Rental Affordability Snapshot 2017
Tasmania

Working for a just Tasmania

More information

For a more detailed analysis by state and region, please go to the Social Action and Research Centre: www.anglicare-tas.org.au/sarc

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1. What is the RAS?

The Rental Affordability Snapshot is an annual look at the extent to which residential properties in Tasmania are affordable and appropriate for people living on low incomes.

What did we do?

On the weekend of 1-2 April 2017, Anglicare Tasmania's Social Action and Research Centre (SARC) collected information on all the properties advertised as available for rent across the state. This included houses, flats and rooms in share houses. The information was gathered from online real estate sites (realeastate.com, Flatshare and Gumtree) and from classifieds in the three main Tasmanian newspapers – the Mercury, The Examiner and The Advocate.

Affordable and appropriate housing: what did we look for?

We worked out whether people in 10 household types who depend on government income support payments could afford to find suitable accommodation for themselves and their families without putting themselves in 'rental stress'. For low income households spending more than 30% of a household's income on rent is commonly used as an indicator of 'housing stress'.[1] We also looked at what properties were suitable if those same households spent more of their income on their rent – a proportion of their income that would put them in rental stress. We also assessed the situation for people in 4 household types who are working and earning the minimum wage.

In order for the property to be considered suitable for a household, it had to be both affordable *and* appropriate. For more information about the 14 household types, please see the Technical Appendix.

Affordable housing, rental stress and extreme rental stress

We looked at what properties were affordable for a range of low income households who spent up to 30% of net income on rent. We also looked at what *additional* properties were suitable if households spent between 31% and 49% on rent – i.e. what happens to the market of available properties if low income Tasmanian households put themselves in rental stress in order to secure find somewhere appropriate to live. This means we can monitor over time which households are most vulnerable to having to push their budgets into extreme rental stress to secure a home (i.e. spending 50% or more of their income on rent), and whether Tasmania's private rental market is changing in ways that are likely to push more low income households further towards rental stress / extreme rental stress, or expanding in ways that offer more affordable options.[2]

Appropriate housing

Additionally, for each household type we looked at whether a property had sufficient bedrooms,[3] whether the type of property is appropriate for that household composition[4] and whether there were conditions in the advertisement that would rule out households based on their personal profile, or due to an exchange of services.[5]

We added Flatshare as an additional source of rental advertising this year, due to its growing popularity in Tasmania. This has possibly led to an increase in the number of shared properties within our snapshot of advertised rentals compared to previous year. Where we have noticed an increase in properties for households eligible for shared housing,[6] we have highlighted this change.

Understanding changing dynamics in the Tasmanian rental market: competition, stock and value

To understand more about how affordability and competition within the Tasmanian rental market might be changing, we talked with real estate representatives across Tasmania and examined data relating to price and demand in the rental market such as real estate enquiries, properties available, vacancy rates and rental deposits over the last five years. Single adults on Newstart and Disability Support Pension continue to have extremely little choice of affordable and appropriate properties [7]

Understanding the impacts of rent affordability on low income Tasmanians

To help us understand the impacts that the current private rental market is having on our low income Tasmanian households, we asked Anglicare Tasmania Support Workers to tell us about their clients. We have included case studies they provided to demonstrate the challenges that the current rental market can present to low income households, the decisions households have to make to access housing and the impacts those challenges have on their lives. To protect their privacy, we have not used the real names of these clients.

2. Summary

The rental stock

There were 1,363 properties advertised for rent in Tasmania over the weekend of 1-2 April 2017. That's 14% fewer rental properties compared to this time last year and 49% fewer rental properties compared to the number of properties advertised over the snapshot weekend in April in 2013 (see Figure 1).[8] This decline in advertised properties has specifically happened in Tasmania's southern and northern markets, with a 61% and 49% decline respectively over five years.

The most vulnerable households

The number of affordable and appropriate rentals remains dire for single young people and adults. Consistently across the state, the households most vulnerable to extreme rental stress remain young people receiving Youth Allowance, single adults receiving Newstart and Disability Support Pension, and single parents, particularly those receiving Newstart (see Table 15).

- **Single young people** still have no suitable properties to apply for across the state when spending up to 30% of their income on rent. Going into rental stress, less than 10% of the Tasmanian rental market was available and appropriate for young people on Youth Allowance – including shared housing. In the southern market, it was 4 to 5%: the lowest for all 14 household types.
- **Single adults on Newstart and Disability Support Pension** continue to have extremely little choice of affordable and appropriate properties to apply for, with only less than 1% (n=6) and 5% (n=64) of the market respectively suitable if spending 30% of their income on rent (see Table 12). Even when spending up to 49% of their income on rent, single adults on Newstart could still only access 16% of advertised properties across the state; in the southern market this household type could still only access 11% of the market, 17% of the northern market and 22% of the north west's. Only 9% of the southern and 21% of the northern market available and appropriate for those on Disability Support Pension.[9]
- **Single parents reliant on government income** had a particularly tough time in the southern and, in some cases, northern, rental markets: Only 6% of properties within the southern rental market and only 16% of those in the northern market were available and appropriate for a single parent household reliant on Newstart, even by spending 49% of their income on rent. At the lower rate of 30% of income, there was nothing available except in the north west. The single parent household with two children reliant on Parenting Payment could only access 13% of properties in the southern market even when going into rental stress.

Given the competition within the Tasmanian rental market for a declining number of properties (see section 12), these groups are likely to be the most vulnerable to being forced into extreme rental stress to secure a home.

Notable changes year on year

The biggest changes this year are for those households whose main income is through the minimum wage, particularly in the south and north of the state. There was a 3 and 2 percentage point decline respectively in the proportion of affordable and appropriate southern and northern Tasmanian properties for working couples with two children whose main income is two minimum wages, and a 3 and 5 percentage point decline respectively for couples where one adult is working for the minimum wage and the other adult receives Parenting Payment (partnered) to care for their children (n=-43) (see Figure 12). This compared to a decline of 2 percentage points (n=-112) and 1 percentage point (n=-81) respectively for these households across the state (see Table 12).

Similarly, there has been a 4 percentage point (n=-31) decline in the proportion of northern Tasmanian properties affordable and appropriate for a single parent household with two children whose main income is the minimum wage (see Figure 9). This compares to a 1 percentage point (n=-53) decline across the state (see Table 12).

Tasmanian regions continue to behave differently

Affordability best in the north west market: Consistent with previous years, the north west market has acted differently to the other two Tasmanian regions, and continues to offer the most affordable and appropriate options, particularly for low income families and single people on Disability Support Pension. Across the 14 household types, if going into rental stress, an average of 50% of advertised properties were available and appropriate, compared to 35% of the statewide market (see Table 15). It also has the most stability in the number of advertised properties (see Figure 1). But there were still household types vulnerable to extreme rental stress in the north west: young people on Youth Allowance still had access to only 8-10% of the rental market and single adults on Newstart only 22% (see Table 15).-

The most inaccessible market is the south: At the time of the snapshot, the south had the most dramatically declining rental stock year on year and over five years (see Figure 1); declining by 61% from 2013-17. The south remains the most unaffordable rental market across the state for all household types, with an average of 2% (n=8) of properties affordable and appropriate for household types on government income support and 13% (n=68) for household types on the minimum wage. When going into rental stress, there are many household types who have below average access to the southern rental market compared to the proportion available across all household types. As described above, the households most vulnerable to extreme rental stress in the southern market are young people receiving Youth Allowance, single adults receiving Newstart, those receiving Disability Support Pension, and single parent households reliant on Newstart and those with 2 children receiving Parenting Payment (see Table 15).

The northern market has shifted the most year on year: The north is experiencing a continuing decline in the number of advertised properties year on year (see Figure 1), with a 49% decline over five years. Whereas the north west and southern markets have similar levels of affordability this year compared to previous years, the northern rental market has shifted to becoming more unaffordable for low income households, particularly for families. It appears that the market in two- and three-bedroomed properties has changed the most noticeably – either with rental prices increasing, fewer properties on the market, or both. There were household types vulnerable to extreme rental stress in the north: those who have the least access to properties in the northern rental market even when going into rental stress were young people on Youth Allowance (access to only 10-12% of the rental market), single adults on Newstart (17%) and single parents on Newstart (16%) (see Table 15).

What's happening to the Tasmanian rental market?

This year's snapshot indicates that Tasmania's private rental market remains a challenge for single adults and young people. But, relatively, it appears to have become more of a challenge for minimum wage families in the south and north of the state. This may have been driven by a number of changes:

- **a shrinking in the number of advertised private rental properties,** possibly being impacted by demands from the burgeoning tourist economy for short term rentals, such as through Airbnb.
- **increased competition for rental properties** for low income households, from very low income households who can not access social housing due to long wait lists; from more affluent households who are unable to afford to buy a property, or choose to rent in areas they can not afford to buy in; and from more affluent transient renters, such as fly in fly out workers, sea and tree changers, academics, health staff and international students.
- **increased rental prices** – Tasmania's rental values have increased by 41% between February 2016 and February 2017.[10] This may be driven both by increased competition for properties and by a change in the types of rental properties being offered, from unfurnished longer term properties to the more profitable furnished and transient rental market.

Policy implications

Housing affordability is a complex issue to address. It requires a strategic and deliberate approach to steer markets and policies in a way that serves a broad range of households and interest groups that may have competing needs. Purposefully addressing housing affordability requires a refocus of federal and state housing policy goals towards creating homes for more households, as well as encouraging investments for wealth creation. Housing policies need to be rebalanced to ensure that investment is not encouraged to the detriment of creating homes.

Anglicare Tasmania supports the development of federal and state government policies that will deliver the policy goals of increasing the supply of appropriate housing and reducing competition within the private rental sector. Anglicare Tasmania recognises that achieving these goals requires adjustments across three housing sectors – social housing, private sector rentals and house purchasing. It requires consideration of a range of strategic initiatives, which may include:

- **Incentives that stimulate the development of more affordable housing for rent and purchase,** for example through federal and state government policy levers across taxation and planning such as inclusionary zoning, impact fees for developments that remove properties from the rental market, incentives for private developers and investors to invest in appropriate development that meets the needs of a range of low income households, and bond aggregators that boost finance available to entities to build social housing.
- **Incentives that encourage landlords to embrace low income households as tenants,** such as government-funded risk management initiatives and broader encouragement of landlord insurance to minimise landlords' perceived risks associated with having low income tenants.
- **Incentives that enable more households currently in rental accommodation to transfer to home ownership,** including within the social housing sector. There is, of course, a danger such schemes can inflate house prices. Policy levers need to be designed in conjunction with other initiatives which may prevent or minimise that risk.
- **Reviewing government support for low income households to ensure government payments meet the costs of living**

Anglicare Tasmania is also aware that housing markets shift quickly; residential development and availability can be easily affected by other sectors of the economy such as tourism. So we also support initiatives that work to better understand the impacts that market dynamics elsewhere are having on affordable housing stock, such as the impacts of Airbnb on the private rental sector stock.[11]

3. What's happening to the number of private rental properties advertised across Tasmania?

There were 1,363 properties advertised for rent in Tasmania over the weekend of 1-2 April 2017. That's 14% fewer rental properties compared to this time last year and 49% fewer rental properties compared to the number of properties advertised over the snapshot weekend in April in 2013.[12]

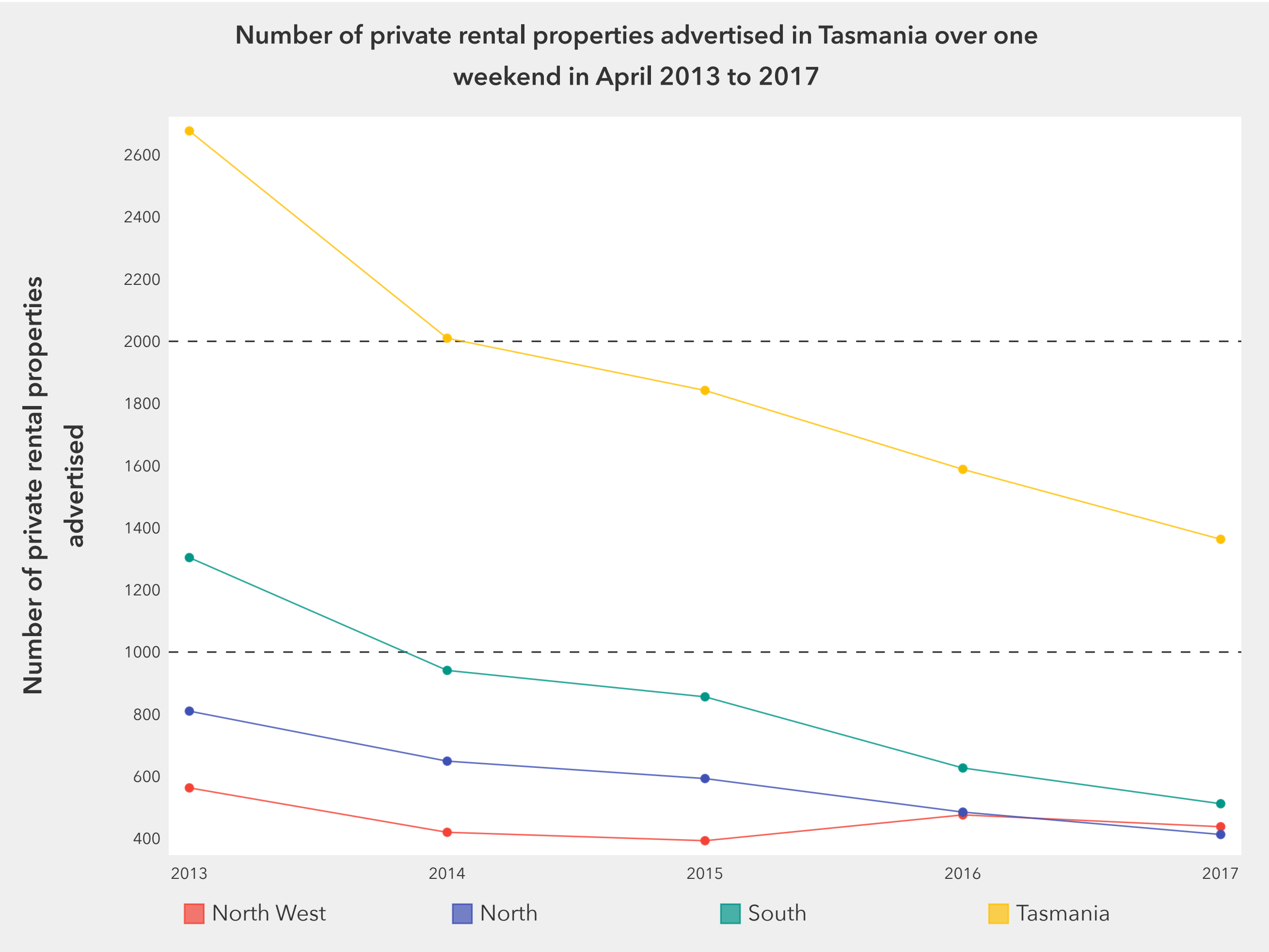


Figure 1: Number of advertised rental properties over the snapshot weekend 2013 to 2017: Tasmania and each region

This decline in advertised properties has specifically happened in Tasmania's southern and northern markets, with a 61% (n=-792) and 49% (n=-397) drop respectively over five years. The rental stock in the north west of the state has stayed fairly consistent over five years.

4. Overview: what private rental property is affordable and appropriate for low income Tasmanians?

Spending up to 30% of income on rent

Notable changes to affordability within the Tasmanian rental market

Single person households – accessing affordable housing is still dire

The number of affordable and appropriate rentals remains dire for single young people and adults. Single young people still have no suitable properties to apply for across the state. Single adults on Newstart and Disability Support Pension continue to have extremely little choice of affordable and appropriate properties, with less than 1% (n=6) and only 5% (n=63) of the market suitable respectively (see Table 12).

But there has been a noticeable increase in the proportion of affordable properties for single older people on the Age Pension, from 10% to 14% (n=+35) of properties available and appropriate (see Table 12). This is driven by what's happened in the north, where there has been a 7 percentage point increase (n=+23) in the proportion of the stock that's affordable and appropriate for older single Tasmanians. Our methodology allows single adults on the Aged Pension to access shared housing, but not those on the Disability Support Pension. As the income levels for these households are the same, the difference in suitable private rentals will be entirely due to shared housing within our advertised properties. We added Flatshare to our data sources this year, so it is possible that this has increased the number of shared properties in our snapshot of advertised rental properties this year. We consider the increase in the proportion of properties that are affordable and appropriate for single adults receiving the Age Pension to be due to a change in our methodology, rather than a change in the affordability of the market.

A big challenge for families' access to affordable and appropriate housing year on year

Single parents whose main income is Newstart continue to be the family household type that struggles the most to find affordable and appropriate accommodation in the Tasmanian rental market, with only 2% (n=29) of the advertised properties being suitable. (see Table 12).

The biggest changes for families this year are for those households whose main income is the minimum wage, particularly in the north of the state – a 2 percentage point decline in the proportion of affordable and appropriate northern Tasmanian properties for couples with two children whose main income is two minimum wages (n=-41) (see Figure 12) and a 5% decline for couples where one adult is earning the minimum wage and the other adult receives Parenting Payment (partnered) to care for their children (n=-43) (see Figure 12). This compares to a 2 percentage point (n=-112) and 1 percentage point (n=-81) decline respectively across the state (see Table 12).

Similarly, there has been a 4 percentage point (n=-31) decline in the proportion of northern Tasmanian properties affordable and appropriate for a single parent household with two children whose main income is the minimum wage (see Figure 12). This compares to a 1 percentage point (n=-53) decline across the state (see Table 12).

Watching older couples

It is worth noting that the proportion of properties affordable and appropriate for older couples on the Aged Pension has declined year on year by 3% (n=-86). Again, this is particularly the case in the northern market – a 9 percentage point drop in the proportion of properties that are affordable and appropriate–that's 52 fewer properties (see Table 12 and Figure 15).

Cohort	Household Type	Payment Type	Number Affordable & Appropriate	Percentage Affordable & Appropriate	% point change 2016-17	% point change 2013-17
Young people	Single aged over 18	Youth Allowance	0	0%	–	–
	Single in share house	Youth Allowance	0	0%	–	–
Single adults	Single	Newstart Allowance	6	0%	-1	-1
	Single aged over 21	Disability Support Pension	64	5%	+1	+3
	Single	Minimum Wage	279	20%	-	+6
Single parents	Single, one child (aged over 8)	Newstart Allowance	29	2%	–	+1
	Single, one child (aged less than 5)	Parenting Payment Single	103	8%	+1	+3
	Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	73	5%	–	+1
	Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	243	18%	-1	+1
Couples with children	Couple, two children (one aged less than 5, one aged less than 10)	Newstart Allowance (both adults)	103	8%	–	–
	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting Payment (partnered) + FTB A&B	352	26%	-1	+6*
	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A	533	39%	-2	+5
Older people	Single	Age Pension	195	14%	+4	+6
	Couple, no children	Age Pension	238	17%	-3	+2
	Total No of Properties		1,363			
	Averages across14 household types		158	12%		

Table 12: Summary of affordable and appropriate private rental properties (up to 30% of income spent on rent) across Tasmania for 14 households: 1–2 April 2017

*Data only available 2015 to 2017

Spending up to 49% of income on rent

Which groups had the most expanded private rental market if exposing themselves to rental stress?

Extending household budgets into rental stress (i.e. spending up to 49% of household income on rent) opened up an additional 23% of advertised rental properties across the state both for households relying on income support payments and for those relying on the minimum wage (see Figure 2).

But the expanded proportion of potential rental properties was larger for some of our 14 households than others. Here, we highlight those households whose choice expanded more than average in each region and across the state if they were to push their budget into rental stress (see Table 2).

Cohort	Household	Payment Type	Additional proportion of the rental market available and appropriate if spending 31% to 49% of income on rent			
			north west	North	South	Across Tas
Single adults	Single aged over 21	Disability Pension	41%			
	Single	Minimum wage	52%	33%	31%	39%
Single adults	Single, one child (aged less than 5)	Newstart	42%			
	Single, two children (one aged less than 5, one aged less than 10)	Parenting payment single	33%	28%		24%
	Single, one child (aged less than 5)	Parenting payment single	49%	30%		32%
	Single, two children one aged less than 5, one aged less than 10)	Minimum wage + FTB A&B		30%	26%	24%
Couples with children	Couple, two children (one aged less than 5, one aged less than 10)	Newstart	33%	34%	21%	28%
	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting Payment (partnered) + FTB A&B			25%	
Older people	Single	Aged Pension	43%		18%	28%
	Couple, no children	Aged Pension	52%	49%	37%	46%
		Average	30%	24%	17%	23%

Table 13: Households with above average *additional* proportion of the rental market open to them if exposing themselves to rental stress, compared to the state and regional averages, 1–2 April 2017

Key:

State and regional averages

>10% above regional average

Across Tasmania

Across the state, the largest expansion of available and appropriate properties by stretching budgets to rental stress was for couples on the Age Pension; an additional 46% of the state's advertised private rental properties became potentially suitable for them. Around an additional half of the advertised properties in the northern and north west markets became available to this cohort (see Table 3).

Specific regions

The north west offered the most expanded rental market for households spending between 31% and 49% of their income on rent. The households benefiting the most from this included (see Table 2):

- Single adults working full time for the minimum wage (an additional 52% of the north west market) and single adults receiving Disability Support Pension (an additional 41% of the north west market);
- Single parents with one child – both those with children under 8, reliant on Parenting Payment single (an additional 49% of the north west market) and those with a child over 8, reliant on Newstart (an additional 42% of the north west market);and
- Older adults receiving the Age Pension – both couples (an additional 52% of the north west market) and single adults (an additional 43% of the north west market).

In the southern market, it was couples receiving the Age Pension (an additional 37% of the southern market) and singles receiving the minimum wage (an additional 31% of the southern market) who most benefited from an expanded market by spending between 31% and 49% of their income on rent.

And in the north, couples receiving the Age Pension were the household type that benefited the most by extending their spend on rent to 31% to 49% of their income (an additional 49% of the northern market).

The most vulnerable households

Which households were most at risk of extreme rental stress to find a property?

	Households relying on income support payments	**Households relying on minimum wage**	**Overall regional average**
north west	46%	60%	50%
North	28%	50%	34%
South	16%	37%	22%
Average for households across Tasmania	29%	48%	35%

Table 14: Average *total* proportion of advertised properties available and appropriate for households spending up to 49% of their income on rent, 1–2 April 2017

Amongst low income households, there are some who still had very limited access to affordable housing even if they stretched their budget into rental stress. These are the households who are most at risk of having to stretch their rental budget into extreme rental stress, i.e. having to spend 50% or more of their income on rent.

Consistently across the state, the households most vulnerable to extreme rental stress remain young people receiving Youth Allowance, single adults receiving Newstart and Disability Support Pension, and single parents, particularly those receiving Newstart (see Table 4).

- Going into rental stress, less than 10% of the Tasmanian rental market was available and appropriate for young people on Youth Allowance – including shared housing. In the southern market, it was 4 to 5%: the lowest for all of our 14 households.

Cohort	Household	Payment Type	Total proportion of the rental market available and appropriate if spending up to 49% of income on rent			
			north west	North	South	Across Tas
Young people	Single aged over 18 in shared house	Youth Allowance	8%	10%	4%	7%
	Single aged over 18	Youth Allowance	12%	12%	5%	9%
Single adults	Single adult	Newstart	22%	17%	11%	16%
	Single aged over 21	Disability Pension		21%	9%	27%
Single parents	Single, one child (aged over 8)	Newstart	49%	16%	6%	23%
	Single, two children (one aged less than 5, one aged less than 10)	Parenting payment single	47%	31%	12%	29%
	Single, one child (aged less than 5)	Parenting payment single		33%	20%	
Couples with children	Couple, two children (one aged less than 5, one aged less than 10)	Newstart			21%	
		Regional Average	50%	34%	22%	35%

N of properties state wide, 1-2 April 2017 = 1363

Table 15: Households with the least choice of properties when stretching their budgets into rental stress, compared to the state wide and regional averages, 1-2 April 2017

Key:
State and regional averages
≥20 percentage points below regional average
≥15 percentage points below regional average

- **Single young people** still have no suitable properties to apply for across the state when spending up to 30% of their income on rent. Going into rental stress, less than 10% of the Tasmanian rental market was available and appropriate for young people on Youth Allowance – including shared housing. In the southern market, it was 4 to 5%: the lowest for all 14 household types.
- **Single adults on Newstart and Disability Support Pension** continue to have extremely little choice of affordable and appropriate properties to apply for, with only less than 1% (n=6) and 5% (n=64) of the market respectively suitable if spending 30% of their income on rent (see Table 1). Even when spending up to 49% of their income on rent, single adults on Newstart could still only access 16% of advertised properties across the state; in the southern market this household type could still only access 11% of the market, 17% of the northern market and 22% of the north west's. Only 9% of the southern and 21% of the northern market were available and appropriate for those on Disability Support Pension.[12]

- **Single parents reliant on government income** had a particularly tough time in the southern and, in some cases, northern, rental markets. Only 6% of properties within the southern rental market and only 16% of those in the northern market were available and appropriate for a single parent household reliant on Newstart, even by spending 49% of their income on rent. At the lower rate of 30% of income, there was nothing available except in the north west. The single parent household with two children reliant on Parenting Payment could only access 12% of poperties in the southern market even when going into rental stress.

Given the competition within the Tasmanian rental market for a declining number of properties (see section 12), these groups are likely to be the most vulnerable to being forced into extreme rental stress in order to secure a home.

Findings at a glance

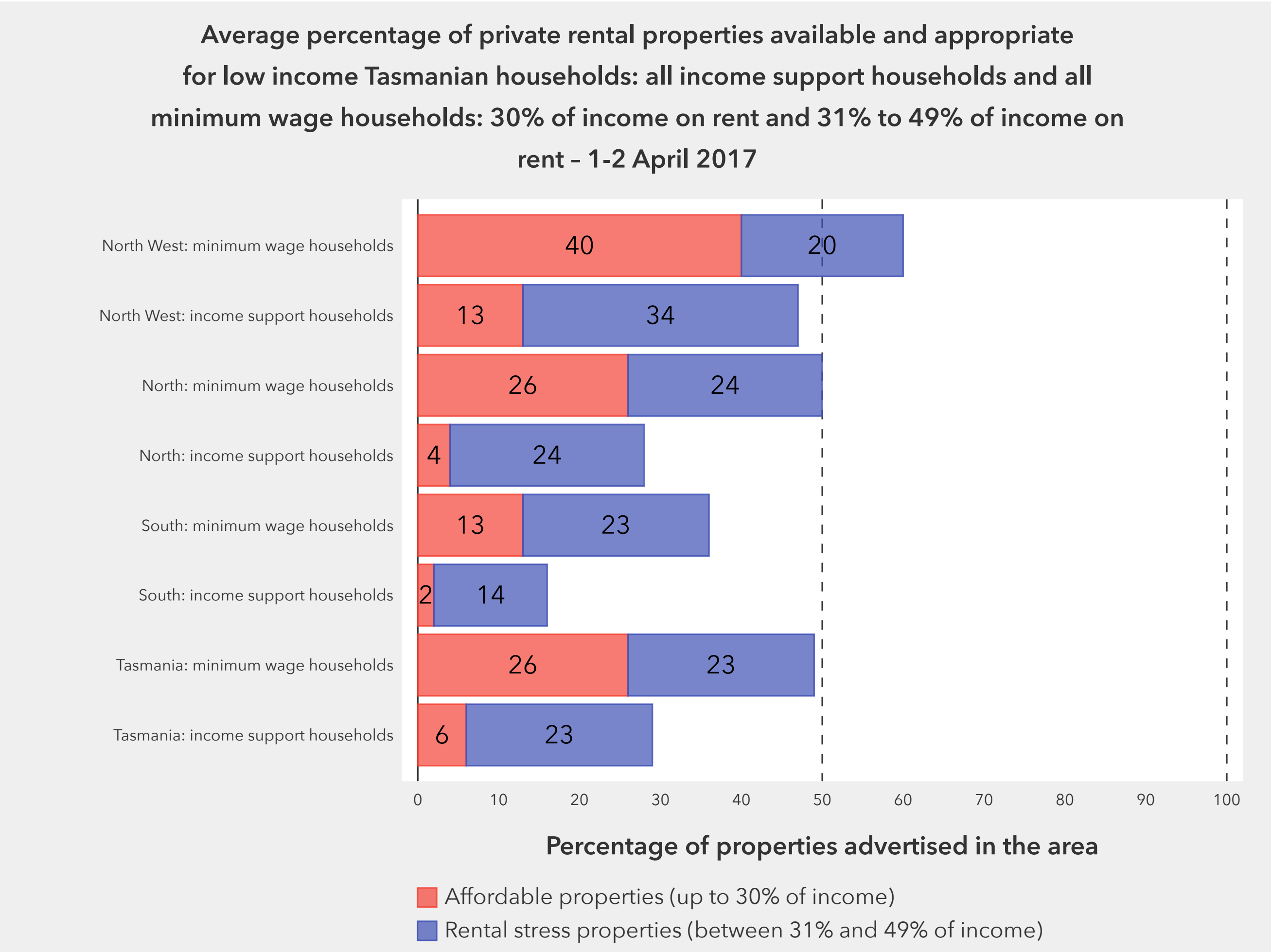
Table 5: Findings at a glance: proportion of advertised rental properties available and appropriate for 14 household types spending up to 30% and up to 49% of their income on rent: 1-2 April 2017

			Up to 30% of household income spent on rent			**Up to 49% of household income spent on rent**			
Cohort	**Household Type**	**Payment Type**	Number Affordable and Appropriate	Percentage Affordable and Appropriate	Where are affordable properties?	Number of additional available and appropriate properties	Additional percentage available and appropriate	Where are the additional available and appropriate properties?	Total percentage of properties available and appropriate
Young people	Single aged over 18	Youth Allowance	0	0%	• Nowhere	127	9%	• 26 South • 49 North • 52 north west	9%
	Single in share house	Youth Allowance	0	0%	• Nowhere	98	7%	• 21 South • 41 North • 36 north west	7%
Single adults	Single	Newstart Allowance	6	0%	• 3 South • 3 North • 0 north west	216	16%	• 54 South • 66 North • 96 north west	16%
	Single aged over 21	Disability Support Pension	64	5%	• 3 South • 9 North • 52 north west	303	22%	• 42 South • 79 North • 182 north west	27%
	Single	Minimum Wage	279	20%	• 68 South • 85 North • 126 north west	528	39%	• 159 South • 139 North • 230 north west	59%
Single parents	Single, one child (aged over 8)	Newstart Allowance	29	2%	• 0 South • 0 North • 29 north west	283	21%	• 31 South • 65 North • 187 north west	23%
	Single, one child (aged less than 5)	Parenting Payment Single	103	8%	• 0 South • 11 North • 92 north west	444	32%	• 104 South • 126 North • 214 north west	40%
	Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	73	5%	• 0 South • 11 North • 62 north west	323	24%	• 60 South • 119 North • 144 north west	29%
	Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	243	18%	• 24 South • 61 North • 158 north west	336	24%	• 136 South • 126 North • 74 north west	42%
Couples with children	Couple, two children (one aged less than 5, one aged less than 10)	Newstart Allowance (both adults)	103	8%	• 1 South • 21 North • 81 north west	388	28%	• 104 South • 140 North • 144 north west	36%
	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting Payment (partnered) + FTB A&B	352	26%	• 48 South • 110 North • 194 north west	258	19%	• 128 South • 91 North • 39 north west	45%
	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A	533	39%	• 131 South • 174 North • 228 north west	103	8%	• 60 South • 35 North • 8 north west	47%
Older people	Single	Age Pension	195	14%	• 52 South • 59 North • 84 north west	371	28%	• 91 South • 93 North • 187 north west	42%
	Couple, no children	Age Pension	238	17%	• 24 South • 64 North • 150 north west	615	46%	• 189 South • 199 North • 227 north west	63%
		Stage Averages		12%			23%		35%
		Total No of Properties	1,363			1,363			

5. Across income support and minimum wage households

Households whose main income is government income support

On average, only a small proportion – 6% of advertised properties across the state (n=-81) – were affordable and appropriate for people who depend on income support payments as their main source of income without going into rental stress (see Fig 2). This is consistent with the proportion of the rental market that was suitable for our income support households in 2016, but it is worth bearing in mind that this proportion is from a smaller pool of properties in 2017. There were noticeable regional differences in affordable appropriate properties – ranging from only 2% (n=8) of advertised properties in the south of Tasmania to 13% (n=55) in the north west (see Figure 2).



N of advertised rental properties across the state =1363

Figure 2: Average percentage of private rental properties available and appropriate for low income Tasmanian households: all income support households and all minimum wage households: 30% of income on rent and 31% to 49% of income on rent – 1-2 April 2017

On average an additional 23% (n=+317) of the advertised properties across the state became affordable and appropriate for income support families if they were to stretch their budget into rental stress (i.e. spend between 31% and 49% of their income on rent) (see Fig.2).

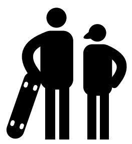
In the north, an additional 24% of advertised properties became available for both income support and minimum wage households going into rental stress (n=+98). But, again, regional market differences were highlighted in the south and north west; only 14% (n=-+72) more properties opened up for income support households spending up to 49% of their income on rent in the southern market, whereas those looking within the north west had an additional 34% (n=+134) of the private rental market to consider (see Fig 2).

Households whose main income is the minimum wage

For Tasmanian households living on the minimum wage, 26% (n=352) of advertised rental properties were both affordable and appropriate without going into rental stress (see Fig 2). This is similar to the proportion of the market in 2016 (1 percentage point more); and, again this proportion was from a smaller pool of properties. Whereas affordability of advertised rental properties in the northern market reflected the state average (n=108), the variation in affordability was clear between the southern (13%, n=68) and north west markets (40%, n=177).

There was a degree of consistency across regions in the additional proportion of the rental market that opened up to minimum wage households when exposing themselves to rental stress (between 20 and 24%). Statewide and in the northern market, the increase was the same as for household types reliant on income support payments (23% statewide and 24% in the north). The relative affordability within the north west rental market meant that only an additional 20% (n=+88) of advertised properties opened up to household types reliant on the minimum wage if they exposed themselves to rental stress. In the relatively unaffordable southern market, going into rental stress opened up an additional 23% of the rental market for such households (see Figure 2).

6. Young people



Consistently over the past five years across Tasmania, the households most vulnerable to exposing themselves to extreme rental stress remain young people receiving Youth Allowance (see Figure 4). This year, there were again no properties affordable and appropriate for such young people spending up to 30% of their income on rent (see Figure 3). Even by spending up to 49% of their income on rent, less than 10% of the Tasmanian rental market was available and appropriate for young people on Youth Allowance – including shared housing (see Table 17 and Figure 5).

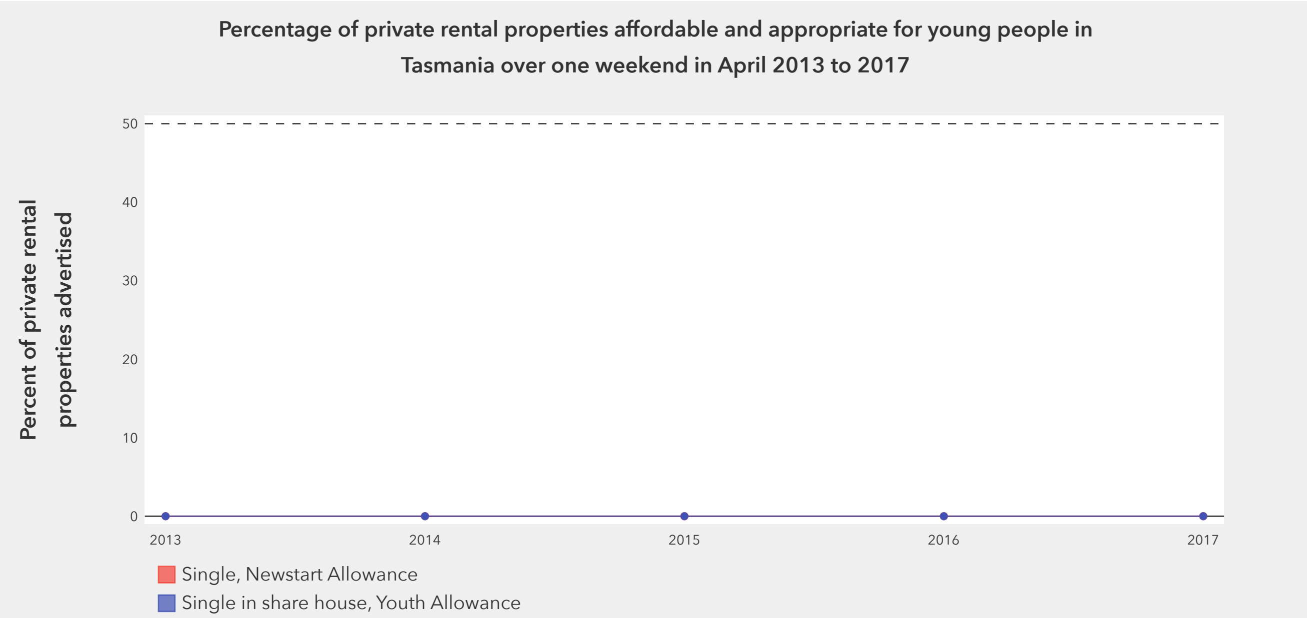


Figure 3: Percentage of private rental properties affordable and appropriate for young people in Tasmania over one weekend in April 2013 to 2017

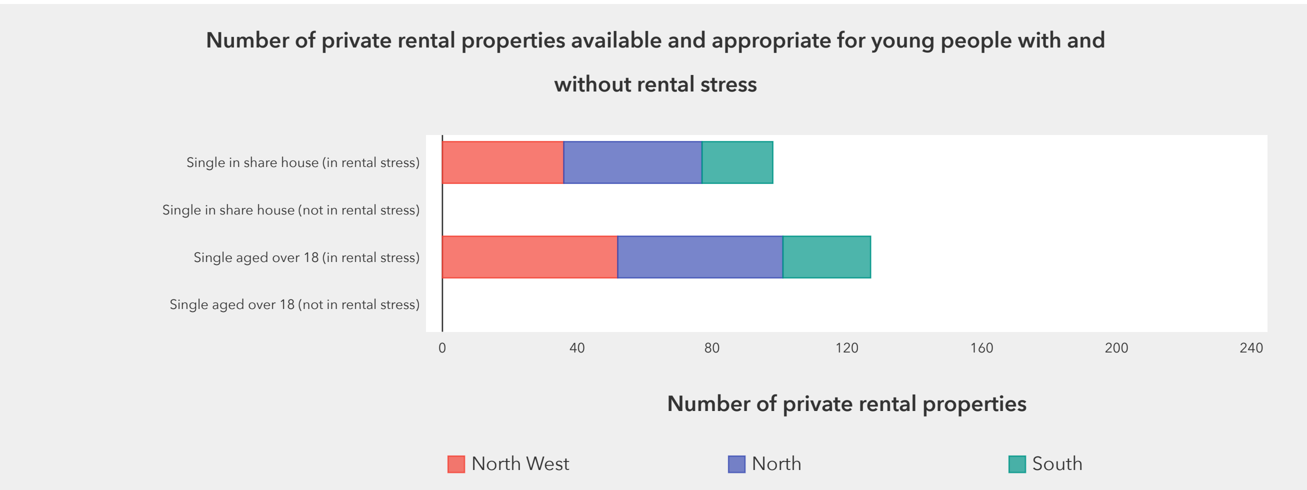


Figure 4: Number of private rental properties available and appropriate for young people with and without rental stress 1-2 April 2017

			Up to 30% of income spent on rent			Up to 49% of income spent on rent			
	Household Type	Payment Type	Number affordable and appropriate	Percentage affordable and appropriate	Where are the affordable properties?	Number of additional available and appropriate properties	Additional percentage available and appropriate	Where are the additional available and appropriate properties?	Total percentage of properties available and appropriate
Young people	**Single aged over 18**	**Youth Allowance**	0	0%	• 0 South • 0 North • 0 north west	127	9%	• 26 South • 49 North • 52 north west	9%
Young people	**Single in share house**	**Youth Allowance**	0	0%	• 0 South • 0 North • 0 north west	98	7%	• 21 South • 41 North • 36 north west	7%
Total No of Properties			1,363			1,363			
Average % of the market available and appropriate across 14 household types			Up to 30% of income	12%		Btwn 31% and 49% of income	23%	Up to 49% of income	35%

Table 17: Proportion of advertised rental properties available and appropriate for young people receiving Youth Allowance spending up to 30% and up to 49% of their income on rent: 1-2 April 2017

For young people, the potential need to stretch their budget into extreme rental stress (spending 50% or more of income on rent), is very high. Case studies from Anglicare Tasmania's work with young Tasmanians demonstrate the challenges faced by this group (see Case Studies 1 and 2).

Case study 1: Tom

Tom receives Youth Allowance. He needs to live in the Launceston area, where he is studying. The only properties available would require him to spend more than 50% of his income on rent. He continues to struggle to secure anywhere to live, after applying unsuccessfully for 10 rentals.

Case study 2: Bradon

Bradon is a 21 year old man who receives Youth Allowance. He is staying with different family members for a couple of months at a time. He's been offered a job trial in a rural location but he has no family members to stay with nearby, and he doesn't drive. Unless the job works out he can't afford to take on a rental, and there is no short-term accommodation nearby that housing providers can set him up in. So it's a Catch-22 – he can't take the job trial without accommodation, but can't secure accommodation without income from a job. Youth Allowance is not enough to pay for private rental accommodation. The situation is having an effect on his mental health as he blames himself for not being able to resolve the situation.

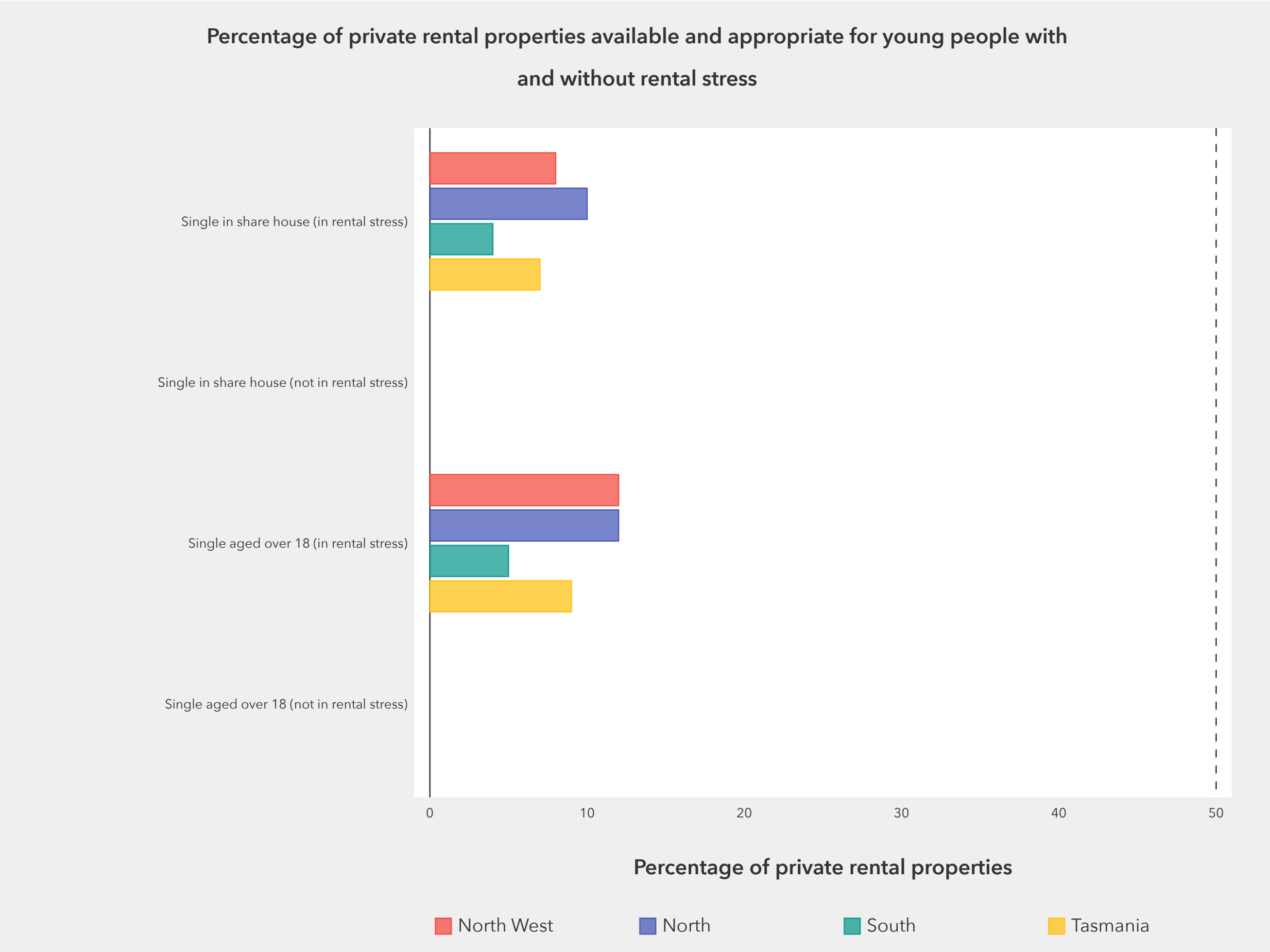
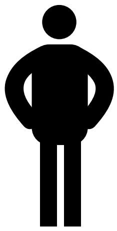


Figure 5: Percentage of private rental properties available and appropriate for young people with and without rental stress 1-2 April 2017

7. Single working age adults



The number of affordable and appropriate rentals remains dire for single working age adults, particularly those on income support. Single adults who receive Newstart and Disability Support Pension continue to have extremely limited choice of appropriate properties to apply for if they only spend up to 30% of their income on rent. Within the southern and northern rental property markets, single working age adults reliant on government income support are amongst the households most vulnerable to having to stretch their budgets into extreme rental stress to secure a property. In contrast, single working age adults reliant on the minimum wage are amongst those households with the highest proportion of the rental market available and appropriate if they stretch their budget into rental stress.

Single adults receiving Newstart

Less than 1% of properties across the state (n=6) were available and appropriate for a single job seeker who depends on Newstart Allowance spending up to 30% of their income on rent (see Fig.6). These properties were all in the south and north of the state (see Table 18). No properties were suitable in the north west. It is likely that this is due to the southern and northern markets offering shared housing.

An additional 16% of properties (n=+216) were open to this household type by going into rental stress. Nearly half of these additional properties were in the north west (n=+96).

So the total proportion of advertised properties available and appropriate for single adults receiving Newstart if they exposed themselves to rental stress was still only 16%–less than half of the average available across the 14 household types (see Tables 4 and 7); and ranged from 11% in the south to 22% in the north west (see Table 14). The potential to need to stretch to extreme rental stress (spending 50% of income on rent), is very high for single adults receiving Newstart, as our case study illustrates.

Case study 3: Ella

Ella recently had her employment terminated (she had been working in hospitality and her position was cut). She is in private rental accommodation and pays $490 a fortnight, which was affordable when she was working. She now receives Newstart, with rent assistance, and receives $650 a fortnight. This means her rent constitutes about 75% of her income, putting her in what is defined as 'extreme rental stress'. While she prioritises her rent payments, and has cut or reduced other costs, she has still been unable to pay in full every fortnight and is now concerned about being asked to vacate.

			Up to 30% of income spent on rent			Up to 49% of income spent on rent			
	Household Type	Payment Type	Number affordable and appropriate	Percentage affordable and appropriate	Where are the affordable properties?	Number of additional available and appropriate properties	Additional percentage available and appropriate	Where are the additional available and appropriate properties?	Total percentage of properties available and appropriate
Single adults	**Single**	**Newstart Allowance**	6	0%	• 3 South • 3 North • 0 north west	216	16%	• 54 South • 66 North • 96 north west	16%
	Single aged over 21	**Disability Support Pension**	64	5%	• 3 South • 9 North • 52 north west	303	22%	• 42 South • 79 North • 182 north west	27%
	Single	**Minimum Wage**	279	20%	• 68 South • 85 North • 126 north west	528	39%	• 159 South • 139 North • 230 north west	59%
Total No of Properties			1,363			1,363			
Average % of the market available and appropriate across 14 household types			Up to 30% of income	12%		Btwn 31% and 49% of income	23%	Up to 49% of income	35%

Table 18: Proportion of advertised rental properties available and appropriate for single working aged adults spending up to 30% and up to 49% of their income on rent: 1-2 April 2017

Single adults receiving Disability Support Pension

5% (n=64) of properties advertised across the state were affordable and appropriate for a single person living on the Disability Support Pension spending up to 30% of their income on rent. This compared to 4% of properties being suitable in 2016 (see Figure 6). Once again, the north west market offered the most choice, with 52 properties; only 3 properties were suitable in the south and 9 in the north (see Table 18).

Another 22% of advertised properties (n=+303) across the state opened up for single adults receiving DSP by going into rental stress. This ranged from an additional 41% (n=+182) of the market in the north west to only an additional 8% (n=+42) in the south (see Table 18 and Figure 8). For single adults receiving DSP, only 9% of the southern market was available and appropriate – half the regional average across the 14 household types (see Table 15).

It is important to note that we were unable to assess any properties for their suitability as far as physical accessibility or access to transport or health and community services. In addition, within the RAS methodology, shared accommodation is not deemed to be appropriate for those receiving DSP. This can create an important difference when comparing affordability and appropriate properties for this cohort with single adults on Newstart and with single adults receiving the Age Pension, which is paid at the same rate as DSP.

Minimum wage earning single people

20% of properties across the state were affordable and appropriate for a single minimum wage earner with no children spending up to 30% of their income on rent (279 properties), the same proportion as last year (see Figure 6). Single minimum wage earners in the north and north west of the state had twice as many suitable properties as those in the south (see Table 18).

Single adult minimum wage earners were amongst the households who had the most expanded market in properties by extending their budget into rental stress (see Tables 2 and 7). This was driven by above state average increases in all three regional markets: an additional 52% (n=+230) of properties in the north west, 31% (n=+159) in the southern market and 33% (n=+139) of the northern market. Overall, single working adults on the minimum wage had one of the highest proportion of the rental market to choose from amongst the 14 household types (at 59%, n=807) – ranging from 44% (n=227) of the southern market to 81% (n=126) of the north west market (see Table 15).

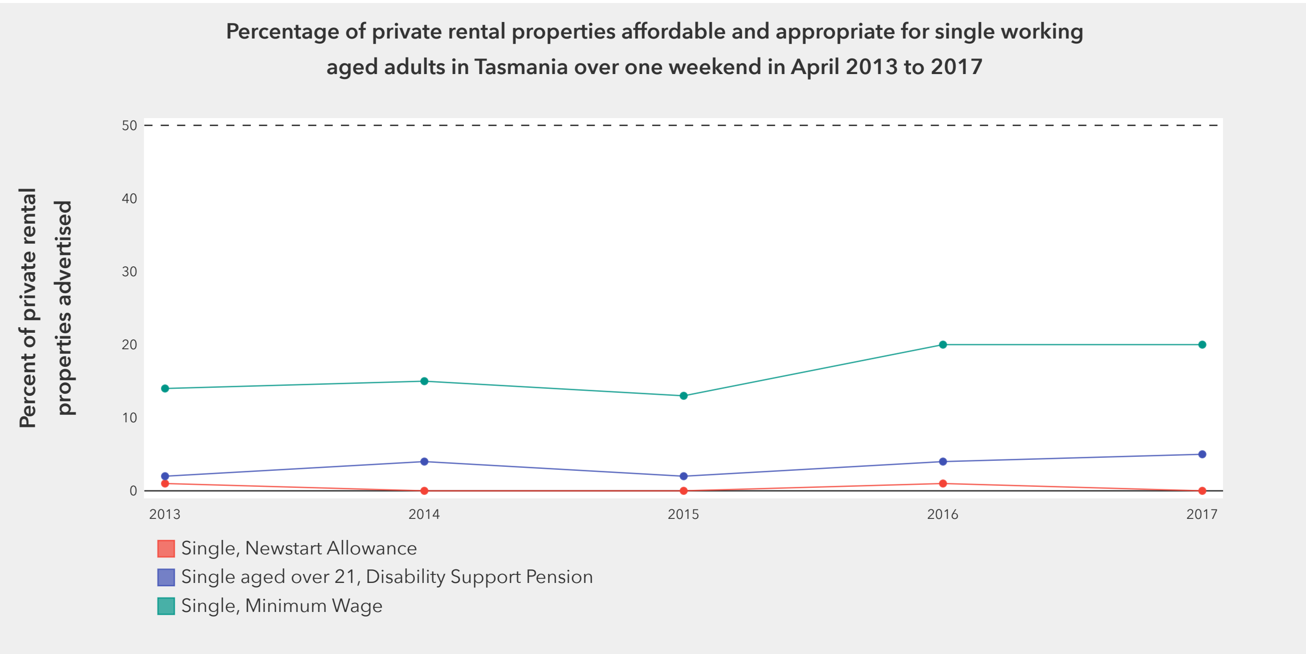


Figure 6: Percentage of private rental properties affordable and appropriate for single working aged adults in Tasmania over one weekend in April 2013 to 2017

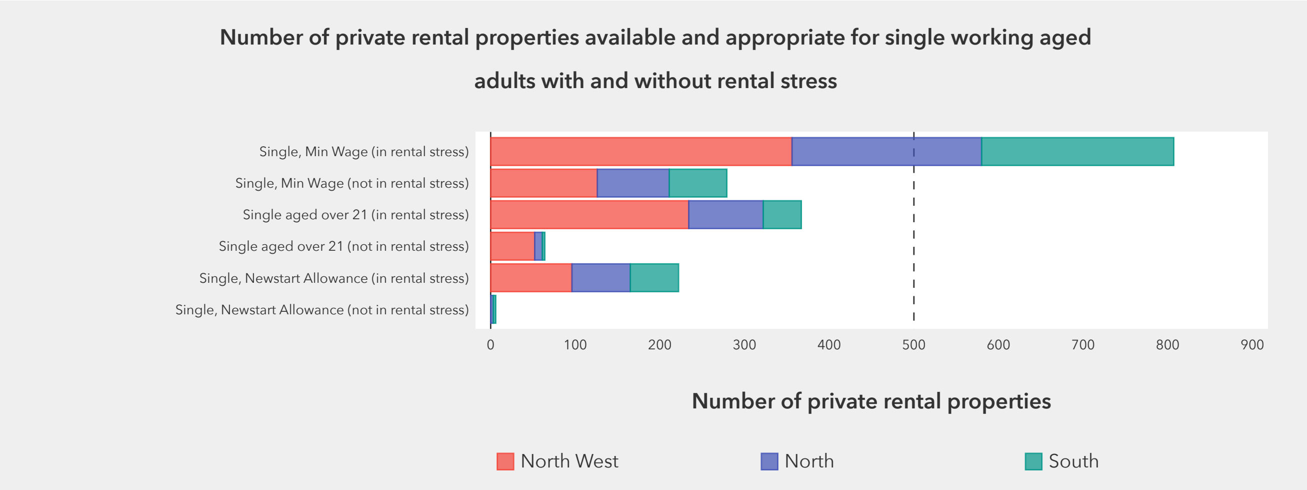


Figure 7: Number of private rental properties available and appropriate for single working aged adults with and without rental stress 1-2 April 2017

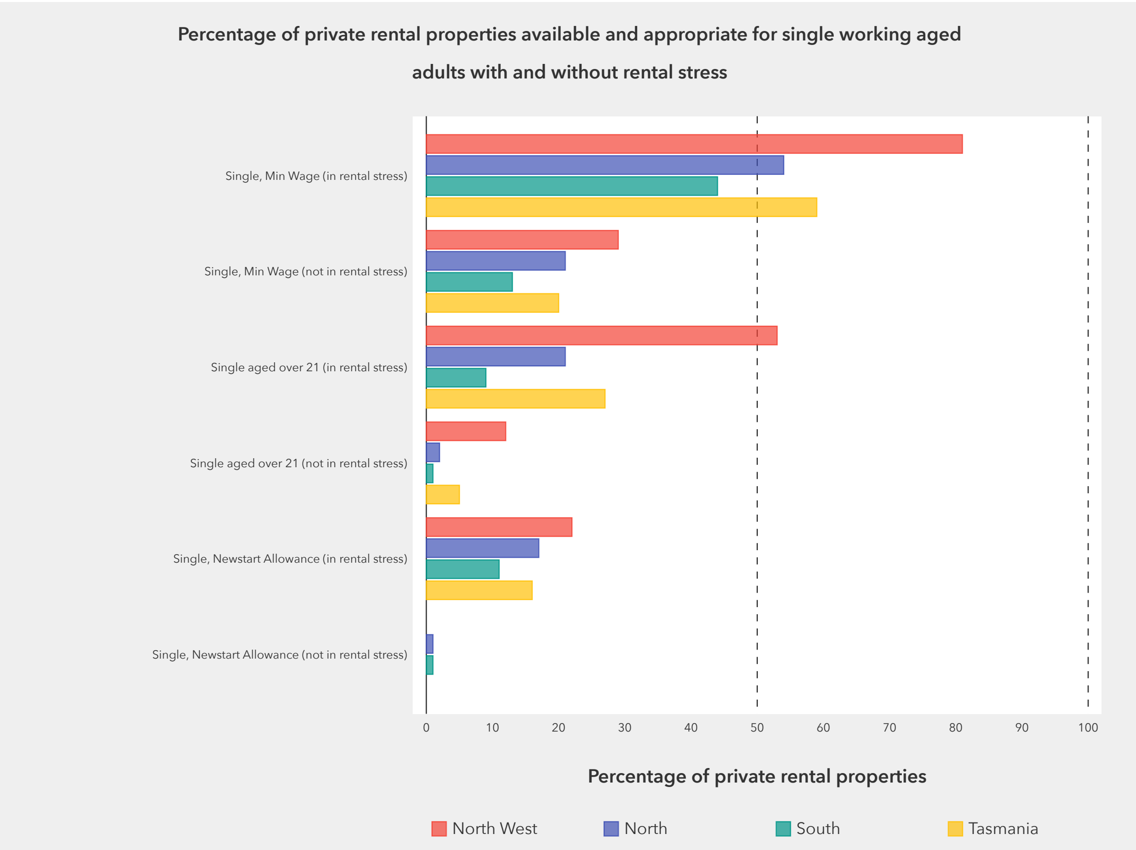
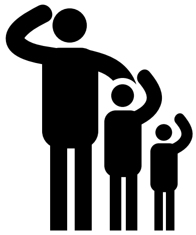


Figure 8: Percentage of private rental properties available and appropriate for single working aged adults with and without rental stress 1-2 April 2017

8. **Single parents**



Single parent households who receive government income support were amongst the family groups with the lowest access to affordable and appropriate property within the Tasmanian rental market if choosing to spend up to 30% of their income on rent. Single parents receiving Newstart were the family group most vulnerable to having to stretch their budgets into extreme rental stress.

Single parents whose youngest child is aged over 8 receiving Newstart

Single parents whose main income was Newstart continued to be the family household type that struggled the most to find affordable and appropriate accommodation in the Tasmanian rental market, with only 2% (n=29) of the advertised properties statewide being suitable; and no suitable properties in the southern or northern markets. This situation has remained consistent over the last four years for sole parents (see Table 12 and Figure 9).

An additional 21% of rental properties across the state (n=+283) became available for single parents on Newstart looking to spend between 31% and 49% of their income on rent, but there were significant regional disparities: from an additional 42% of the north west rental market (n=+187), to only an additional 16% of the northern market (n=+65) and an additional 6% of the southern market (n=+31) (see Figure 9). For single parents on Newstart, only 6% of the southern market and 16% of the northern market was available and appropriate – that's half or less than the average proportion of properties available and appropriate across the 14 household types in those regional markets (see Table 15).

For this group, particularly in the southern and northern Tasmanian markets, the need to stretch to severe rental stress (spending 50% or more of income on rent) is high (Figure 11).

Case study 4: Kylie

Kylie is a mother with three kids and is in the Rapid Rehousing program (due to family violence). The landlord is very happy with her and her kids have settled into the local school and sporting clubs. Six months in to her 12 month lease (the length permitted under the RR program) Anglicare Tasmania is helping her look for rental accommodation. There are no affordable properties in the area she currently lives; so far the only affordable rentals are in the suburb where the family violence perpetrator lives. Not only does this put her in danger, it would also mean uprooting the children from their current school or incurring additional transport costs to keep them in their current school and sports clubs.

At each property she attends she is competing against 30-40 other prospective tenants. She has been told not to take her children to the inspections and to treat the inspection like a job interview, to maximise her chance of securing the tenancy.

Kylie doesn't have references for previous rental accommodation because her husband's name had been on previous leases. She does not want to have to disclose the family violence in order to explain why she doesn't have these references, both to protect her and her children's privacy, but also out of concern that this will affect her chance of securing a tenancy.

	Household Type	Payment Type	Up to 30% of income spent on rent: Number affordable and appropriate	Percentage affordable and appropriate	Where are the affordable properties?	Up to 49% of income spent on rent: Number of additional available and appropriate properties	Additional percentage available and appropriate	Where are the additional available and appropriate properties?	Total percentage of properties available and appropriate
Single parents	**Single, one child (aged over 8)**	**Newstart Allowance**	29	2%	• 0 South • 0 North • 29 north west	283	21%	• 31 South • 65 North • 187 north west	23%
	Single, one child (aged less than 5)	**Parenting Payment Single**	103	8%	• 0 South • 11 North • 92 north west	444	32%	• 104 South • 126 North • 214 north west	40%
	Single, two children (one aged less than 5, one aged less than 10)	**Parenting Payment Single**	73	5%	• 0 South • 11 North • 62 north west	323	24%	• 60 South • 119 North • 144 north west	29%
	Single, two children (one aged less than 5, one aged less than 10)	**Minimum Wage + FTB A & B**	243	18%	• 24 South • 61 North • 158 north west	336	24%	• 136 South • 126 North • 74 north west	42%
Total No of Properties			1,363			1,363			
Average % of the market available and appropriate across 14 household types			Up to 30% of income	12%		Btwn 31% and 49% of income	23%	Up to 49% of income	35%

Table 19: Proportion of advertised rental properties affordable and appropriate for single parents spending up to 30% and up to 49% of their income on rent: 1-2 April 2017

Single parents with young children receiving Parenting Payment

Single parents reliant on Parenting Payment single, whether they have one or two children, had little choice of rental properties if spending up to 30% of their income on rent–8% (n=103) and 5% (n=73) of the market respectively (see Table 19 and Figure 11). For both of these household types, there were no affordable appropriate properties in the southern market, only 11 in the northern market, and 62 (for a family with two children) and 92 (for a family with one child) properties in the north west. The proportions remained similar to last year and are well below the average proportion of the property market affordable and appropriate for the 14 low income household types.

However, both of these household types experienced an average or above average expansion in the proportion of properties that were available and appropriate by spending up to 49% of their income on rent – an additional 24% and 32% additional proportions of the market respectively (see Table 19). This gave a single parent household with one child access to around the average proportion of rental properties (40%, n=547) across the state; this was driven by the 70% of properties available and appropriate within the north west market for families prepared to go into rental stress. Going into rental stress, these household types still had below the average access across all 14 households in the southern and northern markets (see Table 15); the most vulnerable household type being single parents with two children in the south, having access to only 12% of properties – 10 percentage points less than the average across all households.

Across the state, the two child household types still only had access to a below-average 29% (n=396) of the rental market (see Figure 11).

Minimum wage earning single parents

18% of advertised properties across the state were affordable and appropriate for a single parent with 2 children working for the minimum wage (n=243 properties) spending up to 30% of their income on rent – 1 percentage point less than the advertised properties compared to 2016. This reduction in affordability has been driven by the northern market, where there has been a 2 percentage point decline (n=-31) in the proportion of northern Tasmanian properties affordable and appropriate (see Table 19 and Figure 9 and Figure 11).

An additional 24% of the state's properties (n=336) opened up as available for single parent minimum wage earners spending between 31% and 49% of their income on rent (see Table 19 and Figure 11). Interestingly, the biggest expansion of properties for this group was in the north of the state (an additional 30% of the market, n=+126), with an additional 26% of the market (n=+136) in the south and an additional 17% of the market (n=+74) properties in the north west.

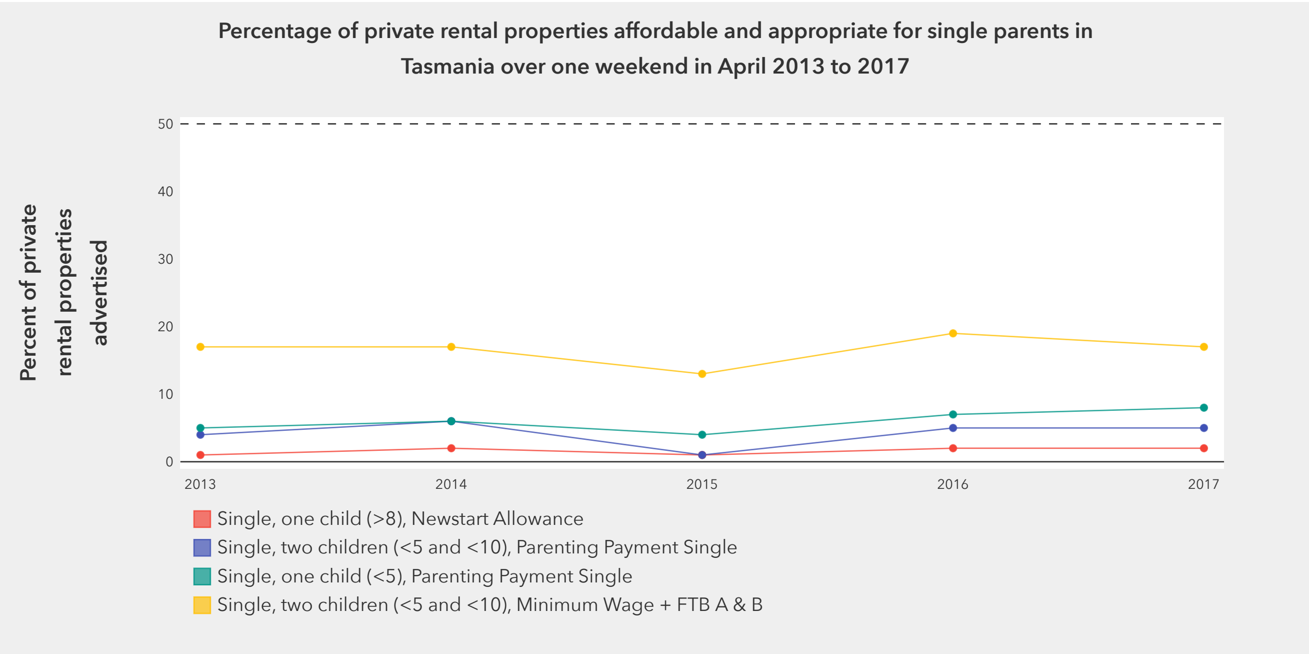


Figure 9: Percentage of private rental properties affordable and appropriate for single parents in Tasmania over one weekend in April 2013 to 2017

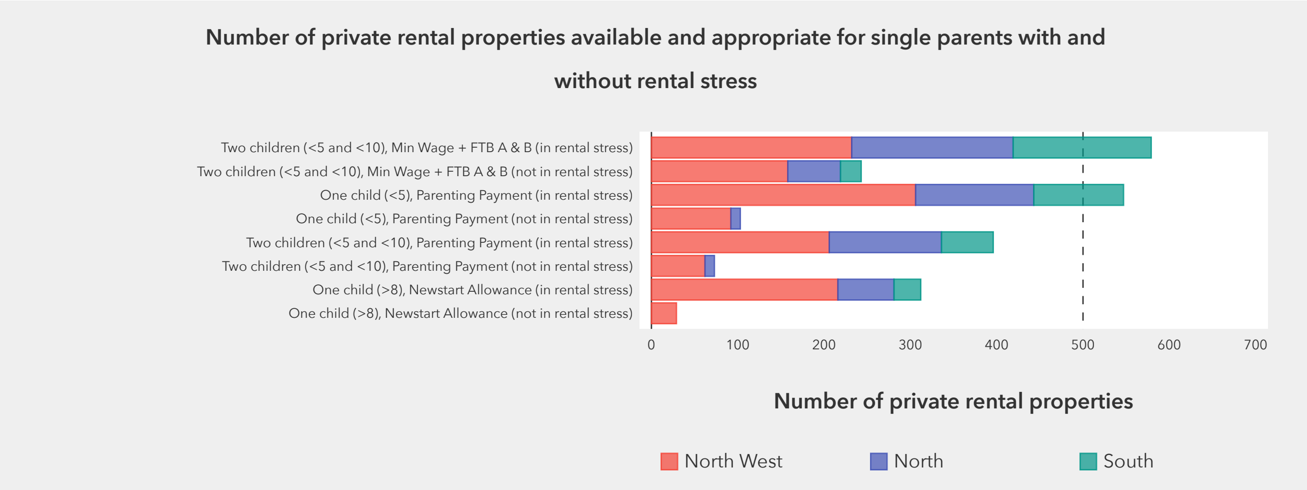


Figure 10: Number of private rental properties available and appropriate for single parents with and without rental stress 1-2 April 2017

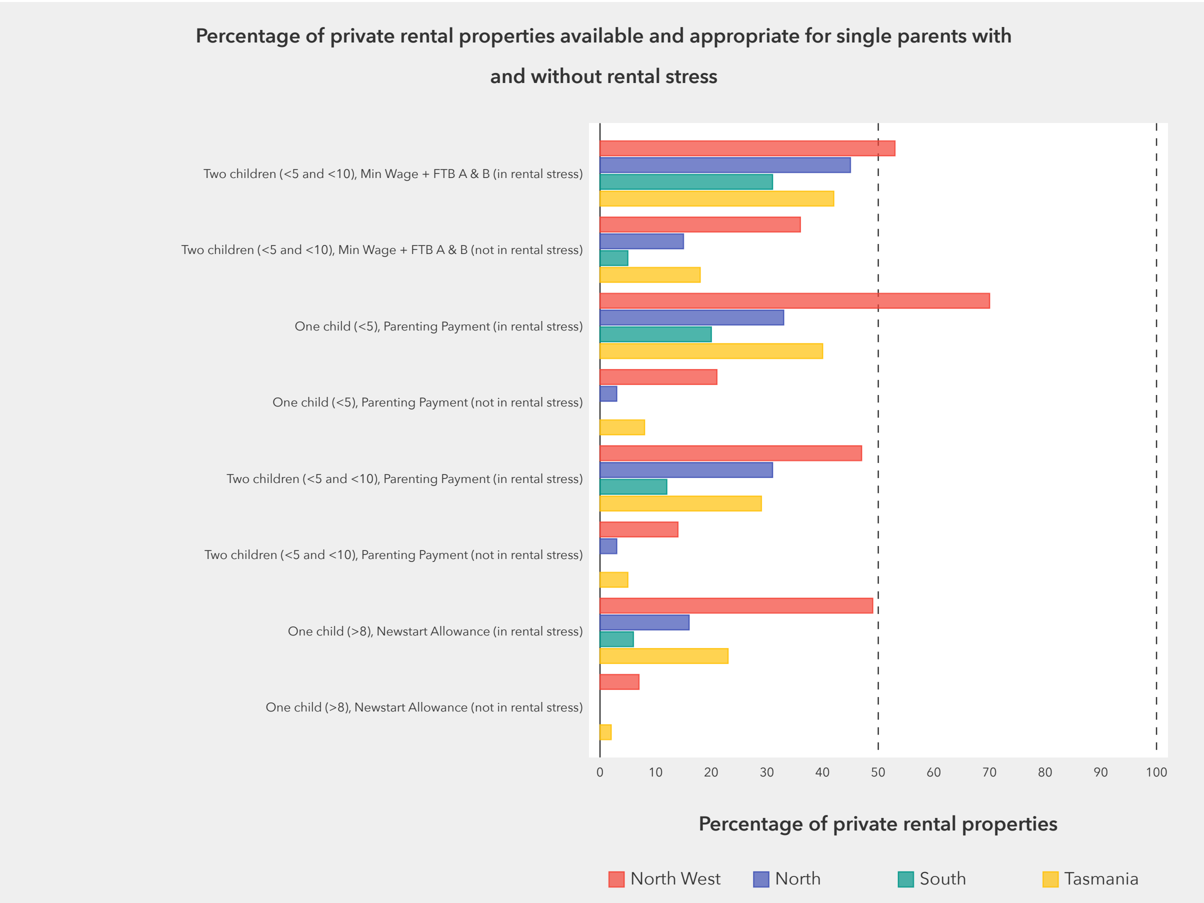
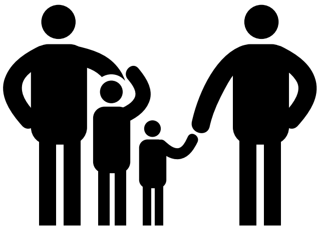


Figure 11: Percentage of private rental properties available and appropriate for single parents with and without rental stress 1-2 April 2017

9. **Couples with children**



The biggest changes for families this year are for those household types whose main income is through the minimum wage, particularly in the north of the state – a 5 percentage point decline in the proportion of affordable and appropriate northern Tasmanian properties for working couples where one adult is working for the minimum wage and the other adult receives Parenting Payment (partnered) to care for their children and a 2 percentage point decline for households with two children whose main income is two minimum wages .

Couples with children where both adults are looking for work

For a family with two children where both parents were both looking for work, only 8% of the advertised properties across the state (n=103 properties) were affordable and appropriate if spending up to 30% of their income on rent (see Table 20 and Figure 12). This has been a reasonably consistent proportion over the last 5 years (see Figure 12). For this household type, only 1 of those properties was in the southern market and 21 in the northern market (see Table 20).

An additional 28% (n=+388) of the state's properties opened up as available to this household if they were spending between 31% and 49% of their income on rent (see Figure 14). These properties were distributed across the state, with an additional 33% of the north west rental market (n=+144), 34% of the northern market (n=+140) and 21% of the southern market (n=+104).

Minimum wage earning couples with children

A couple with two children where both parents were working full-time would have found 39% of the properties in the state (n=533 properties) were affordable and appropriate (spending 30% of income on rent) – a 2 percentage point decrease in the proportion of the advertised properties compared to 2016 (see Table 20 and Figure 12). This decrease was driven by changes in the proportion of affordable and appropriate properties within the southern and northern markets – both for working couples with two children whose main income is two minimum wages (a 3 percentage point decrease in the south, n=-50; and a 2 percentage point decrease in the north, n=-41) and for those couples where one adult is working for the minimum wage and the other adult receives Parenting Payment (partnered) to care for their children (a 3 percentage point decrease in the southern market, n=-27; a 5 percentage point decrease in the north, n=-43).

An additional 8% of properties across the state opened up as available by going into rental stress for couples with two children where both parents were minimum wage earners. The expanded market was led by the south (+11%, n=+60), with a state average expansion in the north (n=+60) and a below-average expansion in the north west (+2%, n=+8) (see Figure 12).

For families with two children where one parent was working full-time earning the minimum wage and the other caring for the children, 26% of advertised properties across the state were affordable and appropriate (n=352 properties). This was a 1 percentage point decrease in the proportion affordable and appropriate in 2016 (see Figure 12). Again, this decrease was driven by the 5 percentage point decrease (n=91) within the northern market, with the southern market dropping by 3 percentage points.

An additional 19% (n=+258) of properties opened up as available for families with two children where one parent was working full-time earning the minimum wage and the other caring for the children spending 31% to 49% of their income on rent (see Figure 14). For this household structure, this expanded availability was led by the southern market (+25%, n=+128), with the northern market opening up another 22% (n=+91) and the north west another 9% (n=+39) (see Table 20 and Figure 14).

			Up to 30% of income spent on rent			Up to 49% of income spent on rent			
	Household Type	**Payment Type**	**Number affordable and appropriate**	**Percentage affordable and appropriate**	**Where are the affordable properties?**	**Number of additional available and appropriate properties**	**Additional percentage available and appropriate**	**Where are the additional available and appropriate properties?**	**Total percentage of properties available and appropriate**
Couples with children	Couple, two children (one aged less than 5, one aged less than 10)	Newstart Allowance (both adults)	103	8%	• 1 South • 21 North • 81 north west	388	28%	• 104 South • 140 North • 144 north west	36%
	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting Payment (partnered) + FTB A&B	352	26%	• 48 South • 110 North • 194 north west	258	19%	• 128 South • 91 North • 39 north west	45%
	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A	533	39%	• 131 South • 174 North • 228 north west	103	8%	• 60 South • 35 North • 8 north west	47%
Total No of Properties			1,363			1,363			
Average % of the market available and appropriate across 14 household types			Up to 30% of income	12%		Btwn 31% and 49% of income	23%	Up to 49% of income	35%

Table 20: Proportion of advertised rental properties available and appropriate for couples with children spending up to 30% and up to 49% of their income on rent: 1-2 April 2017

Case study 5: Phil and Sarah

Phil and Sarah are a young couple with two children. They had been knocked back again and again due to stiff competition for suitable and affordable accommodation around Launceston, where they both work and their children go to school. They ended up offering a landlord more than the asking price per week for a property, and were successful (this is illegal in Tasmania). This means, however, that they are now paying just under 50% of their income on rent. It is likely that they'll be unable to sustain this, thus putting their housing security at risk.

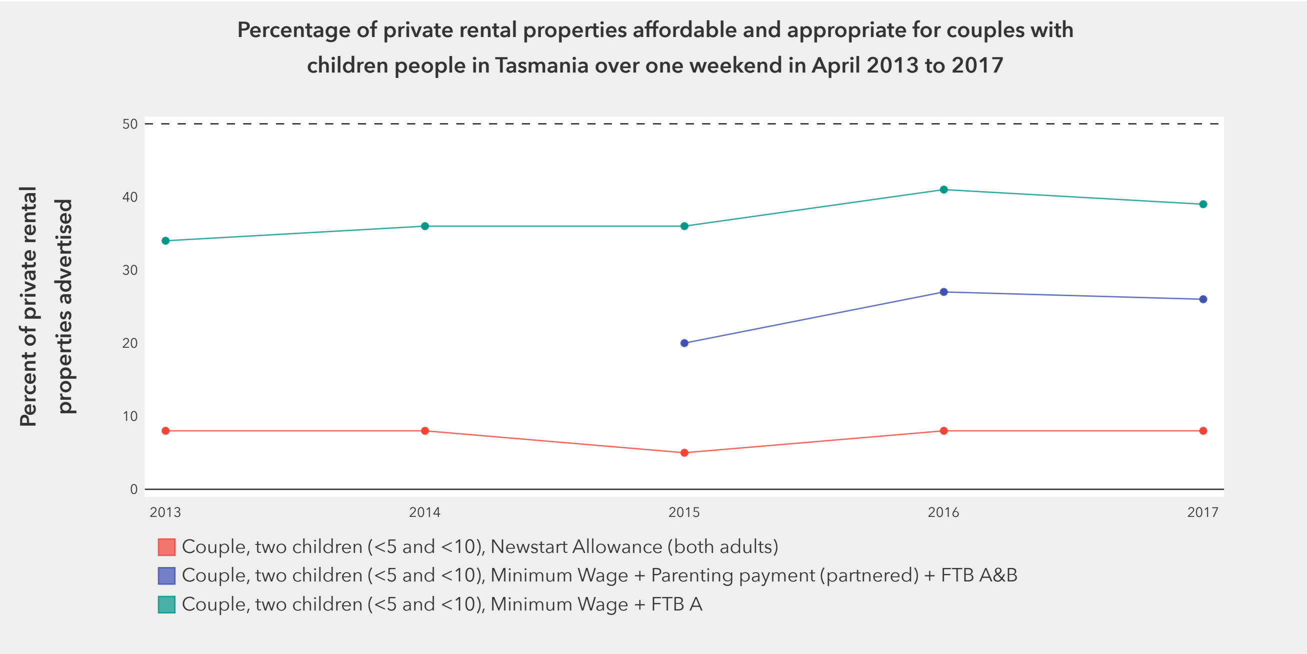


Figure 12: Percentage of private rental properties affordable and appropriate for couples with children in Tasmania over one weekend in April 2013 to 2017

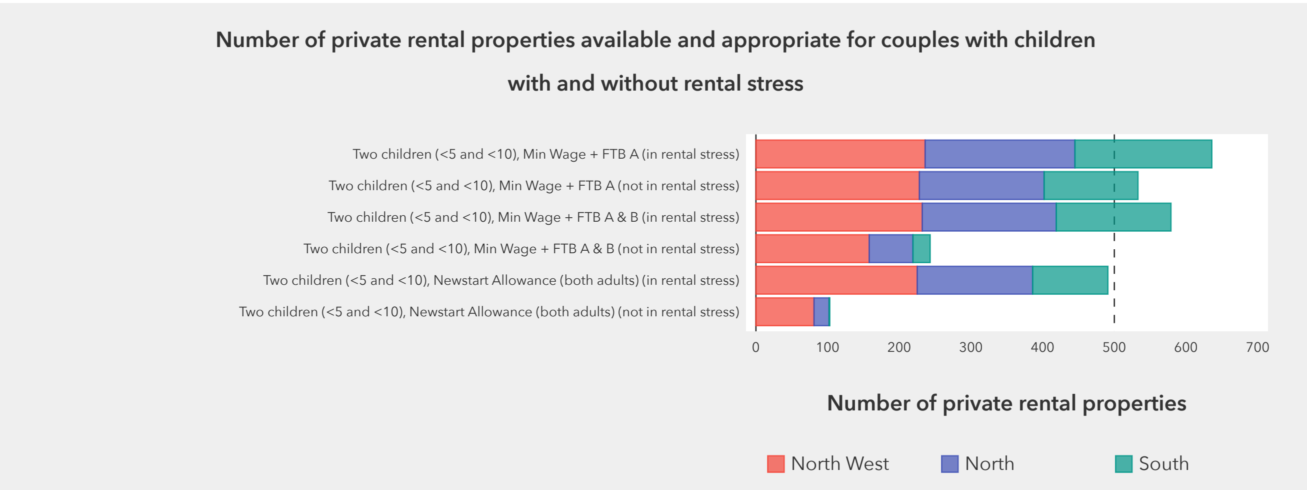


Figure 13: Number of private rental properties available and appropriate for couples with children with and without rental stress 1-2 April 2017

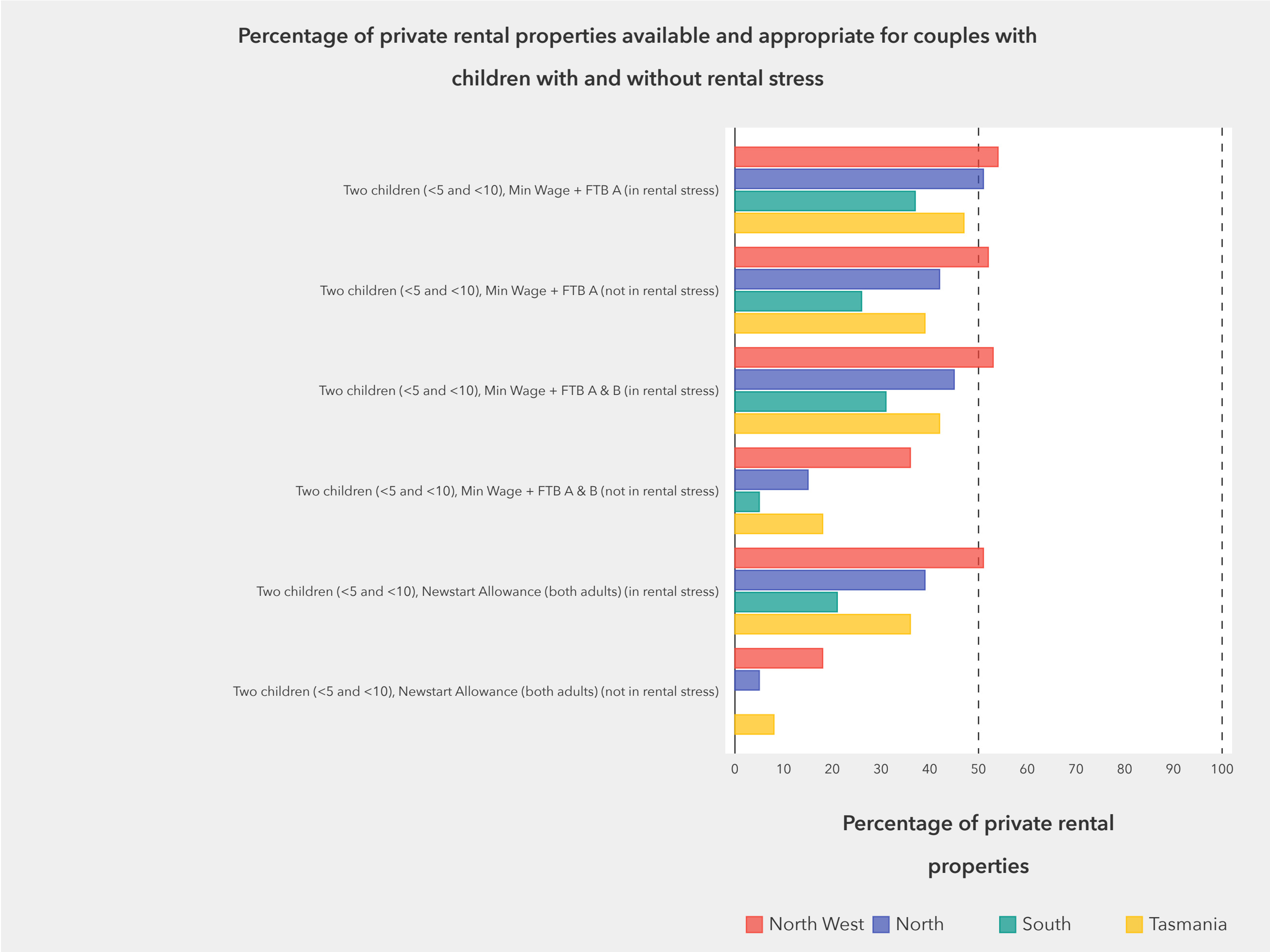


Figure 14: Percentage of private rental properties available and appropriate for couples with children, with and without rental stress 1-2 April 2017

10. **People receiving the Age Pension**

The proportion of properties affordable and appropriate for older couples on the Age Pension has declined year on year. Again, this is particularly the case in the northern market. But both single adults and couples receiving the Age Pension were amongst the households with the most expanded market choice if they extended their budgets into rental stress.

Single adults receiving the Age Pension

Year on year, there has been a noticeable increase in affordable properties for single older people on the Age Pension: a 4 percentage point increase (n=+35) in the proportion of properties available and appropriate (see Tables 1 and 10 and Figure 15). This is driven by what's happened in the north, where there has been a 7% (n=+23) increase in the proportion of the stock that's affordable and appropriate for older single Tasmanians. Our methodology allows single adults on the Age Pension to access shared housing, but not those on the Disability Support Pension. As the income levels for these household types are the same, the difference in available private rentals will be entirely due to shared housing within the advertised properties. We added Flatshare to our data sources this year, so it is possible that this has increased the number of shared properties in the snapshot of advertised rental properties this year. We are considering the increase in the proportion of properties that are affordable and appropriate for single adults receiving the Age Pension to be a change in our methodology, rather than a change in the affordability of the market.

An additional 28% of the state's advertised properties opened up as available for single people on the Age Pension spending between 31% and 49% of their income on rent (n=371). This was driven by 43% of the north west market opening up, compared to 18% of the southern market and 23% of the northern market (see Figure 17).

Couples receiving the Age Pension

In contrast to single people receiving the Age Pension, the proportion of properties affordable and appropriate for older couples on the Age Pension has declined year on year. Again, this is particularly the case in the northern market – a 9percentage point drop in the proportion of properties that are affordable and appropriate, 52 fewer properties (see Table 21 and Figure 15). Statewide, 17% of advertised properties were affordable and appropriate for such couples (n=+238 properties) spending up to 30% of their income on rent, some of which were bedsits and shared houses.

A significant additional 46% of the state's properties opened up as available and appropriate for couples on the Age Pension spending between 31% and 49% of their income on rent. Going into rental stress provided this household type with one of the largest proportion of the rental market amongst the household types – 63% (n=853) statewide; and within each region 86% of the north west market, 64% in the north and 42% in the south (see Figure 17).

			Up to 30% of income spent on rent			Up to 49% of income spent on rent			
	Household Type	Payment Type	Number affordable and appropriate	Percentage affordable and appropriate	Where are the affordable properties?	Number of additional available and appropriate properties	Additional percentage available and appropriate	Where are the additional available and appropriate properties?	Total percentage of properties available and appropriate
Older people	Single	Age Pension	195	14%	• 52 South • 59 North • 84 north west	371	28%	• 91 South • 93 North • 187 north west	42%
	Couple, no children	Age Pension	238	17%	• 24 South • 64 North • 150 north west	615	46%	• 189 South • 199 North • 227 north west	63%
Total No of Properties			1,363			1,363			
Average % of the market available and appropriate across 14 household types			Up to 30% of income	12%		Btwn 31% and 49% of income	23%	Up to 49% of income	35%

Table 21: Proportion of advertised rental properties available and appropriate for people receiving the Age Pension spending up to 30% and up to 49% of their income on rent: 1-2 April 2017

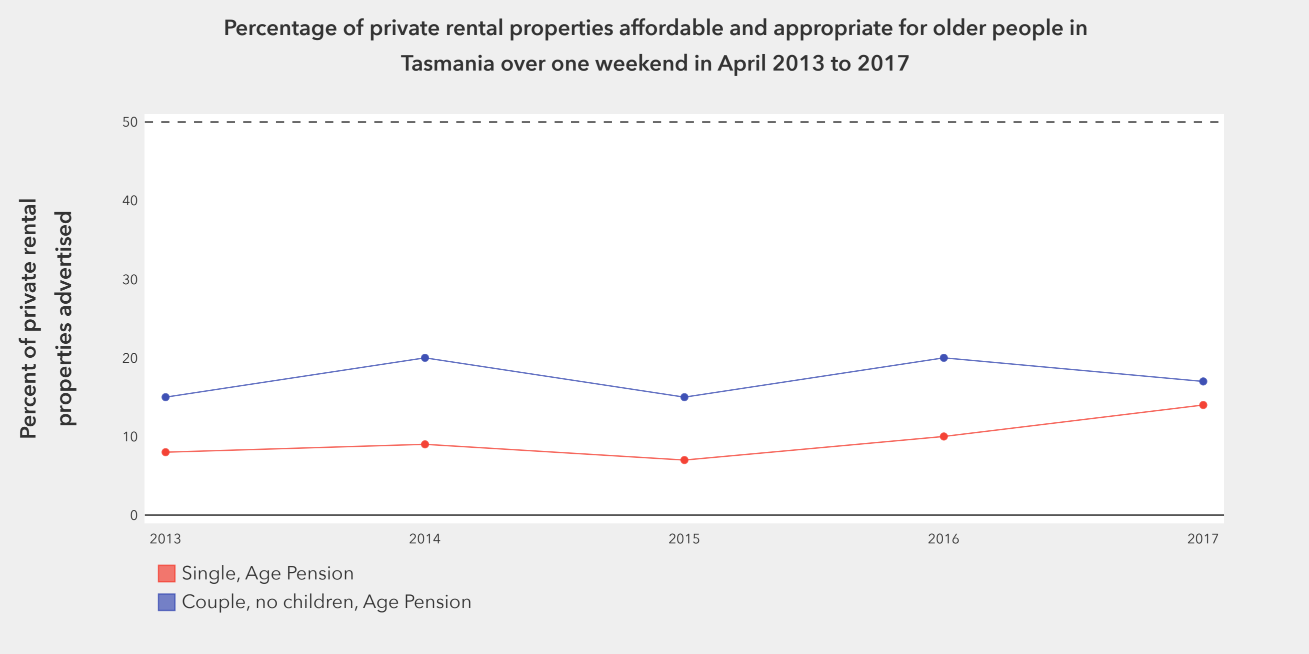


Figure 15: Percentage of private rental properties affordable and appropriate for older people in Tasmania over one weekend in April 2013 to 2017

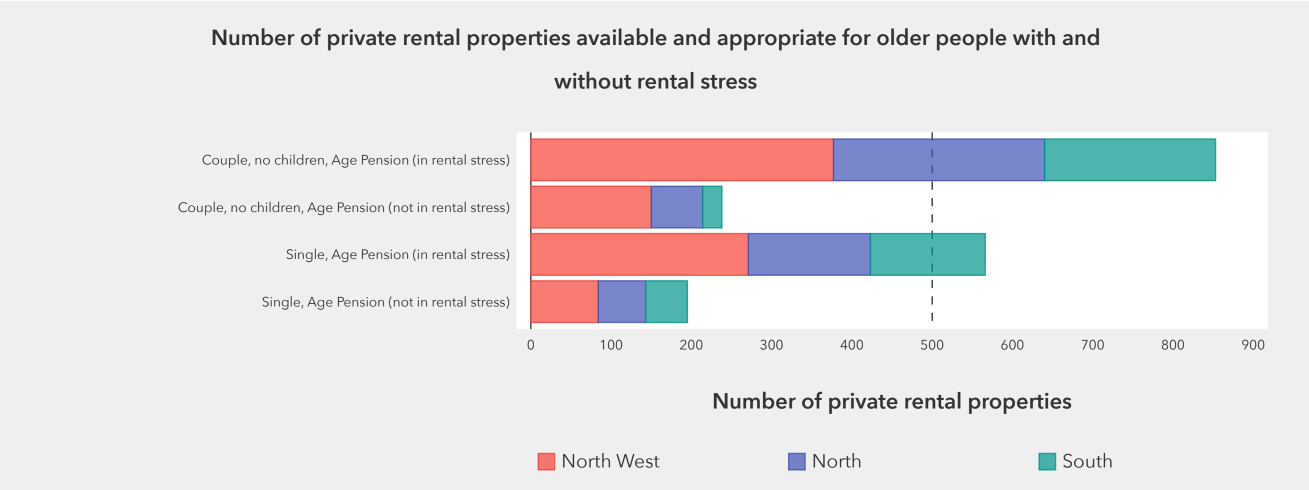


Figure 16: Number of private rental properties available and appropriate for older people with and without rental stress 1-2 April 2017

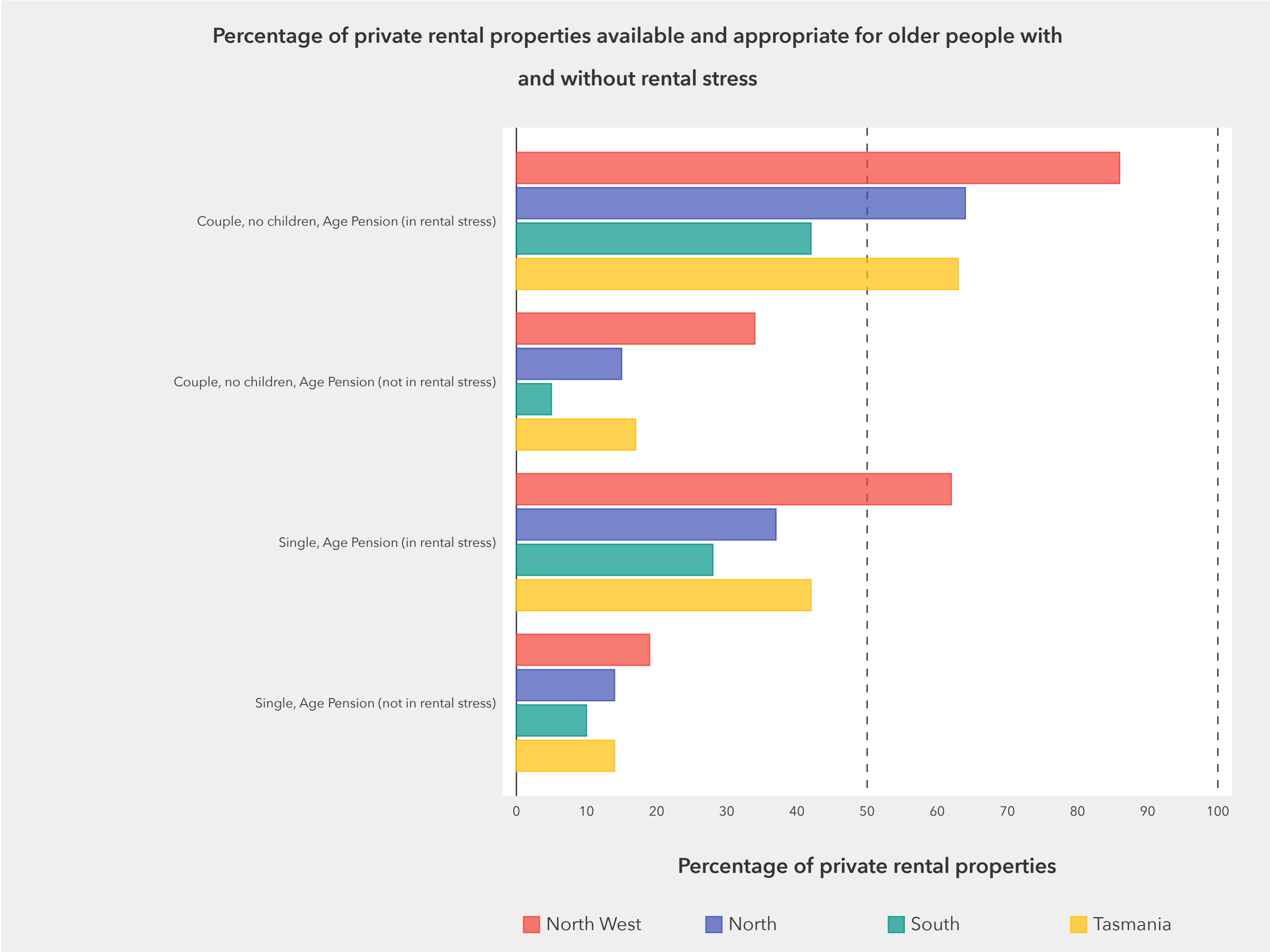


Figure 17: Percentage of private rental properties available and appropriate for older people, with and without rental stress 1-2 April 2017

11. **Regional markets**

Tasmania's regional markets continue to behave differently.

Affordability best in the north west market

Consistent with previous years, the north west market has acted differently to the other two Tasmanian regions, and continues to offer the most affordable and appropriate options, particularly for low income families and single people on Disability Support Pension (see Table 15). It also has the most stability in the number of advertised properties (see Figure 1).

The north west offered the most expanded rental market for households going into rental stress and spending between 31% and 49% of their income on rent; an average availability of 30%, compared to 23% across the state. The household types benefiting the most from this included (see Table 13):

- Single adults working full time for the minimum wage (an additional 52% of the north west market) and single adults receiving Disability Support Pension (an additional 41% of the north west market)
- Single parents with one child – both those with a child under 5, reliant on Parenting Payment single (an additional 49% of the north west market) and those with a child over 8, reliant on Newstart (an additional 42% of the north west market)
- Older people receiving the Age Pension – both couples (an additional 52% of the north west market) and singles on the Age Pension (an additional 43% of the north west market).

At 50%, the north west offered the highest percentage of the rental market that was available and appropriate across the 14 households if going into rental stress. This compared to 35% of the state's market.

But there were still household types vulnerable to extreme rental stress in the north west: young people on Youth Allowance still had access to only 8-12% of the rental market and single adults on Newstart only 22% (see Table 15).

The most inaccessible market is the south

At the time of the snapshot, the south had the most dramatically declining rental stock year on year and over five years (see Figure 1), declining by 61%.

The south remains the most unaffordable rental market across the state both for household types whose main income is government income support and for those whose main income is the minimum wage, with an average of 2% (n=8) and 13% (n=68) of properties advertised in the south being available and appropriate to these household types respectively, compared to 4% (n=18) and 26% (n=108) of advertised properties in the north and 13% (n=55) and 40% (n=177) of properties advertised in the north west (see Figure 3).

By going into rental stress, young people receiving Youth Allowance could still access only 4% to 5% of the southern rental market, single adults receiving Newstart could still only access 11% of the market, and those receiving Disability Support Pension, only 9%.[14] All are well below the 22% average proportion of the southern market available across all 14 households (see Table 15).

The southern and, in some cases, northern, rental markets are particularly tough for single parents reliant on government income support. Only 6% of properties within the southern rental market and only 16% of those in the northern market were available and appropriate for a single parent household reliant on Newstart, even by spending 49% of their income on rent. At the lower rate of 30% of income, there was nothing available except in the north west. The single parent household with two children reliant on Parenting Payment could only access 12% of properties in the southern market even when going into rental stress. Again, this is well below the 22% average proportion of the southern market available across all 14 households (see Table 15).

In the southern market, those who benefited most from going into rental stress and spending between 31% and 49% of their income on rent were older couples receiving the Age Pension (an additional 36% of the southern market) and single people earning the minimum wage (an additional 31% of the southern market) (see Table 13).

The biggest changes this year are for those households in the south of the state whose main income is through the minimum wage. There was a 3 percentage point decline in the proportion of affordable and appropriate southern Tasmanian properties both for working couples with two children whose main income is two minimum wages (n=-50), and for couples where one adult is working for the minimum wage and the other adult receives Parenting Payment (partnered) to care for their children (n=-27). For couples both receiving Newstart with two children, there was a 2 percentage point decline in affordability (n=-11). This is compared to a decline of 2 percentage points (n=-112), 1 percentage point (n=-81) and no change respectively for these household types across the state.

The northern market has shifted the most year on year

The north is experiencing a continuing decline in the number of advertised properties year on year (see Figure 1), with a 49% decline over five years.

Whereas the north west and southern markets have similar levels of affordability this year compared to previous years, the northern rental market has shifted to becoming more unaffordable for low income households. The northern market usually followed the state's average for affordability and, both for household types reliant on government income (4% of advertised properties), those reliant on minimum wage (26% of advertised properties) and the average across all 14 household types (34% of advertised properties in the northern market, compared to 35% across the state) (see Table 15).

But, for certain household types, affordability in the northern market has declined more than anywhere else in the state; particularly for families. Minimum wage earning families lost the biggest market share of affordable properties year on year within the northern market (a 2 and 5 percentage point decrease for the two household types), along with couples receiving the Age Pension (a 9 percentage point decrease) (see Figure 11, Figure 14 and Figure 17).

There were household types vulnerable to extreme rental stress in the north: young people on Youth Allowance (access to only 10-12% of the rental market even when going into rental stress), single adults on Newstart (17%) and single parents on Newstart (16%) (see Table 15).

12. What do these findings tell us?

Affordable, appropriate and stable housing are crucial ingredients for all Tasmanian adults and children to be able to sustain health and wellbeing, to have positive educational engagement and to consistently participate in social and economic life. However, we have found that some groups in Tasmania will struggle to find an appropriate and affordable private rental.

This year's snapshot indicates that Tasmania's private rental market remains a challenge for single adults and young people. But it appears to have become relatively more of a challenge for families in the south and north of the state. And this seems to be driven by a number of changes in the market: a shrinking in the number of properties available, increased demand for rental properties and possibly a change in the types of rental properties being offered. We explore these trends below.

Affordable housing likely to remain a priority issue

Demand for low cost housing is high in Tasmania and is likely to remain so. This is because Tasmania has Australia's highest proportion of low income households[15]: median incomes are around $100 per week less that the national average[15] and a third of households receive their main source of income from income support payments[17], with nearly a third of Tasmanian households (30.7%) surviving on less than $600 per week.[18]

Additionally, almost a quarter (14,618) of Tasmania's low income households are in housing stress or crisis.[19] Of these, most likely to be in housing stress or crisis are single people, one-parent families and couples with children. Housing stress affects both private renters and home buyers. Data from 2014 tells us:

- 50,750 households rented their homes in Tasmania and 7901 (16%) of those were in rental stress. For low income renters, 39% were in rental stress.[20]
- 65,819 Tasmanian households were buying their homes and 5996 (9%) of those were in mortgage stress. For low income home buyers, 47% were in mortgage stress.[21]

The Tasmanian public sector housing waiting list continues to grow. It was 3,573 in June 2016 – a 29% increase on the previous year, which itself had been a 24% increase year on year. It is estimated that Tasmania needs an average of 2392 new dwellings a year to meet its long-term supply needs through to 2031 and 656 of these per year (27%) need to be low-priced affordable homes.[22]

Current trends affecting affordability for low income households in the Tasmanian rental market

Rent rises

Tasmanian rents have risen significantly over the last year. There was a 41% increase in rental values year on year for properties advertised through realestate.com February 2016 to February 2017; that's the second largest increase in Monthly Index Values across Australia.[23]

By the last quarter of 2016, Hobart had the second worst rent affordability after Greater Sydney taking average weekly household income into account. The last Rental Affordability Index showed that rents remained 'extremely unaffordable', particularly for the average low income family household in both Greater Hobart and the rest of Tasmania.[24]

Our Rental Affordability Snapshot findings this year show that affordability remains dire for households reliant on government income support payments, but has become more unobtainable for most households reliant on the minimum wage.

As government incomes and minimum wage increases are not keeping up with rental increases, it is likely that more rental properties will be out of reach for more low income households, and consequently, more low income households are likely to be forced into rental stress or extreme rental stress to secure a home.

Competition for Tasmanian private rental accommodation is increasing

As acknowledged in the Tasmanian Government's Affordable Housing Strategy, private rental housing has become the default housing tenure for many households. This is due to a number of dynamics coalescing. A significant one is the lack of sufficient social housing stock to meet the needs of households with very low incomes.[25] This means that more very low income households who can't access social housing are being forced into the private rental market.

From the other side of the housing market, another significant dynamic is that more households are being locked out of an unaffordable house purchasing market.[26] This means that more affordable private rental dwellings are being occupied by households that could afford to pay more, but are choosing to pay less to cut household expenditure costs, save for a house deposit, or live in an area they cannot afford to buy property in.[27]

Snapshot figures from one Tasmanian real estate agent show that there has been both a decrease in rental properties becoming vacant and an increase in enquiries for rental properties over the last five years. This trend has particularly intensified over the past year in the state's north and south.[28]

Increased competition for properties is, of course, likely to lessen the chances of low income households securing an affordable and appropriate property, unless they are viewed as a 'good bet' by prospective landlords, relative to other prospective tenants. It is also likely to prolong the search for a home for many Tasmanian households.

The Airbnb effect

Tasmania has a burgeoning tourism industry. The rising popularity of Airbnb to cater for the tourist market may be taking some of the housing stock out of the private rental market, particularly in the south and north of Tasmania.[29] But we do not have evidence to confirm whether this is the case.

Data from July 2016 tells us that of the 1,827 Airbnb listings across Tasmania on 15th July 2016, 65.6% were whole properties.[30] That's 1,198 short term rental houses and units across the state, nearly half of which are in southern Tasmania, where we have seen the largest depletion of rental properties (see Table 22). But we do not know how many of these Airbnb properties were previously let for longer term rentals. There needs to be more work to explore if there is a relationship between the decline in private rental stock and the increase of Airbnb across Tasmania.

	Number of Airbnb listings	% whole properties	Number whole properties
Southern Tasmania			
Hobart	416	60.1%	250
Rest of the southern Tasmania	577	64.9%	369
South totals	993	62.5%	619
Northern Tasmania			
Launceston	169	59.8%	101
Rest of northern Tasmania	396	76.8%	294
North totals	565	68.3%	395
north west Tasmania			
Devonport	30	66.7%	20
Burnie	35	57.1%	20
Rest of north west Tasmania	204	74.4%	144
north west totals	269	66.1%	184
Tasmania	1827	65.6%	1198

Table 22: Tasmanian Airbnb snapshot, July 2016: numbers of properties advertised, percentage that are whole properties and number of whole properties – Tasmania and regions

Source: Inside Airbnb. Data 15.7.16

The impacts of transient renting on competition and rental stock

Our interviews with the Tasmanian real estate sector tell us that there are a number of other dynamics increasing demand for rentals and for transient rentals in particular – short term and/or furnished accommodation–within the Tasmanian private rental markets in Hobart and Launceston. Such transient renters include fly in, fly out workers, or those who may be seconded to Tasmania for a temporary period; households who have sold a property, but not yet purchased another; PhD students and lecturers visiting the university to complete a thesis or partner on work; doctors, dentists and nurses undertaking their regional placements; tree and sea changers from interstate locations trying out Tasmania before they purchase a property, who make up a significant proportion of the transient renters in Tasmania[31]; those who have recently separated from their partners (who, for our case study Real Estate Agent, can make up about 15% of the furnished rental market); and international students.[32] These transient renter households are often well-resourced. Given that furnished rented property is commanding an average of $100 a week more than unfurnished property in Tasmania[33], this may be contributing to driving up the price of rental property in the north and south of the state, as well as increasing competition for private rentals, exacerbating issues of affordability and appropriate properties.

13. What are the policy implications?

So with decreasing rental stock, increasing demand for that stock from a range of tenants and burgeoning tourist and investment economies potentially putting future demands on Tasmanian property, how do we ensure that the needs of low income households for affordable and stable accommodation does not get lost in the shifting dynamics of our three housing sectors – social housing, private rental and house purchasing?

Housing affordability is a complex issue to address; it requires a strategic and deliberate approach to steer markets and policies in a way that serves a broad range of households and interest groups that may have competing needs. Purposefully addressing housing affordability requires a refocus of federal and state housing policy goals towards creating homes for more households, as well as encouraging investments for wealth creation. Many federal and state government housing policy intitiatives have been focused on stimulating housing investment. Whilst this is a valid tool for economic stimulus, it is crucial that such housing policies do not sabotage policies designed to provide homes for Australian housholds. Housing policies need to be rebalanced to ensure that investment is not encouraged to the detriment of creating homes.

Anglicare Tasmania supports the development of federal and state government policies that will deliver the policy goals of increasing the supply of appropriate housing in order to reduce competition within the private rental sector. Anglicare Tasmania recognises that achieving these goals requires adjustments across three housing sectors – social housing, private sector rentals and house purchasing. It requires consideration of a range of strategic initiatives, which may include:

- **Incentives that stimulate the development of more affordable housing for rent and purchase,** for example through federal and state government policy levers across taxation and planning, such as inclusionary zoning, impact fees for developments that remove properties from the rental market, incentives for private developers and investors to invest in appropriate development that meets the needs of a range of low income households, and bond aggregators that boost finance available to entities to build social housing.
- **Incentives that encourage landlords to embrace low income households as tenants,** such as government-funded risk management initiatives and broader encouragement of landlord insurance to minimise landlords' perceived risks associated with having low income tenants.
- **Incentives that enable more households currently in rental accommodation to transfer to home ownership,** including within the social housing sector. There is, of course, a danger such schemes can inflate house prices. Policy levers need to be designed in conjunction with other initiatives which may prevent or minimise that risk.
- **Reviewing government support for low income households to ensure government payment meet the costs of living**

Anglicare Tasmania is also aware that housing markets shift quickly; residential development and availability can be easily affected by other sectors of the economy, such as tourism. So, we also support initiatives that work to better understand the impacts that market dynamics elsewhere are having on affordable housing stock, such as the impacts of Airbnb on the private rental sector stock.[34]

Anglicare Tasmania plans to further develop a range of state-based priorities for change in liaison with those who rent, those who support low income households to find homes, and those who provide private rental properties.

Endnotes

[1] Housing stress describes a household in the lowest 40% of Australia's household income that spends more than 30% of its income on rent or mortgage payments. 'Extreme rental stress' is defined as spending at least 50% of a household's income on rent. See Yates 2007, Housing Affordability and Financial Stress, NRV3 Research Paper 6, AHURI, Melbourne. Cited in Rowley, S & Ong, R 2012, Household Wellbeing in Australia, AHURI Final Report No.192.

[2] Last year, we measured rental stress at up to 45% of income being spent on rent. This was to align our methodology for rental stress with Anglicare Sydney. After reviewing this approach, we have decided to expand the measurement up to the threshold for extreme rental stress (50%). Therefore, we are unable to compare last year's rental stress data with this years.

[3] Our assessment of this uses the Canadian National Occupancy Standards, an internationally recognised measure of the efficiency of usage of residential property.

[4] In determining whether the property is appropriate, we apply the following assumptions:

- A room in a share house is suitable for a single person, except those on disability support pension
- A room in a share house is not suitable for couples
- A bedsit is suitable for a single person with no children. It is not suitable for couples, except those on age pension
- Households with 2 children require a 3-bedroom property – we assume that it is not appropriate for the children to share a room.

[5] Examples might be a lower rent in exchange for work on the land or child-minding duties.

[6] A room in a shared house is deemed as appropriate for single households, except those receiving Disability Support Pension (i.e. young people on Youth Allowance, single adults on Newstart and single people receiving the Aged Pension) and for couples receiving the Aged Pension.

[7] SARC undertook discussions with members of Tasmania's rental estate industry to better understand what is happening in the private rental market across the state. Sources will not be named in this report, at the request of the stakeholders. But SARC has been granted permission to use the data and observations shared by one real estate agent as a case study to illustrate the current market dynamics. SARC would like to acknowledge the time spent by real estate industry members in sharing their experiences with us.

[8] We consistently take a snapshot of advertised rental properties every year over a weekend in April. We do this so that, over the years, we can build a picture about how the Tasmanian rental market might be changing for low income Tasmanians at that time every year. We can talk about trends at that point each year. We do not know how the number of adverts fluctuate each month over a year and each month between years. So we cannot talk about seasonal trends.

[9] The disparity in the proportion of properties deemed affordable and appropriate between these two adult cohorts is likely to be driven partly by the difference in the rate of income support payment and partly by an element within the RAS methodology; the assumptions do not allow single adults reliant on DSP to be eligible for shared housing, whereas single adults on Newstart are.

[10] REA Group 2017, Property Demand Index (March 2017), REA Group.

[11] Existing literature includes Gurran N. & Phibbs P. 2017, When Tourists Move In: how should urban planners respond to Airbnb?, in the Journal of American Planning Association, Vol.83, No.1, Winter 2017. American Planning Association: Chicago.

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[15] That is households with incomes between 21% and 40% of all Australian household incomes, or those in the second lowest quintile of earnings.

[16] ABS 2011, QuickStats 2011: Tasmania.

[17] ABS 2013, Household Income and Income Distribution Australia, 2011-12, Australia, Cat No. 6523.0, Table 17, Canberra, ABS. Tasmania has a mean equalised disposable household income 15% below the national average (SA 8%, Victoria 4%). Cited in *Tasmania's Affordable Housing Strategy* 2015-2025 p14

[18] ABS 2011, op. cit.

[19] Housing stress describes a household in the lowest 40% of Australia's household income that spends more than 30% of its income on rent or mortgage payments. See Yates 2007, op. cit.

[20] Housing Tasmania 2014, Current and projected demand for dwellings in Tasmania, final report, unpublished paper, Department of Health and Human Services, Hobart. Cited in *Tasmania's Affordable Housing Strategy*, 2015-2025 p14.

[21] Housing Tasmania 2014 ibid.

[22] Housing Tasmania 2014 ibid.

[23] REA Group 2017, op. cit.

[24] SGS Economics and Planning 2016, *Rental Affordability Index*, November 2016. SGS Economics and Planning, National Shelter, Community Sector Banking: Canberra.

[25] That is, households with incomes at 20% or less of all Australian household incomes, or those in the lowest quintile of earnings.

[26] Cited in *Tasmania's Affordable Housing Strategy*, 2015-2025 p12 and Tually, S., Oakley, and S. Faulkner, D. 2015:4, The role of private rental support programs in housing outcomes for vulnerable Australians. The Australian Housing and Urban Research Institute, Positioning paper 162.

[27] Hulse, K., Reynolds, M., Stone, W., Yates, J., and Wulff, M. August 2015, Shortage of Affordable Private Rental Housing Increasing, AHURI Research and Policy Bulletin and Tasmania's Affordable Housing Strategy, 2015-2015:12. REA Group 2017, ibid.

[28] SARC undertook discussions with members of Tasmania's real estate industry to better understand what is happening in the private rental market across the state. Sources will not be named in this report, at the request of the stakeholders. But SARC has been granted permission to use the data and observations shared by one real estate agent as a case study to illustrate current market dynamics. SARC would like to acknowledge the time spent by real estate industry members in sharing their experiences with us.

[29] Tourism is booming in Tasmania, which may be encouraging more housing investors who traditionally rented to tenants to look at Airbnb as a more profitable option:
The number of international visitors to Tasmania rose by 20% in 2015 compared to 2014. Source: Hodgman, W (Premier) 2016, Massive increase in international visitors to Tasmania, media release, Tourism Tasmania, 2 March.'
Airbnb Australian general manager Sam McDonagh said the service had more than doubled its hosts in Tasmania each year.' In article for the Sunday Tasmanian by David Beniuk, 9 April 2015, 'Airbnb presses for State Government for rules clarity'.
Calculations by finder.com.au show that renting out a room in Howrah on Airbnb receives a profit margin 497% over housing rental Source: finder.com.au 2015, 'Australia's most profitable Airbnb locations revealed', http://www.finder.com.au/airbnb-australia-rental-profits.

[30] Inside Airbnb, http://insideairbnb.com/tasmania/?neighbourhood=&filterEntireHomes=false&filterHighlyAvailable=false&filterRecentReviews=false&filterMultiListings=false#

[31] SARC undertook discussions with members of Tasmania's real estate industry to better understand what is happening in the private rental market across the state. Sources will not be named in this report, at the request of the stakeholders. But SARC has been granted permission to use the data and observations shared by one real estate agent as a case study to illustrate current market dynamics. SARC would like to acknowledge the time spent by real estate industry members in sharing their experiences with us.

[32] SARC 2017, ibid.

[33] SARC 2017, ibid.

[34] Existing literature includes Gurran N. and Phibbs P. 2017, When Tourists Move In: how should urban planners respond to Airbnb?, in the Journal of American Planning Association, Vol.83, No.1, Winter 2017. American Planning Association: Chicago, IL.

More information

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