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# The year the Australian dream died

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The average price of a home in Sydney is over A\$1m (£535,000, \$678,000)

**By Tiffanie Turnbull**

BBC News, Sydney

**At the age of 31, Justin Dowswell never imagined he'd be living in a shared room in his childhood home.**

He had a full-time, well-paying job in Sydney, and had rented for a decade before an unprecedented housing crisis forced him to upend his life and move back in with his parents, two hours away.

"It's humbling," he says. But the alternative was homelessness: "So I'm one of the lucky ones".

It's a far cry from the promise of the Great Australian Dream.

Where the American Dream is a more abstract belief that anyone can achieve success if they work hard enough, the Australian version is tangible.

For generations owning a house on a modest block of land has been

For generations, owning a house on a modest block of land has been idealised as both the ultimate marker of success and a gateway to a better life.

It's an aspiration that has wormed its way into the country's identity, helping to shape modern Australia.

From the so-called "Ten Pound Poms" in the 1950s to the current boom in skilled workers moving from India, waves of migrants have arrived on Australia's shores in search of its promise. And many found it.

But for current generations the dreams proffered to their parents and grandparents are out of reach.

After decades of government policies that treat housing as an investment not a right, many say they would be lucky to even find a stable, affordable place to rent.

"The Australian Dream... it's a big lie," Mr Dowswell says.

## A perfect storm

Almost everything that could go wrong with housing in Australia has gone wrong, says Michael Fotheringham.

"The only thing that could make it worse is if banks started collapsing," the head of the Australian Housing and Urban Research Institute tells the BBC.

Underpinning it all is that buying a house is astronomically expensive - the average property now costs about nine times an ordinary household's income, triple what it was 25 years ago.

It's particularly dire for the three quarters of Australians who live in major cities. Sydney, for example, is **the second least affordable city** on Earth to buy a property, trailing only Hong Kong, according to the 2023 Demographia International Housing Affordability survey.

Australia has made home ownership virtually unattainable for almost anyone without family wealth. Last month the boss of a major bank, ANZ, said home loans had become **home loans had become "the preserve of the rich"**.





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Chelsea Hickman and Justin Dowswell feel let down

That's left people like Chelsea Hickman questioning their future. The 28-year-old fashion designer always imagined she'd become both a homeowner and a mother, but now worries that may be impossible.

"Financially, how could I ever afford both? The numbers just do not add up," she says.

She tells the BBC from her Melbourne shared house that despite working full-time for almost a decade, she can't even afford to rent an apartment by herself. Her friends are in a similar boat.

"Where did it go wrong?" she says.

"We did everything that everyone said we should do, and we're still not reaching this point where we're going to have financial independence and housing security."

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Tarek Bieganski, a 26-year-old IT manager, laughs when asked if he thinks he'll ever own property.

"It's just so obviously out of reach that it's not really even a thought anymore," he says. "And this is coming from someone that, really, has got it pretty good."

But with interest rates rising faster than at any time in Australia's history, even many of those who have scraped their way on to the property ladder now live in fear of falling off it.

Foodbanks are being overwhelmed by mortgage holders struggling to keep their heads above water. Hordes of people are picking up extra jobs. Many pensioners have been forced back into work.

It's not doom and gloom for everyone though.



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Many existing homeowners do not want to see house prices stabilise

The level of home ownership across the nation - while significantly dropping for young people - has overall stayed around two-thirds.

And those Australians are quite content to see house prices climb and their wealth grow.

That's difficult to stomach, Ms Hickman says, especially given how many households - **one in three** - now own a property other than the one they live in.

"I understand that people are like 'Well, I worked hard to get these millions of houses' and blah, blah, blah, and I'm like, 'Okay, well, good for you. I work hard too and I just want one house'."

## 'Grapes of Wrath stuff'

As a result, millions of people are trapped in the rental market, seeking to create a watered-down version of the Australian Dream as tenants.

But that's no paradise either.

Vacancies are at unprecedented, prolonged lows - to the point that councils across the country are begging people with empty holiday homes and short-term rentals to move them on to the long-term market.

And, with the greater demand, rents are skyrocketing.

Australian news has been awash with stories of massive rent increases and images of desperate people queuing to inspect properties riddled