Young Australians' living arrangements and housing affordability

Insights from *Growing up in Australia*, the Longitudinal Study of Australian Children*

Spotlight series | August 2026

***Growing Up in Australia:* The Longitudinal Study of Australian Children (LSAC)** is an ongoing study that follows the lives of children and their families from all over Australia. In 2004, around 5,000 0–1 year olds (B cohort) and 5,000 4–5 year olds (K cohort) and their families were recruited and have been surveyed every 2 years since.

This research is based on Wave 10 self-reported data collected in 2023–24, at which time the B cohort was aged 19–20 years and the K cohort 23–24 years. Information on the study design, questionnaires, statistical considerations, data files and other data resources are available via the LSAC Data user guide.

The living arrangements of young Australians

Young adults require affordable housing that is stable and safe to support their physical, psychological and economic wellbeing.[1] However, many face major barriers to moving out of the family home. High mortgage and rental costs that absorb a large share of income are putting home ownership out of reach for many young people.[2] As a result, more young people are staying in or returning to the parental home well into their twenties, continuing a trend seen since the early 2000s.[3]

But this is not an option for everyone, and those who do live independently are facing financial stress. This may widen inequality over time between those with and those without parental support.

Living independently amid the housing crisis

Moving out of the family home has long been seen as a milestone in the transition to adulthood. However, for many young people, living independently is becoming harder as rental and other housing costs rise.[4]

This paper focuses on housing affordability as one of the key mechanisms influencing young people's transition to independent living and their housing choices. However, it is important to acknowledge that housing insecurity is broader than housing costs alone. Some young people experience more severe forms of instability, including:

- frequent moves
- short-term or temporary living arrangements, such as couch surfing
- residence in marginal housing, such as boarding houses or caravan parks
- experiences of homelessness or risk of homelessness.

Using LSAC Wave 10 data to examine rental stress among young people and how living arrangements impact financially on young people, we found that:

- More than half of young people aged 19–20 and 23–24 years live with their parents, either rent-free or paying lower rates on average than those living away – reducing their exposure to high rental costs.
- The overwhelming majority of young people aged 19–20 and 23–24 years (≈85%) were concerned about whether they would be able to afford to buy a home.
- Those who do live independently often faced higher rental costs, with young people in private rentals spending a larger share of their income on rent – leaving less for other living costs.

1 Bentley, R., Mason, K., Jacobs, D., Blakely, T., Howden-Chapman, P., Li, A. et al. (2025). Housing as a social determinant of health: A contemporary framework. *The Lancet Public Health*, *10*(10), e855–e864.

2 Australian Housing and Urban Research Institute (AHURI). (2023). *What are the real costs of the housing crisis for Australia's young people?* AHURI.

3 Budinski, M., Qu, L., & Baxter, J. (2023, June 28). *Young people living with parents*. Melbourne: Australian Institute of Family Studies. aifs.gov.au/all-research/facts-and-figures/young-people-living-parents

4 Whelan, S., Pawson, H., Troy, L., Ong ViforJ, R. & Lawson, J. (2023). *Financing first home ownership: Opportunities and challenges*. (AHURI Final Report, 408). AHURI.

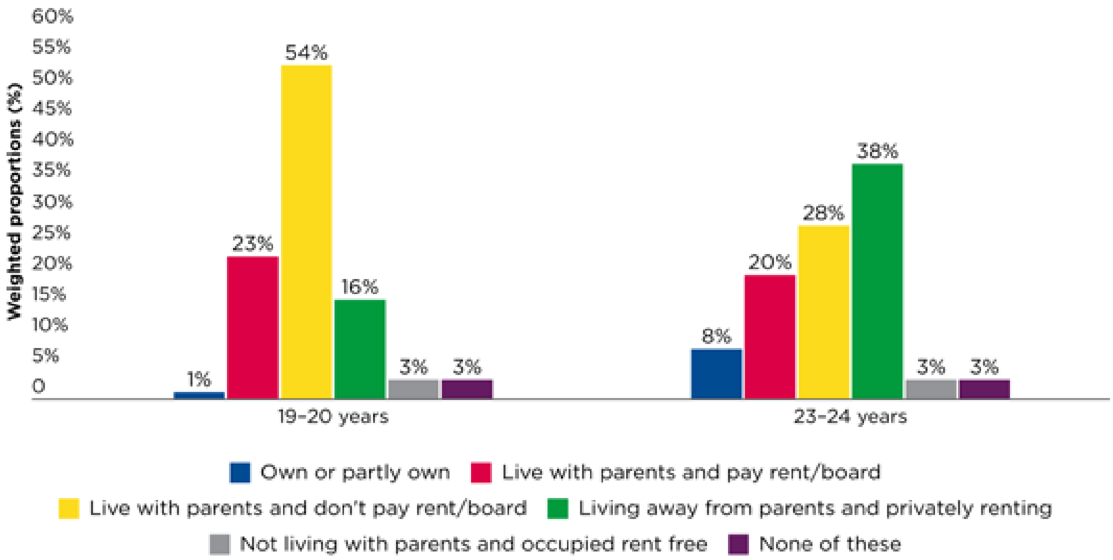
Most young people live with their parents

Parents play an important role in supporting young people with housing, with almost 2 in 3 (63%) young people aged 19–20 and 23–24 years living with their parents either rent-free or paying rent (Figure 1).

- Among 19–20 year olds, 77% live with their parents either rent-free (54%) or paying rent (23%), with 16% living elsewhere and paying rent.
- Among 23–24 year olds, 48% live with their parents either rent-free (28%) or paying rent (20%), with 38% living elsewhere and paying rent.
- Home ownership is low, with only 8% of 23–24 year olds and 1% of 19–20 year olds owning or partly owning a home.

Independent living becomes more common by age 23–24, yet almost 50% of young people are still living in the parental home at this age.

Figure 1: Living arrangements of young people aged 19–20 and 23–24 years, in 2023–24



Notes: 19–20 years (*n* = 2,287) and 23–24 years (*n* = 2,097). Living away from parents and paid rent group includes rent to parent (not in the same house), private real estate, public housing includes state/territory housing authority or housing co-operative/community/church, Defence housing authority, educational institution (e.g. university or college); owner/manager of caravan park; someone not in the same household or someone else in the same household.

Source: LSAC Wave 10

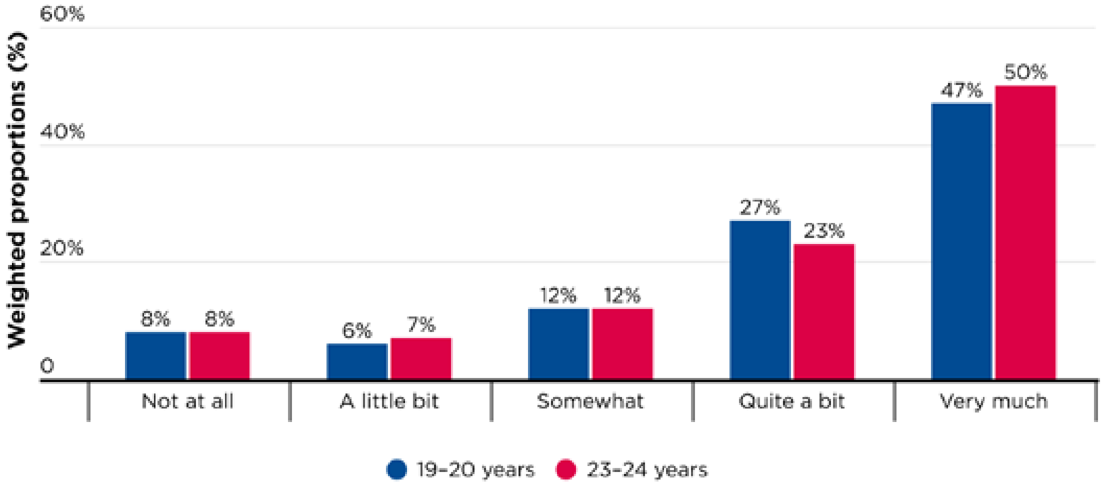
Housing affordability

Concern about housing affordability is widespread among young people

Concerns about housing affordability are widespread among young people, with about 85% expressing some level of concern.

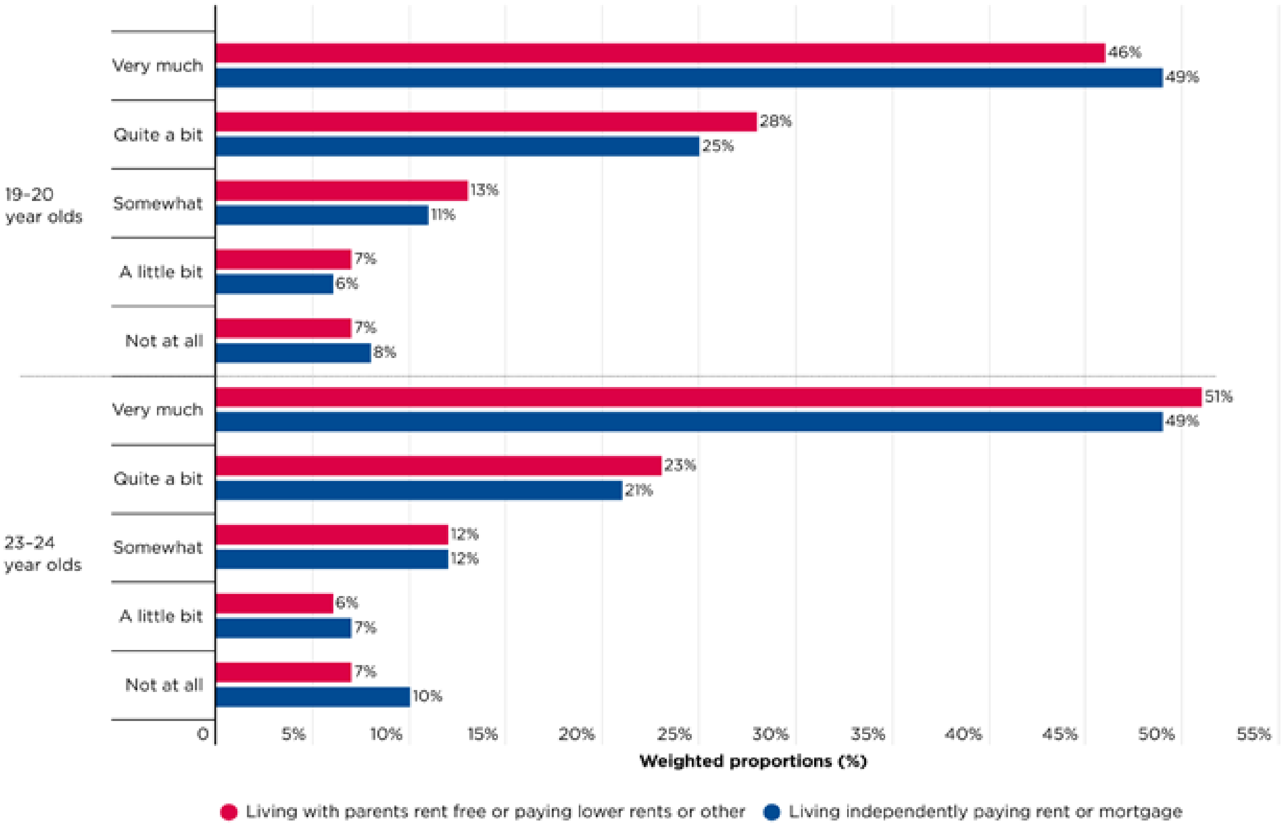
- The level of concern about housing affordability is similar for young people in both age groups (Figure 2a).
- There were similar levels of concern about housing affordability among young people who lived independently and those who stayed with parents (Figure 2b).

Figure 2a: Concern about being able to afford to buy a house among young people aged 19–20 and 23–24 years, in 2023–24



Notes: 19–20 years (*n* = 2,286) and 23–24 years (*n* = 2,143)
Source: LSAC Wave 10

Figure 2b: Concern about being able to afford to buy a house among young people aged 19–20 and 23–24 years by living arrangement, in 2023–24



Notes: 19–20 years (*n* = 2,145) and 23–24 years (*n* = 2,003)
Source: LSAC Wave 10

Young people living independently are experiencing high rental costs

Housing affordability is commonly understood as the relationship between housing costs (such as rent, mortgage repayments or house prices) and household income.[5] We focused our measure of housing affordability on looking at the share of a young person's income that is spent on rent, given very few participants were paying a mortgage. On average, young people renting through the private rental market spent more than 30% of their gross income on rent. While this average masks variation in individual experiences, it suggests that private rental costs are placing considerable pressure on many young people living independently.

- On average, 19–20 year olds paid 38% while 23–24 year olds paid 47% of their gross income to private real estate (Table 1).
- Young people who paid rent to their parents generally spent less than 20% of their income on housing, giving them lower housing costs than those renting in the broader market.
- A small number of people in the study owned a home with a mortgage (*n* = 170). Among this group, almost two-thirds were spending more than 30% of their gross income on mortgage repayments.[6]

These figures suggest that parental support may protect young people from experiencing high rental costs.

Table 1: Rental payments and rental-to-income ratios among young people aged 19–20 and 23–24 years, in 2023–24

Rent paid to	% weighted (*n*)	Mean rent ($ per week)	Rent to income ratio	% weighted (*n*)	Mean rent ($ per week)	Rent to income ratio
	19–20 year olds			23–24 year olds		
Private real estate	26 (225)	261	0.38	52 (617)	319	0.47
Parent not same house	22 (186)	103	0.18	13 (158)	154	0.19
Parent same house	41 (349)	101	0.15	26 (304)	128	0.15
Public housing	1 (10)	185	0.47	2 (21)	183	0.37
Others	9 (81)	223	0.47	7 (80)	172	0.20
Total	**100 (851)**	**156**	**0.25**	**100 (1180)**	**235**	**0.32**

Notes: Public housing includes state/territory housing authority or housing co-operative/community/church. Other option included employer (e.g. Defence housing authority); educational institution (e.g. university or college); owner/manager of caravan park; someone not in the same household and someone else in the same household. Rent to income ratio was calculated as weekly rent divided by weekly gross income.

Housing affordability is not evenly experienced

Housing affordability is a concern for most young people but the pressure is not felt equally. Housing affordability pressure (using the rent-to-income ratio) appeared higher among young people who may already face other forms of disadvantage, including those living with disability, those living in socio-economically disadvantaged areas and some gender-diverse young people.

- Among 19–20 year olds, housing affordability pressure was higher among:
  - those with disability or long-term medical conditions[7] (15% vs 9%)

5 Housing affordability – Australian Institute of Health and Welfare

6 To calculate weekly mortgage payments (principal plus interest rate) we used the home loan interest rate in October 2023 of 6.1% and a 30-year term to pay off the property.

7 Long-term disability or medical conditions was measured by asking respondents the following question: Do you have any medical conditions or disabilities that have lasted, or are likely to last, for 6 months or more? Options included: Sight problems not corrected by glasses or contact lenses. Sensory; Hearing problems. Sensory; Speech problems; Blackouts, fits or loss of consciousness; Difficulty learning or understanding things. Intellectual or learning disability; Limited use of arms or fingers; Difficulty gripping things; Limited use of legs or feet; Any condition that restricts physical activity or physical work (e.g. back problems, migraines); and Any disfigurement or deformity.

- those with English as their main language spoken at home (11%) compared to those who mainly spoke a language other than English at home (5%).

- Among 23–24 year olds, housing affordability pressure was higher for:
  - young women (35%) and young non-binary, gender diverse or questioning people (48%) compared to young men (26%)
  - young people living in the most disadvantaged areas (36%) compared to those in the most advantaged areas (30%)[8]
  - young people with disability or long-term medical conditions (38%) compared to those without (30%).

These subgroup patterns should be interpreted with some caution, particularly where sample sizes are small, but they suggest that housing affordability pressures may be compounding existing social and economic disadvantage for some young people.

What this tells us

Together, these findings highlight the significant role housing affordability plays in shaping young people's pathways to independence and financial wellbeing.

- **Housing affordability appears to be shaping pathways to independent living:** Concerns about housing affordability appear to be associated with young people's transition to independent living. Many young people may remain in (or return to) the family home because moving out is difficult to sustain financially.
- **Parental support is an important buffer for housing but it is only available to some:** Some parents are absorbing some of the pressure by providing free or below-market housing support but not all young people have this support, reflecting broader structural and intergenerational inequalities.
- **Housing pressure is unequally distributed:** Housing costs as a proportion of income are higher for specific groups of young people, including women, those in disadvantaged areas and young people with health conditions.

Why this matters

Housing affordability appears to be an important consideration when young people are transitioning to adulthood, influencing their choices around living arrangements and reliance on family support. If current pressures persist:

- More young people may face difficult trade-offs between living independently and affordable housing arrangements, which could lead some to delay or reconsider other major life milestones, such as forming partnerships, moving in with partners and starting a family.
- Inequalities may widen. Reliance on family support helps some young people manage housing costs but it can deepen gaps between those who can draw on family resources and those who cannot.
- Unequal exposure to housing stress and disadvantage among certain groups may further exacerbate existing inequalities.

Considerations for policy

The findings point to considering policy settings that:

- improve access to affordable rental options for young adults, especially those living independently and facing high income-to-rent ratios
- target supports to young people experiencing greater housing affordability pressure, including those with disability or long-term heath conditions, those in disadvantaged areas and other groups identified in this analysis
- recognise that family support can reduce housing cost pressures but it is unevenly available, meaning young people without access to rent-free or reduced-rent family housing may face greater affordability risks.

8 Based on SEIFA advantage/disadvantage scale where bottom 20% is defined as 'most disadvantaged' and top 20% is defined as 'most advantaged'.

Potential next steps with LSAC data

While this report examined young people's housing arrangements, affordability pressures and the role of parental support using Wave 10 data, it did not examine all the factors that influence their housing outcomes. Many related and important questions could be investigated with current and future waves of LSAC, including:

- What are the personal, intergenerational and structural factors that shape young people's housing circumstances?
- How many young people living independently are financially independent?
- Does living rent-free or paying below-market rent to parents help young people accumulate savings, reduce debt or enter home ownership earlier?
- Does living rent-free or paying below-market rent to parents help young people undertake further education or training or establish their career?
- How does housing stress in early adulthood affect later mental health, family formation and participation in social, civic and community life?

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The Australian Institute of Family Studies acknowledges the Traditional Owners of Country throughout Australia and recognises their continuing connection to lands and waters. We pay our respects to Aboriginal and Torres Strait Island cultures, and to Elders past and present.

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