I see this as somewhat odd given the potential actual income due to the monetary differential in the last few years, it is a real problem to be addressed.

And the significant increase in single people living in their own home.⁴

There has been a decrease in long-term sharing with others, which happened more frequently in the past.

What can Christians do?

Consider providing a loan for a deposit, or even a gift.

You may be able to help people who do not have access to family or other support, or do not qualify for a loan because they cannot raise a deposit.

I have mentioned in another article about blessing others in your will, though in the context of making sure that missions and charities are blessed. There is a normal and good case for providing for your children or relatives, particularly if they are in need, but some people may have an opportunity to help people who are not immediate family members, but members of the family of faith.

³ [Negative Gearing - The Facts — Menzies Research Centre](#)

⁴ [Household and Family Projections, Australia, 2021 - 2046 | Australian Bureau of Statistics](#)

Some people reason that today all the family assets need to go to the children because otherwise they will not be able to afford that necessary good home, or to pay off the home they have bought. This is a good secular argument, and as a Christian you certainly should provide for your family, but there are certain things you should provide as a faithful and loving parent, and a huge asset pile is not one of them. There are also different circumstances today. For most middle-class families in the twentieth century, a relatively smaller inheritance base was divided between a much larger number of children or relatives. Today more substantial assets may only go to one or two children. Comparatively today many heirs are better off, particularly if they do not have their own family (and increasing numbers of people are in this group now), or have not divorced, and re-partnered. Your children may not need as much support, though this will depend on the situation.

In any case, some Christian parents are not in any position to provide for their children even in a small way, and should not be made to feel guilty if they cannot provide a new house for their children. If you have been faithful with your talents and assets, then you are bequeathing a foundation of faithful living. You may also have been very generous in sacrificial giving heeding a call over many years, or you simply may not have substantial assets after years of mission service, and little superannuation base.

Secondly, in terms of rental needs, if you have spare rooms, or indeed spare homes that are not rented, consider how you could help by providing accommodation (perhaps at subsidised rates).

Thirdly, please try not to talk about the value of your home, and highlighting the price of houses sold in your suburb among friends and family.

If you are blessed to own a house, it is a home, rather than an investment.

The parable about the person who built bigger and bigger barns comes to mind.

Instead talk more about building on a ‘solid rock’, the real foundation for our lives.