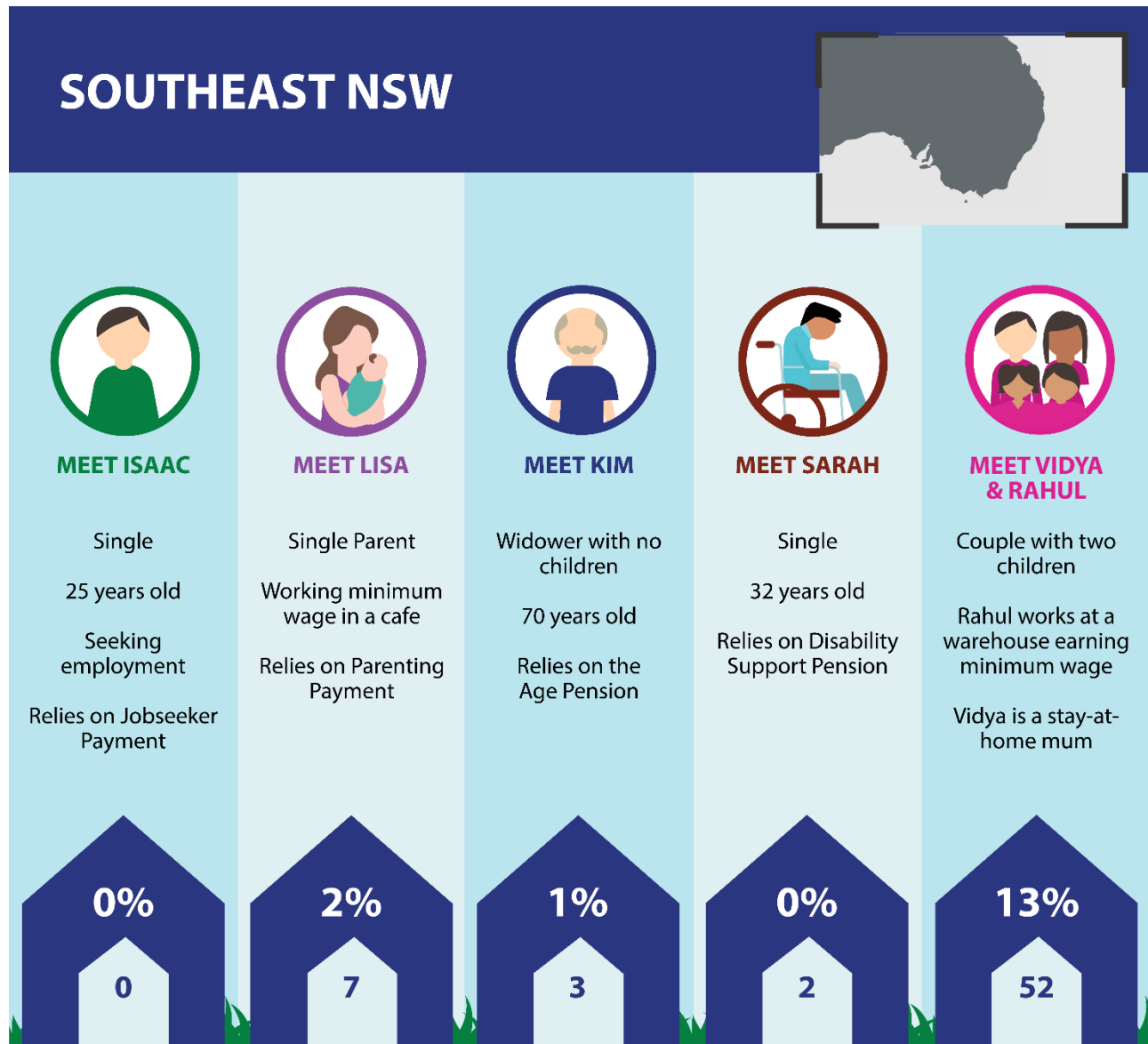


Rental Affordability Snapshot 2020

Anglicare NSW South, NSW West & ACT

Affordability in Southeast New South Wales – the Capital Region

Figure 1: Rental affordability in Southeast NSW for selected household types, by number and percentage



Our footprint in housing and crisis support

Anglicare NSW South, NSW West & ACT supports people on low incomes living in rural communities, regional hubs and coastal towns ranging from the south coast to the western plains and the national capital. The people whom we serve, and many of the communities in which they live, are subject to socioeconomic shifts, drought and demographic changes. Across our catchment area are many small rural and regional communities where support services are very limited.

Housing costs in many parts of regional NSW are one of the greatest stressors on family budgets. Anglicare seeks to address this by providing crucial support for people at risk of homelessness through offering access to emergency housing, homelessness support and food relief, as well as case management support. We provide financial counselling and support to people in financial stress, many as a consequence of issues such as unemployment, health problems including mental illness, disability, and family violence. Anglicare strives to provide additional wraparound support to help people move beyond day-to-day survival towards long-term independence and sustainable living.

Anglicare NSW South, NSW West & ACT supports low income households in the Southeast NSW in a variety of ways:

- Housing services and homelessness support in the South Coast, Goulburn and Yass regions
- Emergency relief assistance
- Youth and family support services
- Disability support services
- Out-of-Home Care programs and related support services
- Cassie's Place and Cassie's Nest, specialised trauma counselling services for children

The Capital Region is located in the south–east of the state from the southern tablelands, east around the Australian Capital Territory, to the Victorian border in the far south coast. The region has close links to the ACT and incorporates the Snowy Mountains, Hilltops and the Far South Coast. Major town centres include Bega, Cooma, Goulburn, Queanbeyan and Young.

This year's Snapshot

Each year Anglicare surveys the private rental market to see if people on low incomes can afford to rent a home without putting themselves in financial stress and hardship. We do this by taking a Snapshot of properties listed for rent on realestate.com.au and gumtree.com.au on one weekend each year. We test whether each property is affordable and appropriate for 14 types of households on low incomes. We determine a suitable rental to be one which cost less than 30 percent of a household's income, a commonly used benchmark for affordabilityⁱⁱ; and one that has

an appropriate number of bedrooms. We are unable to assess appropriateness for particular mobility needs and the quality of the rental property.

This Snapshot covers the Capital Region in New South Wales excluded Queanbeyan¹. Please note that data for Queanbeyan has been included in our Rental Affordability Snapshot for the ACT and Queanbeyan.

Over the last months many families have been affected by severe drought conditions and the unprecedented bushfires of last summer. At current they are all experiencing the effects of the measures put in place across our nation to limit the spread of COVID-19 – including record job losses and redundancies.

This year's Snapshot contains two sets of findings: it shows the number of affordable and appropriate homes for rent for people on low income on the weekend of 21 March 2020. It then uses the same rental property listings to provide an analysis of what would change to affordability for low income households in Capital Region if the temporary Coronavirus Supplement increases to some government income payments, coming into effect at the end of April 2020, were made permanent.

On 20 March 2020 the Newstart Allowance, the main income support payment for recipients aged between 22 years to Age Pension qualification age who have capacity to work, changed name to the JobSeeker Payment. We use the term Jobseeker Payment throughout this report.

Who can afford a home in the private rental market?

On the Snapshot weekend of 21 March Anglicare found 411 private rentals advertised in the Capital Region. 172 rentals (42 per cent) are affordable and appropriate for at least one household type on Minimum Wage, whilst only 25 rentals (six per cent) are affordable and appropriate for at least one household type on income support payment. The table below shows how many properties were affordable and appropriate for our assessed 14 household types.

Table 1: Rental Affordability in the Capital Region excluded Queanbeyan, analysed by household type and percentage

¹ LGAs within our catchment area include Eurobodalla, Bega Valley, Bombala, Goulburn Mulwaree, Harden, Bathurst Regional,

#	Household Type	Payment Type	Number Affordable & Appropriate	Percentage Affordable & Appropriate
1	Couple, two children (one aged less than 5, one aged less than 10)	Jobseeker Payment (formerly Newstart) (both adults)	5	1.2%
2	Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	1	0.2%
3	Couple, no children	Age Pension	20	4.9%
4	Single, one child (aged less than 5)	Parenting Payment Single	7	1.7%
5	Single, one child (aged over 8)	Jobseeker Payment (formerly Newstart)	0	0.0%
6	Single	Age Pension	3	0.7%
7	Single aged over 21	Disability Support Pension	2	0.5%
8	Single	Jobseeker Payment (formerly Newstart)	0	0.0%
9	Single aged over 18	Youth Allowance	0	0.0%
10	Single in share house	Youth Allowance	0	0.0%
11	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A (both adults)	159	38.7%
12	Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	28	6.8%
13	Single	Minimum Wage	13	3.2%
14	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting payment (partnered) + FTB A & B	52	12.7%
Total No of Properties			410	

As with previous years' Rental Affordability Snapshots, it is near impossible for people on income support payments to find an affordable and appropriate private rental in the region. For an organisation that works hard to support families to stay together and assist highly marginalised and at-risk young people stay connected to school, society and the workforce, our findings continue to be dire reading.

A single mum or dad with one child on Jobseeker Payment (formerly Newstart) can afford to pay \$151 in weekly rent before entering into financial stress. For this family there are zero affordable and appropriate rental homes across the whole of Capital Region on the Snapshot weekend. Further, only five properties – or just about one percent of listings – are affordable and appropriate for a family with two children and both parents on the Jobseeker Payment. The condition of the rental property, location, and proximity to essential services of the lower priced options vary.

We see a lot of clients who thought their rental property was affordable – also confirmed by their real estate agent – but then it turns out that it is really not affordable in the broad sense. People cannot afford the living costs, e.g. utilities such as electricity and phone, food on the table and transport. You need to look at the total affordability, otherwise people run into debt very quickly.

Angie White, Case Manager Eurobodalla Homelessness Support Service (EHSS) in Moruya

For the Snapshot weekend, not a single property – not even a room in a share house – was affordable for a young person on Jobseeker or Youth Allowance. This has been the case for as long as Anglicare NSW South, NSW West and ACT has been running the Snapshot. Paying anything more than \$90 and \$72 in weekly rent respectively, would cause these young people financial hardship. The cheapest rent on the Snapshot weekend were two small units in Cootamundra and one in Goulbourn for \$150 each.

There's additional challenges for young people on Newstart. With no rental history there's just no way they are going to get a rental property with the current market.

Angie White, Case Manager Eurobodalla Homelessness Support Service (EHSS) in Moruya

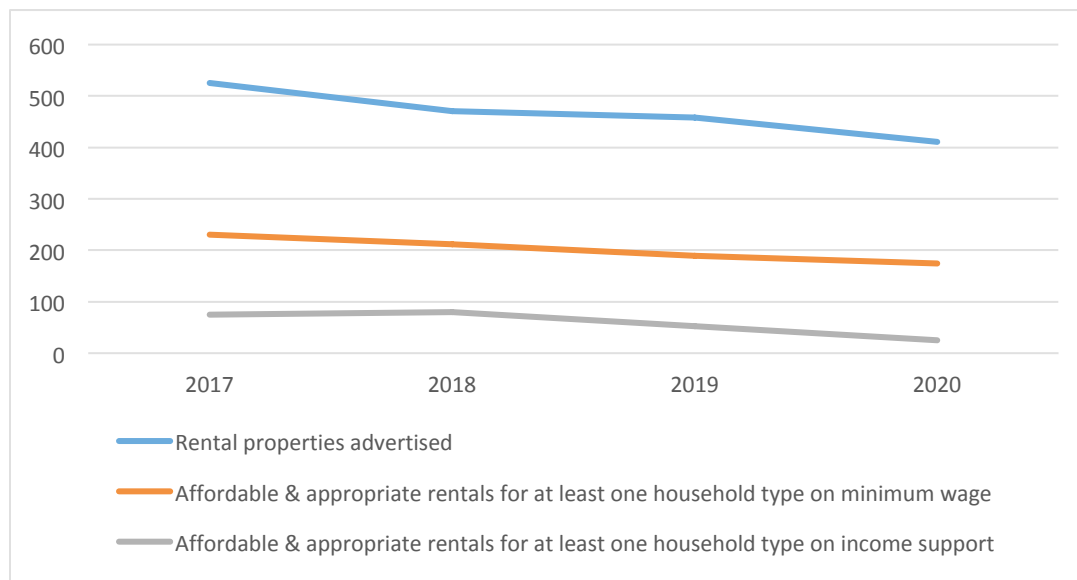
There are limited options for single person working for Minimum Wage – 13 listings or three per cent of all properties. 'Best off' is a family where both parents receive Minimum Wage and Family Tax Benefit A with 39 per cent of all rentals affordable and appropriate to them on the Snapshot weekend.

It is worth noticing that affordability and appropriateness would be influenced by the housing stock available in the region. The vast majority of housing in the Capital Region is in the form of separate houses with three, four or more bedrooms. However, average household size has been declining, families are no longer the dominant household type in the region and couple only and lone person households are forecast to be the fastest growing household types in the region. While 54.8 per cent of households in the Capital Region are lone person or couple, only 1.6 per cent of dwelling stock is studio or one bedroomⁱⁱⁱ.

A crisis for many

While the Snapshot every year gives a single set of data on one particular date, it is possible to look across the years of Snapshots and discern a pattern. Our data shows a gradual decline in the availability of affordable and suitable houses for people on low income.

Figure 2: Number of private (affordable and appropriate) rentals on our Snapshot weekend in the Capital Region over the last four years



This is bad news for the region’s low income households (close to 44 per cent of all households^{iv}) as many of them are renting.

The number of low income households in the region increased by 5.9 per cent between the 2011 and 2016 Census, in line with population growth (5.8 per cent) over the same time frame. The region experienced an increase of 9.3 per cent in the number of low income rental households between 2011 and 2016^v. This number has likely increased since the last Census.

Although rent and purchase affordability varies significantly within the Capital Region and in some locations by season, the numbers of affordable rental homes across the region has been declining. Very low and low income rental households in housing stress increased by 10.3 per cent between the 2011 and 2016 Census. Despite the growth in low income rental households, the rental market was not meeting people’s need. The region had a decline of 70 per cent in the number of new bonds lodged that were affordable to low income households between 2006 and 2017^{vi}.

The devastating bushfire season last summer would certainly have increased housing stress across communities and increased the need for affordable homes. The experience by our housing and homelessness support service in Eurobodalla is that the lower end of the housing market has passed capacity and campgrounds are being used to house people for extended period of times.

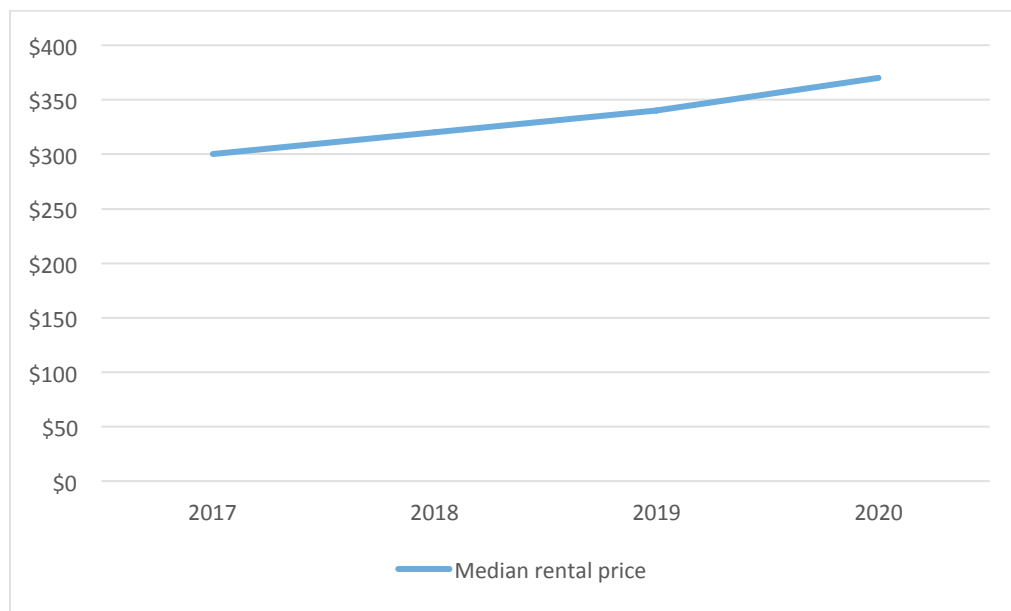
At the coast, we saw that the bushfires could cause people being evicted and then landlords letting out for increased rent. People are still living in tents in these areas.

Toni Reay, Regional manager of housing and social services, Goulburn

Over the last decade, rental price growth in the region has been strong and the vacancy rate shows strong seasonal variation with periods of undersupply. In addition, there is evidence that short term rentals are impacting on lower income households and the supply of longer term private rental housing in parts of the region^{vii}.

The rent increase in the region is also evident when comparing this year’s Snapshot data to previous years. The rent increase keeps pushing people into financial hardship, particularly for people on income support payments which have not kept pace with the cost of living.

Figure 3: Median rental price in the Capital Region over the last four years on our Snapshot weekend



It is obvious that the rental market in Capital Region is not meeting the needs of people on the lowest incomes. There is a large and growing gap between what households can afford to pay for housing and the rent price of housing in the region. As social housing is so scarce and waitlists are long, people are left to the mercy of a rental market which is forcing them into severe hardship.

There is and has been a housing crisis as a whole for a long time. As an example – at our homelessness shelter in Goulburn we had 663 clients through our doors last year, but we only get funding to see 258 people. And we are only four staff. We provide the best support possible, but it feels like we’re only band-aiding for a failed housing market. It’s not a good feeling.

Toni Reay, Regional manager of housing and social services, Goulburn

What if Coronavirus Supplement increases were permanent?

This year's Rental Affordability Snapshot was taken just days before the Australian Government announced a temporary, six months increase to some government income payments, in response to the Coronavirus pandemic. This 'Coronavirus Supplement' of an additional \$550 per fortnight will be paid to all new and existing recipients of the Jobseeker payment (formerly Newstart), Youth Allowance, and Parenting Payments from 27 April 2020^{viii}, in addition to their normal payments.

These temporary increases allowed us to pose a hypothesis: what would the change in rental affordability be for households on income support, if the increase in payments via the Coronavirus Supplement was made permanent?

Table 2: Rental affordability in Capital Region excluded Queanbeyan, by household type and percentage with Coronavirus Supplement increases calculated as permanent increases to household incomes

#	Household Type	Payment Type	Number Affordable & Appropriate	Percentage Affordable & Appropriate
1	Couple, two children (one aged less than 5, one aged less than 10)	Jobseeker Payment (both adults)	91	22%
2	Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	22	5%
3	Couple, no children	Age Pension	27	7%
4	Single, one child (aged less than 5)	Parenting Payment Single	32	8%
5	Single, one child (aged over 8)	Jobseeker Payment (formerly Newstart)	17	4%
6	Single	Age Pension	3	1%
7	Single aged over 21	Disability Support Pension	2	0%
8	Single	Jobseeker Payment (formerly Newstart)	5	1%
9	Single aged over 18	Youth Allowance	3	1%
10	Single in share house	Youth Allowance	3	1%
11	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A (both adults)	159	39%

#	Household Type	Payment Type	Number Affordable & Appropriate	Percentage Affordable & Appropriate
12	Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	28	7%
13	Single	Minimum Wage	13	3%
14	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting payment (partnered) + FTB A & B	106	26%
Total No of Properties		410		

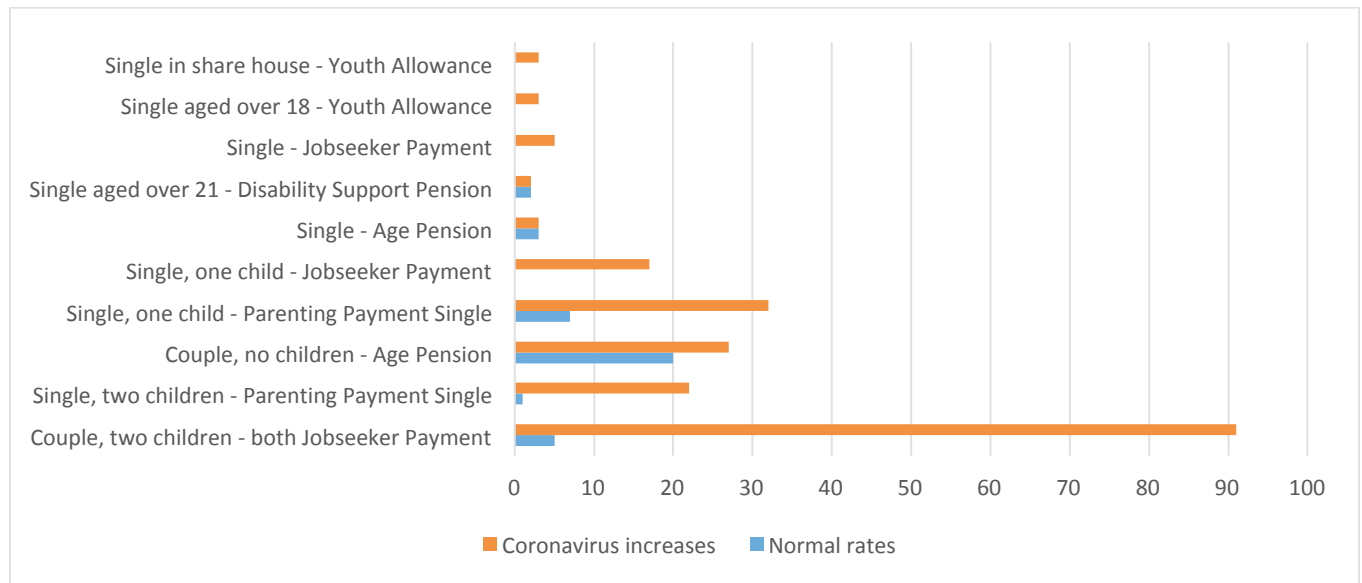
The new additional payments provide needed relief for several low income households - in particular families with children. 172 rentals (42 per cent) would still be affordable and appropriate for at least one household on Minimum Wage, whilst 122 rentals (30 per cent) would now be affordable and appropriate for at least one household on income support payment – as opposed to six per cent.

Whilst a single mum or dad with one child on Jobseeker Payment (formerly Newstart) could find zero affordable and appropriate rental homes across the Capital Region on the Snapshot weekend, they can find 17 such rentals after the Coronavirus Supplement increase. That is however, still only four per cent of all listings. Further, now 91 properties – or 22 percent of listings – are affordable and appropriate for a family with two children and both parents on the Jobseeker Payment compared to five listings or only one per cent of rentals.

This substantial increase might not mean much in terms of housing affordability for very low income families in the region, but it would still mean a long awaited improvement for children in regional and rural NSW. Of all age groups, children are the cohort most likely to be living in poverty. More than 1 in 6 children in NSW live below the poverty line^{ix}.

NCOSS has found that single parent households have the highest poverty rates, both in Sydney and the rest of NSW. More than a quarter of single parent households are in significant economic disadvantage, experiencing rates of poverty across NSW of 27 per cent on average^x. A permanent increase for single parents would be important to improving the wellbeing and participation of Aboriginal families, as Aboriginal children are much more likely to live with only one parent^{xi}.

Figure 4: The number of affordable and suitable homes in the Capital Region for people on income support payments before and after the Coronavirus Supplement increases



Making the Coronavirus Supplement permanent would also improve the high rates of poverty amongst unemployed people and young people living alone. However, it would do little in terms of housing affordability on the rental market. A single person on Jobseeker Payment could afford a weekly rent of \$173 as opposed to \$90, but this would still leave only five properties affordable and appropriate across the region.

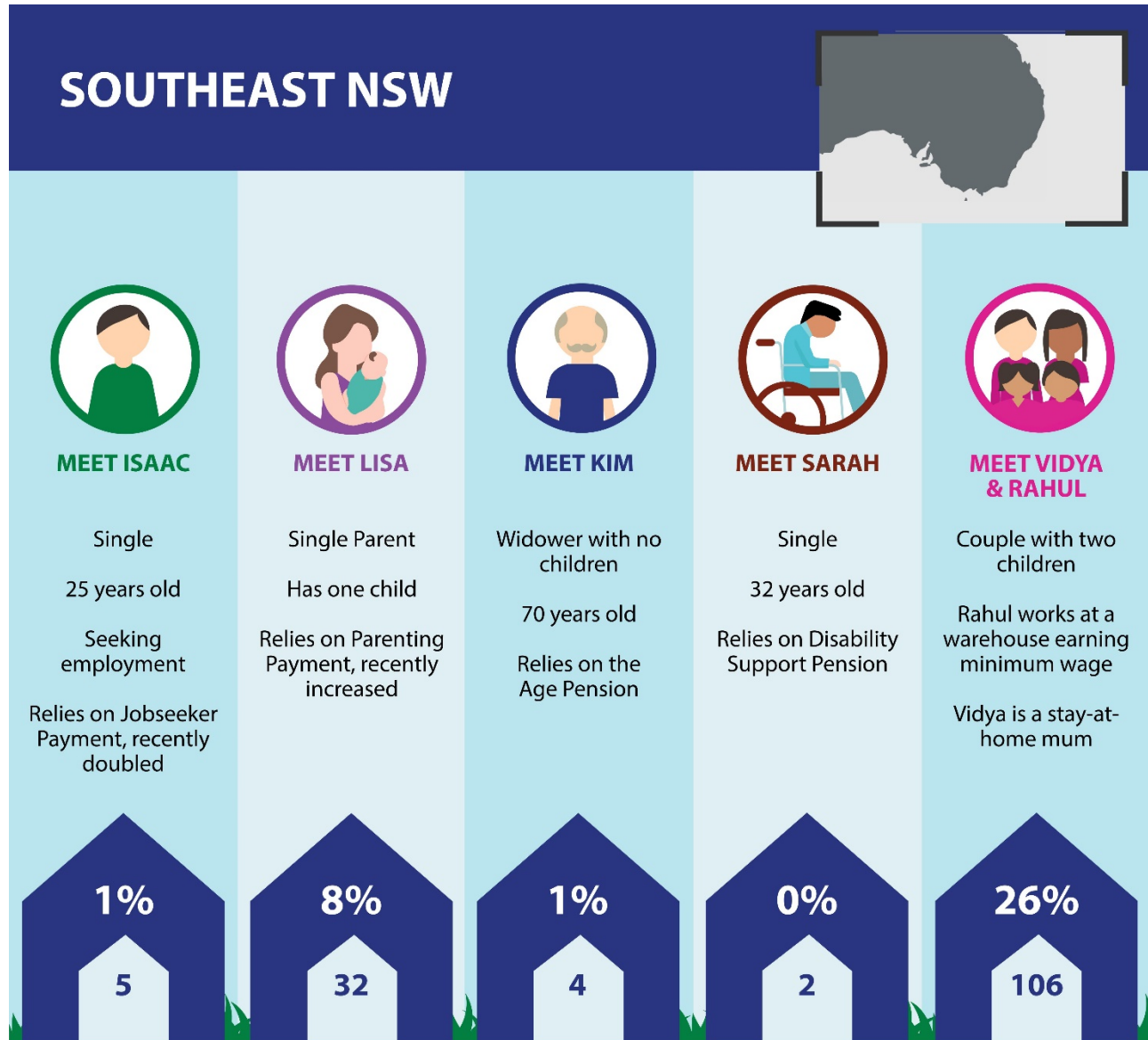
The Coronavirus Supplement is going to make a real difference for some, as they can get ahead of payments in errands. But for a few the extra money needs to be accompanied by budgeting skills and wrap around support.

Angie White, Case Manager Eurobodalla Homelessness Support Service (EHSS) in Moruya

The fact that the rental affordability rise is not bigger for a single person on Jobseeker Payment – or Youth Allowance – just shows how low these original allowances are when such big raises don’t significantly improve the lot of many households.

Further, the new calculations show that single people on Age Pension and Disability Support Pension are left behind. The affordability for these two household types are now at the same level as a single person on Youth Allowance. This is disturbing considering the special needs of older people and people with a disability. 21 per cent of people with a disability lives in poverty compared to nearly 11 per cent of people without a disability^{xii}. Research has found that, to provide the same standard of living as households without disability, families receiving the disability support pension would need \$183 more per week on average^{xiii}. Currently a person on Disability Support Pension receives \$919.30 per fortnight.

Figure 5: Rental affordability in Western NSW for selected household types after the Coronavirus Supplement increases, by number and percentage



There is little doubt that the Coronavirus Supplement is real money in people’s pockets that will help ease expenses and let them do things they often defer such as paying essential bills, buying enough food and allowing the kids to attend school events or birthday parties. But in terms of stark affordability improvements, single people see little major improvement. The results show that the private rental market, without major adjustment, just does not provide sufficient affordable and appropriate homes for people on low income. Our households are still ultimately

competing against each other for the limited pool of affordable – and appropriate – rentals available in the market. As the population in Capital Region is ageing and the proportion of lone person households is increasing, the competition will be particularly felt for older residents and people who live alone as the region’s current housing stock is not matching their needs.

Not only do we help with finding accommodation but also by providing sustainable tenancies, helping people pay utilities bills, rent etc. There are serious issues with co-morbidities such as severe trauma, drug and alcohol and mental health issues – and for sure compounded by the lack of employment. Homelessness services are in a unique situation to help people with complex issues, but unfortunately we don’t have the resources to do so. These challenges are becoming extra evident under the current health crisis.

Toni Reay, Regional manager of housing and social services, Goulburn

What should be done?

Together with the national Anglicare Australia Network, Anglicare NSW South, NSW West and ACT keeps advocating for significant changes to our nation’s policies, so that all Australians can afford a home and not be forced into poverty. This year’s Snapshot for the Southeast NSW shows us that we still have a long way to go to improve housing and living affordability for vulnerable people in our society. All level of governments, businesses and not-for profits need to work together to change this dire trajectory.

More affordable homes and social housing

As growing numbers of households find themselves locked out of home ownership and face difficulties securing affordable housing, Australia badly needs housing reform.

We need the NSW Government to invest in affordable homes and social housing across NSW that meet people’s needs. An increasing number of low income households are pushed in to severe hardship with the current rental prices, and we need to provide them with better cheaper alternatives. Australia’s affordable housing shortfall is massive. The Everybody’s Home campaign has shown NSW needs 316,700 new social and affordable rental homes by 2036 to meet the current shortfall and keep up with population growth^{xiv}.

Australia, including the NSW, will suffer a protracted economic downturn as a result of this pandemic. The Federal Government has written to State and Territory governments, seeking projects as part of its economic stimulus package under the COVID-19 pandemic and asking for infrastructure to be prioritised. The current health crisis has shown us more than ever the

importance of a home. No one should be without a home or be squeezed out of the market when there are no real alternatives – particularly not during a health emergency. Investing in affordable homes – including social housing – would be the most powerful way to tackle the rental crisis and boost our economy.

Investment in housing as the critical social infrastructure it is, must be a top inter-governmental priority over the coming three-five years. Projects that invest in housing as social infrastructure provide an excellent “double-sided impact platform” – meeting a critical economic need to stimulate economic recovery, whilst helping to meet critical unmet social need amongst the most vulnerable in our society.

The NSW Government needs to provide incentives for non-government investors to increase the supply of affordable housing that meet the needs of diverse tenant groups, e.g. older people needing to downsize or suddenly finding themselves single, persons with a disability, single parents with children or young person moving out of state care. Affordable and appropriate housing must be within reach of much needed services and transport links to the community as well as employment opportunities.

Better protection for renters

We also need better protection for renters. As such we welcome the six-month support package announced by the NSW Government for residential tenants and landlords facing financial stress including an interim moratorium on evictions.

However, the NSW Government needs to ensure that rent is waived, as simply deferring rent will create a future debt risk for many. Indeed, Anglicare believes there will be a significant cohort of the population who will simply not be able to repay a three to six months rental debt and that would see more Australians falling into homelessness.

There needs to be joint efforts between local governments, real-estate agents, landlords and support services to make sure that rentals are made available to those who really need it, such as single people with a disability and families of Aboriginal and Torres Strait Islander background.

Further, the likely severity of the recession will also increase the need for a safety net from the public and social sector.

A decent safety net

We need permanent welfare increases for people out of work. This will be a long awaited measure to addressing poverty in Australia and child poverty in particular. The Federal Government must ensure that payments accurately reflect not only housing cost, but also living expenses – for all vulnerable cohorts that need them.

The Coronavirus Supplement has shown that increases to only some vulnerable groups would leave others behind in the rental market. We need to support people to keep a roof over their heads and buy essential supplies – in a time of crisis as well as in ongoing hardship. People will be recovering from this current downturn for years. If the Coronavirus Supplement is removed in six months – and if those who are most vulnerable continue to be left out, such as people with a disability – people will be pushed even deeper into poverty and homelessness.

A better safety net also means the existence of community infrastructure that can support people who find themselves in crisis, whether it is due to natural disasters or unfortunate life circumstances.

Anglicare NSW South, NSW West and ACT is a provider of services for young people in statutory care in Bega, Goulburn and Moruya and witness daily the struggle young people experience when leaving care into independence. Many young people leaving out-of-home care are dealing with complex personal, legal and family issues and the severe financial strain of unaffordable housing compounds their stress and isolation. Statistics show that 35 percent of care leavers experience homelessness in the first year after leaving care^{xv}. A combination of better wraparound support, extended care options, affordable housing and increased financial resources is needed to prevent the additional trauma of homelessness for our most vulnerable young people.

Conclusion

Our Rental Affordability Snapshot once again shows that the Southeast NSW private rental market is not meeting the needs of people on the lowest incomes. We need urgent action from the Federal and State Government to address the region's lack of social housing, and to ensure people have enough money to have a home, and live a decent life.

To see the results across the nation, go to the Anglicare Australia's national report on www.anglicare-ras.com

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ⁱ <https://www.agriculture.gov.au/abares/research-topics/aboutmyregion/nsw-capital> and

ⁱⁱ Yates, J (2007), Housing affordability and financial stress, National Research Venture 3: Housing affordability for lower income Australians, Australian Housing and Urban Research Institute.

ⁱⁱⁱ Families and Community Services NSW (17 Feb 2020 version), [Housing Market Snapshot - South and East Tablelands](#)

^{iv} Ibid.

^v Ibid.

^{vi} Ibid.

^{vii} Ibid.

^{viii} The full list of government income payments temporarily increased via the Coronavirus Supplement is found here - <https://www.dss.gov.au/about-the-department/coronavirus-covid-19-information-and-support#cor>

^{ix} Vidyattama, Y., Tanton, R., and NSW Council of Social Service (NCOSS) (2019), [Mapping Significant Economic Disadvantage in New South Wales](#), NATSEM, Institute for Governance and Policy Analysis (IGPA), University of Canberra. Report commissioned by NCOSS.

^x Ibid.

^{xi} NSW Government Department of Aboriginal Affairs, 2019, 'Community portrait: New South Wales. A portrait of the Aboriginal community of New South Wales, compared with Australia, from the 2016 and earlier Censuses.

^{xii} Ibid.

^{xiii} Li, J., La. H.N., Brown, L., Miranti, R., & Vidyattama, Y., 2019. 'Inequalities In Standards of Living: Evidence for Improved Income Support for People with Disability', NATSEM, Institute for Governance and Policy Analysis (IGPA), University of Canberra. Report commissioned by the Australia Federation of Disability Organisations.

^{xiv} <https://everybodyshome.com.au/nsw-rental-stress-is-real/>

^{xv} <http://thehomestretch.org.au/learnmore/>