



# Housing, homelessness and mental health in the ACT

## Overview

Safe and stable housing is a foundation for good mental health.

It is no surprise that many people experiencing homelessness or uncertain housing in the ACT are also living with poor mental health. The relationship goes both ways: mental ill-health increases the risk of homelessness, while the experience of homelessness can cause or worsen mental distress.

Every day in Canberra, people with mental health issues are struggling to find and keep a home. And far too many people experiencing homelessness are not getting the mental health support

## The facts: housing and mental health in the ACT

- Around **47% of people who accessed Specialist Homelessness Services (SHS)** in the ACT in **2023–24** had a **current mental health issue** (AIHW 2025a).
- There has been a **65% increase** in people with a mental health issue accessing specialist homelessness services over the past eight years – from **487 people in July 2017** to **805 in March 2025** (AIHW 2025b).
- The **rate of people with a current mental health issue seeking homelessness services in the ACT** continues to **rise faster than the national average**.
- Among **Aboriginal and Torres Strait Islander peoples** seeking support from homelessness services in the ACT in 2023-24, **two thirds (66%)** had a current mental health issue or were experiencing alcohol and other drug issues.
- The number of people experiencing **persistent (chronic) homelessness** has also increased (ACT Shelter 2025).
- These trends reflect how **mental ill-health is both a driver and a consequence of homelessness** in the ACT.

Number of people seeking assistance from ACT homelessness services with a current mental health issue, July 2017 to March 2025



## Why it matters

Housing is not just a roof over one's head – it is central to health, stability, and recovery.

People living with poor mental health are at greater risk of homelessness because they may struggle to maintain employment, pay rent, or sustain social connections. Once housing is lost, the psychological toll of homelessness – anxiety, trauma, isolation, and stigma – can further erode mental health.

Meanwhile, our service systems too often operate in silos. People with complex needs fall through the cracks between housing, mental health, justice and health systems. Some are discharged from psychiatric facilities, hospitals, or prison into homelessness, despite clear evidence that this leads to worse outcomes and higher costs across the community.

## Rental insecurity, housing stress and mental health

Across the ACT, a significant proportion of low-income renters live with constant financial strain and housing insecurity, which is in turn a source of stress, anxiety and depression.

- Research shows that when **housing costs exceed 30% of income**, mental health scores drop significantly compared with similar households spending less (Bentley et al., 2011).
- In a recent national survey, **38% of private renters** said their housing circumstances **harm their mental health**, compared with **23% of owner-occupiers** (CEDA, 2024; Baker et al. 2023).
- **Housing insecurity** (short leases, rent hikes, eviction risk) and **poor housing conditions** (mould, cold homes, damp, overcrowding) contribute to poorer mental health outcomes among private renters (Baker et al. 2023).

Suicide rates also rise sharply among people facing housing insecurity or the threat of eviction (Suicide Australia & Black Dog Institute, 2023). The stress and uncertainty of losing one's home can heighten psychosocial risk factors, particularly for people already experiencing distress or disadvantage.

The mental health effects are especially pronounced among **Aboriginal and Torres Strait Islander peoples**, who experience both housing insecurity and poor mental health at much higher rates – reflecting deeper structural inequities.

## Housing insecurity and system pressures

Mental ill-health already costs Australia roughly **\$220 billion each year** in lost productivity and health-care costs (Productivity Commission 2020).

Housing stress and homelessness pile extra costs on top of this, placing further strain on already overstretched service systems: more hospital admissions, GP visits due to chronic health problems, more interactions with the justice system, and increased demand for crisis accommodation.

Crisis accommodation services in the ACT turn people away every day because beds are full.

Poor-quality housing adds further costs to the health system, as people develop or worsen illnesses linked to cold, damp and mould.

Fixing the housing crisis is not just a matter of social justice – it's also a **sound economic investment**. Every dollar spent on secure, affordable housing helps reduce future costs to the health and social care systems.

## The complex relationship between mental health and housing insecurity

The link between mental health, housing insecurity and homelessness is complex – there is no single line of causation.

- People with mental health issues face greater risks of losing their home.
- Housing insecurity and homelessness can also trigger new or worsening mental health issues in people who were previously well.
- Each reinforces the other, making it harder for people to maintain employment, relationships, and stability.
- Many Canberrans facing unaffordable rental costs are being pushed to the brink. When the private rental market becomes unaffordable, more people apply for social housing, where waiting lists are long and growing. The longer someone waits for a secure home, the more likely they are to fall into homelessness – with significant consequences for their mental health.



## What works

The best, proven approach to breaking the cycle of homelessness and poor mental health is to **provide safe, stable housing with wrap-around supports**.

Evidence also shows the importance of:

- **Preventive supports** that help people sustain tenancies during a period of mental ill-health, rather than losing their home.
- **Permanent supported housing** for people who have experienced chronic homelessness and have complex psychosocial needs.
- **Better integration of mental health, housing, and homelessness services** – so people don't have to navigate multiple disconnected systems.
- **No discharges into homelessness** from hospitals, custodial care, or mental health facilities.

Examples that demonstrate the effectiveness of this approach include:

- **Housing First** models — which provide permanent housing with wrap-around support — demonstrate that people can recover and rebuild their lives when housing is treated as a basic right and not contingent on treatment or behaviour. Such models have proven effective internationally in reducing rough sleeping and improving health outcomes (Roggenbuck 2022).
- Countries like **Finland** and **Aotearoa New Zealand** have made Housing First national policy, aiming to make homelessness rare, brief and non-recurring.
- A **Canadian trial** involving over 2,000 participants with mental illness found that providing a permanent home and support reduced demand on hospitals and emergency services (Goering et al. 2014). Similar results have emerged in **UK pilots** — showing that when people have a stable home, their use of crisis health services drops dramatically (CSJ, 2025).
- Closer to home, the **Housing and Accommodation Support Initiative (HASI)** in NSW is an effective, evidence-based model that shows how combining housing security with mental health and tenancy supports improves outcomes, reduces system burdens, and helps people live more stable, connected lives. This long-running program provides flexible, community-based psychosocial and accommodation support for people with severe mental illness, via partnerships among mental health services, non-government tenancy support providers, and housing providers. It offers a tested framework to support people with severe mental health issues to maintain housing and avoid the downward spiral into homelessness (Purcal 2022).

These examples demonstrate that linking housing to health policy works.

## ACT Shelter recommendations

To improve both housing and mental health outcomes in the ACT, ACT Shelter recommends that the ACT Government:

- 1. Embed housing in mental health and health policy and planning.**
  - Recognise housing as a social determinant of mental health.
- 2. Expand tenancy support services for private renters with mental health issues.**
  - Tenancy support programs help people access stable housing, connect to mental health services, and prevent eviction.
  - These programs have been shown to **dramatically lower eviction rates** and reduce homelessness.
- 3. Increase the supply of genuinely affordable and supported housing.**
  - Scale up evidence-based programs such as Housing First.
  - Ensure culturally safe, trauma-informed supported housing for Aboriginal and Torres Strait Islander peoples.
- 4. Strengthen prevention and early intervention.**
  - Invest in services that help people maintain tenancies during mental health crises and prevent people from becoming homeless.
- 5. End discharges into homelessness.**
  - Require coordinated discharge planning from hospitals, mental health units, and custodial settings.
- 6. Integrate housing and mental health targets in ACT strategies and national frameworks.**
  - Include secure housing targets in the **National Mental Health and Suicide Prevention Agreement**, and mental health goals in the forthcoming **National Housing and Homelessness Plan**

### In summary

**A safe, affordable home is essential for mental health.**

Without action, the ACT there is a risk the number of people experiencing both poor mental health and homelessness will escalate — with significant costs for individuals, the community and the wider economy.

This World Mental Health Day and World Homeless Day, ACT Shelter calls for an integrated, compassionate approach that ensures **every Canberran has a safe, stable and affordable home — and the support they need to stay there.**

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