

## Sydney rental prices highest in country as rental affordability hits record low

Rental affordability has hit record lows in Sydney with low-income earners bearing the brunt of the crisis, according to the tenth annual National Shelter-[SGS Economics and Planning](#) Rental Affordability Index.

The study, which was released today, compares rents to average incomes and revealed rents in Greater Sydney are significantly higher than any other region in Australia. While the median rental price in Sydney increased 10.8 per cent, raising \$70 to \$720 in the year through to June 2024, the average rental household income only increased by 5.5 per cent.

Over the past three years, Sydney has seen a drop in rental affordability by 23 per cent. The city has hit a record-low RAI score of 99, and is the only capital city other than Perth to have a score below 100. The average rental household now spends more than 30 per cent of its gross income of \$123,415 on rent. This means even average income households are experiencing rental stress.

“Sydney’s rental market is deteriorating rapidly and renters across the city are struggling more than ever before,” CEO of Shelter NSW John Engeler said.

“Rents are rising faster than incomes, which is pushing people into acute financial stress and even to the brink of homelessness. This crisis has been driven by the private rental market. We are calling on the NSW Government to provide more social housing, that is public and community housing for low-income people. We need to restore the social housing safety net to 5 per cent of all housing stock by 2027 and work towards a goal of 10 per cent of all housing by 2040.

“Renters deserve stable and secure long-term housing. While we commend the NSW Government for its reforms to make renting fairer we now need it to commit to delivering substantial numbers of genuinely affordable rental housing for low to average income households.”

Renters on low incomes simply cannot afford to rent in Sydney, with the city reaching the lowest affordability point since 2011.

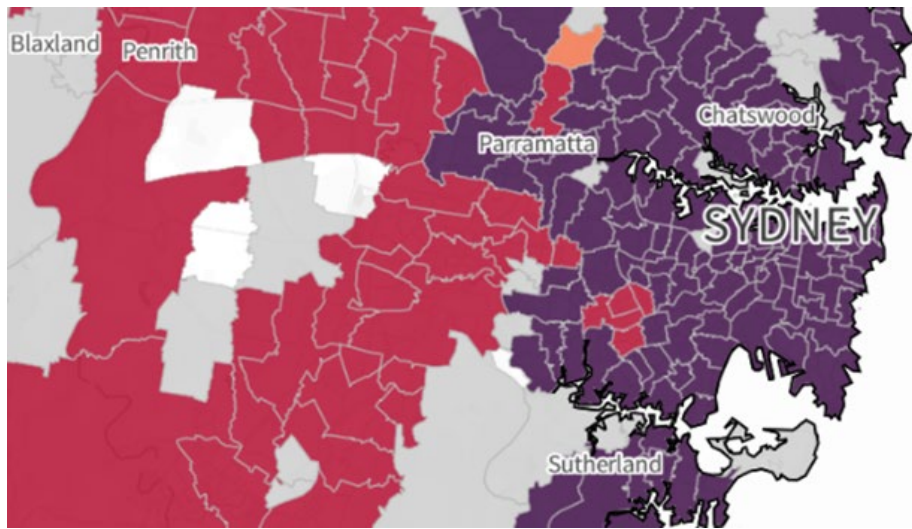
For single JobSeekers, single pensioners, and part-time workers on parent benefits, rents in Sydney are now classified as *Critically Unaffordable*. Social housing is the only reliable housing solution for these households. They simply cannot compete in the private rental market.

There are no suburbs along the coastline with *Acceptable* rental affordability, with inner areas also either *Unaffordable* or *Extremely Unaffordable*. For the first time, these areas extend beyond Parramatta in the west and Liverpool in the south-west.

The average rental household is now expected to travel 15-20km from the CBD to areas such as Campsie and Lakemba in the south, or Rosehill to the west to find *Acceptable* rents.

Western and south-west Sydney areas, from Camden to Liverpool and Parramatta, were once among the most affordable regions in the city, with these areas now classed as *Moderately Unaffordable* to *Unaffordable*. Renters are being pushed further and further out of Greater Sydney.

Ellen Witte Principal at SGS Economics & Planning said: “Sydney rental prices are significantly higher than any other region in Australia, with the city now being *Critically Unaffordable* to significant proportions of the renting population. This means pensioners and many single parent households are now paying 75% of their income or more on rent.”



\*Graph showing affordability for single part-time worker parent renting in Greater Sydney, JUNE Quarter, 2024 Source: SGS Economics and Planning, 2024

“Even essential workers on modest incomes in industries such as health, aged care, retail or hospitality can no longer afford to live in the communities they serve. In fact, rent rises are exacerbating inflation,” Ms Witte said.

“This is a deep economic problem and we need a serious plan to provide affordable housing to people who need it.

“The ACT introduced rent increase limits in 2019, and rental affordability has improved there since. This suggests that guide rail to prevent excessive rent increases could serve a dual purpose of improving rental affordability and lowering inflation. ”

Household	Affordability	Rent as share of income	RAI score
Single person on JobSeeker	Critically unaffordable	137 per cent	22
Single pensioner	Critically unaffordable	86 per cent	35
Pensioner couple	Extremely unaffordable	59 per cent	51
Single part-time worker on parent benefits	Critically unaffordable	89 per cent	34
Single full-time working parent	Unaffordable	35 per cent	87
Single income couple with children	Unaffordable	36 per cent	82
Dual income couple with children	Affordable	18 per cent	165
Student share house (three bedroom)	Severely unaffordable	39 per cent	76
Minimum wage couple	Severely unaffordable	39 per cent	77
Hospitality worker	Severely unaffordable	46 per cent	65

\* Table comparing each household in Sydney and their rent as a share of income, as well as RAI score and affordability.

*EDITOR'S NOTE: The rental affordability index scores areas based on median rental prices and average income of rental households within the capital city or rest of state area'. A score of 100 indicates households spend 30 per cent of income on rent, the critical threshold level for housing stress. A lower score is worse.*

*A score of 40 or less indicates critically unaffordable rents, 41-60 indicates extremely unaffordable rents, 61-80 indicates severely unaffordable rents, 81-100 indicates unaffordable rents, 101-120 indicates moderately unaffordable rents, 121-150 indicates acceptable rents, 150-200 indicates affordable rents and more than 200 indicates very affordable rents.*

Index score	Share of income spent on rent	Relative unaffordability
<40	75% or more	Critically unaffordable rents
41-60	60-75%	Extremely unaffordable rents
61-80	38-60%	Severely unaffordable rents
81-100	30-38%	Unaffordable rents
101-120	25-30%	Moderately unaffordable rents
121-150	20-25%	Acceptable rents
151-200	15-20%	Affordable rents
>200	15% or less	Very Affordable rents

\*Table showing the Rental Affordability Index and severity of rental affordability. Source: SGS Economics and Planning, 2024