

# RESEARCH DIRECTIONS

## Household mortgage distress

**An interdisciplinary team headed by Professor Phillip O'Neill, Director of the Urban Research Centre, is investigating the effects of mortgage distress on Australian households. The team consists of members of the Urban Research Centre and the Social Justice and Social Change Research Centre, in collaboration with researchers from the University of Sydney. The research has received financial support from the Reserve Bank of Australia.**

'Mortgage distress is affecting a growing number of Australian households' says Professor O'Neill. 'Severe financial pressure, resulting at times in the loss of a home, has complex psychological and social impacts on families as well as on the community. While banks and regulators manage lender viability, the experiences of borrowers receive little attention. We have inadequate details about the extent of mortgage distress, where it is occurring and why people find themselves in this situation. In order to develop effective intervention strategies we need to understand the dimensions of the problem.'

The project will investigate the economic, financial, urban, cultural and sociological dimensions of mortgage distress and formulate solutions. The research, including a substantial household survey, will concentrate on the Western Sydney region. This area which has been identified by ratings agencies as the area with Australia's highest concentration of mortgage arrears and defaults, but also having a diversity of household experiences. The team will explore the links between household experiences, neighbourhood effects, lending practices and regulatory conditions using a combination of grounded, theoretical and analytical approaches.



Key outcomes of the research will be an accurate understanding of the various factors contributing to mortgage distress and a clear identification of appropriate intervention strategies, policies and assistance programs. The information will also be used to build generalised conclusions that may be applied to other Australian cities and regions.

**Project Title:** Mortgage Distress Project, Household Survey Module

**Funding has been set at:** \$55,000

**Contact Details:** [p.oneill@uws.edu.au](mailto:p.oneill@uws.edu.au)

<http://www.uws.edu.au/urban>

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