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Original Research

Exploring equitable and sustainable housing options for international students in Australia: A comparative analysis

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Abstract

This study examines housing options for international students in Australia, comparing purpose-built student accommodation (PBSA), co-living spaces, build-to-rent (BtR) developments, and private rentals based on affordability, accessibility, and student well-being. The research employs qualitative comparative analysis using secondary data from peer-reviewed articles, government reports, and statistical databases. The findings reveal that while PBSAs and co-living spaces offer superior living experiences, they are limited in supply and often unaffordable for low-income students. BtR developments provide moderate affordability and stability but lack a community focus and are concentrated in major cities. Private rentals, though widely available, are often unaffordable, insecure, and of inconsistent quality. The study highlights significant affordability issues and geographic disparities, with international students often spending 30–50% of their income on housing, far exceeding the 30% "housing stress" threshold. To address these challenges, the study recommends PBSAs, BtR developments, and innovative solutions such as AI-driven housing allocation, blockchain-based rental agreements, and flexible leasing models. These recommendations aim to increase housing options and improve affordability and accessibility. The study concludes that a multi-stakeholder approach involving government agencies, universities, and private developers is essential to create a secure, accessible, and student-friendly housing environment. Implementing rent regulations, expanding the supply of affordable housing, and strengthening university-backed housing support can enhance the housing experience for international students, thereby improving their academic performance and mental well-being in Australia.

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1. Introduction

Housing is a basic need and a fundamental human right within society. Access to affordable housing provides independence, privacy, and security (Nguyen and Nguyen, 2024). It is a critical factor in the welfare and academic performance of international students studying in Australia (Hassan *et al.*, 2023). The number of international students can fluctuate based on government visa policies. According to the Department of Education, Australia had 1,081,300 overseas students enrolled in November 2024, representing a 15% increase compared to the same period in 2019, prior to the COVID-19 pandemic (Choudaha, 2020). Additionally, there were 557,976 November commencements, the highest ever recorded and 11 percent greater than the November 2019 figure of 501,668. Consequently, Australia faces significant challenges in providing affordable, accessible, and student-friendly housing that meets the unique needs of these students amid the increasing influx of international students.

The benefits and challenges of various housing options—such as purpose-built student accommodation (PBSA), co-living spaces, build to rent (BtR) developments, subsidized housing, and private rentals vary based on availability. While progress has been made, work remains to improve housing affordability, supply, and quality. Each housing style has distinct features that affect accessibility, affordability, and overall well-being. Although PBSAs are costly and primarily located in cities, they provide safe, controlled environments. Co-living facilities promote social interaction but are also expensive and limited (Franz and Gruber, 2022). While BtR complexes generally offer tenancy stability, they do not specifically target students. Subsidized accommodation, though limited and preferential to domestic students, is more affordable. Private rentals, while flexible, are often costly, inconsistent, and of varying quality, with shortages in regional areas. Addressing these disparities is essential for improving accommodation accessibility for international students.

Most of these problems lead to financial strain, disengagement from social circles, and poor work performance among students. Although some progress has been made, challenges such as high costs, lack of availability, uneven distribution, and varying housing quality persist. These challenges are interconnected, making it increasingly difficult for students to secure affordable housing, maintain social connections, and achieve academic success (Deng *et al.*, 2022; Sotomayor *et al.*, 2022). This study addresses these issues by identifying and classifying the accommodation options available to international students in Australia, rating their affordability and accessibility, and assessing their impact on academic performance and student well-being. Employing secondary data and qualitative analysis, the study provides a comprehensive understanding of the structural issues related to various housing options, drawing on scholarly literature, government studies, and industry publications.

This study investigates various housing concepts and assesses their feasibility within the ongoing discussion on developing fair and

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reasonable solutions to housing challenges. Unlike many other studies, this research goes beyond problem identification to explore actionable, solution-oriented strategies that may address issues related to pricing, infrastructure needs, inadequate assistance, and reduced accessibility to appropriate housing. It distinguishes itself by focusing on evaluating new housing models within the Australian context, such as digital co-living platforms and smart housing systems, and translating these findings into policy recommendations. By doing so, the study aims to assess housing options for international students in Australia, highlighting issues of accessibility and affordability, while proposing creative, multi-stakeholder solutions for sustainable and equitable student housing. Additionally, it examines various approaches, outlining the main advantages and challenges of co-living facilities, BtR developments, private rentals, and Purpose-Built Student Accommodation (PBSA). The study also scrutinizes innovative approaches to infrastructure requirements and affordability, evaluating new models like smart housing systems and digital co-living platforms. The findings are intended to guide policy recommendations that promote fair and sustainable student housing, ensuring students' academic performance, social integration, and overall well-being. Such methods may also enhance the affordability of the international student experience in Australia while supporting their physical and mental health, ultimately improving their social and academic experiences.

2. Literature review

For international students, affordability remains a significant issue, as they often allocate a large portion of their income to rent. Morris (2024) highlights that many students in Australia are burdened by the financial constraints of limited affordable housing options. Subsidized housing models, provide accommodations at discounted rates; however, they still fall short of meeting the growing demand (Yates, 2013). The Australian Housing and Urban Research Institute emphasizes that build-to-rent housing models could enhance affordability and accessibility by introducing new partnership approaches between the public and private sectors (Maalsen *et al.*, 2025). Despite these promising models, the lack of affordable housing continues to vary geographically, with regional areas lagging behind (Table 1).

Table 1. Inclusion and exclusion criteria for literature selection.

Inclusion criteria	Exclusion criteria
Studies focusing on housing models for international students in Australia	Studies not specific to international students or Australia
Peer-reviewed articles, policy reports, and industry publications (2016–2024)	Non-English publications or non-peer-reviewed sources (e.g., blogs, opinion pieces)
Topics: Affordability, accessibility, student well-being, policy interventions	Studies focused solely on domestic students or general housing (non-student)
Housing models: PBSAs, co-living, BtR, private rentals, subsidized housing	Articles without empirical data or qualitative/quantitative analysis
Geographic focus: Urban and regional Australia	Studies predating 2016 (unless foundational to housing policy)

2.1 Search parameters

To explore the evolving landscape of student housing in Australia, this research employed a multi-source approach, utilizing authoritative databases such as Google Scholar, the Australian Housing and Urban Research Institute (AHURI), and the Australian Bureau of Statistics (ABS). The search concentrated on the following keywords: "international student housing Australia," "affordable student accommodation," "co-living spaces," "Build-to-Rent student housing," "housing policy Australia," and "student well-being and housing." These terms reflected the study's focus on identifying housing models, policy frameworks, and well-being outcomes relevant to both domestic and international students. The timeframe for the research extended from 2015 to 2024 to ensure that findings were aligned with recent trends and developments in higher education demographics, urban planning, and rental market dynamics. This approach aimed to synthesize insights into sustainable and equitable housing solutions that address the diverse needs of Australia's student population.

Models have been developed to accommodate international students, including PBSA and innovative housing options like co-living spaces. Co-living spaces promote community integration among students, help them establish peer networks, and ease their transition into a new environment (Ike *et al.*, 2016). Additionally, innovative housing approaches that incorporate principles of sustainability and smart cities could address both affordability and wellbeing (Maalsen *et al.*, 2025). These models have been proven to reduce feelings of social isolation and foster a sense of belonging among international students, which is crucial for their overall adjustment.

Quality and stability in housing have become major factors affecting students' mental health and academic performance. International students exhibit higher levels of stress, social isolation, and lower academic engagement compared to their peers (Zhu et al., 2024). In contrast, a stable co-living environment or PBSA has been shown to positively impact students' wellbeing and academic productivity (Tiensuu and Tucci, 2025). However, the demand for such housing is increasingly outpacing supply, pushing many students into precarious and often exploitative private rental markets (Morris, 2024).

Government policy interventions are necessary to address the rights of international students, particularly due to a lack of awareness. The Student Accommodation Strategy (City-Level Policies) has been implemented in cities like Melbourne and Sydney, requiring developers to include affordable student housing in large residential projects. These policies aim to balance the supply of PBSA with affordability considerations. In this context, Ramia *et al.* (2024) argued that government interventions are needed for rent price regulation and to provide developers with incentives to attract more investment in reasonably priced accommodation for students. The BtR model represents a scalable solution to meet the demand for affordable student housing. Overall, public-private funding in BtR developments is expected to enhance the supply of purpose-built accommodation and reduce reliance on private rental markets. Affordability remains a central challenge for international students in Australia (Swanzy-Impraim *et al.*, 2023).

Studies such as Morris (2024) highlight that students often allocate a significant portion of their income to rent, leaving them with little financial flexibility for other essentials (Yates, 2013). While government-backed programs like subsidized housing models have been introduced, these initiatives remain insufficient to meet the growing demand (Maalsen *et al.*, 2025). Additionally, BtR models have been explored as a solution to housing shortages (Swanzy-Impraim *et al.*, 2023). However, their implementation has been limited and mainly focused on urban areas, leaving students in regional locations underserved.

There is limited research on how rental market fluctuations impact international students differently than domestic students, particularly during economic downturns or policy changes. While student housing research frequently discusses affordability, it has given limited attention to wellness-focused housing that integrates biophilic design, sustainable architecture, and mental health-supportive environments (Morris, 2024). Studies such as Ike *et al.* (2016) touch on community-oriented housing models but fail to address how nature-based designs and smart living environments can enhance student well-being and academic performance. The BtR models as a promising approach to increasing the affordable housing supply; however, these studies largely focus on domestic renters rather than international students (Swanzy-Impraim *et al.*, 2023). Likewise, subsidized housing schemes have been primarily designed for low-income Australian residents, with minimal focus on how these models could be adapted for international student housing (Yates,

2013). Additionally, there is a lack of studies on micro-investment housing models, where students can hold fractional ownership of housing developments, providing long-term affordability and financial sustainability. Here are some characteristics of existing housing models in Australia.

2.2 Purpose-Built Student Accommodations (PBSAs)

The PBSA is an educational institutional building specifically designed for use by student residents. These facilities typically include study rooms, common areas, and support services on-site. PBSAs offer students a stable and secure environment that fosters academic engagement and personal well-being, making them a reliable and favorable option for many international students (Tiensuu and Tucci, 2025). However, some students face restricted access due to the high cost of PBSAs and their limited availability, especially in areas outside urban centers (Maalsen *et al.*, 2025).

2.3 Co-living spaces

Co-living spaces are shared housing arrangements that provide students with a community-oriented environment. These accommodations feature shared common areas and organized activities designed to foster social interaction. Ike *et al.* (2016) stated that co-living spaces help students adjust to cultural differences while reducing social isolation, which is particularly crucial for international first-year students compared to other student groups. However, despite the sense of community that co-living spaces offer, their availability and affordability have been limited, making them unaffordable for many low-income students.

2.4 Build-to-Rent (BtR) developments

The BtR development is a new housing supply model in which properties are built and owned by developers for long-term rental. This type of accommodation is affordable and offers various facilities to meet the diverse needs of tenants, including international students. BtR models leverage public-private partnerships to enhance affordability and address supply shortages (Maalsen *et al.*, 2025). However, the adoption of BtR has largely been concentrated in major cities, with less emphasis placed on regional areas (Swanzy-Impraim *et al.*, 2023).

2.5 Private rentals accommodation

Private rental accommodation, including apartments and houses in the general rental market, is the most commonly used form of housing for international students. While private rentals offer flexibility in terms of location and size, they also present challenges such as high costs, insecure tenancy agreements, and inconsistent housing quality. Many students who rely on private rentals face financial hardship and may even experience exploitation in unregulated rental markets (Morris, 2024).

2.6 Research gap

The literature review reveals several key research gaps across various themes. There is a lack of work on scalable, affordable housing solutions for regional and remote areas, as well as on adapting domestic low-income housing policies for international students. Innovative models such as micro-investment housing and wellness-focused design are underexplored, along with the impacts of economic shocks and rental exploitation on international students. Additionally, there is insufficient longitudinal data linking housing instability to academic outcomes, and current models often overlook housing as a well-being ecosystem. Finally, the application of technologies like AI and blockchain in housing allocation, as well as the scalability of co-living initiatives, remains unstudied.

3. Methodology

This study employs a qualitative comparative analysis approach, relying primarily on recent secondary data sources to investigate and estimate innovative housing models for international students in Australia. The study focuses on four primary housing types, the PBSA, co-living spaces, BtR developments, and private rentals. It evaluates these housing types based on three key criteria: affordability, accessibility, and student well-being. Data was collected from peer-reviewed journal articles, government and institutional reports, policy documents, and statistical databases such as the ABS and AHURI, covering the period from 2015 to 2024. A thematic content analysis was applied to categorize findings across the different housing models, using a comparative matrix to systematically assess their relative strengths and weaknesses. Search terms such as "international student housing Australia" and "affordable student accommodation" guided the literature review for this study. While the study provides broad insights into the structural challenges and opportunities in student housing in Australia, it is limited by the lack of primary data, such as interviews or surveys, and may not fully capture lived experiences or regional variations. Future research could strengthen these findings by incorporating mixed methods and direct student engagement. Additionally, the study's practical applications could be enhanced by including case studies that examine effective student housing initiatives, such as university-backed accommodation schemes.

4. Result and analysis

The study evaluates four major housing choices: PBSAs, co-living spaces, BtR developments, and Private Rentals (Table 2). It examines these options against affordability criteria, accessibility aspects, student well-being requirements, and typical providers. PBSAs offer high stability but come at premium prices and are primarily located in urban districts. Co-living spaces promote social engagement and reduce isolation, yet their limited availability and high costs pose challenges. Residents of BtR developments enjoy mid-range priced homes with stable rental terms; however, these properties often lack intentional community features and are mainly found in metropolitan areas. Private rentals provide the most availability for students but come with minimal stability, high costs, and insecure housing situations. This analysis demonstrates that while these three housing models address student needs, they also reveal price-related and distance barriers that adversely affect international students.

Table 2. Comparison of housing models for international students in Australia.

Model	Affordability	Accessibility	Student well-being	Provider
PBSAs	High cost, often unaffordable for low-income students	Limited to urban areas; scarce in regional locations	High-stable, secure, and supportive environments	Universities, private student housing companies, or public-private partnerships.
Co-living spaces	Moderate cost but still unaffordable for some	Limited supply, mostly in major cities	Very high—promotes social integration and reduces isolation	Private startups, co-living operators, or university-affiliated programs.
Build-to-Rent (BtR)	Moderate, but rising rents outpace wages	Concentrated in major cities; rare in regional areas	Moderate—long-term leases but lacks community focus	Private developers, institutional investors, or government-backed projects.
Private rentals	Highly variable, often unaffordable (30–50% of income).	Widely available but insecure and exploitative.	Low linked to stress, instability, and poor academic outcomes.	Individual landlords, real estate agencies, or informal rental markets.

A comparison of the housing models indicates that, although PBSAs and co-living spaces offer superior living experiences, their limited supply and affordability issues restrict access for many

international students. BtR developments, while promising, require increased government support and strategic implementation to meet growing demands.

This study highlights key findings regarding housing affordability and access, as well as the implications of innovative housing models on the well-being and academic outcomes of international students. These findings were derived from a secondary data analysis that included a critical review of academic literature and reports.

4.1 Affordable and accessible housing

A comparison of housing price data in Table 3 shows that Australian states differ considerably in terms of affordable rents in 2023. The Australian Capital Territory (ACT) has the highest rents at AUD 560 per week, followed by New South Wales at AUD 490 and the Northern Territory at AUD 450. These areas experience high demand from residents in both central urban districts and remote regions. In contrast, Tasmania has the lowest rental prices at AUD 270, indicating affordable housing but also suggesting limited development and infrastructure in the state. Victoria and Queensland have rental prices of AUD 380, while South Australia is moderately priced at AUD 320. The financial responsibility for international students varies based on their location, as those enrolled in urban or isolated regions face increased financial challenges.

Table 3. Median weekly rent in Australia by state (2023 and 2024).

State/territory	Median weekly rent (AUD) 2023	Median weekly rent (AUD) 2024
New South Wales (NSW)	$490	$680
Victoria (VIC)	$380	$550
Queensland (QLD)	$380	$620
South Australia (SA)	$320	$480
Western Australia (WA)	$350	$520
Tasmania (TAS)	$270	$390
Northern Territory (NT)	$450	$500
Australian Capital Territory (ACT)	$560	$590

Source: Australian Bureau of Statistics, 2024.

Table 4 highlights rental price fluctuations, supporting arguments about affordability challenges. It illustrates annual rental price changes across Australian states and territories from 2020 to 2024, reflecting the various trends associated with socio-economic events and policy interventions. During the 2020–2021 pandemic period, Victoria experienced declines in some urban areas (e.g., -1.0% in 2020), while Tasmania saw sharp increases in other regional areas (e.g., +6.0% in 2020) due to an influx of people migrating to non-metro regions, where remote work opportunities emerged. Recovery began in 2021, with increasing demand in Queensland (+6.7%) and Melbourne (+4.5%), aided by immigration from other states.

Table 4. Rental price change (NRAS Market Index, 2024-25) [annual rental price changes in Australia (2020–2024)].

State/territory	2020	2021	2022	2023	2024
New South Wales	+1.5%	+3.2%	+10.3%	+9.7%	+8.5%
Victoria	-1.0%	+4.5%	+9.7%	+8.2%	+6.0%
Queensland	+3.8%	+6.7%	+12.7%	+10.1%	+8.4%
South Australia	+2.1%	+5.0%	+12.4%	+11.3%	+5.8%
Western Australia	+4.2%	+7.3%	+13.2%	+12.5%	+8.9%
Tasmania	+6.0%	+8.9%	+10.1%	+7.5%	-0.4%
Northern territory	+3.5%	+5.8%	+15.3%	+14.0%	+4.5%
Australian capital territory	+2.0%	+3.5%	+9.5%	+8.0%	+2.4%

Source: Australian Bureau of Statistics (2020–2023), Department of Social Services (2024).

In 2022–2023, there was an unprecedented rent hike across the country due to inflation, a supply shortage, and the resumption of international students. Employment growth in the mining sector led to Western Australia recording the largest increase at +13.2% in 2022, followed by +15.3% in the Northern Territory due to a lack of housing in remote areas. In Tasmania, although it experienced earlier growth (up to +7.5% until 2023), the market began stabilizing by the end of last year.

Projections from the Department of Social Services indicate that rent increases should moderate in most states in 2024. For instance, New South Wales is expected to decrease to +8.5% from its 2023 high of +9.7%, while Tasmania is projected to decline to -0.4% due to stronger supply and government rent control policies. Urban hubs, such as Victoria (+6.0%) and Queensland (+8.4%), continue to face affordability challenges, albeit at lower rates than in previous years. This pattern suggests that rental markets are steadily stabilizing as a result of changing supply dynamics and policy initiatives.

Overall, the data highlights how pandemic recovery, regional disparities, and policy responses have influenced the dynamics of Australia's rental market, with urban areas still grappling with affordability issues while less mature regional markets stabilize as the pandemic ends.

Crucial observation is that these rental increases far exceed the Consumer Price Index (CPI), which typically reflects general cost-of-living changes. According to the Australian Bureau of Statistics, the national CPI inflation rate has averaged around 4.1% in recent quarters (ABS, 2025). This means that rental prices in key student cities are rising at nearly double the general inflation rate, disproportionately impacting international students who often rely on fixed budgets or foreign currency sources. The analysis has identified affordability as the primary concern regarding international students' housing in Australia.

4.1.1 Financial burden

Studies have shown that a significant portion of students' budgets is allocated to housing, leaving little or nothing for other necessities. For instance, Morris (2024) noted that over 50% of international students experiencing financial constraints do so due to the limited availability of affordable housing. While international students demonstrate financial capability during the visa process, many still encounter financial strain after their arrival. This strain can result from underestimating living cost guidelines, facing unforeseen expenses, dealing with volatile exchange rates, and encountering limited employment opportunities. High upfront housing costs and a lack of awareness about the local rental market further complicate access to reasonably priced accommodations. As a result, students are often forced to reside in expensive or substandard housing, leading to a significant financial burden that diverges from their pre-departure expectations.

4.2 Comparison with other economic indicators

Wage growth (2024): The Australian Wage Price Index (WPI) has increased by only 3.9% over the past year, indicating that rental prices are rising at more than twice the rate of wage growth (ABS, 2025).

The Consumer Price Index (CPI): Australia's CPI rose by 2.4% in 2024–2025, suggesting a reduction in inflation. International students have benefited somewhat from this, particularly regarding lower housing and transportation costs. However, the removal of cost-of-living subsidies is expected to push inflation above 3% later in 2025, thereby increasing pressure on student budgets. Additionally, government initiatives aimed at limiting the number of international students admitted may further impact the affordability and accessibility of student housing (ABS, 2025).

General housing affordability: The Rental Affordability Index (RAI) reveals that major student cities like Sydney and Melbourne rank among the least affordable locations for renters, with conditions worsening over the past two years.

Regional disparity: Geographical dispersion exacerbates this situation; while metropolitan areas may offer more housing units, these are often significantly more expensive. The subsidized housing models that have worked for some urban areas (primarily for domestic students) have failed to provide solutions for students in regional locations (Yates, 2013).

A comparative analysis of the disparity in housing between urban and regional areas across three Australian states: Victoria, New South Wales (NSW), and South Australia is provided in Table 5. It examines various metrics, including housing supply, dominant types of housing, average rent, affordability, policy interventions, challenges, and student outcomes.

As urban hubs, Melbourne, Sydney, and Adelaide are associated with higher levels of availability of PBSA; however, the existing supply is insufficient to meet demand. In contrast, regional areas such as Geelong (Victoria), Newcastle (NSW), and Mount Gambier (South Australia) lack adequate PBSA, forcing students to rely on private rentals. Private rentals in these urban centers are considerably more expensive—such as Sydney's rates, which range from $600 to $900—while Newcastle's rent-to-income ratios are often over 40%, significantly exceeding the 30% "housing stress" threshold. Monthly incomes can be as low as $350 to $450 (AUD).

Table 5. Regional disparity (urban vs. regional).

Aspect	Victoria (urban: Melbourne)	Victoria (regional: Geelong)	NSW (urban: Sydney)	NSW (regional: Newcastle)	South Australia (urban: Adelaide)	South Australia (regional: Mount Gambier)
Housing Supply	High PBSA (15,000+ beds)	Limited PBSA (<500 beds)	High PBSA (12,000 + beds)	Minimal PBSA (<300 beds)	Moderate PBSA (3,000 beds)	Scarce PBSA (<100 beds)
Dominant housing type	Private rentals (70%)	Private rentals (85%)	Private rentals (65%)	Private rentals (90%)	Private rentals (75%)	Private rentals (95%)
Average rent (AUD)	450–450–600 (urban PBSA), 550–550–800 (private)	300–300–400 (private)	500–500–700 (urban PBSA), 600–600–900 (private)	350–350–450 (private)	350–350–500 (urban PBSA), 400–400–600 (private)	250–250–350 (private)
Affordability	40–55% of income spent on rent	30–45% of income spent on rent	45–60% of income spent on rent	35–50% of income spent on rent	35–50% of income spent on rent	25–40% of income spent on rent
Policy interventions	Student Accommodation Strategy (weak enforcement)	General affordable housing policies	Sydney housing accord (partial implementation)	Rural housing grants (limited)	State subsidized housing quotas	Minimal policy focus
Challenges	High demand, exploitative leases	Limited supply, social isolation	Unaffordable rents, overcrowding	Poor transport, few support services	Moderate supply, rising costs	Extreme isolation, outdated housing stock
Student Outcomes	High PBSA satisfaction, stress in rentals	Lower satisfaction, academic disengagement	Mixed PBSA/private rental stress	High financial strain, isolation	Moderate satisfaction, rental instability	Poor mental health, limited academic support

Source: Australian Housing and Urban Research Institute (AHURI), 2024.

Cities face additional affordability challenges due to exploitative leases and overcrowding, while regional areas contend with sparse infrastructure and isolation, which further exacerbate affordability issues. Policy interventions reveal stark contrasts; while initiatives like Melbourne's Student Accommodation Strategy and Sydney's Housing Accord benefit urban areas, their enforcement has proven weak and delivery inconsistent. Except for market-neutral affordable housing policies and limited small grants, targeted support for students in regional areas like Geelong or Mount Gambier is practically nonexistent.

The challenges faced by students also differ: urban students encounter higher demand and more volatile rental markets, while regional students grapple with poor transport links, outdated housing stock, and a lack of academic or social support services. These disparities highlight systemic inequities in housing policy prioritization, with regional needs often overshadowed by urban solutions.

The structural gaps are reflected in student outcomes. While urban PBSAs report higher satisfaction levels than their precarious counterparts in private rentals, stress persists for those in unstable private housing. In regional areas, outcomes are significantly lower due to academic disengagement, financial strain, and mental health challenges stemming from isolation and inadequate housing. For instance, in regional Victoria and South Australia, we observe lower satisfaction rates linked to academic performance related to housing instability. This highlights the critical need for geographically balanced policies that address the affordability crisis in cities and the supply deficits in regional areas, ensuring equitable access to secure, and affordable housing for all international students.

Recent data indicates a significant decline in student visa grants in Australia, which has implications for international student housing demand.

According to Australia's Department of Home Affairs, from January to April 2024, a total of 74,421 study visas were granted to offshore applicants, representing a 29.1% decrease compared to the same period in 2023. This decline suggests a reduced influx of international students, potentially easing some pressure on the housing market. However, this trend may be influenced by various factors, including policy changes and global events, and its impact on housing demand requires further analysis.

4.3 Impact of housing on well-being and academic performance

The quality and stability of accommodation significantly affect the well-being and academic performance of international students. Students in insecure housing experience much higher levels of stress, and social isolation greatly diminishes academic engagement. These stressors negatively impact their academic performance and ability to adapt to their environment (Zhu *et al.*, 2024). Conversely, students residing in PBSAs or co-living spaces report better mental health and higher academic productivity (Tiensuu and Tucci, 2025). Stable, purpose-built housing reduces stress and fosters a sense of belonging, enabling students to concentrate on their studies.

5. Discussion

5.1 Affordability and accessibility

The affordability-accessibility relationship lies at the heart of the housing crisis faced by international students in Australia, with research consistently emphasizing their interdependence. Affordability is not merely a question of rental costs; it represents a disproportionate financial burden on students, who often spend 30–50% of their earnings on accommodation—well above the 30% threshold commonly recognized as "housing stress" (Morris, 2024). This aligns with findings from the Australian Bureau of Statistics (2024), which indicate that rental prices in major student hubs like Sydney (+8.5%) and Melbourne (+6.0%) rose at nearly double the national inflation rate of 4.1% in 2024. This stands in stark contrast to slow wage increases of 3.9% in 2024, leaving students financially vulnerable, especially those on fixed budgets or subject to volatile foreign exchange rates.

Existing models of subsidized accommodation, while theoretically sound, fail in practice. Study demonstrated subsidized schemes, such as discounted PBSA, only meet a fraction of the demand, with most students competing in exploitative private markets. In Victoria, for example, despite a supply of more than 15,000 PBSA beds, affordability remains elusive due to rents ranging from AUD 350 to 450 per week and stringent eligibility criteria (Yates, 2013). Conversely, regions like Tasmania, with fewer than 1,000 PBSA beds, face acute shortages, forcing students into insecure private rentals that consume 30–40% of their income (AHURI, 2024). Such

geographic disparities underscore that urban-centric policy models overlook the needs of regional students and perpetuate structural inequalities (Maalsen *et al.*, 2025).

The BtR model, presented as a scalable solution, exemplifies this spatial inequality. BtR developments could enhance affordability through long-term leases and institutional investment, their implementation remains concentrated in urban areas (Swanzy-Impraim *et al.*, 2023). Rural regions, where rental costs surged by 15.3% in the Northern Territory (2022), lack similar infrastructure, leaving students disadvantaged. The spatial imbalance is further exacerbated by policy inertia. Government initiatives, such as Melbourne's Student Accommodation Strategy, focus on supply growth in metropolitan areas without addressing affordability challenges or regional shortages (Ramia *et al.*, 2024).

More recent changes to student visa awards have added complexity to the nexus. A 29.1% drop in offshore approvals from January to April 2024 would temporarily lower demand but highlights the volatility of international enrollment. This type of instability has the potential to destabilize housing markets, particularly where supply-side interventions are non-adaptive. For instance, Tasmania's rental market stabilized in 2024 with a growth rate of -0.4%, thanks to increased supply and rent control measures, but it remains vulnerable to reversal without sustained, student-oriented policies (Zhu *et al.*, 2024).

In addition to challenges related to affordability and accessibility, urban planning and regulatory barriers significantly impact the availability of student housing. Stringent building permit regulations, zoning laws, and developer restrictions often delay the construction of new PBSAs and BtR developments, limiting supply in high-demand areas. Local governments and planning authorities impose density restrictions that can prevent large-scale student housing projects from being developed in key metropolitan regions, further exacerbating shortages. Moreover, land-use policies often prioritize commercial or luxury residential developments over affordable student housing, leading to an imbalance in accommodation options.

Ultimately, the dynamic between affordability and accessibility cannot be separated from structural failures in policy design and market regulation. Research across the board requires responsive systems that integrate supply growth with equitable access—through geographic BtR incentives, income-scaled rent controls, or CPI-indexed subsidies. Otherwise, housing will remain a privilege rather than a right for Australia's international student population.

5.2 Proposed innovative models to support existing models

New housing models, such as co-living spaces and PBSAs, are emerging as potential solutions to the housing challenges faced by international students. In addition to existing housing models, several innovative and transformative solutions could address the affordable housing crisis for international students in Australia. These approaches incorporate technology, alternative financing, and community-driven models to create a more sustainable, accessible, and student-centric housing market.

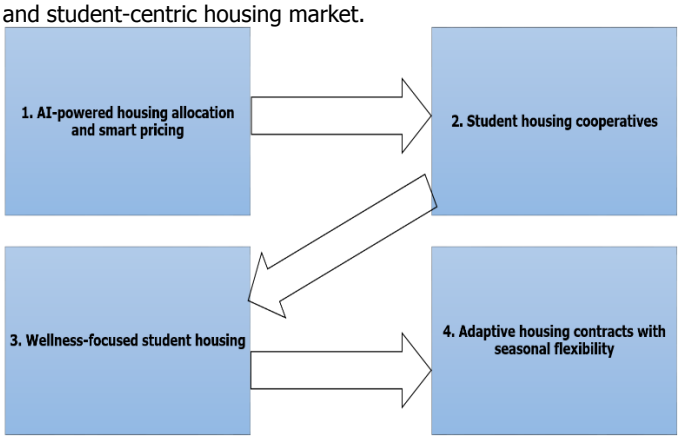

Figure 1. Proposed innovative models to support existing models.

5.2.1 AI-powered housing allocation and smart pricing

One of the key issues in student housing is unequal access and fluctuating rental prices. An AI-powered platform could analyze rental market trends, student income levels, and demand patterns to optimize housing allocation. Universities and housing providers could integrate AI models to offer personalized rental pricing based on financial need, ensuring that students from various income backgrounds have access to affordable, high-quality housing. This system could operate similarly to income-based housing models used in Scandinavian countries, incorporating real-time market adjustments to prevent price gouging (Figure 1).

5.2.2 Student housing cooperatives

Most current models rely on either private developers or university-owned housing, leaving students vulnerable to market conditions. A student-led housing cooperative model could be developed in which students, alumni, and educational institutions co-own and self-manage housing units. This nonprofit, student-driven approach could keep costs low and stable while promoting community governance, allowing students to have a say in rental rates, facilities, and maintenance. This concept is inspired by successful housing cooperatives in Germany and Canada, which provide stable, low-cost student accommodation outside of speculative rental markets (Figure 1).

5.2.3 Wellness-focused student housing

Traditional housing models primarily emphasize basic shelter, often overlooking student well-being. A biophilic student housing model could incorporate nature-based designs, such as green roofs, air-purifying walls, and mindfulness spaces, to enhance mental well-being and academic focus. Housing could feature study pods with circadian lighting, communal organic food gardens, and stress-reduction areas, creating an environment that promotes both learning and personal well-being. Research indicates that nature-based living spaces improve student performance and psychological health, making this model particularly relevant for international students experiencing cultural adjustment stress (Figure 1).

5.2.4 Adaptive housing contracts with seasonal flexibility

One challenge student's face is being locked into rigid 12-month leases, which do not accommodate fluctuating study schedules. A flexible leasing model could introduce "adaptive housing contracts," allowing students to rent for semester-based durations or switch between housing types based on internship periods, travel, or exchange programs. By utilizing smart contract technology, students could dynamically sublet or share spaces without violating lease agreements, fostering a student-centered, flexible housing ecosystem. To create a secure, accessible, and student-friendly housing environment in Australia, policymakers should implement minimum housing standards, expand the supply of affordable housing, regulate rent practices, and strengthen university-backed housing support. A multi-stakeholder approach involving government agencies, universities, and private developers is essential to effectively address the student housing crisis (Figure 1).

5.3 Reimagining solutions: Technology, equity, and collaboration

The implementation of AI-based housing allocation systems, combined with blockchain rental agreements, relies on active participation across different industries and sectors. AI services can equalize opportunities through adaptive pricing structures akin to the Scandinavian system of income-based renting, while blockchain visibility helps prevent private market abuses (Morris, 2024). Inspired by the German and Canadian housing cooperative models, student housing cooperatives provide a community-led solution to speculative market fluctuations. The success of these cooperatives depends on legislative support for co-ownership models that empower students.

To realize these innovative plans, policymakers should take the following actions, Implement rent regulations by setting caps in high-demand cities and providing specific rent subsidies for students from low-income backgrounds. Ensure that Public Service Accommodation

facilities incorporate wellness features, such as study pods and communal gardens, to promote educational outcomes in line with holistic standards.

6. Limitations and pathways for future research

The use of secondary data in this study limits researchers' ability to understand students' genuine experiences. Investigating how housing instability affects educational outcomes requires future research that combines survey methods, interviews, and extended monitoring of affected students. To fully assess their potential and gain stakeholder acceptance, researchers should conduct pilot tests using proposed models that integrate AI platforms with micro-investment housing solutions.

7. Conclusions

This study examines the housing challenges faced by international students in Australia, highlighting issues of affordability, stability, and social integration. While emerging models like co-living and build-to-rent show potential, access remains limited due to spatial and economic barriers. Many students still depend on traditional rentals, which are often costly and unstable. Housing security directly affects students' finances, well-being, and academic success. Current options lack flexibility to align with students' academic and financial needs. There is a pressing need for adaptable housing models, stronger institutional support, and collaborative policy efforts. Future research should focus on sustainable, student-centered housing strategies, including AI-based allocation, cooperative living, and financial aid programs to build an inclusive, resilient housing ecosystem.

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Ethical approval statement

Not applicable.

Data availability

Data will be available upon request from the corresponding author.

Informed consent statement

No informed consent was required to conduct the study.

Conflict of interest

The authors declare no conflict of interest regarding the publication of this manuscript.

Authors' contribution

Conceptualization, research framework, literature synthesis, methodology, interpreted findings, formulated recommendations, revised the manuscript and comparative analysis of housing models: Musfera Jahan; **urban and regional planning, focusing on affordability trends, policy implications, methodology, interpreted findings, formulated recommendations, revised the manuscript and the integration of innovative housing solutions:** Md. Rubaiat Hasan. All authors has read and approved the final version of the published article.

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