

# Rental Affordability Snapshot

## Northern Tasmania: Anglicare Tasmania

### Introduction

Anglicare Tasmania collected information on all the properties advertised as available for rent across Tasmania on the weekend of 5-6 April 2014. This included rooms in share houses. The information was gathered from major real estate websites and from newspapers. We assessed these properties on the basis of whether they were appropriate and affordable for people living on low incomes.

We worked out whether people who depend on Centrelink payments could afford to find suitable accommodation for themselves and their family. We also assessed the situation for people who are working and earning the minimum wage.

### Findings

We assessed 2,010 properties advertised for rent throughout Tasmania over the weekend of 5-6 April 2014. There were 649 advertised in the Northern region.

Of these, only a very small number were affordable for people who depend on Centrelink payments as their main source of income.

#### *People on New Start and Youth Allowance*

- There were only 2 rental properties advertised in the Northern region that were affordable for a young person aged over 18 who depends on Youth Allowance. They were both rooms in share houses and one was in an isolated area.
- Only those same 2 properties were affordable for a single person who depends on New Start Allowance.
- Only 9% of the properties were affordable for a couple with two young children who are living on New Start Allowance (57 properties).

1

#### *Single parents on Parenting Payment Single*

- Only 4% of the properties were affordable for a single parent with one child (28 properties)
- Only 5% were affordable for a single parent with two young children (35 properties).

#### *Single parents whose youngest child is aged over 8*

- 6 properties (only 1% of the total) were affordable for a sole parent whose youngest child is aged more than 8. These people no longer qualify for Parenting Payment and can now only receive the lower New Start Allowance.

#### *People on Age Pension*

- 10% were affordable for a single person on the pension (62 properties)
- 21% were affordable for a pensioner couple (136).

For people who are working full time and earning the minimum wage the situation is still very limited.

*Minimum wage earners (in full-time work)*

- 14% were affordable for a single minimum wage earner with no children (93 properties)
- 19% were affordable for a sole parent worker with 2 children (126 properties)
- 38% of the properties were affordable for a couple with two young children where both parents were working full-time (249 properties).

## Discussion

The results of this survey again confirm the very difficult situation that Tasmanians living on low incomes are faced with when looking for housing in the private rental market.

The survey analysed all the properties advertised for rent in Tasmania on two major real estate websites and the three main newspapers over the weekend of 5-6 April 2014. It was designed as a snapshot of what Tasmanians living on a low income would find on an average weekend if they were looking for somewhere to live.

It should be noted that the very limited number of properties that we did find to be suitable and affordable for people on low incomes 'doubled up' – that is, a property that is suitable for a single person looking for work would also appear as one of the properties an age pensioner could afford.

It is evident that the demand for those few properties that are affordable is very great, and that in the absence of adequate housing supply people must spend more money on their housing than they can afford, thus putting sometimes dangerous pressure on other elements of their budgets. In addition, our survey takes no account of related housing costs such as bond and rent in advance.

Appropriateness of the properties was assessed solely on the basis of the number of bedrooms required. We did not look at other aspects of appropriateness such as physical accessibility. Many of the properties that were affordable in financial terms were located in comparatively isolated areas where employment opportunities and other services may be very limited and where other costs, such as transport, become disproportionately high. Thus many properties would in fact not be appropriate in terms of affordable access to food shops, employment, health services and education.

In addition, many houses offered at lower rents are difficult and expensive to heat and thus running costs can wipe out the value of lower rent.

Other accommodation, ostensibly affordable, was in fact unlikely to be suitable. For example, while a single age pensioner may be able to afford to rent a room in a shared house, it is improbable that they would be the successful applicant as this type of accommodation is mainly geared towards younger people, nor would such accommodation be likely to provide an appropriate place for an older person to live.

While there are rooms in share houses advertised for rent, most of these are still priced too high to be truly affordable for people on low incomes. Some were offered on the basis of tenants sharing a bedroom. For many people this would not be considered safe or suitable, yet it may be the only truly affordable option.

While the situation for people who are working full time and earning the minimum wage was somewhat easier, it was still very limited. Even if both members of a couple with two young children work full-time, only a little over one-third of the properties advertised would be affordable. A single person would only find 14% of the properties to be affordable.

Statewide the number of properties assessed was smaller than in 2013, but the percentages of those affordable and appropriate remained virtually unchanged. However, these figures mask differences across the state where, in some regional and more isolated areas, there is a higher proportion of properties that would be affordable for a couple with children where both adults are working full time earning the minimum wage. However, it needs to be kept in mind that in many of the areas where this more affordable accommodation is available, unemployment rates are high and the likelihood of people finding full-time work comparatively low.

## Policy Implications

This statewide survey of over 2000 properties, 649 of them in the northern region, has shown that there are only a very few properties anywhere in Tasmania that a young person who is studying or a single person looking for work could afford. With Tasmania having a comparatively low rate of young people completing school and following further education and training, there is a great need to ensure that safe, secure and affordable housing is available in suitable locations for education and training.

The majority of more affordable properties which might be suitable for families or age pensioners, are located in areas well away from the main population centres. People living in these areas are likely to have increased expenses and difficulty in accessing employment, food, education and health services. Public transport is minimal or non-existent.

We noted from photographs and descriptions that many of the advertised properties are likely to be difficult and expensive to heat. Anglicare's service experience has been that energy saving advice and retro-fitting has been able to reduce people's heating costs and make their daily lives more comfortable. A cosy house is much more conducive to happy family life and to household members being able to pursue study, domestic chores and social connections.

Anglicare's service experience has also shown us that where people are able to gain secure, affordable accommodation, with appropriate supports, they are able to do well in other aspects of life such as continuing with education or training, seeking employment and leading healthy lives.

The private rental market is patently not able to meet the needs of Tasmanians living on low incomes, whether in receipt of government pensions and benefits or earning low wages in employment.

## Conclusion

Anglicare has long advocated the importance of public housing and the need for community and social housing options to be structured so as to be truly affordable to people living on very low incomes.

Assistance with energy saving advice and modifications has proved to be an important service for many low-income households and helps to offset, albeit in a small way, high rental costs.

Anglicare also urges that benefits and pension rates be set at an adequate level.

Our survey this year again confirms that much more needs to be done to ensure that Tasmanians living on low incomes are able to lead dignified lives and not be forced into hardship in other areas of life in order to pay for their housing.