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The financialisation of housing and the housing affordability crisis in Sydney

↳ By Alan Morris

1. Introduction

Post World War Two, homeownership rates in Australia continually increased and by 1966, around 70% of all households were homeowners (Paris, 1993). Through the life-course, almost all Australian households were ultimately able to access home ownership and pay off their mortgage. The gendered division of labour meant that this was usually accomplished on one full-time salary. It was a period of rapid economic growth, near full employment and strong trade unions. Forrest's (2011: 17) analysis of the context for homeownership in advanced economies in the period up to the early 1970s, captures the Australian scenario:

The homeownership of the pre-neoliberal era ... was about solidity and security—part of the Fordist social contract of relatively stable employment and wages, stronger trade unions, an expanding welfare state and regulated financial institutions.

Private renting in Australia was viewed primarily as a transitional stage in the lifecycle (Kendig, 1984) and the number of households in this tenure declined from around 44% in 1947 (Parliament of Australia, 2009) to 19% in 1995–96 (ABS, 2007). The social housing sector was a small (it never exceeded seven percent of the housing stock), but was a vital source of housing for low-income households (AHURI, 2017).

Over the last three decades the housing market in Australia, as in many other advanced economies, has undergone a profound change: housing is increasingly viewed as a means to accumulate capital. The shift in the way housing is conceptualised has played a central role in the dramatic increase in house prices in Sydney, Australia's largest city. The reconceptualisation, combined with the globalisation of the real estate industry, has resulted in a spectacular increase over the last two decades in local and foreign investors buying residential property in Sydney (Rogers, 2017).

What this article sets out to do is to examine the impacts of the financialisation of housing on housing in Sydney. What I argue is that it has played a central role in precipitating Sydney's housing affordability crisis. The article first defines the financialisation of housing. It then sketches the features of Sydney's housing crisis. The final section maps out how the financialisation of housing has contributed to the crisis.

2. Defining the financialisation of housing

Aalbers argues that the contemporary period is characterised by finance capital penetrating every societal realm including the household. He defines financialisation as

the increasing dominance of financial actors, markets, practices, measurements and narratives, at various scales, resulting in a structural transformation of economies, firms (including financial institutions), states and households (Aalbers, 2016: 2).

Drawing on this definition, the financialisation of housing has three interrelated key dimensions. A fundamental feature is a shift in the way housing is viewed. Rather than being regarded primarily as a means of acquiring adequate and secure shelter, it is increasingly treated as a commodity and investment. A second aspect is the creation of a policy environment by governments that facilitates and encourages the financialisation of housing. This is done by lessening regulation, creating tax regimes which encourage speculation and deemphasising social housing. The final aspect, globalisation of the real estate market is another central feature. These three dimensions are briefly discussed in turn.

Although housing for most households is still primarily driven by the desire to have security, control over personal space and protection against poverty in retirement, increasingly it is treated as a source of accumulation. Madden and Marcuse (2016, 4, italics in original) conclude,

Housing is under attack today ... Most immediately, there is a conflict between housing as lived, social space and housing as an instrument for profitmaking—a conflict between housing *as home* and *as real estate*.

Over the last three decades, governments and financial institutions have played a major role in accentuating the financialisation of housing (Aalbers and Haila, 2018; Rolnik, 2013). This is exemplified by the loosening of credit and the “resultant inclusion of middle- and low-income consumers into financial circuits [and] the takeover of the housing sector by global finance” (Rolnik, 2013: 1059). This has resulted in housing finance increasing dramatically and the residential mortgage market representing a considerable proportion of the GDP. In many countries housing has become the key activity of the financial sector:

... the lion's share of bank's lending activities these days is in real estate ... housing is not simply yet another domain of financialisation. In terms of size and impact, it is the key domain of financialisation (Aalbers and Haila, 2018: 9).

An important policy development linked to the financialisation of housing has been a global tendency for governments to limit, to varying degrees, their investment in social housing resulting in an increasing proportion of households having to depend on the private market for their accommodation. This withdrawal is linked to the accentuation of asset based welfare: home ownership and the capacity to draw on this substantial asset (the home) is supposed to reduce the need for dependence on state-managed social transfers (see Doling and Ronald, 2010). The notion that governments have a duty to ensure that all citizens, regardless of their resources or income, have a secure and affordable home, is increasingly presented and viewed as anachronistic (Rolnik, 2013). As a result, social housing is being sold

off, existing stock is often poorly maintained and little new social housing stock is being built (Scanlon et al., 2014).

Running parallel to the decline of social housing and the emphasis on home ownership, has been the tendency of governments to lighten the regulation of the private rental sector resulting in households in this housing tenure being increasingly vulnerable to untenable rent increases and eviction (Morris et al., 2017). The reduction of regulation is occurring in a context where the private rental sector in many countries has grown substantially over the last two decades (Forrest and Hirayama, 2015). Interestingly in the United Kingdom there has been a policy shift. In order to diminish the advantage investors historically have had in the market and encourage homeownership, the government has reduced the tax advantages enjoyed by landlords and introduced a property tax surcharge for owners of investment properties (see Martin et al., 2018).

The financialisation of housing has led to residential real estate investment becoming a central part of the global economy. Economic elites view investing in real estate in countries other than their own, as a safe and rational investment option: “A global wall of money is looking for High-Quality Collateral [HQC] investments, and housing is one of the few asset classes considered HQC” (Aalbers and Haila, 2018: 7).

The end result of the financialisation of housing in many contexts, has been the increasing inability of large swathes of the population to access affordable, secure and adequate housing. In Australia, many low-income and, to an increasing extent, middle-class households, are in precarious housing situations. This precarity has serious implications for mental health and well-being. Australia has been in the forefront of the financialisation of housing and its impact on the housing market in Sydney have been severe, as the next section illustrates.

3. The features of Sydney's housing crisis

The crisis has various components – the growing incapacity to purchase a home, housing stress, insecurity of tenure and homelessness are the most significant.

3.1. The growing incapacity to purchase a home

A central feature of Sydney's housing crisis is the diminishing capacity of households to enter into homeownership due to the high price of property relative to income. Sydney is Australia's most expensive housing market and the median house price in Sydney has surged over the last two decades, outstripping wage growth and inflation. Between 2007 and 2017, house prices in Sydney more than doubled. At the beginning of 2018, the median house price in Sydney was \$1.058 million (about \$US800,000) up from \$874,000 in 2014 and \$561,500 in June 2008 (Duke and Robertson, 2018; Wade, 2015). The median apartment price at the beginning of 2018 was \$774,000 (Duke and Robertson, 2018) up from \$630,000 at the end of 2016, and \$412,000 in 2012 (Duke, 2016).¹

Not surprisingly, the relentless increase in house prices has impacted on the capacity of households in Sydney to enter into homeownership. In June 2011, 65.2% of Sydney households were homeowners; in June 2016, 62.3% were. In the same period, the proportion of outright homeowners dropped from 30.4% to 29.1% (Stone et al., 2017). The proportion of households in the private rental sector [PRS] increased from 25.1% in 2011 to 28.1% in 2016, whilst the proportion in social housing dropped from 5.2% to 4.8% (Stone et al., 2017).

Most potential first-time homebuyers in Sydney are locked out of the market². A Reserve Bank of Australia report concluded that a medium-income first-time home buyer in Sydney could afford just over 10% of homes sold there in 2016 and that in order to find an affordable house, first time buyers had to move about 50 kilometres from the centre (La Cava et al., 2017). The investment bank, UBS, calculated that a person earning \$80,000 and saving 5% of their gross income, would take around 40 years to save a 10% deposit for an average priced Sydney home (Haslem et al., 2017).

3.2. Housing stress

A large proportion of households in Sydney are in housing stress.³ The data for housing stress in Sydney vary and the cost of housing and the prevailing interest rates make it a complex calculation. At the end of 2016, mortgage

payments accounted for 42% of average disposable income of a Sydney household, after a 25% deposit (Robertson, 2017). The 2016 Census found that about a third of Sydney households with a mortgage were in housing stress (Janda, 2017).

Low-income (bottom 40% of income earners) private renters in Sydney are particularly vulnerable. The median rent in Sydney in April 2018 was \$525 a week, the net pay of a worker on the minimum wage was \$599. A recent report on the private rental sector in 15 UK cities and 72 cities worldwide found that globally Sydney is the 8th most expensive city in which to rent (Nested, 2017). The most recent rental affordability report (second quarter of 2017) indicated that the average Sydney household in the PRS spends around 29% of their household income on rent and that “Rents remain Severely to Extremely Unaffordable within a 10-kilometre radius from the Sydney CBD ...” (SGS Economics & Planning, 2017). In some inner-city suburbs, an average household would have to devote around 60% of the household income to rent.

In its latest annual snapshot of rental affordability, Anglicare, one of Australia's largest charities, painted a bleak picture of Sydney's rental market for households dependent on government benefits or the minimum wage for their income:

Sydney stands out for the extraordinary crisis in affordability revealed in this year's data – there were no affordable and suitable properties for any household type, with the exception of a couple where both are earning minimum wage, and for them, there was just 4% of properties available (Anglicare Australia, 2018: 6).

3.3. Insecurity and homelessness

The minimal regulation of the PRS means that private renters in Sydney and elsewhere in Australia face constant *de jure* insecurity. In New South Wales [NSW], once the fixed term of the written agreement/ lease between the landlord and tenant ends (fixed terms of leases rarely extend beyond 12 months), the landlord is able to ratchet up the rent to as much as the market can bear and can ask the tenant to vacate without providing any reasons as long

¹ Noteworthy, is that there has been a decline in Sydney housing prices. In June 2018, it was reported that Sydney house prices were 4.2% lower than their July 2017 peak (Yeates, 2018a).

² Nationally, about one in three first-time home-buyers are getting financial support from their parents in order to enter the property market. The figure in Sydney is not available, but is likely to be a lot higher. In May 2016, the Prime Minister, Malcolm Turnbull, suggested that wealthy parents should assist their children into the housing market (Bourke, 2016).

³ I am using the definition of housing stress / housing affordability introduced in 1991-92 by the National Housing Strategy, an initiative of the Australian federal government. It refers to low-income households, defined as those with incomes in the bottom 40 per cent, having to use 30% or more of their income for housing (rent or mortgage).

as the tenant is given 90 days written notice. A substantial proportion of private renters, especially those on a low-income, live in perpetual fear of having to leave their rented property (Morris et al., 2017).

An increasing number of people in Sydney are falling out of or are unable to access the private housing market or social housing. Census figures indicate that homelessness in Sydney increased by 48% between 2011 and 2016, from 28,191 to 37,715 (Pawson et al., 2018). Much of the increase was invisible taking the form mainly of severe over-crowding 'defined as requiring four or more extra bedrooms to accommodate the people who usually live there' (ABS, 2018).

4. The financialisation of housing and Sydney's housing crisis

The determination of successive Australian governments to create conditions that enhance the financialisation of housing has led to housing policy that has exacerbated the housing affordability crisis in Australia, most particularly in Sydney. Jacobs (2015: 55) concludes that the notion the Australian governments (state and federal) are actually interested in resolving the housing affordability crisis is misplaced:

... addressing the systemic causes that shape the current affordability crisis is less of a priority for governments than the main objective of protecting the wealth and opportunities for profit for homeowners and investors.

The government's policy supporting the financialisation of housing is underpinned by its creation of a highly favourable tax and financial regime for local investors, the drive to reposition social housing property so as to minimise any increase and allow private developers into the space and to welcome foreign investment in new residential developments and, de facto, in established homes. These are discussed in turn. What is noteworthy is that despite a record number of homes being built in Sydney over the last five years, prices continued to climb spectacularly. Thus although 31,000 new homes were built in Sydney in the 12 months ending October 2016, house prices in the city climbed by 15.5% during this period (Ong and Janda,

2017; Visentin, 2016). In 2016, the population increased by around 80,000 over the previous year (ABS 2017a). The current projection is that Sydney's population will increase by 3 million over the next 40 years. If we presume 2.6 persons per household (the current number), about 1.15 million more homes will need to be built or 29,000 annually (Pearson, 2018).

4.1. The favourable tax regime for local investors

The favourable tax regime for local investors in residential property has contributed to a massive expansion of Australian households owning an investment property. There are now 2.03 million landlords in Australia representing 15.7% of all taxpayers (CoreLogic, 2016, p. 4). In 2016, it was estimated that "investors own 27% of Australian dwelling stock by number and 24% by value" (CoreLogic, 2016). About one in five households own more than one property (ABS, 2017b). The key tax concession for investors in residential property is "negative gearing". It allows investors to deduct expenses on their property (depreciation costs, the interest on the loan required to buy the property, rates and maintenance costs) from the income they receive as rent and from other income such as salary. Negative gearing goes hand in hand with a generous capital gains tax for investors. When an investor sells a property s/he is taxed on only 50% of the nominal capital gain/ profit. These tax concessions encourage investors to take out larger loans and pay higher prices for properties than they would otherwise and this in turn drives up the cost of housing and makes it difficult for non-investors, especially first-time home buyers, to compete. In short, it encourages property speculation. Even the governor of the Reserve Bank of Australia has argued that scrapping negative gearing and the capital gains tax discounts would enhance housing affordability: "It's likely that it would reduce demand for a while, and if you have less demand for a while, you'd have lower prices and that would take the heat off the housing market" (in Ong, 2017).

The favourable tax regime, low interest rates, easy access to credit and the perception that the Sydney property market is a highly secure investment, has encouraged an unprecedented influx of local investors (ASIC, 2017). The investor share of housing finance in NSW increased from 35% in 2001 to 60% in 2014. In the year ending

March 2014, \$45 billion dollars was borrowed to purchase residential property in NSW. Most of the purchases would have taken place in Sydney. This was 76% above the level of credit extended in the same period in 2010-2011 (Collins and Janda, 2014). There was a slowdown in loans to investors in 2015 as banks cracked down on investor loans amidst fears of the market overheating. However, the continued upward trend in housing prices in Sydney (and Melbourne) saw banks soften their stance and in the year ending November 2016, loans to investors grew by 21.4% (Yeates, 2017). Australia-wide, in 2017, two out of every three loans to investors were interest only loans, whereas for homeowners the figure was one in four (ASIC, 2017). These loans are high risk as when the interest-only period ends, the repayments are much higher than they would be with a conventional home loan.

In the face of mounting concern about untenable house prices, the possibility of a rise in interest rates⁴ and the inability of an increasing proportion of households to access home ownership, especially in Sydney and Melbourne, the government endeavoured to stabilise house prices. In March 2017, the Australian Prudential Regulation Authority [APRA] instructed the banks to cut back on interest only mortgages and to be more restrictive on loans to investors. The new rules required banks to limit the flow of new interest-only lending to 30% of total new mortgage lending for residential properties. The restrictions led to a 10.1% decline in new lending to investors in 2017 (Yeates, 2018b) and house prices in Sydney in 2017 fell by 0.5%, the first decline since 2012 (Duke, 2018). The increasing trepidation of investors and the tightening of loan approvals by the banks, led to lending to investors dropping to 42% of all new loans in Australia in June 2018 – the lowest since 2012 (Yeates, 2018c).

4.2. The financialisation and neglect of social housing

A major contributor to the housing crisis in Sydney has been the failure of successive federal and state governments to bolster the supply of social housing⁵. This is part of a global trend. Even in countries that historically have had a sizeable social housing component, there has been a reconceptualization of social housing.

... [W]e have witnessed a shift away from subsidized rental housing. What arguably

⁴ Since September 2016 the interest rate has been at a record low of 1.5 per cent. The Reserve Bank of Australia (RBA) has constantly expressed concern about the implications of an interest rate rise for the many highly indebted households.

⁵ Historically housing provided by the Australian government has been referred to as public housing. Public housing is administered by the housing authorities of the respective states and territories.

Over the last two decades the profile of government subsidised housing has become more complex with the increasing importance of community housing. Community housing is subsidised housing, the subsidy is provided by government, but the home is not necessarily government built, and the administration is mainly done by non-government organisations. When public housing and community housing are discussed in combination, the term social housing is used.

started with Thatcher's Right to Buy in 1980 became a general and international policy on social housing privatization by the turn of the century (Aalbers, 2017: 543).

Aalbers goes on to argue,

... Funding for social housing was not only cut, but frequently also taken away from the state, making social housing providers increasingly dependent on financial markets for their continued existence (Aalbers, 2017: 543).

In NSW there has been a continuous push by the state government to transfer public housing to community housing providers / non-profit organisations. By the end of 2017, about one in five social housing dwellings in NSW were managed by community housing providers and the aim is to increase this to 35% in the next decade (NSW Government, 2016). Between 2011 and 2016 the number of households in public housing in NSW declined from 111,448 in 2011 to 108,637 in 2016 and in the same period the number of households in community housing increased from 24,298 to 26,897 (Australian Government, 2018) an overall decline of 214 dwellings. In the same period, Sydney's population increased by 432,000. In NSW, the state where Sydney is located, the official waiting list for social housing is around 60,000 households.

Public housing policy in Sydney at present is being driven by a policy called the "Communities Plus program". The program has all the elements of the financialisation of public housing. It involves selling public housing land to developers and creating a social mix of social housing tenants, "affordable housing" (this is partially subsidised rental housing), private renters and homeowners. A proportion of the money generated by the sales to the private sector is reinvested in social housing (NSW Government, 2017). The NSW government has declared that under the program 40,000 private homes will be built and 23,000 new and replacement social housing will be provided over a 15 to 20-year period. The split between new and replacement social housing is not clear.

4.3. Foreign investors loom large

Investment in Australian residential and commercial real estate by foreign investors has grown dramatically in the last decade with proposed foreign investment in residential real estate increasing from \$34.7 billion in 2013-2014 to \$60.8 billion in 2014-2015 and to \$72.4 billion in 2015-2016 (Australian Government, 2017;

Australian Government, 2016). In 2015-2016, residential real estate accounted for 29% of all approved direct foreign investment proposals. Next was manufacturing, electricity and gas with 23% and then commercial real estate with 20% (Australian Government, 2017). Foreign investment in real estate thus accounted for just under half of all foreign direct investment in 2015-2016, equivalent to \$122.1 billion, a 25% increase on the previous year. About a third of all residential real estate approvals were in NSW and almost all NSW approvals would have been in Sydney. The foreign investment rules prevent foreign nationals from purchasing established properties.

The increase in Chinese real estate investment in Australia since 2013 is staggering. The Foreign Investment Review Board approved \$5.9 billion in property investment from Chinese investors in the year ended 30 June 2013, up from \$4.2 billion in 2012 (Brewer, 2014). In the year ending June 2014, Chinese investors spent \$12.4 billion on residential and commercial property and in the year ending June 2015, \$24.3 billion (Somasundaram, 2016; Tan, 2016a). In 2015-2016, Chinese investment in real estate totalled at least \$31.9 billion (Australian Government, 2017). Next highest was the United States with \$8.2 billion. In 2016, it was estimated that 30% of all new housing in Australia was sold to Chinese investors and that this figure is higher in the case of apartments in inner-city areas (Tan, 2016a). Despite a crackdown by the Chinese government on the movement of capital out of China, a Credit Suisse report concluded that foreign buyers accounted for 26% of all new property purchases in NSW (almost all would have been in Sydney) and that Chinese buyers accounted for 87% of the value of foreign purchases in the first half of 2017 (Irvine, 2017). A tightening up on capital outflows by the Chinese government combined with a tightening of rules for investment in residential real estate by foreign investors resulted in a dramatic plunge in investment in the year ending June 2017. Foreign investment in residential real estate fell from \$72 billion in 2015-16 to \$25 billion in 2016-17 (Australian Government, 2018).

The existing federal government legislation allows foreign investment in new residential property without any restrictions. The managing director of Qualitas, a major Australian real estate management firm, commented that it is common in new developments that 40% of purchasers are foreign. Although the internet has greatly facilitated the growth of the global real estate industry (Rogers et al.

2015; Rogers, 2017), a growing trend is Sydney property developers travelling to Shanghai and Beijing to sell apartments off the plan. Several of the larger real estate companies in Sydney have set up China/Asian divisions (Wong, 2017). It is noteworthy that temporary residents who have a visa beyond 12 months, this would include international students, are able to purchase established property (Rogers et al., 2015).

Although foreign investors are not eligible to purchase properties that are not newly built, it would appear that there are various ways around the regulations. One method is using relatives or friends who are citizens. As Wong (2017: 100) argues,

... when studying transnational real estate, it is necessary to take into account the global forces behind the transnational networks and practices of major actors, in particular, the contemporary migrants who become essential buyers or brokers in the transnational social fields.

Besides using contacts within Australia, Chinese-based purchasers are able to obtain a significant investor visa or set up holding companies and buy established properties under Foreign Investment Review Board rules (Tan, 2016b). The data suggest that Australian residential property is a major site for money laundering. In 2016, the Australian Transaction Reports and Analysis Centre [AUSTRAC] confirmed that 5,886 Chinese transactions totalling \$3.36 billion were filed as "suspect matter reports" of which about \$1 billion were related to property transactions (Chung, 2017). In 2015, the Paris based Financial Action Task Force stated that large amounts of money were being laundered out of China into Australian real estate (Chung, 2017).

Chinese investment is no longer confined to the purchase of residential properties built by Australian companies. Some of China's biggest property developers are now involved in the Sydney property market. For example, a state-owned enterprise based in Shanghai, Greenland Holding Group, had four projects worth \$1.4 billion on its books at the end of 2014 (Johanson, 2014). A recent entrant into the Sydney housing market is Yang Huiyan, who is reputed to be one of China's richest women. Her company is heading up a \$500 million project Sydney. A large proportion of these apartments will be bought by Chinese investors off the plan. Wang Peng, a Chinese property developer, commented,

The amount of Chinese developers entering the Australian market is increasing exponentially and the only reason these businesses dare to venture into this market is because there is the scale and the demand (Wen, 2014).

The entry of Chinese developers is also having an impact on prices. They have the capital at their disposal to outbid local developers and in the process push up the price of land. For example, in 2016, the Dahua Group, one of China's largest property companies, outbid three local companies when it purchased a 134-hectare site in Sydney's west (Johanson, 2016).

A contentious and complex question is what impact is the entry of foreign capital having on residential property prices in Sydney. There is no consensus. Rogers et al. (2015) concludes,

While foreign investment may affect the supply of and/or demand for housing, and therefore housing prices, it does not necessarily follow that foreign investment is the sole or even a central cause of house price increases.

The director of a company that specialises in assisting overseas clients acquire property, has a different view: "It is no longer in question of "if" capital inflows from Asia are impacting our property markets, the questions should rather be "how exactly are they doing so?" and "to what extent?" (in Malpass, 2015). Wong (2017: 113) concludes,

Whilst Chinese purchasers made up a small proportion of overall property sales in Australia, they caused [a] disproportionate impact in certain locations such as Sydney.

The impact of Chinese investors on the price of new apartments has been recognised by the Reserve Bank of Australia:

If a significant subset of buyers reduce their demand sharply, this can weigh on housing prices, and Chinese buyers are no exception to this given their growing importance in segments of the Australian market (RBA, 2016).

At the very top end of the property market, Chinese buyers have pushed up prices. Sydney residential property has become a favoured place for extremely wealthy Chinese to invest. During the annual Chinese holiday, the Chinese Golden week, Chinese investors fly into Sydney and in some cases are chauffeured

to prospective high-end properties in 'Rolls Royces' by Mandarin speaking real estate agents (Melocco and Wen, 2016, 2016). In 2015, the home of James Packer, one of Australia's richest individuals, was sold for \$70 million to Chau Chak Wing, a Chinese businessman who also has Australian citizenship. He claimed he did not see the house before the purchase (Macken and Wen, 2015).

5. Conclusions

What is evident is that in order to understand the contemporary housing crisis in Sydney it is necessary to take account of the financialisation of housing. Probably the primary factors underpinning the most recent spike in house prices in Sydney (since 2012) have been the historically low interest rates combined with a tax regime that greatly encourages local investors to invest in residential property. Most housing scholars agree that negative gearing and the generous capital gains tax in a climate of low interest rates, have encouraged investors to enter the Sydney residential real estate market in droves. The scenario of investors outbidding first time homebuyers is a constant theme in the Sydney media.

Besides local investors, the data clearly indicate that in the last five years the impact of foreign investment has become a lot greater. The recent surge in real estate investment by Chinese investors has certainly pushed up the price of housing in new developments, especially in apartment block developments in Sydney's inner-city areas. The increasing presence of Chinese developers has further cemented the impact of Chinese investors. Fears about China's economic stability and house prices, the appreciation of the yuan against the dollar, the large Chinese community in Sydney and the perception that Sydney is a pleasant and safe place in which to invest, have all contributed to Chinese investors viewing Sydney real estate as a sensible and safe investment.

The minimal government support for the social housing sector and the selling off of social housing in gentrifying neighbourhoods (see Morris, 2017), can be tracked back to the financialisation of housing. Successive governments have instilled the belief that housing is not a government responsibility and individuals need to make their own way in the housing market. In addition, public housing land in some areas of Sydney has become extremely valuable and the NSW government is determined to sell off large sections of this public land to developers.

Affordable, adequate and secure housing are essential components of a decent life. However, Sydney's status as a global city in the context of the financialisation of housing makes it likely that for a large part of Sydney's population, housing will continue to be a source of anguish rather than comfort and security.

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