

Rental Affordability Snapshot

Tasmania 2022



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More information

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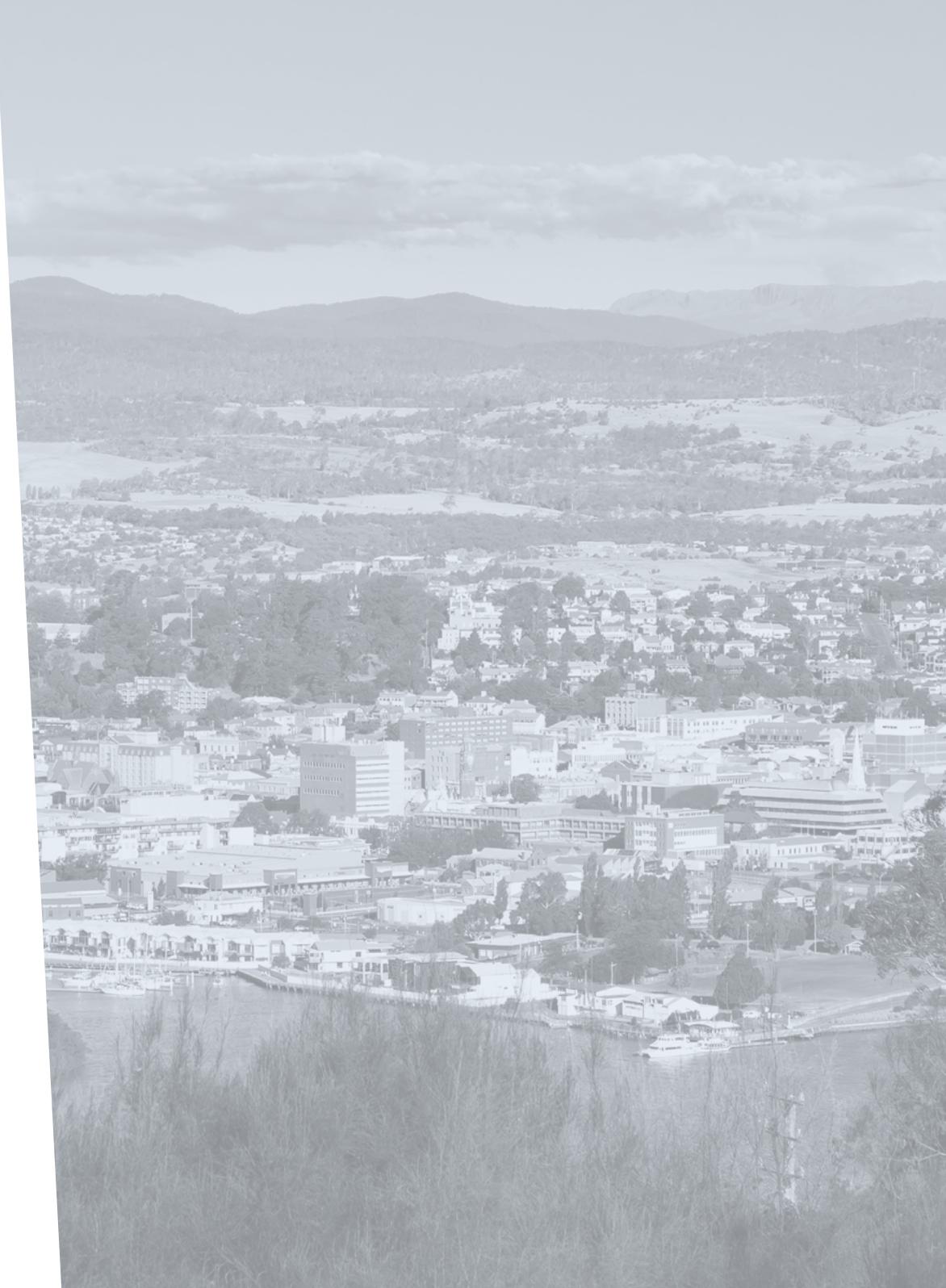
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Anglicare's experience in housing services and advocacy

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

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

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

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



Key findings

The Rental Affordability Snapshot has run since 2007, when Anglicare Tasmania first tested whether it was possible for people on low incomes to afford to rent a home in the private rental market. It has since been taken up nationally by Anglicare Australia and runs annually in agencies around the country.

The Snapshot looks at all properties listed for rent on realestate.com.au and gumtree.com.au on a weekend at the end of March every year. We then assess whether each property is affordable and appropriate for 14 types of households on low incomes, including young people, single parents, working families, older people and those dependent on Centrelink benefits. For more details on our methodology, please see our FAQ (p. 19).

The report also presents six case studies that demonstrate the kinds of difficulties different groups of people have with housing in Tasmania today. They are all real people who are either clients of Anglicare's housing services or participants in Anglicare research. Names and some details have been changed to protect their privacy.

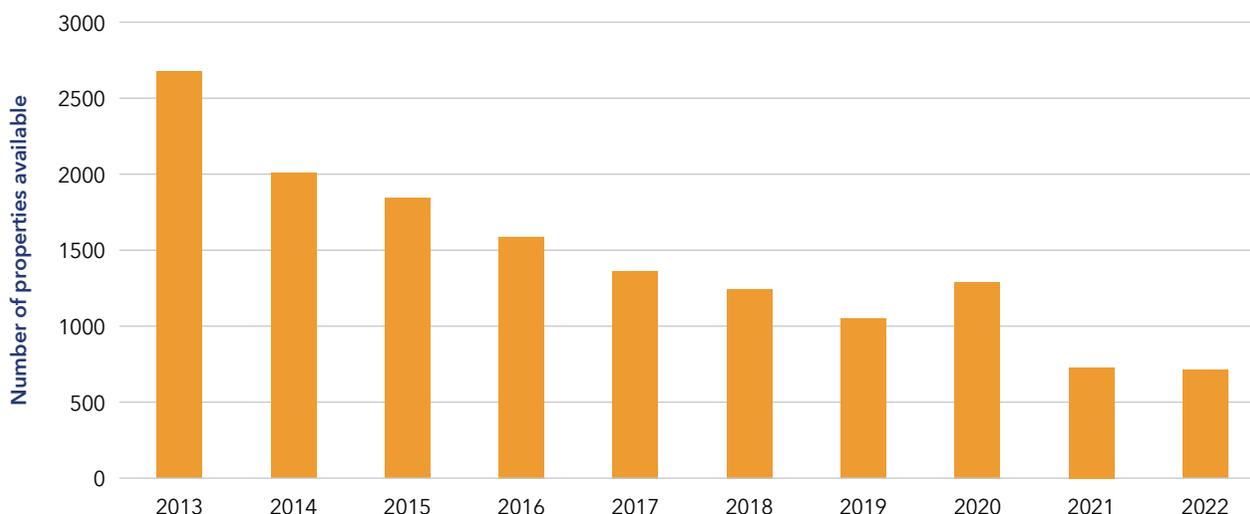
Availability

In 2022, there were 714 properties listed for long-term residential lease across Tasmania on the Snapshot weekend. This is similar to the 729 properties we found in 2021.

It is too early to tell whether this represents a plateau or a temporary anomaly in a sustained downward trend.

There is a notable difference this year between Tasmania's regions. The number of properties in the South has continued to decline, while the North and North West have risen slightly.

Figure 1: Number of properties advertised in Tasmania on Snapshot weekend, 2013-2022



Affordability

For a property to be affordable, it must cost no more than 30% of household income. Paying more than 30% of income puts a household into rental stress, which is likely to cause financial hardship.¹

A couple with two children, with both parents working fulltime on the minimum wage, can afford to pay \$460 per week in rent. On Snapshot weekend there were 365 homes large enough for this family on the market, and 138, or 38%, were affordable. Just over half of the affordable properties were located in rural areas.

Any less than two fulltime wages, and this family is in a very different position. If one partner works fulltime and the other receives Parenting Payment from Centrelink, they have only 40 affordable and appropriate homes to choose from. If both parents are unemployed and receive Jobseeker Payment, there are only four - three of which are located on the West Coast.

If this family splits up, their situation worsens. A single parent working fulltime with two children still needs a 3-bedroom house, but has less income to spend. There are only 16 properties affordable for this family, 13 of which are in rural areas. If this single parent loses their job and is forced onto Centrelink payments, they will live in considerable financial hardship, as there are no properties in the state that they can afford.

Cohort	Household type	Income type	Max weekly rent	Number affordable and appropriate	Percentage affordable and appropriate	Number properties by region
 Young people	Single (aged over 18)	Youth Allowance	\$84	0	0%	South: 0 North: 0 North West: 0
	Single (in a share house)	Youth Allowance	\$84	1	0%	South: 0 North: 1 North West: 0
 Single adults	Single	Jobseeker Allowance	\$105	2	0%	South: 0 North: 2 North West: 0
	Single (aged over 21)	Disability Support Pension	\$168	2	0%	South: 0 North: 0 North West: 2
	Single	Minimum wage	\$203	52	7%	South: 19 North: 17 North West: 16
 Older people	Single	Age Pension	\$168	24	3%	South: 5 North: 8 North West: 11
	Couple (no children)	Age Pension	\$241	22	3%	South: 3 North: 6 North West: 13

¹ This is a widely used benchmark. See for example https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/BriefingBook45p/HousingAffordability?msclkid=0fc25188baca11ecaa59caa8224acd1f

Single people without families also require a job in order to find a place to live in that they can afford. A person on the minimum wage can afford up to \$200 a week rent, and will find 53 properties in Tasmania that they can afford (7% of the total number of properties). These will mostly be sharehouses. In Tasmania today it is difficult for a single person who wishes to live alone to do so unless they can pay over \$300 a week rent.

A person who loses their job and is forced onto Jobseeker Payment will quickly find themselves struggling to pay rent. There are only 2 properties in the state affordable for a person on Jobseeker.

A young person forced to move out of their family home and receiving Youth Allowance will find that their rate of pay does not allow them to live in private rental unless they spend more than they can afford. Although this year's Snapshot does find one property affordable and appropriate for this group, it is first since 2015 and is likely to be an aberration.

People on Disability or Age Pension, who are unable to work, have little option but to live in a sharehouse. This kind of living is often unsuitable for older people, and people with disability may need greater control over their environment than a sharehouse can offer. Of the 24 properties affordable for a person on this rate of payment, 22 are sharehouses.

Finally, a couple who both receive Age Pension will find 23 affordable houses, units and bedsits, 17 of which are in rural areas.

Cohort	Household type	Income type	Max weekly rent	Number affordable and appropriate	Percentage affordable and appropriate	Number properties by region
 Single parents	Single, one child (aged over 8)	Jobseeker Payment	\$168	0	0%	South: 0 North: 0 North West: 0
	Single, one child (aged less than 5)	Parenting Payment Single	\$211	1	0%	South: 0 North: 1 North West: 0
	Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	\$240	0	0%	South: 0 North: 0 North West: 0
	Single, two children (one aged less than 5, one aged less than 10)	Minimum wage + Family Tax Benefit A and B	\$315	16	2%	South: 1 North: 3 North West: 12
 Couples with children	Couple, two children (one aged less than 5, one aged less than 10)	Jobseeker Payment (both adults)	\$273	4	1%	South: 0 North: 0 North West: 4
	Couple, two children (one aged less than 5, one aged less than 10)	Minimum wage + Parenting Payment (partnered) + Family Tax Benefit A and B	\$368	41	6%	South: 4 North: 11 North West: 26
	Couple, two children (one aged less than 5, one aged less than 10)	Minimum wage + Family Tax Benefit A	\$461	138	19%	South: 37 North: 49 North West: 52

Regional analysis

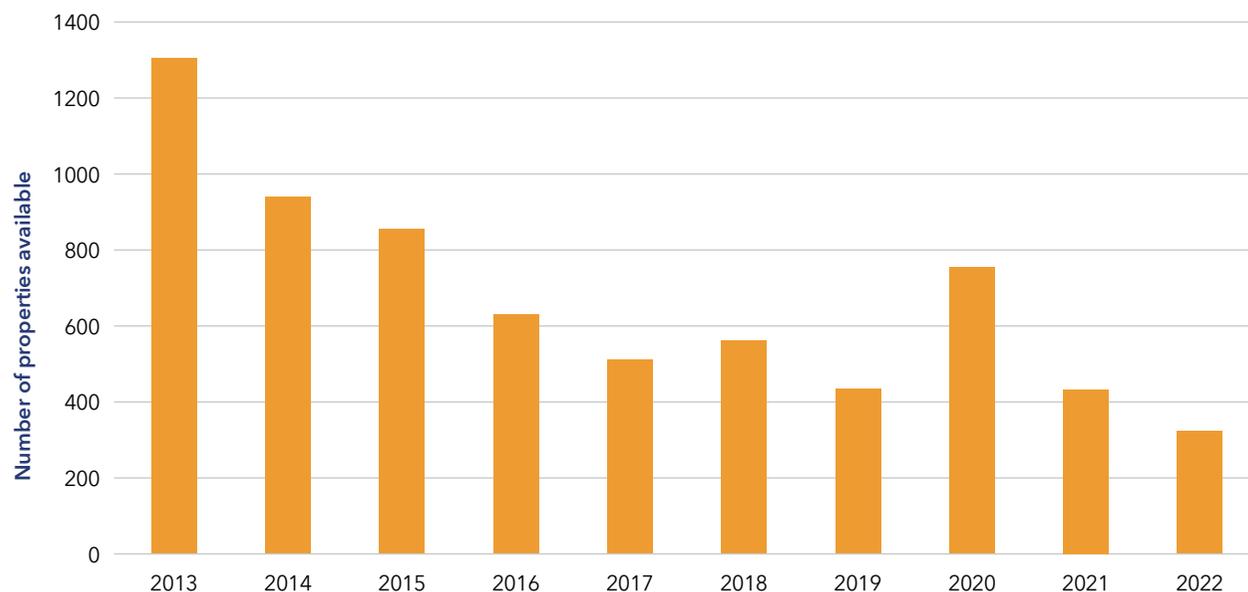
South

Availability

The decline in the number of rental properties advertised in the South has continued in 2022. There were 323 properties available this year, 25% less than last year and 75% less than in 2013.

Since 2013, rental housing supply in the South has contracted by an average of 14% year on year.

Figure 2: Number of properties advertised on Snapshot weekend in the South, 2013-2022



Affordability

The rental market in the South is hardest for families with children. A single person who is able to live in a sharehouse can find some options, but a family requiring a 3-bedroom property needs two fulltime wages coming in before they can afford a home in the Hobart area. A working single parent or single income family will find only a handful of properties in rural areas that they can afford.

Families on Centrelink payments have no options in the South except to pay more than 30% of their income on rent. This puts them into rental stress and is likely to cause financial hardship. Even at 49% of income, a single parent on Parenting Payment will only find six affordable 2-bedroom properties.

As usual, there is nothing affordable for a young person on Youth Allowance, or a single person on Jobseeker. A couple receiving the Age Pension would find three affordable studio bedsits, two of which were in a rural area, but nothing larger.

A person receiving Age or Disability Pension would find 5 affordable sharehouses. Sharehouses are often unsuitable for people in these groups, but stand-alone units are out of their price range.



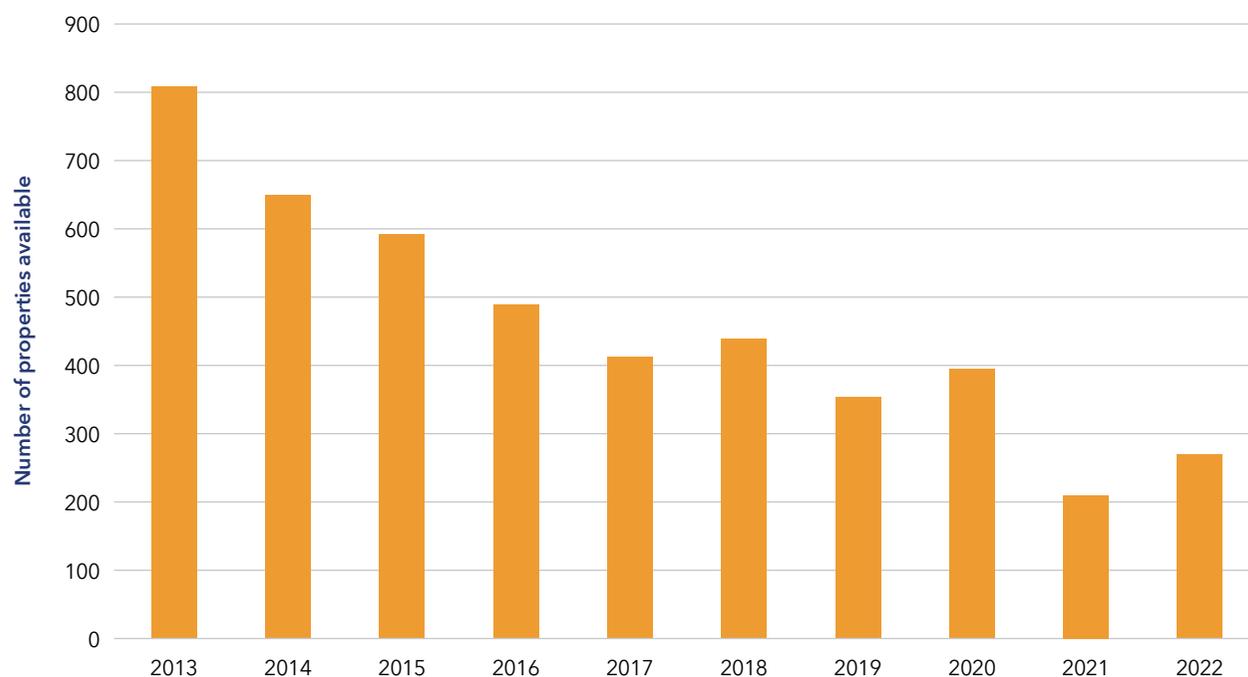
North

Availability

There has been a small increase in the number of properties advertised in the North, from 209 in 2021 to 272 in 2022.

It is too early to tell whether this is a sustained trend, but it is encouraging after last year's 50% drop. Housing supply in the North is nonetheless extremely tight.

Figure 3: Number of properties advertised on Snapshot weekend in the North, 2013-2022



Affordability

Notable this year is one property, a sharehouse, affordable for a young person on Youth Allowance. This is an extremely rare occurrence anywhere in Australia. If it is a genuine offer, at \$75 per week excluding electricity, it may have substandard conditions or other factors to account for the low rent. In general, Youth Allowance does not pay enough for a young person to live in private rental.

There are seven other sharehouses affordable for a person on Centrelink benefits, but only if they receive the higher rate of Disability/Age Pension. A person on Jobseeker would find just 2 affordable properties (one of them the \$75 anomaly described above).

Like in the South, families with children require two fulltime wages in order to have a reasonable choice of suitable properties. A single parent with two children will find only 3 houses affordable and appropriate, even if they are working fulltime at a minimum wage. Parents dependent on Centrelink benefits will find nothing they can afford except a 2-bedroom unit in Scottsdale.



North West

Availability

The number of properties advertised in the North West has risen, from an all time low of just 87 in 2021, to 118 this year. It is too early to tell whether this represents the beginning of a sustained improvement, a plateau, or a temporary anomaly in a continued downward trend.

Unlike the North and South, population in the North West is not concentrated around a single urban area but spread across several smaller urban areas, with poor public transport links between them. Each town may have only a limited supply of rental properties - 23 advertised in Devonport, for example.

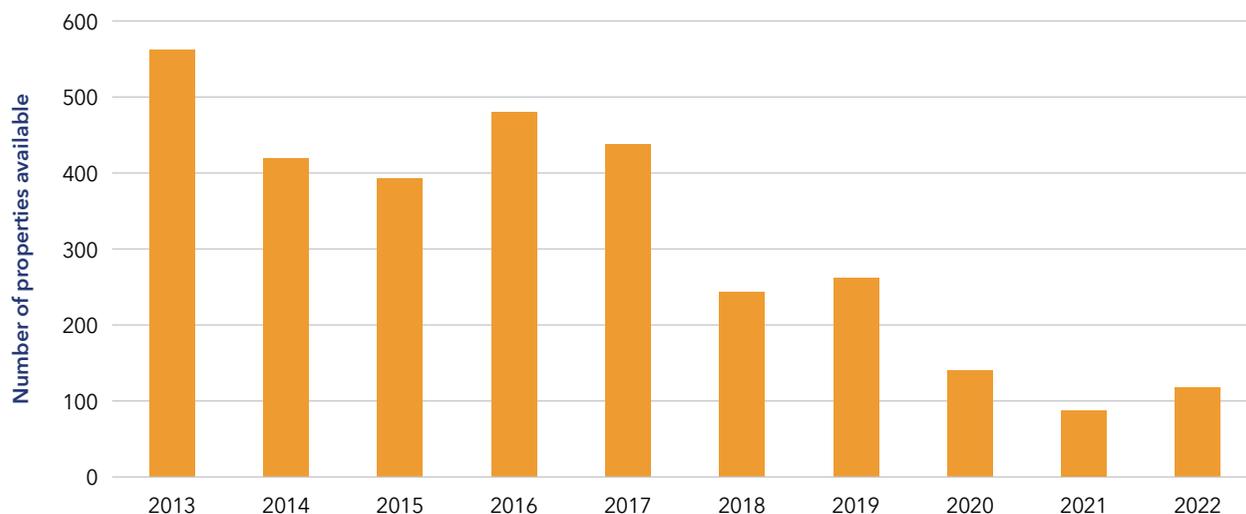
Affordability

Although traditionally more affordable for families than Launceston or Hobart, the North West is now showing a similar picture when it comes to 2- or 3-bedroom homes. Most of the affordable properties are located in West Coast towns such as Zeehan, with just 4 properties along the Cradle Coast affordable for a single parent earning a fulltime wage.

The North West does still offer some mid-priced 3-bedroom homes for families who can afford at least \$320 a week, but given the extreme lack of supply, there may be few in any specific location.

People dependent on Centrelink benefits are a little better off than in the rest of the state. There are a few small units suitable for Age/Disability Pensioners, and nine affordable sharehouses. But there is nothing cheap enough to allow a person on Jobseeker or Youth Allowance a reasonable standard of living, and there is nothing for single parents unless they are working.

Figure 4: Number of properties advertised on Snapshot weekend in the North West, 2013-2022



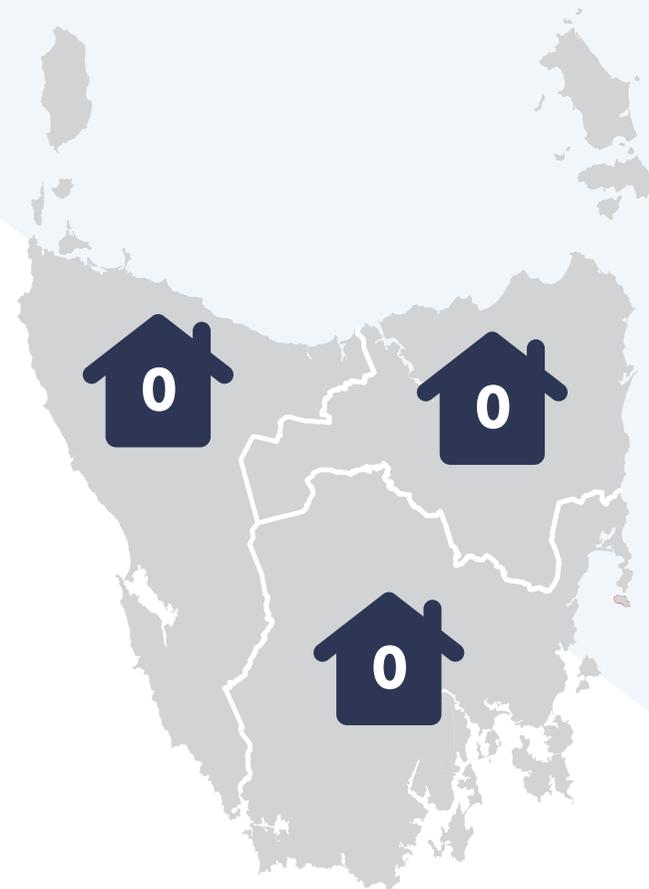


Meet Peter and Mia

- Age 45
- Lives in Launceston
- Daughter Mia, 10, stays with him on weekends
- On Jobseeker



Total affordable and appropriate properties statewide



Could lose his daughter as well as his home

Peter has been living in his current property for nearly 10 years. His landlord received incentives under the National Rental Affordability Scheme to rent the property at an affordable price, which has until now given Peter a stable home. But the Scheme has a fixed term of 10 years and the landlord intends to sell the property once it expires, forcing Peter to move.

Since Peter is not his daughter's principal carer, he is not entitled to a higher rate of payment from Centrelink, or other benefits available to parents such as Family Tax Benefit. However, in order to have his daughter stay with him, he needs a property with a second bedroom.

There are only 66 2-bedroom properties advertised in the Launceston area at the moment and the cheapest is \$300, which is 76% of income for a person on the single rate of Jobseeker. The only places Peter might afford to live in are rooms in sharehouses, and even these are usually too expensive.

Peter is angry that he has been evicted as soon as the incentives ran out, and is afraid he is going to end up homeless again. He was previously homeless before entering the NRAS property, but now he has Mia to think about. Without a place to live, he will be unable to see her regularly and maintain their relationship.



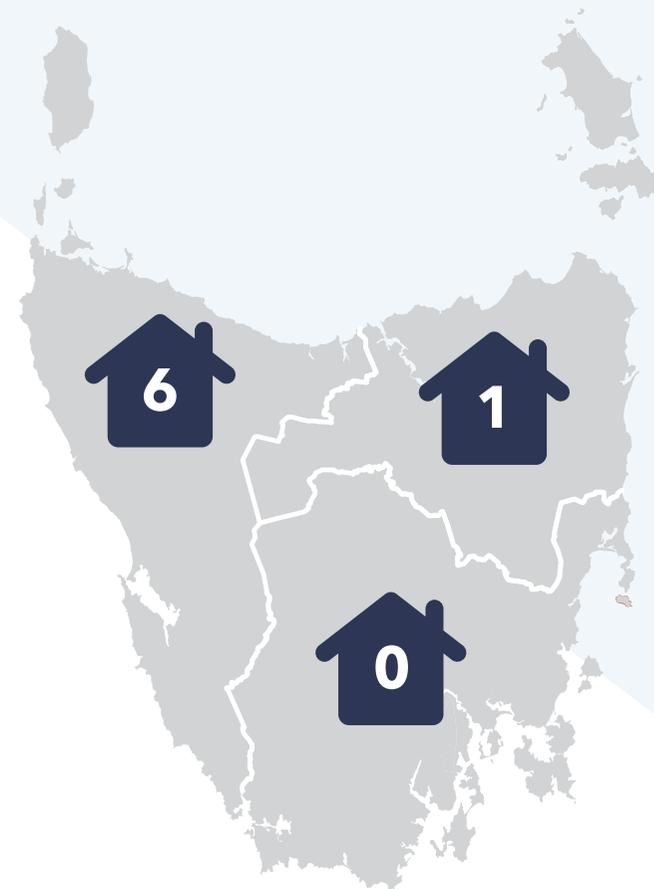


Meet Melissa, Chloe and Cooper

- Age 40
- Single parent
- Chloe, 12, and Cooper, 10
- On Jobseeker



Total affordable and appropriate properties statewide



Children living in a tent

Melissa’s family has been homeless for months, but it was only when the children went back to school in February that anyone realised they were living in a tent in the bush. Since then they have been put in touch with local services who are assisting them, but the situation clearly cannot continue through winter. Already the family is struggling with damp bedding, which is bad for Cooper’s asthma. They have limited facilities for cooking or storing food, and are grateful for the meals being provided by the local neighbourhood house.

There are only 5 properties currently advertised for rent in this rural area, and only one of them is large enough for Melissa’s family. If they moved to the city (which would mean the children changing schools), they might have more options, but Melissa has seasonal agricultural work and wants to continue working. In town she would be entirely dependent on Centrelink benefits.

The housing worker who alerted us to this story advised that she knows of at least one other family in the same area living in a tent.



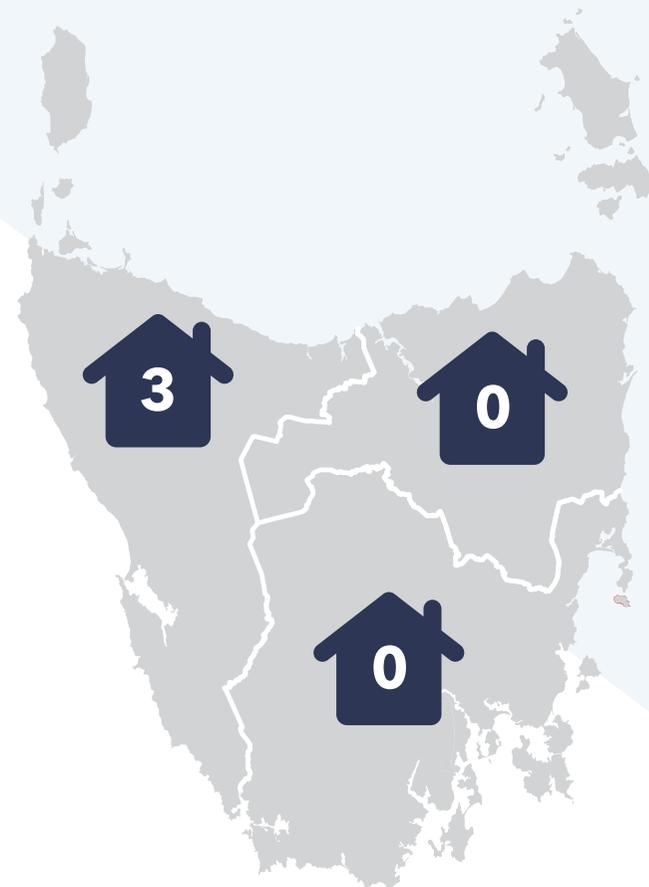


Meet Anthony

- Age 50
- Single
- Lives in Launceston
- Receives Disability Support Pension



Total affordable and appropriate properties statewide



Too complex for rentals

Anthony has lifelong, complex disability. If he does not follow a careful routine and take care of his health, his condition can deteriorate significantly. He requires complete control over environmental allergens, which is difficult in rented property and would be impossible in a sharehouse. Since he is immune-compromised, Covid-19 presents a real danger.

Rental properties which meet Anthony's requirements are rare at the best of times. His landlord will not permit him to install safety rails in the bathroom and he has already had a fall, resulting in a broken bone. He is paying \$340 a week, which is approximately 60% of his income.

He is receiving some financial help from his family, but cannot afford social activities and is suffering loneliness and isolation.

He needs to stay close to his medical specialists, physiotherapy options, and a pharmacy that can handle his complex, non-PBS medications. Anthony would like a cheaper and more accessible rental property, but what he really needs is public or social housing that can be customised for him. He is on the public housing waiting list as a priority case, but he could be waiting more than 12 months in an unsafe environment.



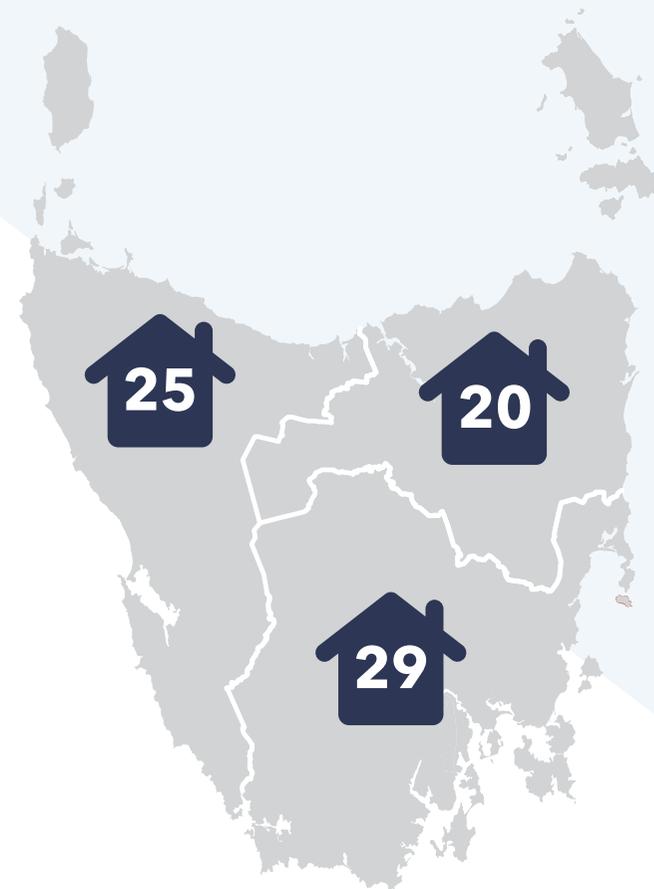


Meet Ethan

- Age 18
- Single
- Lives in Hobart
- Works 7 days a week



Total affordable and appropriate properties statewide



Jobs on the line

Ethan left home at 16 due to family problems and is currently living in youth transitional accommodation, after a period of rough sleeping. Despite dealing with a difficult background, he has shown extraordinary resilience and initiative and is currently working two jobs, seven days a week. He says that working has 'gotten my mind out of everything that I've gone through'.

Between his wages and his Centrelink benefits, Ethan can afford to pay \$240 per week rent. This puts him in a much better position than

many young people, but is dependent on him being able to get enough shifts and maintain a heavy workload. If he becomes homeless again after his period in transitional housing expires, it is unlikely he will be able to maintain his employment.

There are 23 properties in Greater Hobart that Ethan can currently afford, all but one sharehouses. He will need to find one close to his workplaces, but he has previously been rejected when applying for properties due to a lack of rental history.



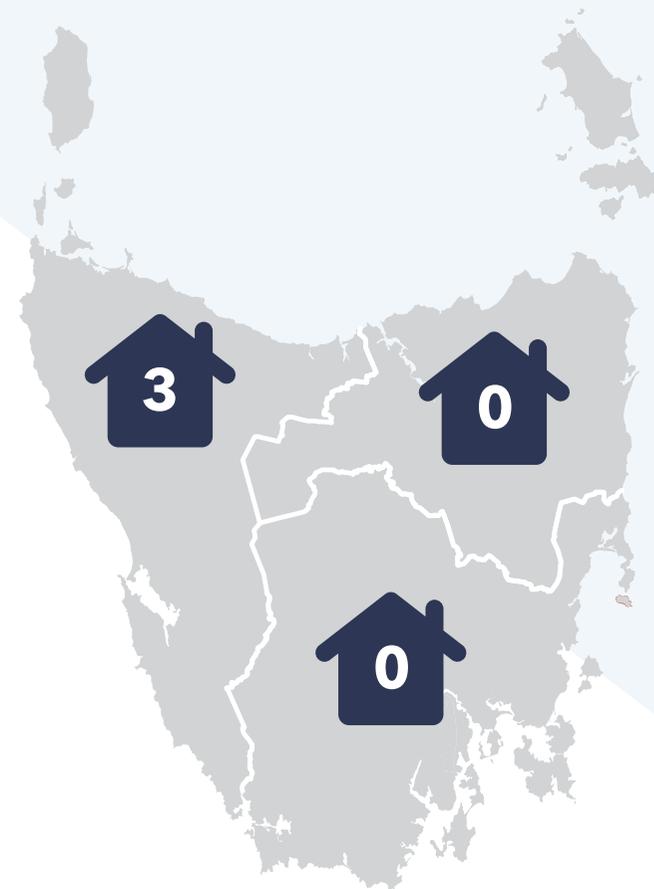


Meet Patricia

- Age 70
- Single
- Lives in Hobart suburbs
- On the Age Pension



Total affordable and appropriate properties statewide



Needs security in old age

Patricia has survived cancer, but she faces lingering health problems and is starting to need help around the house. She currently lives in private rental, but is scared that any day she might have the property sold out from under her, as has happened to her previously. She has been on the public housing waiting list for 4 years.

Patricia raised her children as a stay-at-home mum, and later had casual employment. Although her job provided a decent income at the time, it offered no superannuation,

which has left her entirely dependent on the Age Pension. This is a common situation for women of her age who are widowed or divorced.

A person on the Age Pension would find 24 affordable properties advertised for rent, nearly all of them sharehouses. It is unlikely an older person in declining health would find a sharehouse that can offer a suitable lifestyle for them. Patricia needs the security of a home she can live in for as long as her health allows.



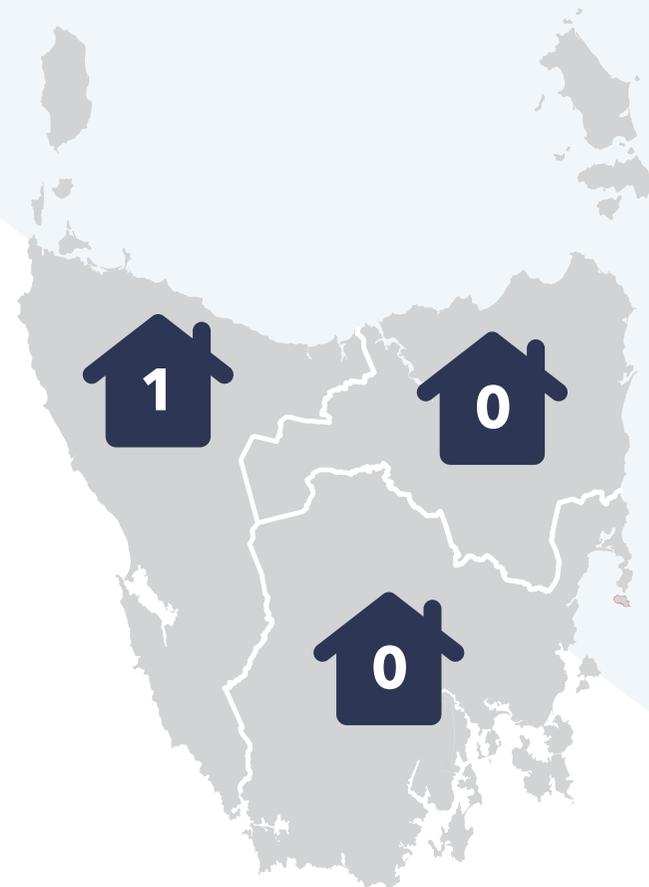


Meet Scott, Lauren, and their boys

- Scott, 40s, and Lauren, 30s
- 3 sons—Noah, 16, Oliver, 14 and Lucas, 12
- Live in Devonport
- Centrelink benefits



Total affordable and appropriate properties statewide



Home ownership is out of their reach

Scott and Lauren hate renting, but they know they'll never save enough money for a deposit, no matter how generous the grants and subsidies for first home buyers. They have always been careful with money, and were feeling proud when they managed \$2000 in savings, but that was eaten up with their last move. Some weeks they have trouble putting food on the table for their three hungry teenagers. Scott cannot work due to his medical conditions and Lauren is his carer.

Their rental history has featured violent neighbours, difficult landlords, severe maintenance and structural issues, mould, asbestos, and cramped living quarters. Currently they pay \$315 a week in rent, which is more than they can afford and is causing financial hardship.

If they were to lose their current property, they would find only two 4-bedroom properties advertised in the Devonport area, and seven 3-bedrooms. The cheapest is \$310, and most are over \$350. The scarcity of homes for larger families is a perennial problem in the Tasmanian rental market.



Discussion

Housing affordability is one of the biggest concerns faced by Tasmania today, and for low-income people in private rental it is perhaps *the* biggest worry in their lives. The State Government recognises these concerns and is acting toward addressing them. Most recently it announced a \$1.5 billion, 10-year housing package, with funding for 6,500 new builds in public housing.² This is good news for the future, but it will be some time before these properties become available and it does nothing for people who are currently searching for affordable housing. We can't say we've addressed housing affordability until all Tasmanians have the option of secure housing that they can afford, in a location that which enables them to hold down a job, keep attending the same school and access the services that they need.

Tasmania has the least affordable rental market in the country, due to our booming property prices and low average income.³ Government efforts have done little to change the intractable problem of low supply of private rentals. It may be time to consider systemic measures, such as ensuring that broader government policy and legislation does not hinder progress toward ensuring housing security for all Tasmanians.

This should be considered in the development of the Government's new Tasmanian Housing Strategy due for release in October 2022.

There are a few things that we know will improve the welfare of Tasmanians living in private rentals. They are: addressing the outflow of rental properties into short-stay and student accommodation; ending unfair discrimination by landlords against tenants they view as less desirable; and increasing income available to people reliant on Centrelink benefits.

In 2020 Tasmania saw the short-term impacts of travel restrictions on the rental market. The number of properties recorded in the Rental Affordability Snapshot increased by 23%, with a rise of 74% in the South. This interrupted a persistent downward trend in the figures and can largely be attributed to the return of short-stay tourist and international student accommodation to the domestic long-term rental market. There are estimated to be 335 stand-alone properties used for short-stay accommodation in the City of Hobart alone.⁴ The resulting market impact requires Government intervention to ensure the supply of affordable long-term rentals can meet basic housing needs.

² [https://www.premier.tas.gov.au/site_resources_2015/additional_releases/over \\$1.5 billion investment to provide more housing than ever before](https://www.premier.tas.gov.au/site_resources_2015/additional_releases/over_$1.5_billion_investment_to_provide_more_housing_than_ever_before)

³ <https://www.sgsep.com.au/projects/rental-affordability-index>

⁴ <https://www.hobartcity.com.au/Council/News-publications-and-announcements/Latest-news/consider-short-stay>

Competition for scarce properties requires people to present themselves to landlords as desirable tenants. Discrimination on the basis of age, race, religion, gender, sexuality, parenthood and disability is already against the law, but other forms of discrimination still apply. Many—perhaps most—advertisements state that pets are not permitted, and both the Tasmanian Tenants' Union⁵ and the RSPCA⁶ have called for changes to make it easier for pet owners to find private rental, as has occurred in Victoria and the ACT. It is also common to find a requirement that tenants must be employed. Although this may be an attempt to ensure that the tenant can afford the rent, it may also be simple prejudice against people on Centrelink benefits.

Finally, another lesson we took from the response to the Covid-19 pandemic was that the Federal Government's Coronavirus Supplement, a payment of \$550 per fortnight to selected Centrelink recipients, made a dramatic difference to the lives of many people.⁷ Unless we want to house every person dependent on Centrelink in public and social housing, we need to ensure they have sufficient income to pay a market rent. This could be done either by raising the rate of Centrelink payments, especially Jobseeker, as has been recommended by ACOSS,⁸ the McClure Review of Australia's welfare system⁹ and the Business Council of Australia,¹⁰ or by linking Commonwealth Rent Assistance payments to current market conditions.

5 <http://tutas.org.au/state-election-asks-2021/>

6 Jan Davis, Mercury Talking Point, 12/04/22, 'Rental crisis calls for better laws'

7 <https://goodshep.org.au/publications/social-security-and-time-use-during-covid-19/>

8 <https://raisetherate.org.au/>

9 <https://www.dss.gov.au/review-of-australias-welfare-system>

10 https://www.bca.com.au/increase_welcome_but_system_reform_necessary



Recommendations

State Government

Anglicare Tasmania recommends that the State Government:

- 1** Set targets for affordable rental housing that are guided by a commitment to ensuring all Tasmanians have secure housing they can afford with reasonable access to services, education, and employment

- 2** Continue to increase social housing to meet its affordable rental housing target

- 3** Review and reform the Residential Tenancy Act to ensure:
 - a) tenants are not evicted into homelessness
 - b) prospective tenants are not discriminated against on the basis of parenthood, unemployment or pet ownership

- 4** Review policy settings to ensure that they are likely to increase or have a neutral impact on the supply of affordable rental housing

Federal Government

Anglicare Tasmania recommends that the Federal Government:

- 1** Raise the rate of Centrelink benefits, especially Jobseeker Payment

- 2** Raise the rate of Commonwealth Rent Assistance to reflect current rental prices

- 3** Increase the supply of affordable and social housing, building on programs such as the National Rental Affordability Scheme

- 4** Review policy settings, including negative gearing and other taxation and investment incentives, to ensure they increase or have a neutral impact on the supply of affordable housing.



FAQ

What sort of properties are counted?

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

Where are properties advertised?

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

What does 'affordable' mean?

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

What does 'appropriate' mean?

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

Why are sharehouses counted separately for people on Youth Allowance?

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

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

In response to Tasmania's tight rental market, sharehouses have become increasingly common (9% of all listings in 2022). It is true, however, that many sharehouses are designed and set up for students. Others ask for specific genders, ethnicities or religions. Other requirements observed during RAS include non-smoking, vegetarian, animal lover, and marijuana-friendly. In general we have included all sharehouses unless they ask for only one gender.



