

Rental Affordability Snapshot

Tasmania 2021



Selina Claxton



More information

Selina Claxton

Phone: 1800 243 232

Email: sarc@anglicare-tas.org.au

Anglicare website: www.anglicare-tas.org.au/sarc

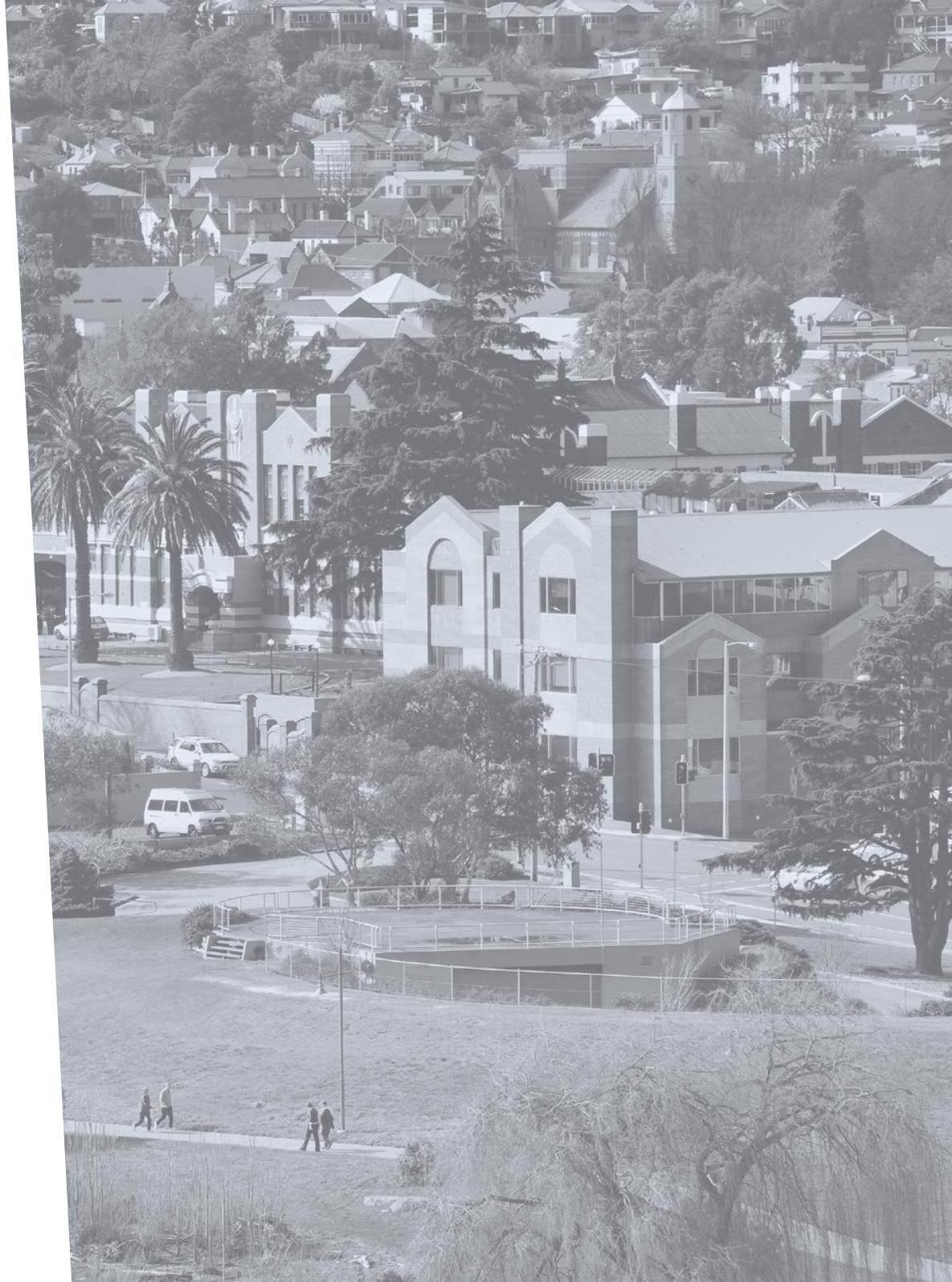
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Anglicare's experience in housing services and advocacy

Anglicare Tasmania is a large community service organisation in Tasmania with offices in Hobart, Glenorchy, Launceston, St Helens, Devonport, Burnie, Sorell and Zeehan and a range of programs in rural areas. Anglicare's services include crisis, short-term and long-term accommodation support; NDIS disability and mental health services; support services following a motor vehicle accident; aged and home care services; alcohol and other drug services; financial and gambling counselling; and child, youth and family support. In addition, Anglicare's Social Action and Research Centre (SARC) conducts research, policy and advocacy with a focus on issues affecting Tasmanians on low incomes who are disadvantaged or vulnerable.

Anglicare Tasmania is committed to achieving social justice for all Tasmanians. It is our mission to speak out against poverty and injustice and offer decision-makers alternative solutions to help build a more just society. We provide opportunities for people in need to reach their full potential through our services, staff, research and advocacy.

Anglicare delivers a range of housing services including Housing Connect (assistance with crisis accommodation, bond and rent for private rentals and applications for public or social housing); long-term communal or independent housing for people on a low income including some options for age-specific cohorts; three youth foyer services and crisis accommodation.

Every year since 2007, SARC has analysed the rental market across Tasmania for the Rental Affordability Snapshot. We have also conducted in-depth research into particular accommodation challenges for people with mental ill health (Pryor 2011), youth homelessness (Pryor 2014), the need for stable housing and care for unaccompanied homeless children (Robinson 2017, 2020) and stable housing and support to expedite family reunification within the Child Safety System (Fidler 2018).



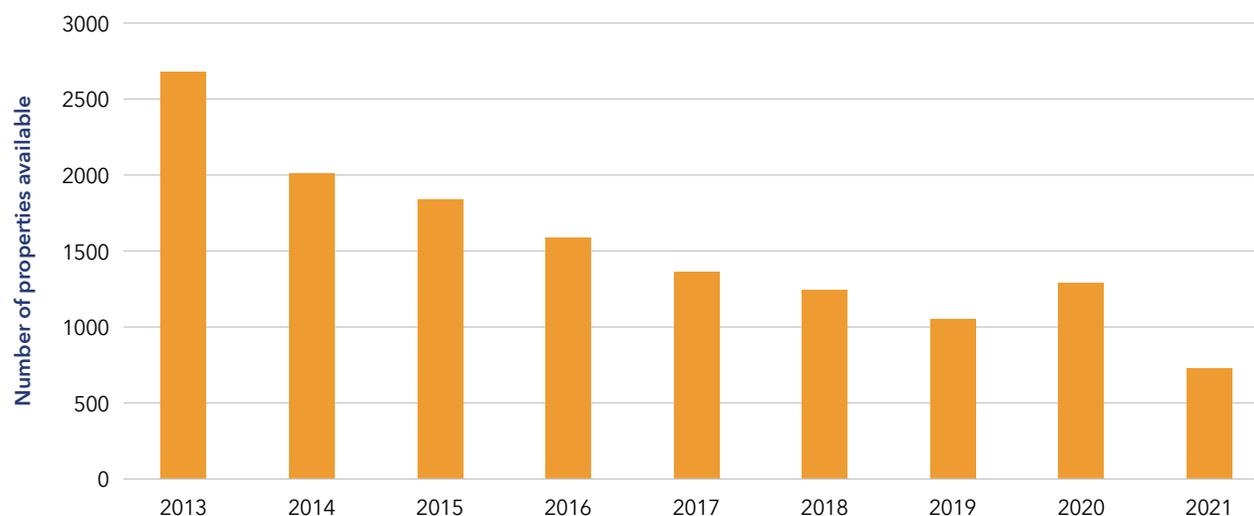
Key findings

The Rental Affordability Snapshot has run annually since 2007, when Anglicare Tasmania first tested whether it was possible for people on low incomes to afford to rent a home in the private rental market. The Snapshot looks at all properties listed for rent on realestate.com.au and gumtree.com.au on a weekend at the end of March every year.

We then assess whether each property is affordable and appropriate for 14 types of households on low incomes, including young people, single parents, working families, older people and those dependent on Centrelink benefits. For more details on our methodology, please see our FAQ (p. 19).

This report also presents six case studies of clients of Anglicare's housing services. These demonstrate the kinds of difficulties different groups of people face in looking for a place to live. They are all real people, with names and some details changed to protect their privacy.

Figure 1: Housing supply in the Tasmanian private rental market, 2013-2021



Availability

In 2021, there were 729 properties listed for rent across Tasmania on the Snapshot weekend. This is a 43% reduction since the same time last year, and a 73% reduction since 2013.

In 2020, the rental market was impacted by COVID-19 travel restrictions, which returned some tourist and student accommodation to the domestic residential market. This effect is now over. The number of properties available has declined by 30% statewide since 2019, and by up to 66% in the North West.

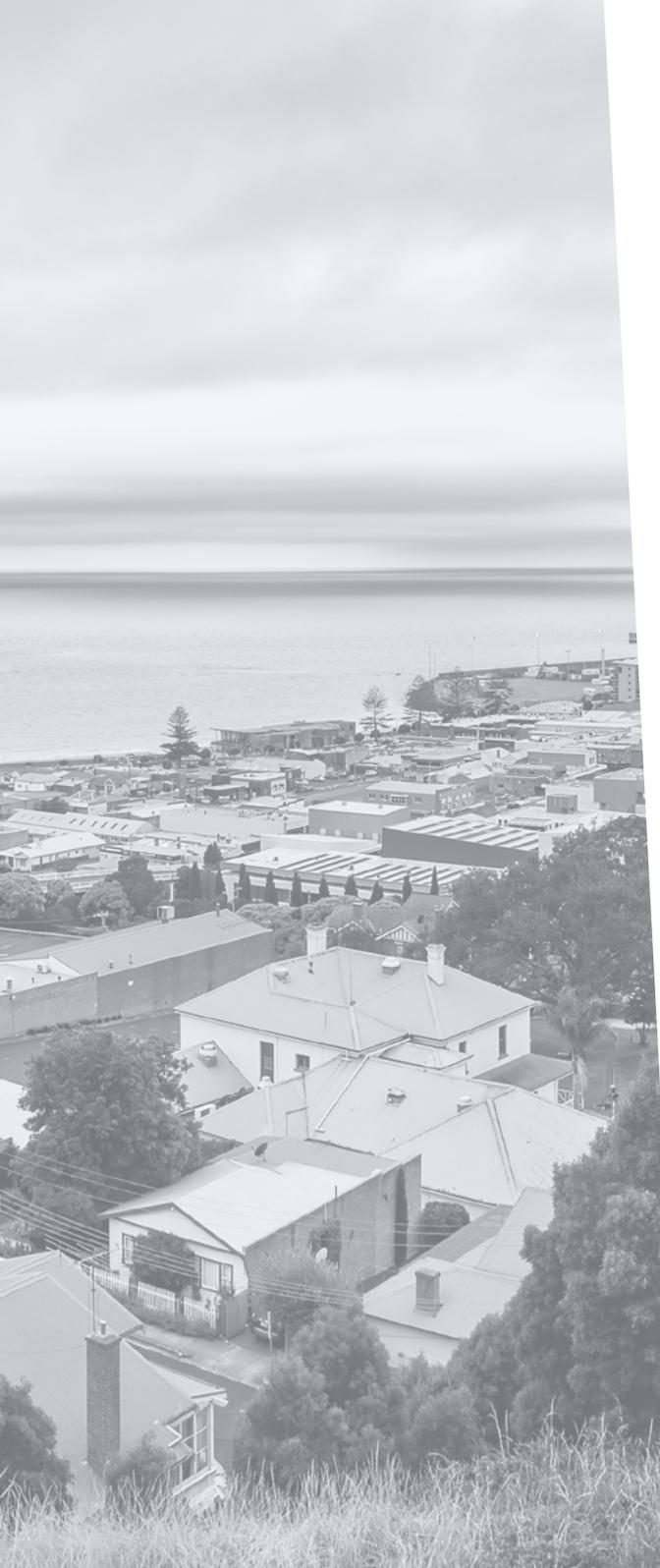
Affordability

The average statewide rental price per week was \$425, an increase of 23% since 2019, which is unaffordable for 13 out of our 14 household types. This amount is only affordable for families with two fulltime minimum wage earners.

There were 16 affordable and appropriate properties across the state for a couple on the Age Pension, but a single person on Age or Disability income supports would find very little unless they were willing to live in a sharehouse. Families with children had no options in the South and few options anywhere with more than two bedrooms. A single person on Jobseeker could afford just three of the 106 sharehouse places on offer and, as has been the case since 2016, a person receiving Youth Allowance could afford nothing.

Those who received the equivalent of the fulltime minimum wage did better, with up to 19% of properties (n=138) affordable and appropriate for a family with two wage-earners. This decreases to 6% (n=45) when only one parent is in the workforce and the other receives Parenting Payment, and decreases again to just 2% (n=17) for a single parent.

Cohort	Household type	Income type	Number affordable and appropriate	Percentage affordable and appropriate	Number properties by region
 Young people	Single (aged over 18)	Youth Allowance	0	0	South: 0 North: 0 North West: 0
	Single (in a share house)	Youth Allowance	0	0	South: 0 North: 0 North West: 0
 Single adults	Single	Jobseeker Allowance	3	<1	South: 1 North: 2 North West: 0
	Single (aged over 21)	Disability Support Pension	2	<1	South: 0 North: 0 North West: 2
	Single	Minimum wage	71	10	South: 30 North: 19 North West: 22
 Older people	Single	Age Pension	42	6	South: 12 North: 14 North West: 16
	Couple (no children)	Age Pension	16	2	South: 0 North: 5 North West: 11



Cohort	Household type	Income type	Number affordable and appropriate	Percentage affordable and appropriate	Number properties by region
 Single parents	Single, one child (aged over 8)	Jobseeker Allowance + Family Tax Benefit A and B	1	<1	South: 0 North: 0 North West: 1
	Single, one child (aged less than 5)	Parenting Payment Single + Family Tax Benefit A and B	6	<1	South: 0 North: 1 North West: 5
	Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single + Family Tax Benefit A and B	1	<1	South: 0 North: 0 North West: 1
	Single, two children (one aged less than 5, one aged less than 10)	Minimum wage + Family Tax Benefit A and B	17	2	South: 1 North: 7 North West: 9
 Couples with children	Couple, two children (one aged less than 5, one aged less than 10)	Jobseeker Allowance (both adults) + Family Tax Benefit A and B	4	1	South: 0 North: 0 North West: 4
	Couple, two children (one aged less than 5, one aged less than 10)	Minimum wage + Parenting Payment (partnered) + Family Tax Benefit A and B	45	6	South: 9 North: 14 North West: 22
	Couple, two children (one aged less than 5, one aged less than 10)	Minimum wage + Family Tax Benefit A	138	19	South: 52 North: 53 North West: 33

Regional analysis

South

Availability

In 2020, the Southern market was affected by COVID-related travel restrictions, which returned numerous Airbnb listings and international student sharehouses to the rental market. This respite would appear to be over.

There were 433 properties advertised as available to rent in the South of the state in 2021. This was almost identical to the 2019 figure (434), showing there has been no increase in available stock. Supply in the South has decreased by two-thirds since 2013, when there were 1304 properties available.

Affordability

According to our data, the average asking price in the South was \$467 per week, which is out of reach of all our household types.

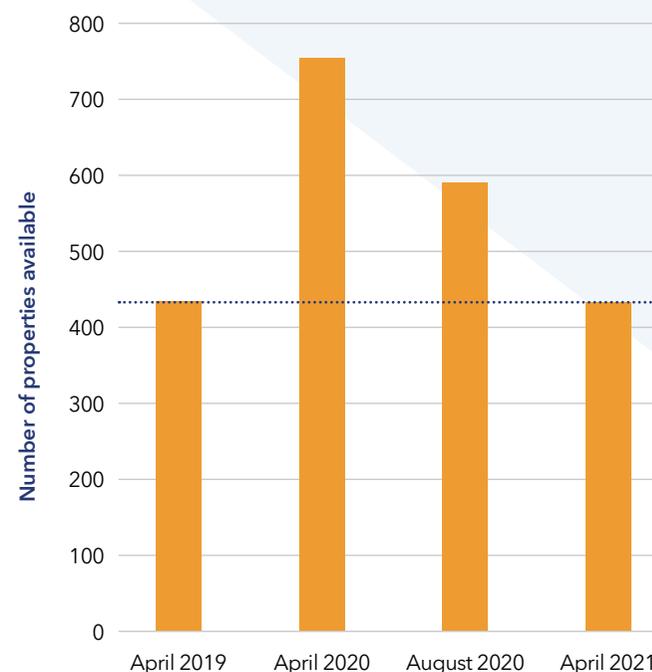
Of our households on income support payments, only those who could live in a sharehouse could find an affordable property.

There were 12 sharehouses priced within reach of a person on Age or Disability Pension, and just one that was affordable for a person on Jobseeker. As has been the case since 2016, there were no affordable properties for people on Youth Allowance.

People with children who are on income support, who require at least two bedrooms, could find nothing affordable.

For those who were employed full time on the minimum wage, there were some affordable properties. A single person could choose from 30 sharehouses, but could not afford an individual unit. A couple with children, looking for at least 3 bedrooms, could choose from 52 properties, provided both parents were working (still only 12% of the total number of listings). A working single parent, however, could not afford any of the larger properties, and only six 2-bedroom properties, some of which were in regional locations like the East Coast.

Figure 2: Effect of COVID-19 on supply in the Southern rental market

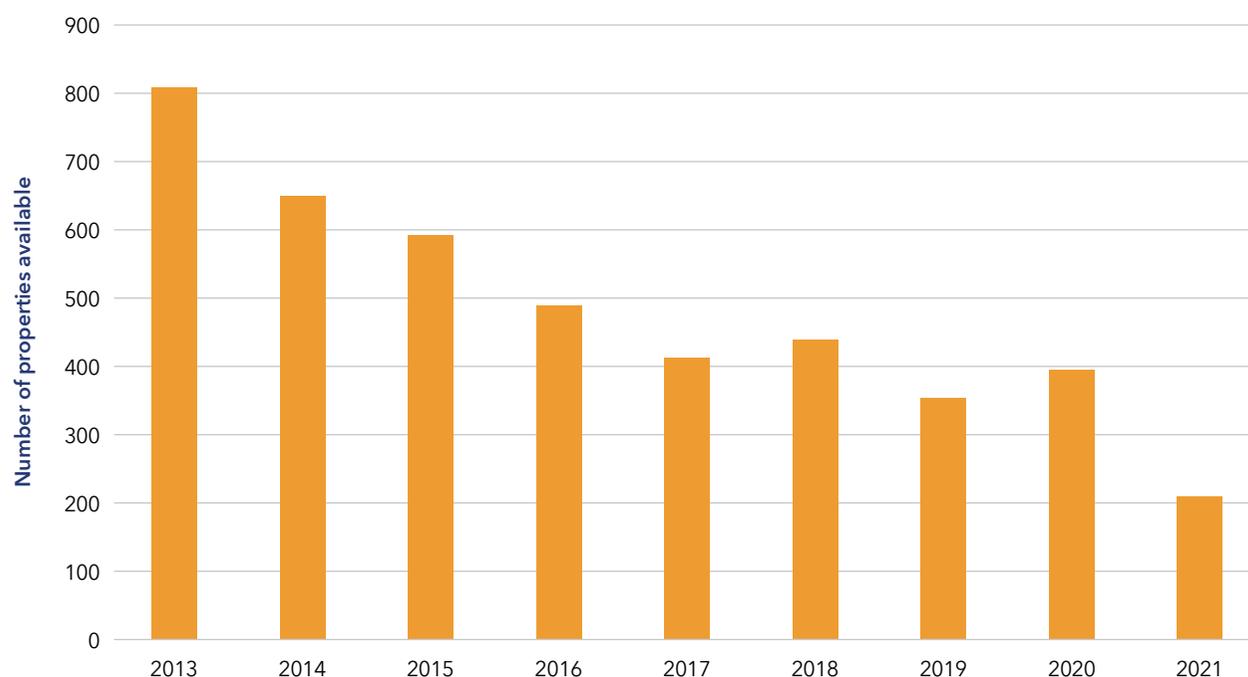


North

Availability

The North of the state has experienced a dramatic decline in the number of available properties. In 2021 there were only 209 properties available, just over half the number in 2020 and a reduction of nearly 75% since 2013. This shows that lack of housing supply is not merely a Hobart problem, but extends to the Launceston area as well.

Figure 3: Housing supply in the North, 2013-2021



Affordability

The average rental cost of properties in the North was \$391 per week. This is unaffordable for all income support households and many minimum wage households.

Of those properties affordable for people on income support payments, there were a few flats and units, but the majority were sharehouses. A person on Age or Disability Pension would have 14 sharehouses to choose from, but a person on Jobseeker could only afford two of these. A couple on the Age Pension would have 5 flats and bedsits to choose from. And, as has been the case since 2016, a person on Youth Allowance could afford nothing.

There was just one 2-bedroom property affordable for a single parent with one child on Parenting Payment - a converted garage. There were no affordable properties with 3 or more bedrooms for larger families.

A couple with children who both earned the fulltime minimum wage would find 53 properties - 25% of the market - available to them, but a single parent could afford only 7 of these (3% of the market).

A single person earning minimum wage could afford 19 properties, mostly sharehouses.



North West

Availability

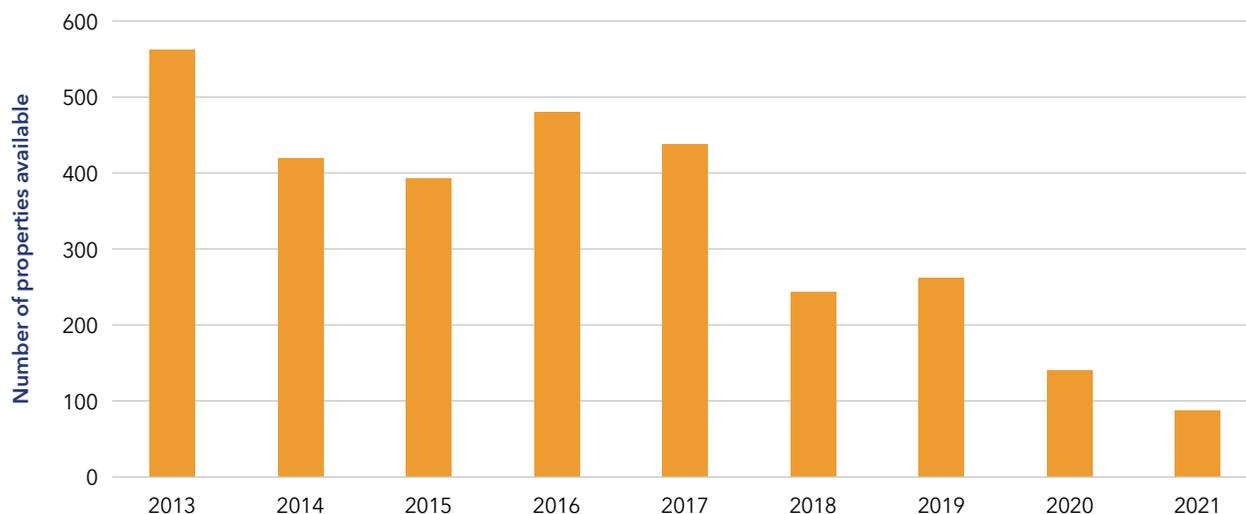
There were only 87 properties advertised as available for rent in the North West in our data this year. This is a reduction of nearly 40% from last year, which was itself a loss of nearly 50% from 2019. In total, since 2013 housing supply in the North West has shrunk by 84%.

Affordability

The North West is traditionally the most affordable housing market in Tasmania, and this is still true to a certain extent. The average weekly price, \$294, was significantly lower than either the South or North. However, the extreme lack of supply is likely to result in intense competition for properties.

The North West was the only region in which there were 3-bedroom properties that were affordable for people on income support benefits. However, there were just four of these, three in Burnie and one in Zeehan. A single parent looking for two bedrooms could afford one property in Penguin and a few in Zeehan, but only if their child was under eight years of age. A single parent with an older child must transfer to Jobseeker, a lower rate of payment which renders them unable to afford anything outside of the West Coast.

Figure 4: Housing supply in the North West, 2013-2021



There were 18 sharehouse rooms advertised, 14 of which would be affordable for a person on Age or Disability Pension. However, all of them would be too expensive for a person on Jobseeker to maintain a reasonable standard of living. As has been the case since 2016, there was nothing affordable for a person on Youth Allowance.

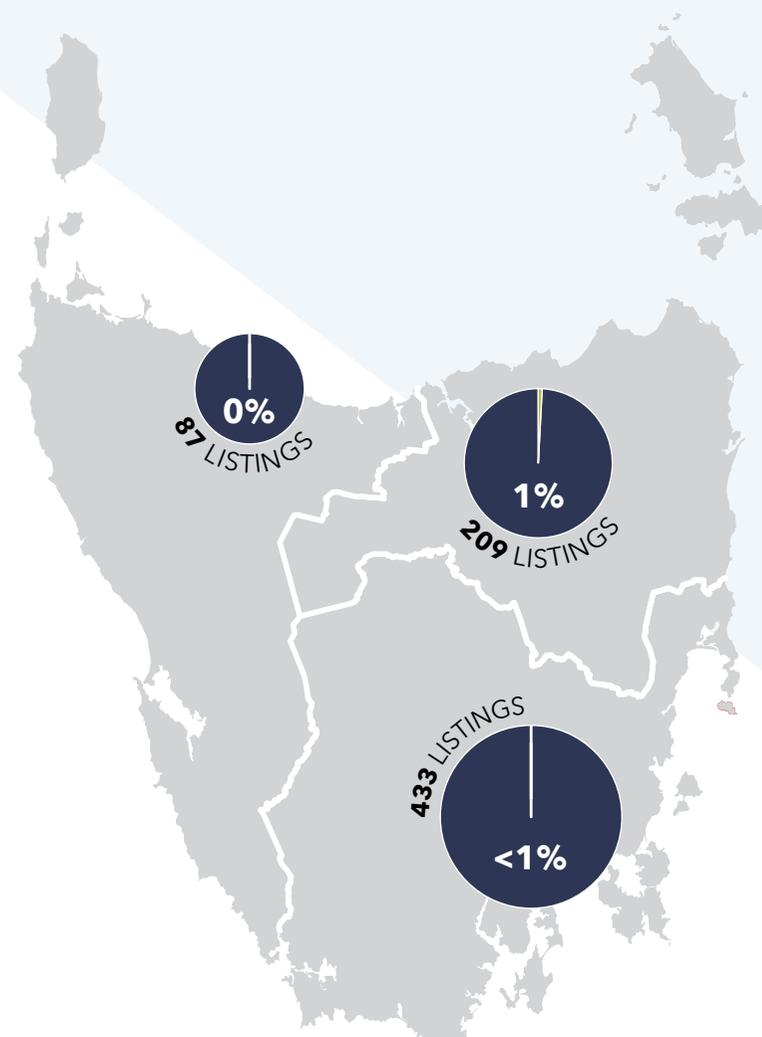
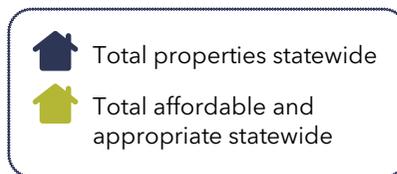
For people on a fulltime minimum wage, the North West provides a comparatively reasonable number of options. A couple with children looking for 3 bedrooms could afford 33 properties, fully 38% of the market, dropping to 22 properties if only one parent was working. A single parent, however, could only afford nine of these.





Meet Belinda

- Single woman
- 45 years old
- On Jobseeker
- Lives in Wynyard



Belinda can afford to pay \$102 a week in rent.

There were three properties she could afford, all of them sharehouses. None were on the North West Coast.

Two of these sharehouses were advertised as suitable for students and may not accept a person looking for work. The other specified a 'studying or employed' person. It is not uncommon for advertisements to imply that unemployed people are not welcome.

After her lease was not renewed, the only property Belinda could find close to family and friends cost 80% of her weekly income. Her only other option was homelessness. She hopes to get financial help from her family, but it is unlikely she will be able to stay in her current rental for long.





Meet Michelle and Hannah

- Michelle, single mother
- Receives Disability Pension
- Daughter Hannah, 18, has applied for Youth Allowance
- Lives in the North
- Currently homeless

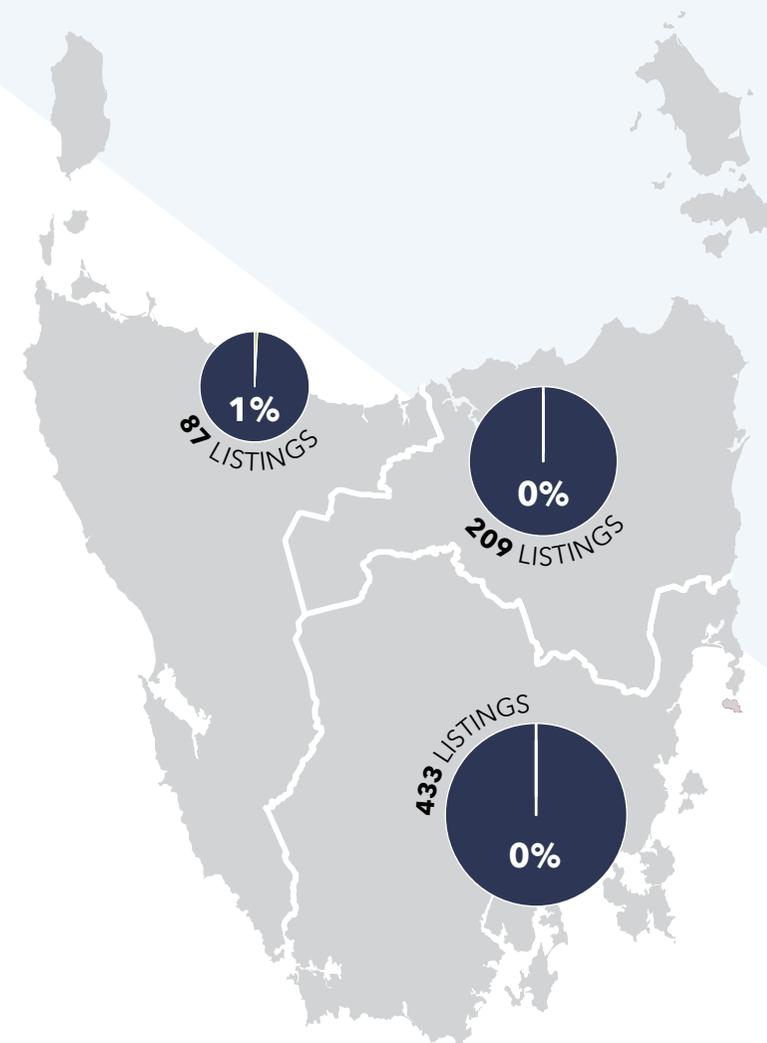


- Total properties statewide
- Total affordable and appropriate statewide

Michelle can afford \$160 a week in rent, after costs associated with her medical condition have been paid. It is unclear how much Hannah’s Youth Allowance will add to that budget.

In Tasmania there was only one 2-bedroom house Michelle could afford – located in Zeehan. The cheapest 2-bedroom property in the North was a \$250 unit in George Town.

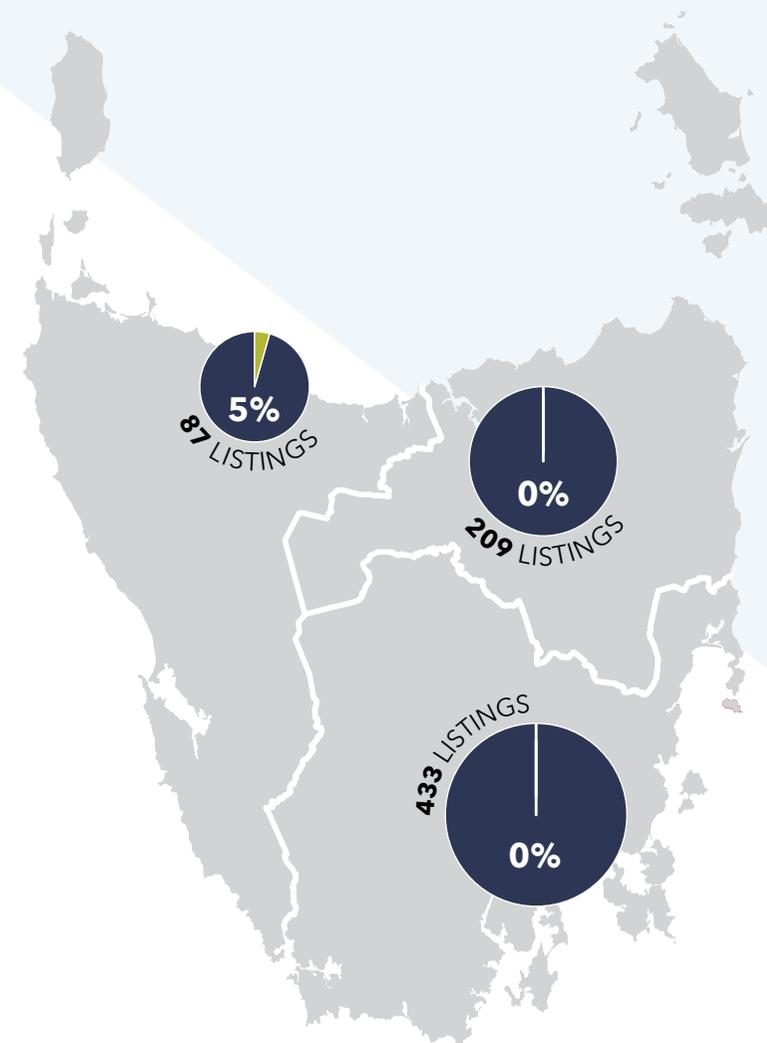
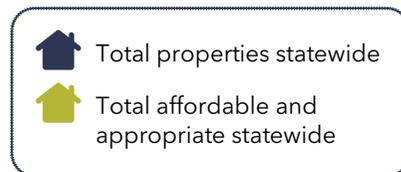
Michelle and Hannah are currently couch-surfing between family members and friends and sleeping in their car. They are becoming increasingly depressed and are experiencing considerable stress, especially with winter approaching. Michelle has applied for the NDIS but the process takes a long time to complete.





Meet Natalie, Jake and Georgia

- Natalie, single mother
- Jake, 16, cognitive disabilities
- Georgia, 11
- Natalie receives Carer Pension to look after Jake
- Live in Sorell
- Currently homeless



Natalie can afford to pay about \$260 a week in rent.

There are four properties in the state that are affordable and appropriate for Natalie and her family. However, all are on the North West Coast.

Natalie is currently paying \$350 a week to stay in a motel. Living conditions are cramped and unsuitable for her son's disabilities. The family feels unsafe and cannot afford adequate meals.

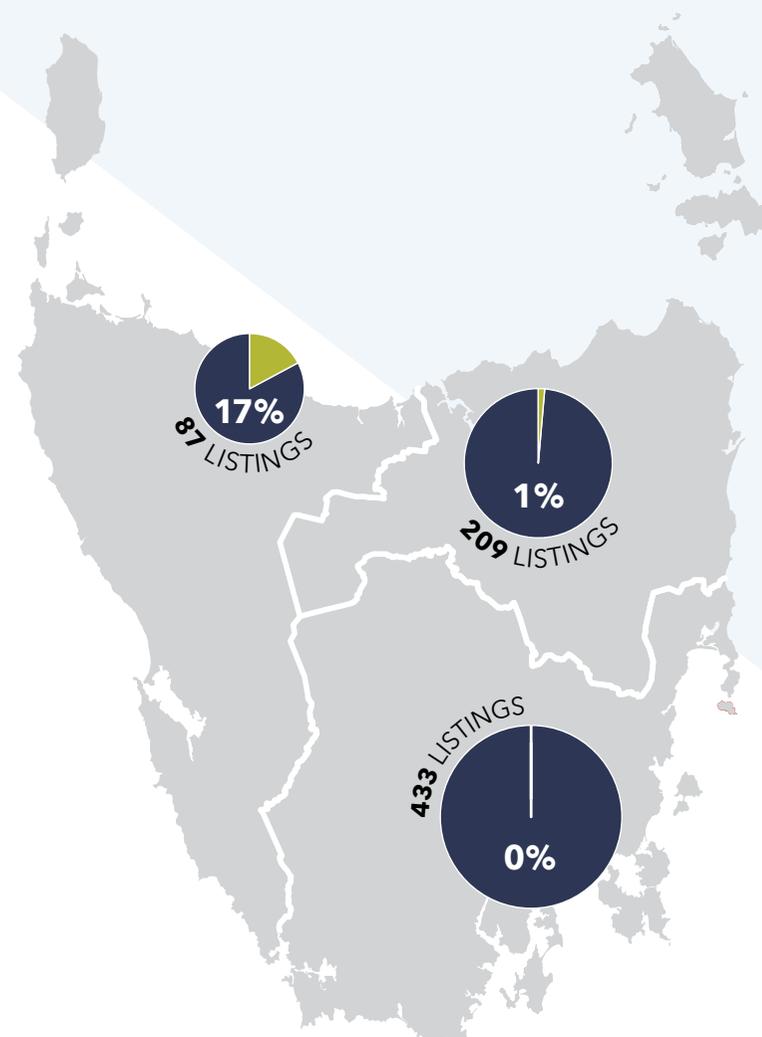
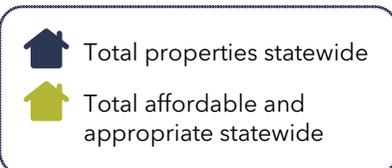
Natalie is on the public housing waiting list as a priority case. She cannot move to another area of the state because of her son's attendance at a special school. Both her son's condition and her own mental health are suffering under her current circumstances.





Meet Ben, Olivia and Ava

- Ben is on Jobseeker
- Olivia has just had their first child, Ava
- Located in Launceston
- Currently living in a one-bedroom unit



Ben and Olivia can afford \$265 a week in rent.

There are 18 properties that are appropriate and affordable for this family, mostly in the North West.

Ben and Olivia lost their jobs following the COVID-19 pandemic. They find it difficult living with a new baby in a small, cramped unit. Their current property also has outstanding maintenance issues that have not been addressed by the landlord.

The family includes a pet cat and they have added a pet resume to their rental applications. Although there is improving awareness around the issue of pets in the rental market, it is still very common to find advertisements that specify no pets.



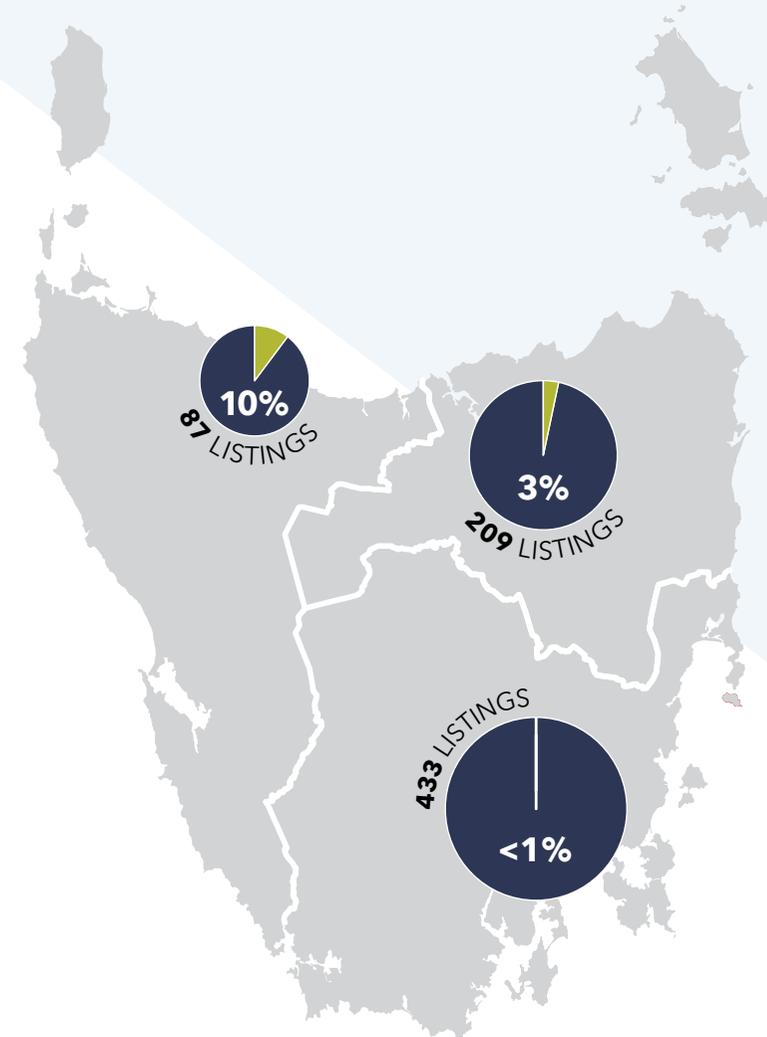


Meet Sharon, Sarah and Jessie

- Sharon works fulltime on the minimum wage
- Her daughters Sarah and Jessie are teenagers
- Live in Devonport



 Total properties statewide
 Total affordable and appropriate statewide



Sharon can afford about \$300 a week in rent.

There are 17 properties that are appropriate and affordable for this family, and an additional 26 if the girls are willing to share a bedroom.

Sharon and her family have safety concerns due to a violent ex-partner being released from prison. They need to move to a new address urgently, but Sharon's work hours leave her little time to house-hunt.

The family cannot move out of Devonport due to work and school commitments, but the extreme lack of housing stock in the North West means there are very few options in any specific location.





Meet Henry

- Aged in his 70s
- Receives Age Pension
- Lives in Hobart



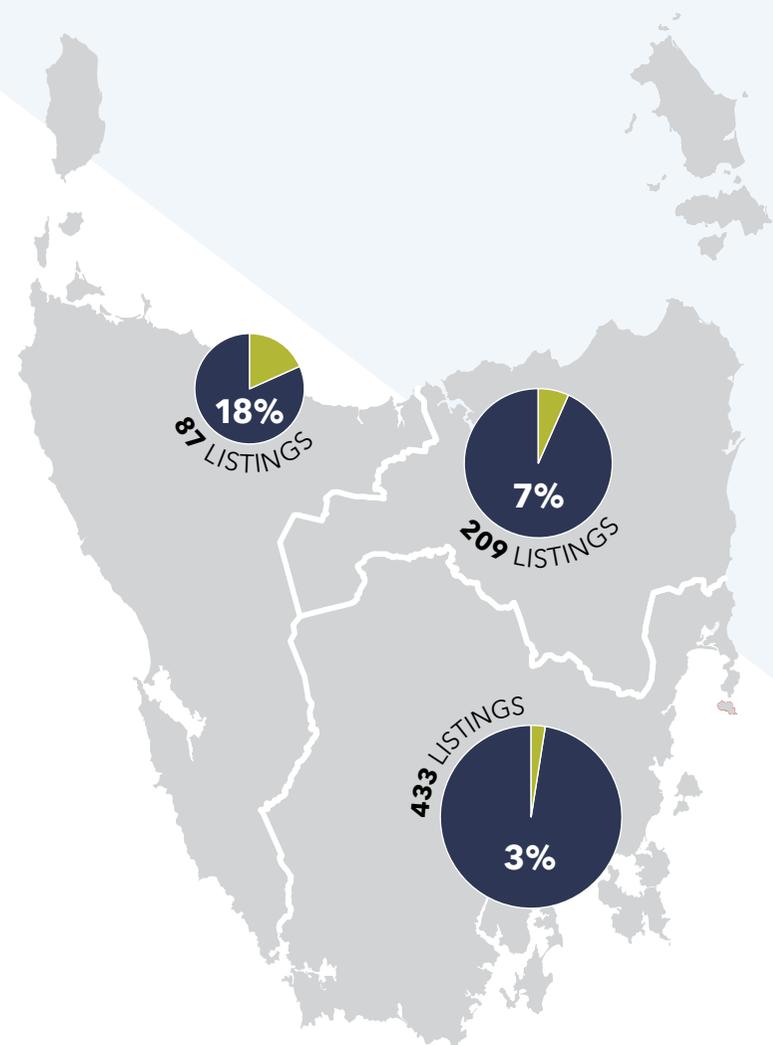
- Total properties statewide
- Total affordable and appropriate statewide

Henry can afford \$160 a week in rent.

There are 42 properties classified as appropriate and affordable for Henry, but all of them are sharehouses.

Henry has lived in his current unit for nearly 20 years, but his lease will not be renewed. He is unfamiliar with the technology used for online advertisements and applications and finds the experience stressful and embarrassing.

Many sharehouses are unsuitable for older people who may have no experience of this kind of living and prefer a quieter lifestyle. However, without additional income from other sources, Age pensioners cannot afford most stand-alone properties.



Discussion

The most concerning findings in this year's Snapshot are the dramatic decreases in advertised properties in the North and North West. We are accustomed to thinking of these areas as cheaper than Hobart, which is still true to a certain extent. However while Launceston, Devonport and Burnie may not have the same concentration of "prestige" suburbs as Hobart, the lack of supply in these areas is putting upward pressure on prices. The average Snapshot price of a property in the North has risen from \$339 in 2019 to \$391 in 2021, an increase of 15%, and in the North West from \$250 to \$294 (an increase of 18%).

The Real Estate Institute of Tasmania says the second half of 2020 saw a 'rush of activity' from mainlanders and expat Tasmanians looking to buy in Tasmania, and calls housing stock shortages 'dire'.¹ Estate agents have called the level of demand in 2021 'chaotic' and 'worrying'.² However the demand is predominantly from owner-occupiers; sales to investors (i.e., prospective landlords) have decreased by 43% since 2018.³

Heavy competition for homes keeps more middle-income people in the private rental market for longer, squeezing out low-income people who meanwhile face long waiting lists for public and social housing.

Those who cannot secure an affordable property to rent either become homeless or are forced to accept an *unaffordable* property. In reality, living in rental stress is the norm for many low-income households in Tasmania. From 2016 to 2019, the proportion of households receiving Commonwealth Rent Assistance in Tasmania who were paying over a third of their income in rent hovered just under 30%.⁴ In 2020, this figure dropped to 19%, which can be attributed to the Coronavirus Supplement paid to people on Centrelink benefits in this period. With the end of the Supplement on March 31st 2021, it can be expected that once again people on low incomes will be paying more than they can afford in rent.



1 <https://reit.com.au/Portals/24/resources/media-releases/December%202020%20Media%20Release.pdf?ver=2021-02-10-145012-903>

2 <https://www.realestate.com.au/news/hobart-home-values-continue-to-climb-in-chaotic-market/?rsf=syn:news:nca:tm:spa>

3 Op cit

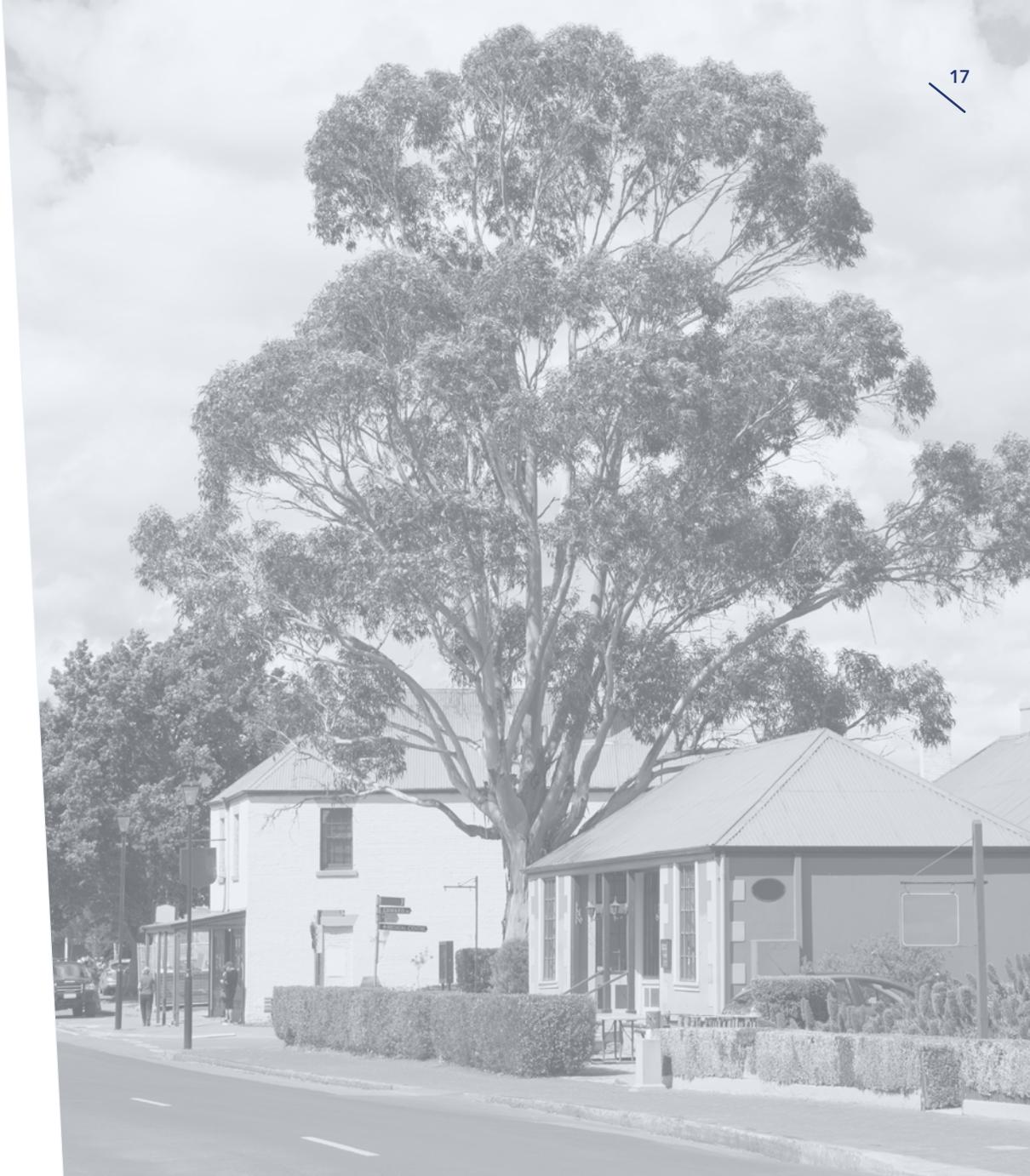
4 <https://www.pc.gov.au/research/ongoing/report-on-government-services/2021/housing-and-homelessness>



The social housing system is intended to provide a failsafe for people who cannot be accommodated in the private system. As of December 2020, there were 3813 active applications for public and social housing in Tasmania, and priority applicants were waiting an average of 54 weeks to be housed.⁵ However, the findings of the Rental Affordability Snapshot show that for some groups of people, public and social housing is the *only* affordable option.

To accommodate these people, Tasmania needs an estimated 11,400 new social housing properties, according to data produced for Homelessness Australia.⁶ The current stage of the Tasmanian Government's Affordable Housing Strategy aims to provide 1155 social housing properties by 2023, just 10% of what is needed.⁷

All stakeholders, and all sides of government, agree that affordable housing is one of the most important, and most intractable, issues currently facing Tasmania. To date the State Government has been unable to address the consistent trend seen in the Rental Affordability Snapshot over the past nine years. Without serious action on this topic, we will see more hardship in our community as families struggle to avoid homelessness, and more homelessness itself.



⁵ https://www.health.tas.gov.au/humanservicesstats/human_services_dashboard

⁶ <https://everybodyshome.com.au/heat-maps/>

⁷ https://www.communities.tas.gov.au/__data/assets/pdf_file/0027/31698/TAH_Action-Plan-2019-2023.pdf



Recommendations

To alleviate the effects of the current private rental market, Anglicare Tasmania recommends that the State Government should:

- 1** Significantly invest in the construction of social housing;
- 2** Commit to a target of 10% of all Tasmanian dwellings to be affordable social housing;
- 3** Review and reform the Residential Tenancy Act 197 to ensure tenants are not evicted into homelessness; and
- 4** Develop a comprehensive Tasmanian Housing Strategy, as outlined in PESRAC recommendation 32.⁸

We also call on the Federal Government to increase the rate of the Jobseeker payment to a level that allows Australians to live with dignity.

⁸ <https://www.pesrac.tas.gov.au/reports>



Appendix: FAQ

What sort of properties are counted in the Rental Affordability Snapshot?

We count houses, units, flats, bedsit/studios and rooms in sharehouse that are advertised for long-term rental (at least 6 months). We do not count boarding houses, caravan parks, holiday accommodation, retirement villages, student accommodation run by UTAS or other educational institutions, or backpacker/fruitpicker accommodation. Sharehouses must offer private individual rooms, not just a bed in a shared room. Accommodation that asks for farm work, childcare etc instead of or in addition to monetary rent is not counted.

Where are these properties advertised?

We get our properties from two sources: realestate.com.au and gumtree.com.au. Care is taken to ensure properties are not counted twice due to being advertised on both platforms.

What does 'affordable' mean?

For lower-income people, a property is affordable if no more than 30% of income is spent on rent. This is a widely-recognised, internationally accepted standard that leaves sufficient income for a reasonable standard of living.

What does 'appropriate' mean?

An appropriate property has enough bedrooms for the whole household (one bedroom for a single or couple, two bedrooms for a single or couple with one child, 3 bedrooms if there are two children). In addition, it is not considered appropriate for a person on DSP to live in a sharehouse, in recognition of the fact that some disabled people have special needs that cannot be easily accommodated in a sharehouse. We realise this is not the case for all disabled people and that many would choose or prefer this style of living. (To see what is available when sharehouses are counted in, please refer to the 'Single on Age Pension' cohort, as the two have the same income.)

Why are sharehouses counted separately for people on Youth Allowance?

People on Youth Allowance receive a different amount of Commonwealth Rent Assistance depending on whether they live in a sharehouse.

Aren't sharehouses just for students? Can anyone live in a sharehouse?

In response to Tasmania's tight rental market, sharehouses have become increasingly common (15% of all listings in 2021, up from 9% in 2014). It is true, however, that many sharehouses are designed and set up for students. Others ask for specific genders, ethnicities or religions. Other requirements observed during RAS include vegetarian, animal lover, LGBTQ-friendly, and marijuana-friendly. In general we have included all sharehouses no matter their requirements.



