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Opinion

The average home is now worth \$1 million. This boom is blowing up in a bad way

By Mark Gaetani

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More than two decades ago, former prime minister John Howard said, "I don't get people stopping me in the street and saying, 'John you're outrageous, under your government the value of my house has increased'"

The nation's home owners would have been pleased by recent news from the Australian Bureau of Statistics (ABS) that the national mean price of residential dwellings had risen to \$1,002,500, [the first time it has passed the million-dollar mark](#).



■ WATCH: Australia's property market has reached a record milestone, with the national average dwelling price topping \$1 million for the first time.

Of course, that level was exceeded long ago in many city suburbs, with prices in regional areas also going sky-high as sea and tree changers took real estate windfalls and relocated.

Around 66 per cent of Australian households own their own home with or without a mortgage. Home ownership, with a consistent rise in values, is Australians' most important asset, along with [superannuation](#), which ticks over in the background, accessible only in later years.

Renters, numbering one-third of Australian households, have also experienced the impacts of the ongoing property boom, except not in a good way.

They are mostly dependent on the one-in-five households that own residential properties other than their usual domicile.

For the record, one in 25 of these owners has four or more properties.

Yet very few are affordable to low-income earners.



More people are unable to afford a home in Australia. Picture Shutterstock

Anglicare Australia's 2025 [Rental Affordability Snapshot](#) surveyed 51,238 rental listings across Australia and found that just 352 rentals (0.7 per cent) were affordable for a person earning a full-time minimum wage.

Almost none was affordable for a person on JobSeeker wanting a room in a share house, and none for a person on Youth Allowance.

Median advertised rents have risen 35 per cent since this government came to office, more than three times the rise in wages.

Another recent report, [Rights at risk: Rising rents and repercussions](#), by ACOSS and the University of NSW, carries further alarming findings. Almost seven in 10 people who rent privately worry about asking for repairs in case they face a rent increase, with 56 per cent fearing it

would lead to eviction and 52 per cent fearing being placed on a blacklist that would prevent them renting another property.

Half of all renters live in homes that need repairs, one in 10 urgently.

Almost one-in-five bathrooms has mould, which is a major health risk. Some 82 per cent of renters would find a 5 per cent rent hike "difficult or very difficult".

A significant problem, and a major eyesore, is that many potential rentals are left empty – around a million Australia-wide. If occupied, these so-called "speculative vacancies" could greatly assist would-be renters.

St Vincent de Paul Society calls for taxation reform to incentivise the use of long-term vacant residential properties and land.

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Homes that are rented have the added benefit (to owners) of generous tax concessions, both during ownership and at point of sale.

This creates a considerable loss to the Treasury, with the Parliamentary Budget Office calculating that tax revenue foregone over the decade to 2034–35 due to negative gearing deductions and the

capital gains tax (CGT) discount on residential investment properties will total a massive \$165 billion.

This is money lost to healthcare, education, housing and other social essentials.

St Vincent de Paul Society regards housing as a basic human right and we firmly believe all Australians deserve a secure place to live.

Properties should be treated primarily as homes, not investment opportunities.

The Society supports reducing CGT concessions from 50 per cent to 37.5 per cent to generate revenue that could be used to improve social services, plus a review of negative gearing.

The government should increase needs-based funding of homelessness services and permanent supportive housing, including client-led support services.

If not now, when?

The [last census recorded 122,494 people experiencing homelessness](#), and that was four years ago.

Governments should fund and perhaps mandate policies that improve energy efficiency in low-income households, including apartment buildings.

This goes hand in hand with funding and legislating national minimum standards for renters. The package known as "A Better Deal for Renters" was endorsed by national cabinet in 2023 with the

promise that, "These changes will make a tangible impact for the almost one-third of Australian households who rent".

The plan is yet to be fully implemented.

Meanwhile, rent increases have accelerated, and pests are the most common tenant complaint, affecting one-third of premises.

We're urging for a compassionate review of the base rate of working-age payments to lift recipients above the poverty line. So many people simply cannot afford decent housing.

Achieving this basic goal is fundamental to Australia's future and for our much-prized social harmony.

As the Human Rights Law Centre puts it, "every person should have a safe, secure and healthy place to call home, regardless of your postcode or bank balance. Yet too many Australians are homeless, live in inadequate, insecure or unsafe housing, or need to sacrifice other necessities – from food to school uniforms – to keep a roof over their heads."

Our members see these challenges every day, and while we can offer assistance within our means, structural change to the national housing market is needed urgently.

- Mark Gaetani is national president of St Vincent de Paul Society Australia.

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