

Rental Affordability Snapshot 2016

Tasmania



More information

For a more detailed analysis by state and region, please go to the Social Action and Research Centre:
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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 1-3 April 2016, 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 (realestate.com 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 who depend on government income support payments could afford to find suitable accommodation for themselves and their families without putting themselves in 'rental stress'. We also looked at what properties were suitable if households spent more of their income on their rent - a proportion of their income amount that would put them in rental stress. We also assessed the situation for people 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.

- **Affordable housing** - Spending more than 30% of a household's income on rent is commonly used as an indicator of 'housing stress' for low income households.ⁱ We looked at what properties were affordable for a range of low income households who spent up to 30% of net income on rent. For the first time this year, we also looked at what additional properties were suitable if households spent between 30% and 45% on rent - i.e. what happens to the market of available properties if low income Tasmanian households put themselves in rental stress to secure somewhere appropriate to live? This means we can monitor over time whether changes in Tasmania's private rental market are happening in ways that are likely to push low income households further towards rental stress, or whether the market is expanding in ways that offer more affordable options.ⁱⁱ
- **Appropriate housing** - Additionally, for each household type we looked at whether a property had sufficient bedrooms,ⁱⁱⁱ whether the type of property is appropriate for that household composition^{iv} 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.^v

Overall, we looked at 14 different household types - 10 household compositions where the main form of income is government income support payments and four household compositions where the main form of income is the minimum wage.

i 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.

ii Our methodology for rental stress is aligned with Anglicare Sydney and we will be able to compare our findings with theirs.

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

iv 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.

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

Why are the affordability and appropriateness of private rented housing important issues in Tasmania?

Affordable, appropriate and stable housing are crucial factors 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.

By looking at existing research, we already know a great deal about what is contributing to low income Tasmanians' experiences in the private rental market. We have provided a summary of some of those trends to help shape our understanding of the broader social and economic context in which low income Tasmanians are trying to access private rental accommodation.

Private rental housing: the default housing sector for Tasmanian low income households

As acknowledged in the Tasmanian Government's Affordable Housing Strategy, private rental housing has become the default housing tenure for many households. This is partly due to the lack of social housing stock and more households being locked out of an unaffordable house purchasing market.^{vi} There is an increased reliance on the private rental sector to meet the needs of low income households - i.e. to provide affordable and long-term housing that meets the needs of a range of households, including people with disabilities and older people.^{vii}

The Tasmanian public sector housing waiting list continues to grow. In June 2015 it was 2771 - a 24% increase in the last 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.^{viii}

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 - median incomes are around \$100 per week less than the national average^{ix} and a third of households receive their main source of income from income support payments^x - nearly a third of Tasmanian households (30.7%) survive on less than \$600 per week.^{xi}

vi Cited in *Tasmania's Affordable Housing Strategy, 2015-2025* and Tually, S, Oakley, S, & Faulkner, D 2015, *The role of private rental support programs in housing outcomes for vulnerable Australians*, AHURI Positioning paper 162.

vii Cited in *Tasmania's Affordable Housing Strategy 2015-2025*.

viii 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*.

ix ABS 2011, *QuickStats 2011: Tasmania*.

x 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*.

xi ABS 2011, *QuickStats 2011: Tasmania*.

- Almost a quarter (14,618) of Tasmania’s low income households are in housing stress or crisis.^{xii} 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.^{xiii}
 - 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.^{xiv}
- There are many Tasmanians who are looking for work but unable to find it, or who struggle to sustain regular long-term employment, so their income is either low or fluctuating. Tasmanians experience the second highest rate of unemployment of all Australian states (with a trend unemployment rate of 6.6%, compared to a national average of 5.8%)^{xv}. The south east region of Tasmania (excluding Hobart) has had one of the country’s worst performing areas nationally for youth unemployment over the year to January 2016, at 19.6%.^{xvi}

There is increased competition for low income households trying to access private rental properties

Within the current stock of private rental housing, evidence tells us that low income households^{xvii} are being squeezed out of potentially affordable private rental housing by competition from other groups. Private rental housing shortages faced by this group tend to arise because affordable dwellings are being occupied by households that could afford to pay more, but are choosing to pay less to either cut household expenditure costs, or to save, for example, for a house deposit, and because those households with very low incomes^{xviii} who can’t access social housing are being forced to pay unaffordable rents.^{xix}

xii 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, *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.

xiii 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*.

xiv 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*.

xv ABS February 2016, *Labour Force Australia*, Cat. No. 6202.0.

xvi Brotherhood of St Laurence 2016, *Youth unemployment hotspots across the nation mapped – rural and regional areas under most pressure*.

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

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

xix 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; *Tasmania’s Affordable Housing Strategy, 2015-2025*.

What did we find out?

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

There were 1588 properties advertised for rent in Tasmania over the weekend of 1-3 April 2016. That's 15% fewer rental properties compared to this time last year and 41% fewer rental properties compared to April 2013.^{xx}

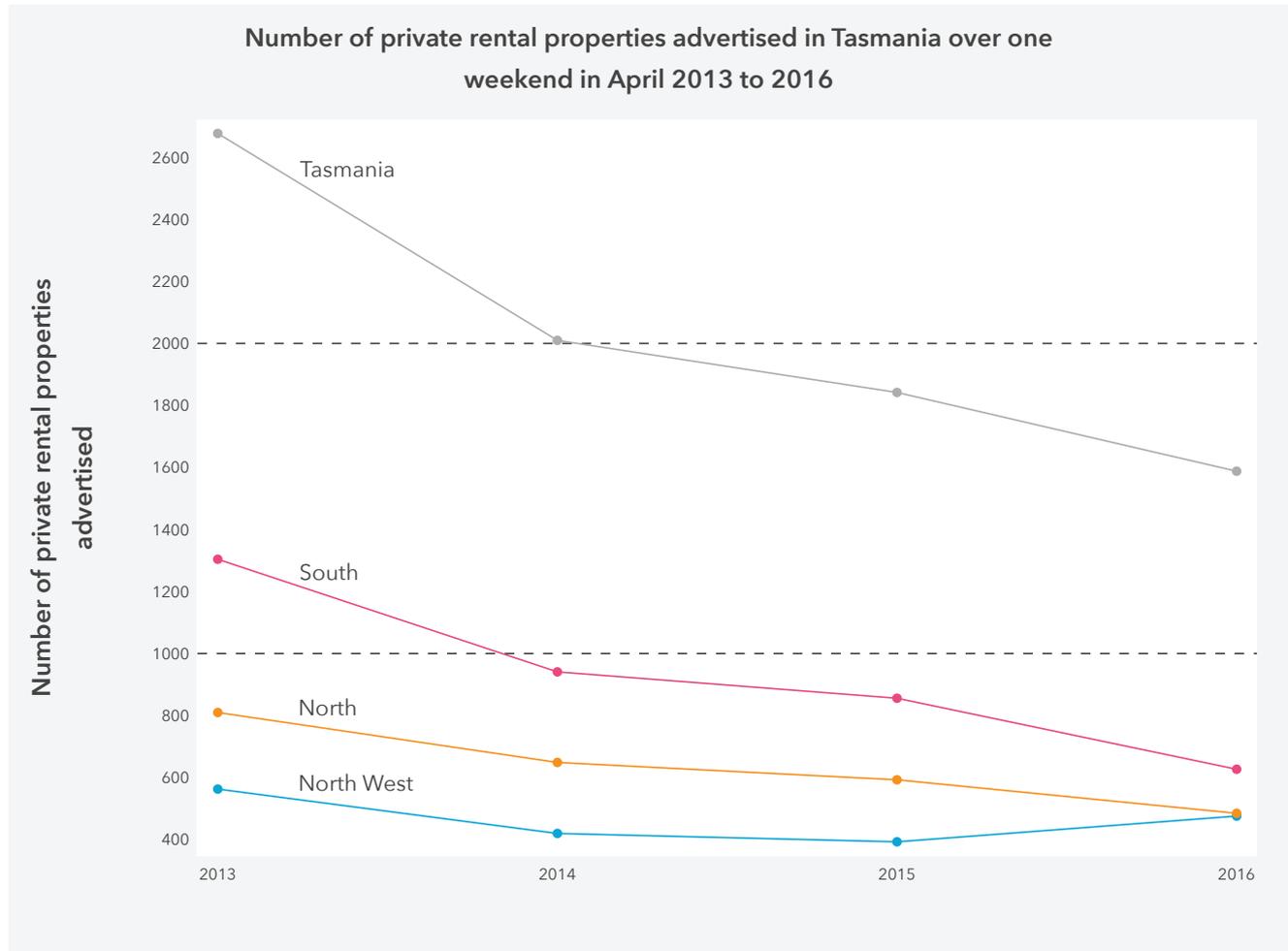


Figure 1. Number of private rental properties advertised in Tasmania over one weekend in April 2013 to 2016

What private rental property is affordable and appropriate for low income Tasmanians without and with rental stress?

In summary

On average, only a small proportion - 6% of advertised properties across the state (92) - were affordable and appropriate for people who depend on income support payments as their main source of income without going into rental stress. This was a slightly higher proportion of properties compared to 2015 (2% more), but this proportion was from a smaller pool of properties.

For Tasmanian households living on the minimum wage, just over a quarter (424) of advertised rental properties were both affordable and appropriate without going into rental stress. Again, this is a slightly higher proportion compared to 2015 (6% more), but again this proportion was from a smaller pool of properties.

^{xx} We consistently take a snapshot of advertised rental properties every year over a weekend in April. Over the years we can build a picture of 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 fluctuates each month over a year, so we cannot talk about seasonal trends.

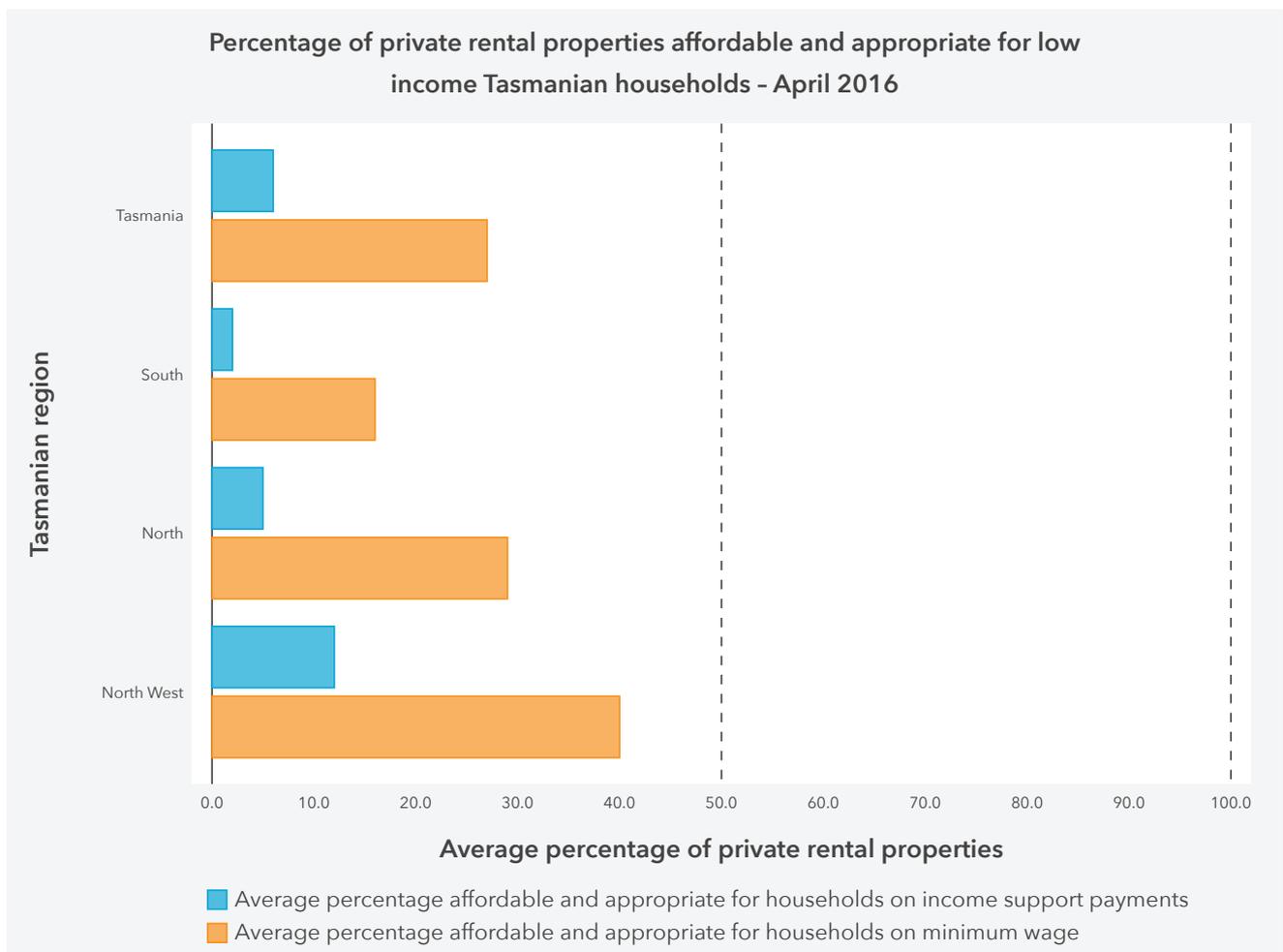


Figure 2. Percentage of private rental properties affordable and appropriate for low income Tasmanian households - April 2016

Potential access to affordable and appropriate private rental housing varied for different household compositions and across the state.

Across the state: the most vulnerable households

It is no surprise that single person households had a tougher time than others finding affordable and appropriate housing. In particular:

- Young people receiving Youth Allowance, single jobseekers on Newstart and single parents receiving Newstart have the least choice of affordable and appropriate properties.
 - For these households looking to spend up to 30% of their income on rent, there were no affordable and appropriate properties in southern Tasmania. There was only 1 affordable and appropriate property for a single jobseeker and 1 for a single parent receiving Newstart in the north of Tasmania.
 - Only by exposing themselves to rental stress (i.e. spending between 30 and 45% of their income on rent) did appropriate properties become available for these groups in the south of Tasmania. But the potential choice was still very limited. For young people, this only opened up an additional 12 properties in each of south and north Tasmania.
 - For these groups, the potential need to stretch their budgets into extreme rental stress (spending 50% or more of income on rent), is high.

Which households had the most choice of affordable and appropriate properties if spending 30% of income on rent?

- The slight improvement in the proportion of affordable and available properties across the state compared to 2015 for low income households looking to spend up to 30% of their income on rent was mainly for households living on the minimum wage, particularly for single people with no children and for couples with children where one adult is working. However, again this increase varied across the regions: the increase was almost exclusively for properties in the north and north west of the state. And, as previously stated, it was from a smaller overall pool of properties.

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

	Households relying on income support payments	Households relying on minimum wage	Overall regional average
North West	26%	18%	22%
North	22%	20%	21%
South	12%	21%	17%
Average for households across state	19%	20%	

Table 1. Percentage of additional advertised properties potentially suitable for low income households exposing themselves to rental stress

- Exposing themselves to rental stress (i.e. spending between 30 and 45% of household income on rent) opened up the potential number of suitable rental properties across the state by an average of 19% for households relying on income support payments and 20% for those relying on the minimum wage.
- The expansion of property choice was larger for some households. Across the state, the largest expansion of affordable and available properties was for single working adults on the minimum wage and for older couples on the Aged Pension, with an additional third or more of the state's advertised private rental properties became potentially suitable for them.
- Other households had expanded markets in specific regions. In the north and north west, this was single parents receiving Parenting Payment with 1 young child; in the north job-seeking couples with young children and in the south, minimum wage earning single parents with one child and minimum wage earning couples with children where one adult is working.

People	Household	Payment Type	North West	North	South
 Single working aged adults	Single	Minimum wage	✓	✓	✓
 Single parents	Single, one child (aged less than 5)	Parenting payment single	✓	✓	
	Single, two children (one aged less than 5, one aged less than 10)	Minimum wage + FTB A&B			✓
 Couples with children	Couple, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single		✓	
	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting Payment (partnered) + FTB A&B			✓
 Older people	Couple, no children	Aged Pension	✓	✓	✓

Table 2. Households with the most expanded choice of properties if exposing themselves to rental stress

People	Household Type	Payment Type	Up to 30% of
			Percentage Affordable & Appropriate
 Young people	Single aged over 18	Youth Allowance	0%
	Single in share house	Youth Allowance	0%
 Single working aged adults	Single	Newstart Allowance	1%
	Single aged over 21	Disability Support Pension	4%
	Single	Minimum Wage	20%
 Single parents	Single, one child (aged over 8)	Newstart Allowance	2%
	Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	5%
	Single, one child (aged less than 5)	Parenting Payment Single	7%
	Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	19%
 Couples with children	Couple, two children (one aged less than 5, one aged less than 10)	Newstart Allowance (both adults)	8%
	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting Payment (partnered) + FTB A & B	27%
	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A	41%
 Older people	Single	Age Pension	10%
	Couple, no children	Age Pension	20%
		Total No of Properties	

Table 3. Findings at a glance for specific households.

household income spent on rent		30-45% of household income spent on rent		
Number Affordable & Appropriate	Where are affordable properties?	Percentage Affordable & Appropriate	Number Affordable & Appropriate	Where are properties that put households into rental stress?
0	Nowhere	4%	58	<ul style="list-style-type: none"> ● 12 south ● 12 north ● 34 north west
0	Nowhere	4%	58	<ul style="list-style-type: none"> ● 12 south ● 12 north ● 34 north west
8	<ul style="list-style-type: none"> ● 0 south ● 1 north ● 7 north west 	10%	152	<ul style="list-style-type: none"> ● 47 south ● 35 north ● 70 north west
69	<ul style="list-style-type: none"> ● 3 south ● 14 north ● 52 north west 	19%	307	<ul style="list-style-type: none"> ● 60 south ● 114 north ● 133 north west
323	<ul style="list-style-type: none"> ● 93 south ● 92 north ● 139 north west 	32%	509	<ul style="list-style-type: none"> ● 148 south ● 166 north ● 195 north west
37	<ul style="list-style-type: none"> ● 0 south ● 1 north ● 36 north west 	15%	237	<ul style="list-style-type: none"> ● 37 south ● 82 north ● 118 north west
79	<ul style="list-style-type: none"> ● 6 south ● 14 north ● 59 north west 	22%	350	<ul style="list-style-type: none"> ● 68 south ● 137 north ● 145 north west
119	<ul style="list-style-type: none"> ● 6 south ● 23 north ● 90 north west 	30%	470	<ul style="list-style-type: none"> ● 103 south ● 169 north ● 198 north west
296	<ul style="list-style-type: none"> ● 39 south ● 92 north ● 165 north west 	22%	349	<ul style="list-style-type: none"> ● 142 south ● 123 north ● 84 north west
125	<ul style="list-style-type: none"> ● 12 south ● 29 north ● 84 north west 	26%	416	<ul style="list-style-type: none"> ● 108 south ● 159 north ● 149 north west
433	<ul style="list-style-type: none"> ● 75 south ● 153 north ● 205 north west 	17%	274	<ul style="list-style-type: none"> ● 148 south ● 78 north ● 48 north west
645	<ul style="list-style-type: none"> ● 181 south ● 215 north ● 249 north west 	7%	119	<ul style="list-style-type: none"> ● 81 south ● 29 north ● 9 north west
160	<ul style="list-style-type: none"> ● 48 south ● 36 north ● 77 north west 	24%	383	<ul style="list-style-type: none"> ● 112 south ● 129 north ● 142 north west
324	<ul style="list-style-type: none"> ● 12 south ● 116 north ● 159 north west 	40%	633	<ul style="list-style-type: none"> ● 190 south ● 216 north ● 227 north west
1588			1588	



Young people

- There were no rental properties advertised (including house shares) that were affordable at spending up to 30% of income on rent for a young person aged over 18 who depends on Youth Allowance (in 2015, there were 4 properties).
- Rental stress: Stretching their budget to put themselves into rental stress (spending 30 to 45% of income on rent) would have opened up only 4% (58) of properties across the state - 12 each in the south and north, with 34 in the north west. For young people, the potential to need to stretch to severe rental stress (spending 50% of income on rent), is high.



Figure 3. Number of private rental properties affordable and appropriate for young people with and without rental stress.

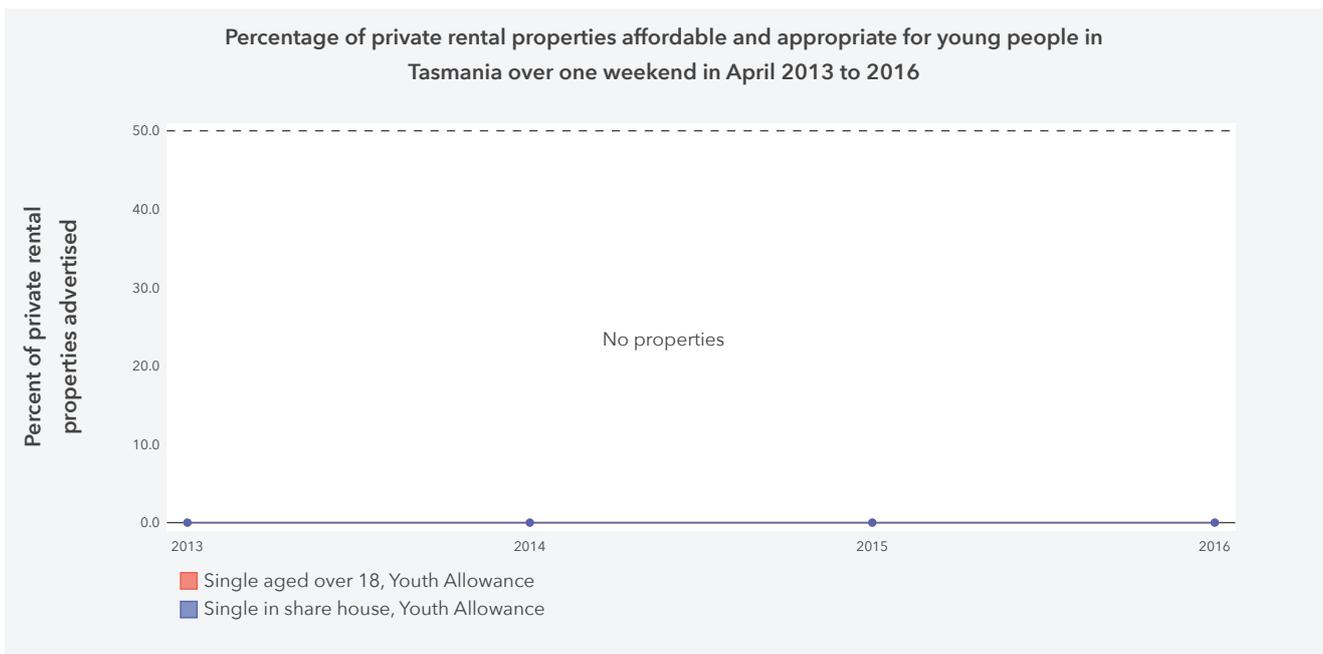


Figure 4. Percentage of private rental properties affordable and appropriate for young people in Tasmania over one weekend in April 2013 to 2016.

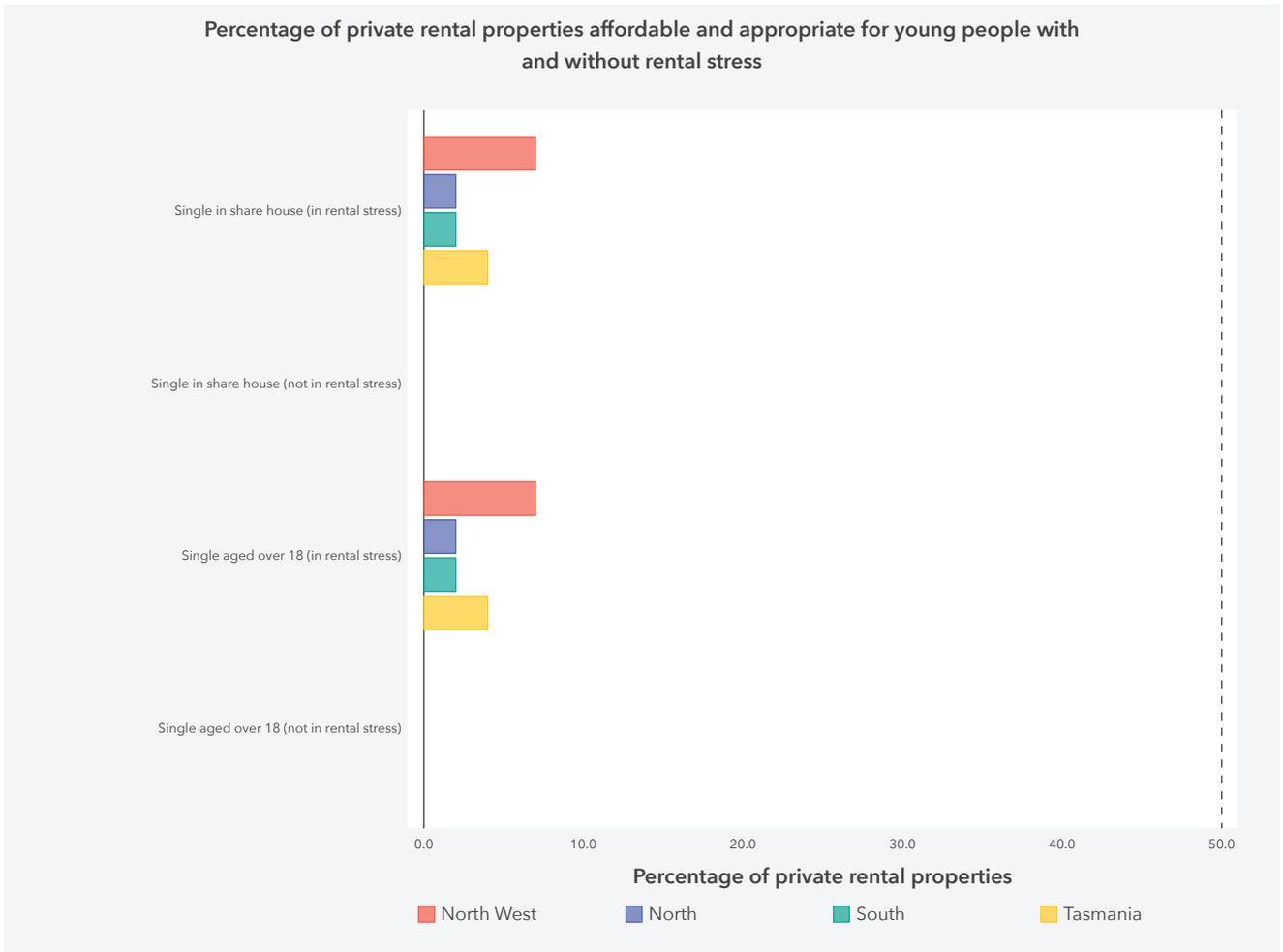


Figure 5. Percentage of private rental properties affordable and appropriate for young people with and without rental stress.



Single working age adults

Single adults receiving Newstart

- Only 8 properties across the state (1%) were affordable and available for a single job seeker who depends on Newstart Allowance wanting to spend up to 30% of their income on rent. This compared to 5 properties in 2015. All except one of those properties were in the north west of the state and there were none in the south.
- Rental stress: An additional 10% of properties (152) were open to this group by putting themselves into rental stress. These properties were predominantly in the north west (70), with half the number (35) in the south and 47 in the north of the state.

Single adults receiving Disability Support Pension

- 4% (69) 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 2% of properties being suitable in 2015.
- Only 3 of those properties were in the south of Tasmania. 14 properties were in the north of the state, with 52 properties being in the north west.
- We were unable to assess any properties for their suitability as far as physical accessibility or access to transport or health and community services.
- Rental stress: Another 19% of properties (307) across the state opened up for households by putting themselves into rental stress. Over a third of these were in the north west (133), 114 in the north and just under a fifth of additional properties in the south of the state (60).

Minimum wage earning single people

- 20% of properties were affordable and appropriate for a single minimum wage earner with no children looking to spend up to 30% of their income on rent (323 properties). This compares to 13% being available last year.
- Single minimum wage earners in the north of the state were on a par with the state average (19%, or 92 properties advertised in that region were affordable and appropriate), with only 15% of southern properties being suitable and 29% (139) of north west properties being suitable for single minimum wage earners in those regions.
- Rental stress: An additional third (32%) of properties (509) across the state opened up to this group by spending 30 to 45% of their income on rent. These were more evenly distributed across the state than for properties that had opened up for other single person households, with 148 in the south, 166 in the north and 195 in the north west.

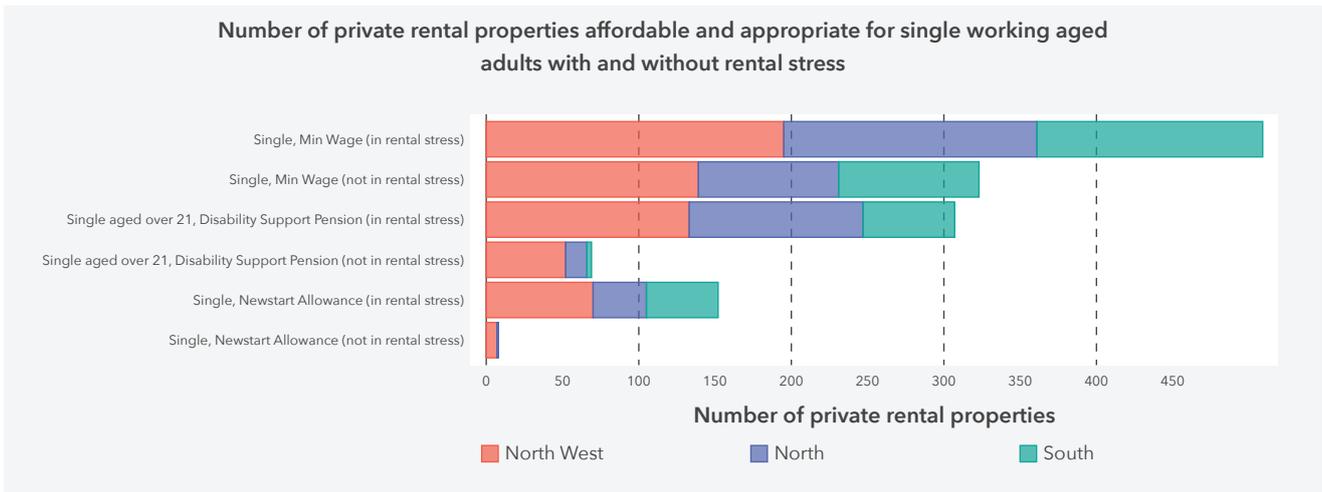


Figure 6. Number of private rental properties affordable and appropriate for single working aged adults with and without rental stress.

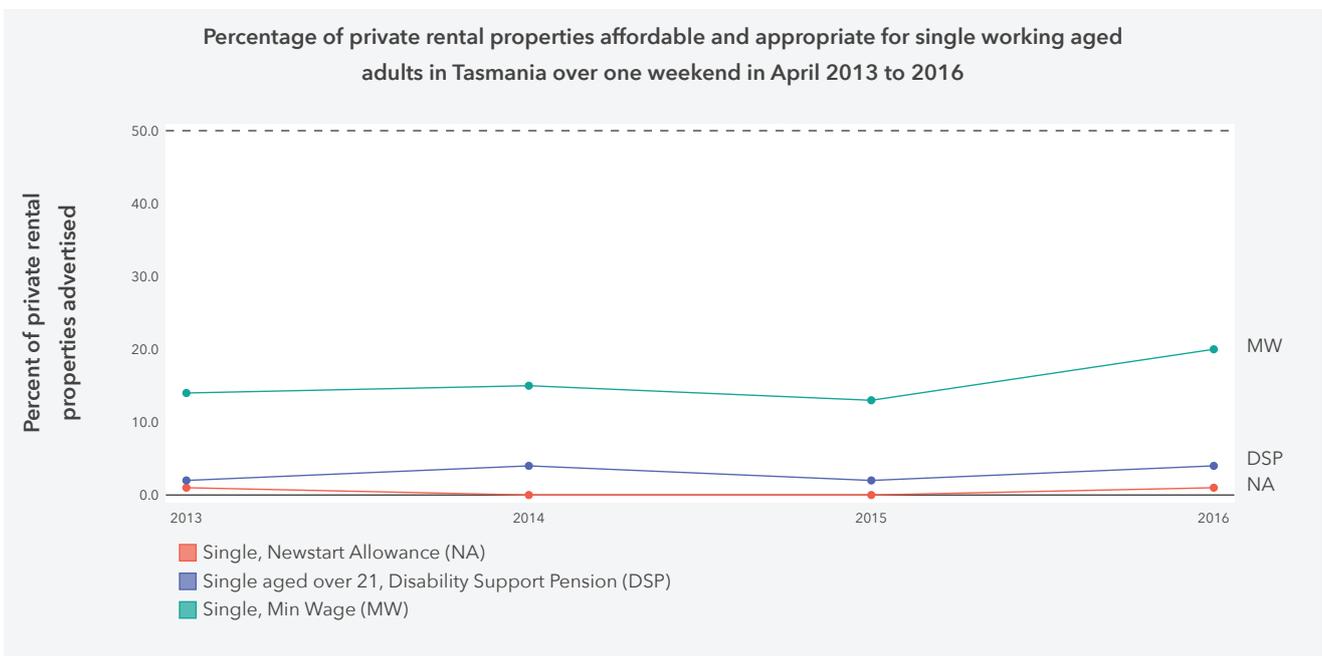


Figure 7. Percentage of private rental properties affordable and appropriate for single working aged adults in Tasmania over one weekend in April 2013 to 2016.

Percentage of private rental properties affordable and appropriate for single working aged adults with and without rental stress

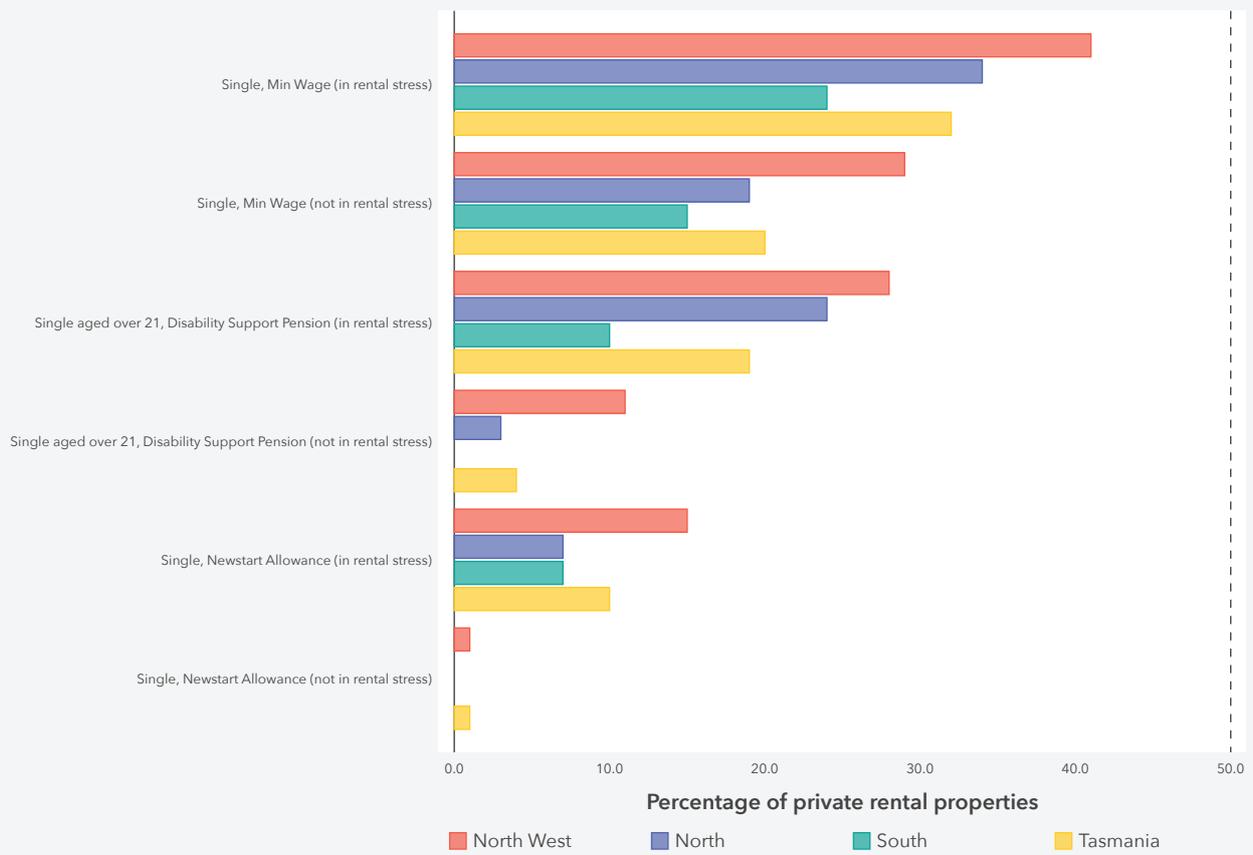


Figure 8. Percentage of private rental properties affordable and appropriate for single working aged adults with and without rental stress.



Single parents

Single parents whose youngest child is aged over 8 receiving Newstart

- The choice of properties for single parents who are receiving Newstart after their youngest child has turned eight was more restricted than for other single parent households. There were 37 properties (2% of advertised properties) in the state that would have been suitable for such a family looking to spend up to 30% of their income on rent. This situation has remained pretty consistent over the last 4 years for lone parents.
- Again, when looking at Tasmania's regions, the picture varies. Affordable and appropriate properties for such single parents were almost exclusively concentrated in the north west of Tasmania. There were no affordable and appropriate properties for lone parents with older children in the whole of southern Tasmania and only 1 in the north of the state.
- Rental stress: Only an additional 15% of rental properties across the state (237) became available for single parents on Newstart looking to spend between 30 and 45% of their income on rent, and many were in the north west (118). Only 37 additional properties became available in the south of Tasmania by single parents opening their budget to rental stress. For this group, the potential to need to stretch to severe rental stress (spending 50% of income on rent) is high.

Single parents with young children receiving Parenting Payment

- Compared to 2015, a slightly higher proportion of properties were affordable and available for a single parents with two young children (5%, an increase of 4% from last year) and for a single parent with one child under five (7%, an increase of 3% from last year) looking to spend up to 30% of their income on rent. These increased proportions were almost exclusively in Tasmania's north west.
- For single parents with two young children in the north west, 12% (59) of properties advertised in that region were affordable and available, whereas in the north only 6% (29) and for those in the south only 2% (12) of properties advertised in that region would be an option for these families.
- For single parents with one young child, 19% (90) properties were affordable and available in the north west, whereas in the north 5% (23 properties) and in the south of the state just 6 properties, or 1% of total advertised properties in that region, would be a possibility for these families.
- Rental stress: By spending between 30 to 45% of their income on rent, an additional 30% of properties across the state became available for single parents with one young child (470) and an additional 22% for single parents with two young children (350 properties). Whilst for both households more of these properties were in the north west (198 for households with one child and 145 for households with two children), the north Tasmanian market opened up another 169 properties for single parents with one young child and 137 for those with two children. The southern rental market also opened up additional properties, with 103 for single parents with one young child and 68 for those with two young children.

Minimum wage earning single parents

- 19% of advertised properties across the state were affordable and appropriate for a single parent working with 2 children (296 properties) spending up to 30% of their income on rent - 5% more of the advertised properties compared to 2015.
- But, again, location was important in assessing availability for lone parents. Only 6% of advertised properties (39) were affordable and appropriate in southern Tasmania, compared to 19% (92 properties) in the north of the state and over a third - 35%, or 165 properties, in the north west.

- Rental stress: An additional 22% of the state’s properties (349) opened up as available for single parent workers looking to spend between 30 and 45% of their income on rent. Interestingly, the biggest expansion of properties for this group was in the south of the state (142), with 123 in the north and an additional 84 properties in the north west.

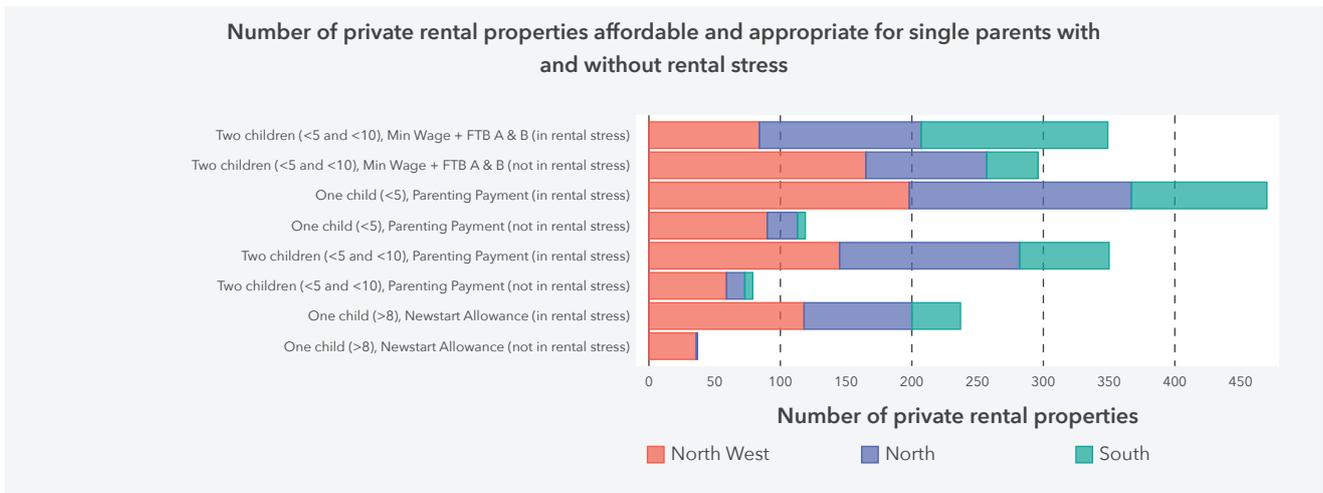


Figure 9. Number of private rental properties affordable and appropriate for single parents with and without rental stress.

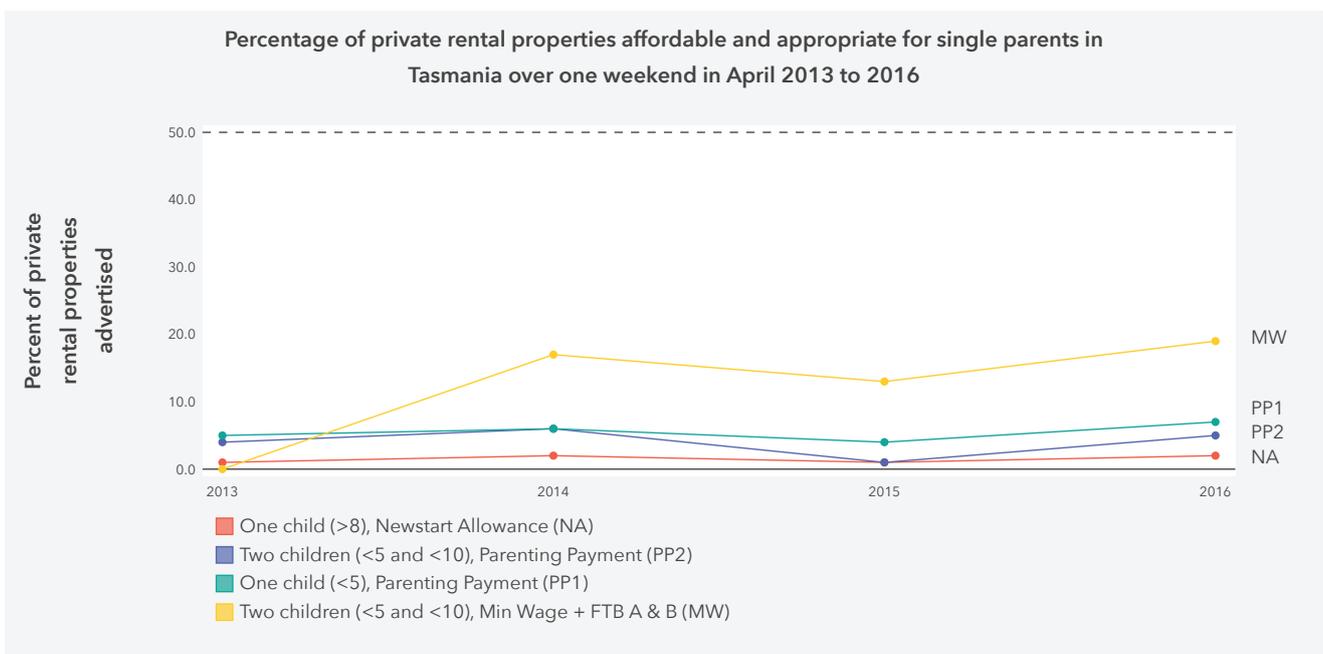


Figure 10. Percentage of private rental properties affordable and appropriate for single parents in Tasmania over one weekend in April 2013 to 2016.

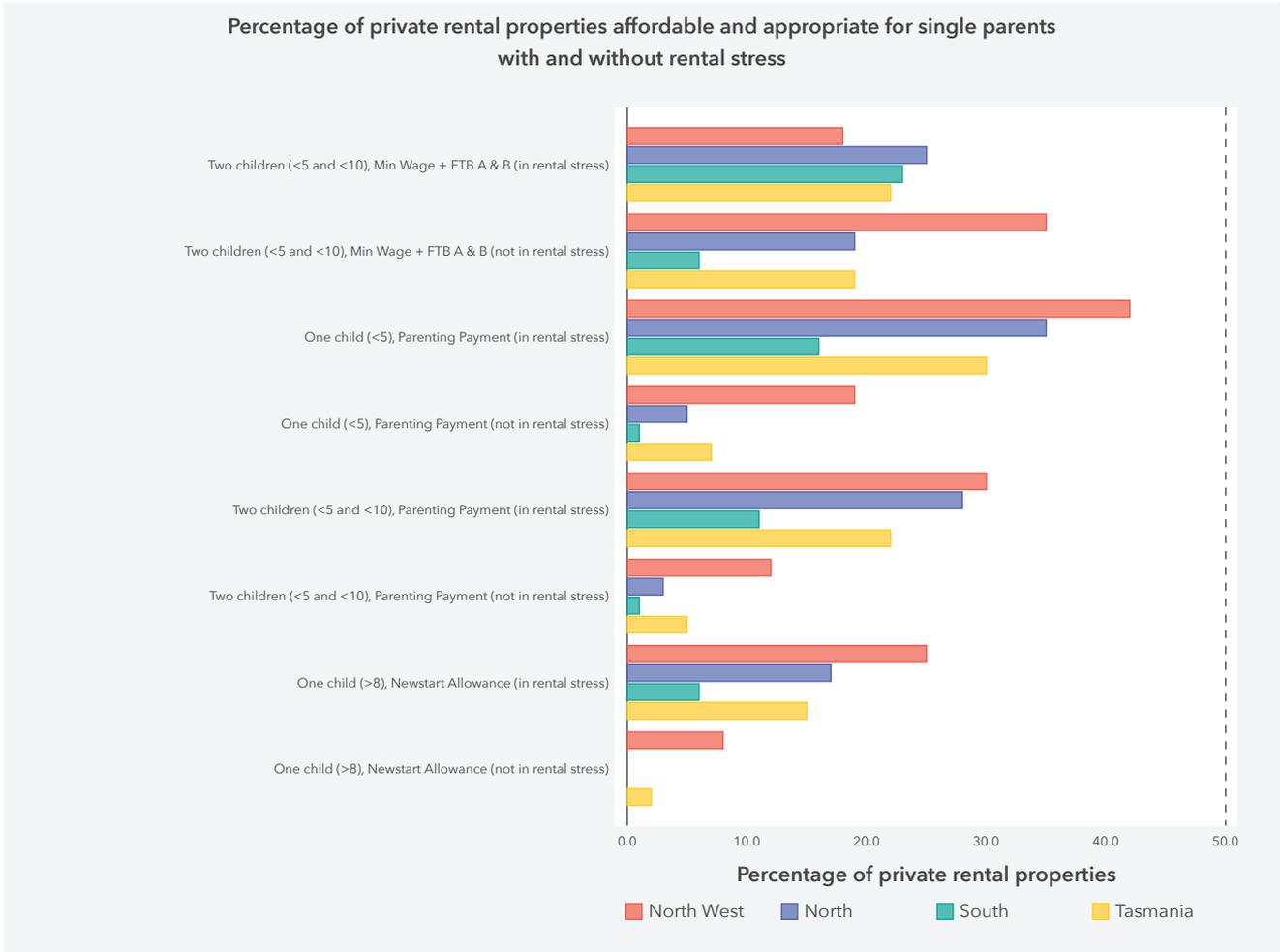


Figure 11. Percentage of private rental properties affordable and appropriate for single parents with and without rental stress



Couples with children where both adults are looking for work

- A family with two children where the parents were both looking for work would have been able to afford only 8% of the advertised properties across the state (125 properties) if spending up to 30% of their income on rent. This has been a reasonably consistent proportion over the last 4 years, but an increase of 3% from 2015.
- The vast majority of these properties (84) were located in the state's north west. A job-seeking family looking for property in the south of Tasmania had only 2% of properties advertised in that region (12) that were affordable and appropriate.
- Rental stress: An additional quarter (26%) of the state's properties opened up as available to this household if they were spending between 30 and 45% of their income on rent. These properties were distributed across the state, and, uniquely amongst low income households, the most additional properties were in the state's north (159), with 149 in the north west and 108 in the south.

Minimum wage earning couples with children

- A couple with two young children where both parents were working full-time would have found 41% of the properties in the state (645 properties) were affordable (at spending 30% of income on rent) and appropriate - 5% more of the advertised properties compared to 2015. Again, the choice looked different in each region, with 29% of advertised properties (181) fitting the bill in the south, 44% (215) in the north and half (52%, or 249 properties) being suitable in the north west.
- Rental stress: An additional 17% of properties across the state opened up as available by going into rental stress for couples with two young children where both parents were working full-time. Interestingly, the majority of these were in the south of the state (148), with 78 in the north and 48 in the north west.
- 27% of advertised properties across the state were affordable (at spending 30% of income on rent) and appropriate for families with two children where one parent was working full-time earning the minimum wage and the other caring for the children (433 properties). In 2015, it was 20%. It was potentially more of a struggle for such families to find suitable properties in the south of Tasmania, compared to elsewhere in the state. Only 12% of properties (75) were available to this group in the south, with 32% (153) of properties in the north and 43% (205) in the north west.
- Rental stress: Only an additional 7% 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 looking to spend 30 to 45% of their income on rent. But again, for this household structure, these were mainly in the south of the state (81), with 29 in the north and 9 in the north west.



Figure 12. Number of private rental properties affordable and appropriate for couples with children with and without rental stress.

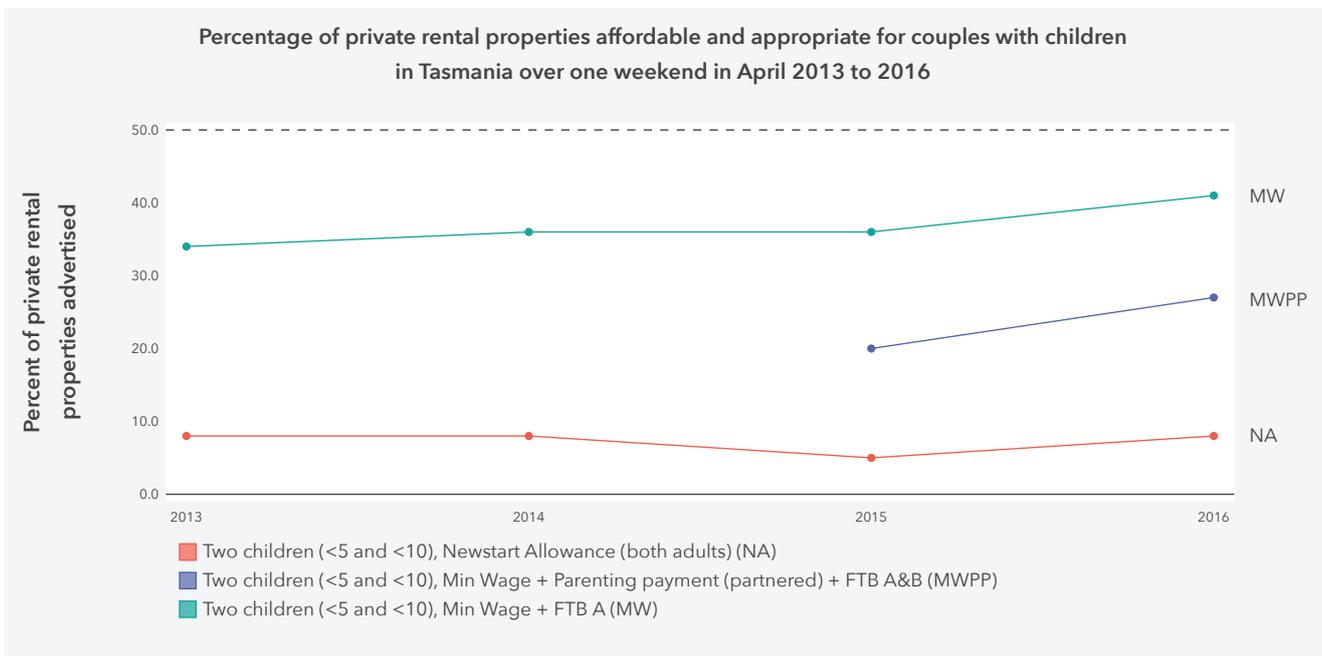


Figure 13. Percentage of private rental properties affordable and appropriate for couples with children in Tasmania over one weekend in April 2013 to 2016.

Percentage of private rental properties affordable and appropriate for couples with children with and without rental stress

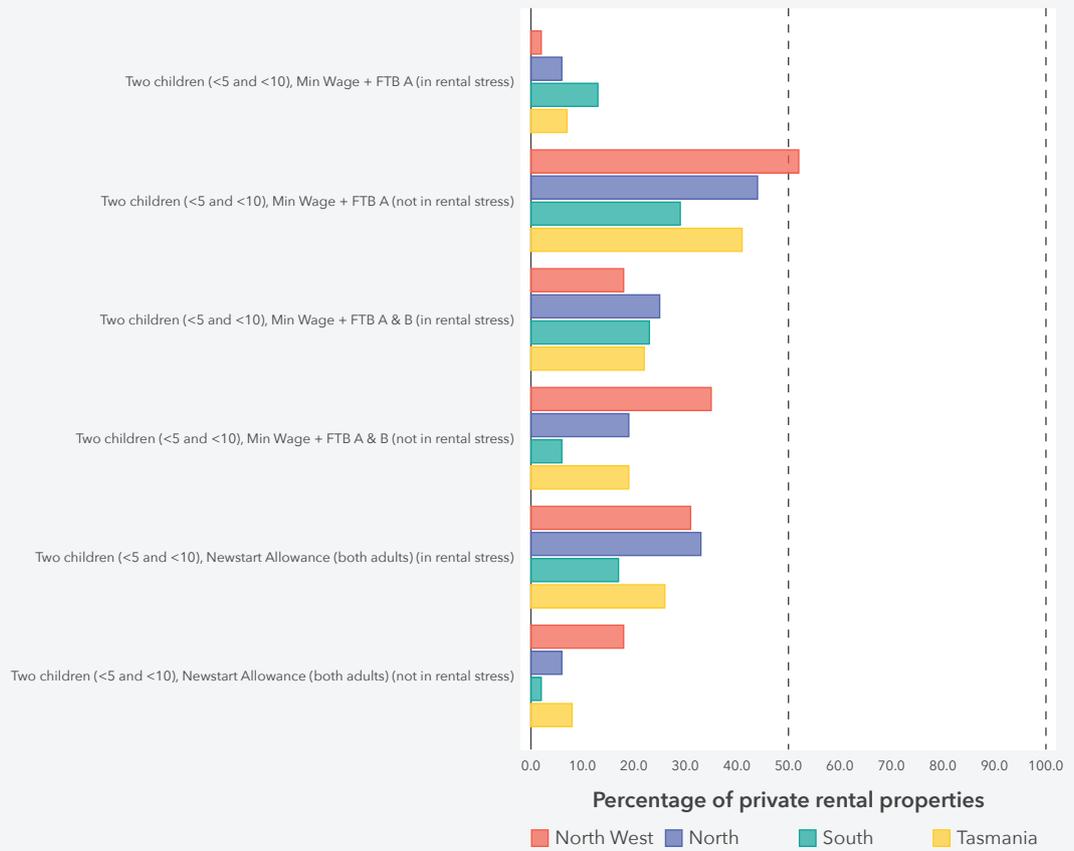


Figure 14. Percentage of private rental properties affordable and appropriate for couples with children, with and without rental stress.



People receiving the Age Pension

- Only 10% of advertised properties across the state were affordable and appropriate for a single person on the pension (160 properties), some of which were rooms in share houses. This was a slight increase (3% more) in the proportion considered affordable and appropriate compared to 2015. For these households, the potential choice was much more evenly spread across the state.
- Rental stress: Nearly an additional quarter of the state’s advertised properties opened up as available for single people on the Aged Pension looking to spend between 30 and 45% of their income on rent - 142 in the north west, 129 in the north and 112 in the south.
- A fifth (20%) of advertised properties were affordable and appropriate for a pensioner couple (324 properties) looking to spend up to 30% of their income on rent, some of which were bedsits. Again, for couples looking in the south of Tasmania, this dropped to only 8% (49) of properties advertised in that region. For the north of the state, a quarter (24%, 116 properties), with a third of properties (33%, 159 properties) affordable and appropriate in the north west of Tasmania.
- Rental stress: A significant additional 40% of the state’s properties opened up as affordable and appropriate for couples on the Aged Pension looking to spend between 30 and 45% of their income on rent - 190 in the south, 216 in the north and 227 in the north west.



Figure 15. Number of private rental properties affordable and appropriate for older people with and without rental stress.

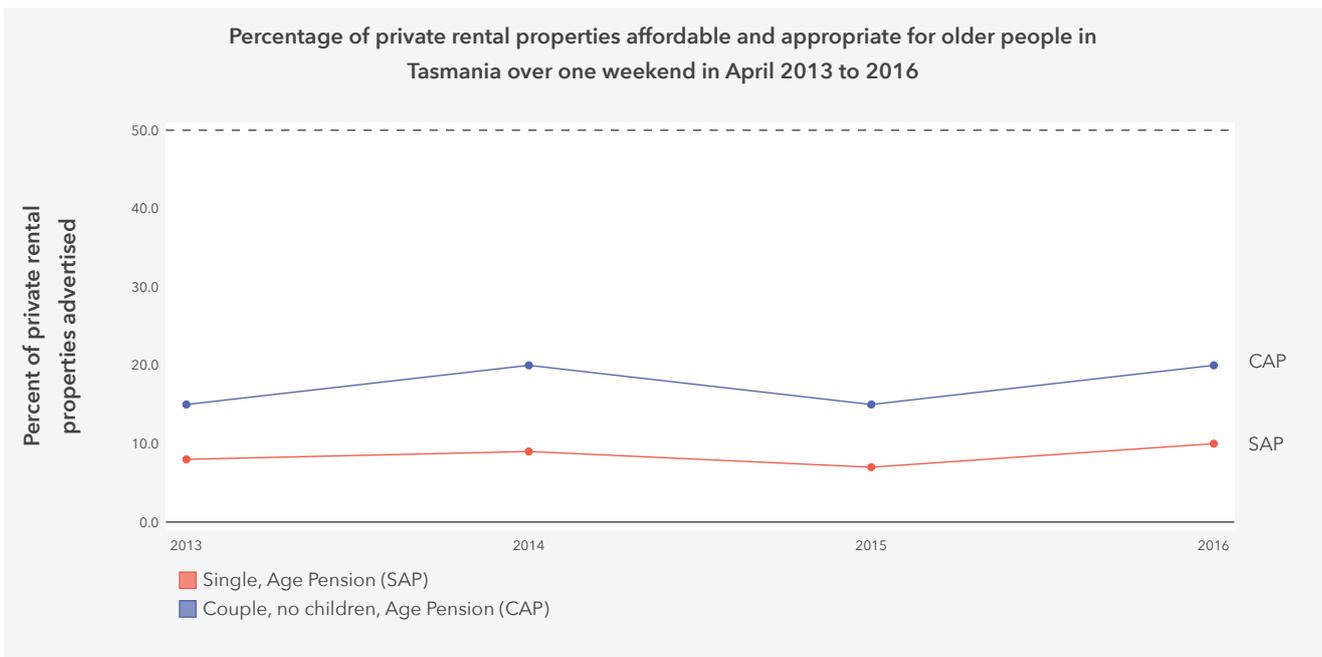


Figure 16. Percentage of private rental properties affordable and appropriate for older people in Tasmania over one weekend in April 2013 to 2016.

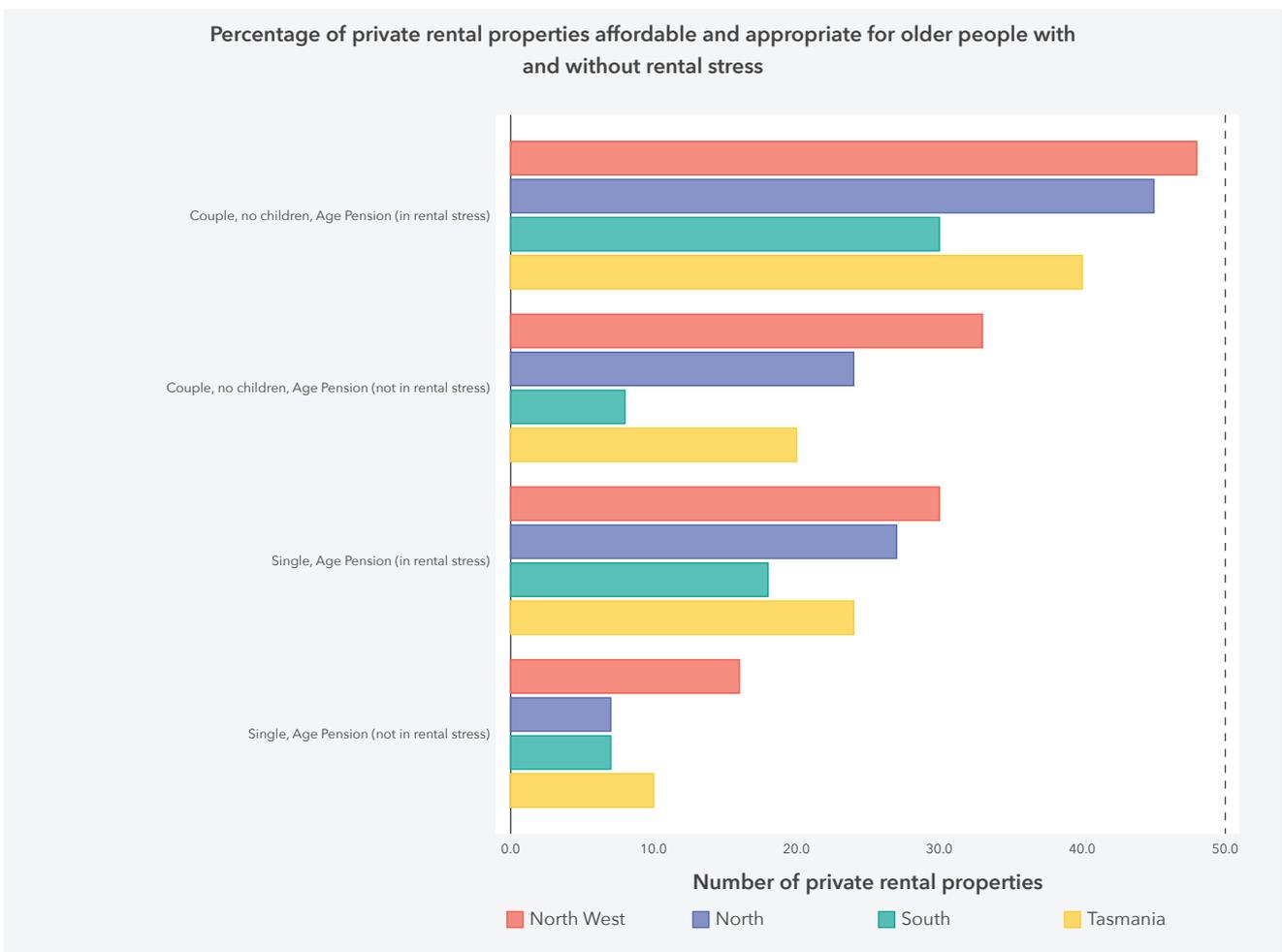


Figure 17. Percentage of private rental properties affordable and appropriate for older people, with and without rental stress.

What do these findings tell us and what more do we need to know?

This year's Snapshot demonstrates a changing and complex landscape for Tasmanians living on low incomes when looking for housing in the private rental market.

What's happening to the supply of private rental housing in Tasmania?

Our Snapshot tells us that since 2013, the number of private rental properties being advertised in early April has been steadily falling in Tasmania.^{xxi} This decline is occurring consistently in the north and the south of the state. But in Tasmania's north west, the number of advertised properties rose this year. We can only speculate what factors might be driving this. The rising popularity of Airbnb may be taking some of the housing stock out of the private rental market in the south and north.^{xxii} More family sized rental properties may be available in the north west, as people leave to seek employment elsewhere and rent out their family home. We intend to further investigate the factors that might be driving these trends in Tasmania.

Are low income households successfully getting the available lower cost private rental sector properties where they need them in Tasmania?

The Rental Affordability Snapshot tells us about what properties are advertised across Tasmania and potentially available for low income households. But it doesn't tell us whether properties are where low income households need them.

We don't know the extent of demand for private rental properties in each region. This means we cannot analyse whether the supply of affordable and appropriate properties is in areas where low income households are looking. But we do know that the available properties are more likely to be in areas where there is less access to employment opportunities. We also don't know who is successfully renting these affordable and appropriate properties.

Even with a lower number of properties being advertised in Tasmania, a higher proportion of potentially affordable and appropriate properties for low income households is a direction to be welcomed. However, it is too early to call this a trend. And this change is not uniform across the state. It is notable that affordability and appropriateness has increased mainly in the north west of the state, where there are less employment opportunities,^{xxiii} and perhaps less demand for properties.

As we have noted, low income groups are facing increased competition to successfully acquire a private rental property, both from those with higher incomes who are choosing to pay less and from those with lower income who cannot access the limited supply of social housing.

xxi We consistently take a snapshot of advertised rental properties every year over a weekend in April. Over the years we can build a picture of 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 fluctuates each month over a year, so we can not talk about seasonal trends.

xxii Tourism is booming in Tasmania, which may be encouraging owners 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. finder.com.au 2015, *'Australia's most profitable Airbnb locations revealed'*, <http://www.finder.com.au/airbnb-australia-rental-profits>.

xxiii The unemployment rate in Tasmania's north west is 7%, compared to 6% in the south and 6.9% in the north. ABS 2016, *Labour Force*, detailed, cat. no. 6291.005.001.

It is possible that, although the proportion of affordable and available private rental housing may have slightly increased since 2015, there are fewer properties overall to choose from, there is increased competition for this smaller pool of properties and the properties may not be where employment is located. These factors all diminish the prospects for low income renters obtaining a home in a location, in an affordable price bracket and with the amenities they need.

Given this, it is highly likely that many low income households are having to experience rental stress, or extreme rental stress, in order to secure a rental property, particularly in the southern and, to a lesser extent, the northern regions of Tasmania. There are some low income households who are particularly vulnerable – namely young people, single parents on Newstart and, in southern Tasmania, single adults of working age on income support payments (Newstart and Disability Support Pension) and single parents with two young children on income support payments. For these households, pushing their budget into rental stress still does not open up the potential choice of rental properties very much. This means that for such households, it is more likely that they will need to stretch their budget further, into extreme rental stress (i.e. spending 50% or more of their budget on rent). These are the Tasmanian households who need the most urgent focus on policy and programs that address both the supply of affordable and appropriate housing and ensure that these households have adequate government support to meet the costs of appropriate housing in the private rental sector in locations they need.

Over time, we need to carefully monitor whether changes in Tasmania's private rental market are more likely to push low income households relying on income support payments and on minimum wage further towards rental stress, or whether the market and government policies are working to offer more affordable options.

What impacts might the private rental market be having on people's wellbeing, social inclusion and economic participation?

- The RAS does not specifically look at issues such as length of tenancies. However, this is an important issue to include in any consideration of how the private rental market shapes the experiences of low income households. Higher rates of mobility for households in the private rental sector are common compared to other household types, as it is an industry standard to offer tenants short term tenancies of between six and 12 months. 2014 ABS data shows us that 55% of private renters have been living in their dwellings for one year or less. Older ABS data tells us that nearly a quarter (23%) of private renters had moved house at least five times in the previous five years. This does not enable tenants to easily settle into an area.
- Short-term private rental tenures disrupt the abilities of both adults and children 'to settle in a place, build stable connections with schools, their surrounding communities and the job market.'^{xxiv} Unplanned moves can disrupt education and employment, separate adults and children from their social and support networks and may cause psychological distress, and are expensive additional costs to meet for low income households already struggling with day to day living expenses.
- Conversely, appropriate and stable private rental tenures positively contribute to family wellbeing, social inclusion and economic participation; such tenures increase the odds of being employed and increases households' social connectedness within communities (because they feel safer and more satisfied in their neighbourhoods, they are more likely to develop social ties and attachment to the area).^{xxv}
- Initiatives that work towards improved security of tenure for households in the private rental sector would be likely to benefit households and positive outcomes for Tasmania.

xxiv Brotherhood of St Laurence 2015, *Review of the Residential Tenancies Act: Security of Tenure Issues Paper*

xxv Parkinson, S, Ong, R, Cigdem, M, & Taylor, E 2014, *Wellbeing outcomes of lower income renters: a multilevel analysis of area effects*, AHURI.

What are the policy implications?

What's happening in Tasmania to address affordable and appropriate housing for low income households?

In recognition of the importance of the private rental sector in meeting the housing needs of low and very low income households, the federal and state governments offer a range of assistance programs designed to support tenants to access affordable housing, including initiatives such as Commonwealth Rental Assistance.^{xxvi} However, it is notable that government income support payments have not been increased to account for inflation in the cost of living for over a decade.^{xxvii}

There are some promising state-based policies and programs that recognise the need to address the affordability and the availability of housing for low income Tasmanians e.g. Tasmania's Affordable Housing Strategy and the Better Housing Futures program and Housing Connect (a State Government funded program that, amongst other things, helps potential renters to find and apply for suitable social and private accommodation and provides bond assistance).

The Tasmanian Affordable Housing Strategy does encourage the development of some social housing to address the needs of low income households. However, the scale of the planned development would not change the status quo for most low income households; most will still need to routinely look to the private rental sector for housing.^{xxviii} But as the Tasmanian market stands, we can see that it is failing some groups more than others in Tasmania, potentially forcing some households into extreme rental stress (namely young people, single person households on Newstart and Disability Support Pension and single parents).

The extent of ongoing demand for affordable housing across Tasmania will not be addressed by these initiatives alone. And the vulnerabilities that many Tasmanian households face could extend the demand beyond current projected need. Tasmania's Affordable Housing Strategy acknowledges the role of the private rental sector in meeting the needs of many low income households across the state. Ongoing strategic initiatives that both increase the supply of affordable social and private rental housing and its appropriateness for a range of households are crucial.

Ways forward

Anglicare Tasmania's position is that an important part of any rental housing sector is to ensure that houses can be made into homes - in short, that people can access rental properties that enable them to settle in an area and connect to education, employment and communities, without risk of unreasonable upheaval, and that they can expect to live in a property that is affordable, provides them with the amenities they need and meets reasonable standards.

Given that the private rental sector is now the default housing sector for all Tasmanian households looking to rent, regardless of income, there needs to be a range of policies, programs and private rental market responses to ensure that a commercial market is able to meet the needs of a range of low income households and that low income households can afford to access appropriate and stable housing where they need it.

xxvi CRA is the largest single component of housing assistance for renters. It is a non-taxable income supplement payable to eligible income support recipients and low income families in the private rental market. The CRA has been factored into the income of the households in our study as an income supplement, as this reflects the way that households use the payment. See the technical appendix for more information about this. Note that the only household types on the minimum wage eligible for CRA are those with children and eligible for the Family Tax Benefit Part A. For more information visit this page on the Dept of Human Services <<http://www.humanservices.gov.au/customer/services/centrelink/rent-assistance>>, or this page of ABS <<http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by+Subject/1301.0~2012~Main+Features~Housing+Assistance~133>>.

xxvii South Australian Council of Social Service, *Cost of Living Update*, December 2015, No.25, 2016, For example, 'Non-Age Pensioner social security recipients have seen a drop in the real value of their income over the last decade. SACOSS calculates that for someone on Newstart supporting two children, the result is that they are approximately \$10 to \$16 a week worse off.' This is without the Commonwealth Rent Assistance being factored in, which has risen slightly less than Newstart over the last decade.

xxviii Cited in *Tasmania's Affordable Housing Strategy 2015-2025*.

We support Anglicare Australia in their calls for federal attention to ensuring low income households' access to affordable, appropriate and secure private rental housing:

- create a tax system that makes affordable housing more available;
- increase housing stock that matches changing population needs; and
- increase social housing stock sustainability and responsibly.

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. The policy goals we support are:

Increase the affordability and availability of Tasmanian private rental housing

Our priorities for change include increasing the supply of affordable Tasmanian housing stock across the social and private sectors; recognising the inadequacy of income support payments in meeting basic living costs; expanding government policies and programs that enable low income households to afford rents in areas they need to live in and encouraging private rental sector initiatives to achieve the same goal.

Making homes for Tasmanians in the private rental sector

Our priorities for change include improving the security of tenure for low income and vulnerable tenants, continuing to improve the quality of private rental housing stock and discouraging profile and lifestyle gatekeeping within the private rental sector.

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More information

For a more detailed analysis by state and region, please go to the Social Action and Research Centre:
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