

2018 Rental Affordability Snapshot: Adelaide Region

Prepared for AnglicareSA by Ian Goodwin-Smith, Australian Centre for Community Services Research, April 2018

Introduction

The AnglicareSA Rental Affordability Snapshot was undertaken in conjunction with the Australian Centre for Community Services Research at Flinders University. The snapshot surveyed rental properties available in the Adelaide area on Saturday 24 March 2018. The survey used rental listings on realestate.com.au.

Properties were assessed for affordability and appropriateness for a number of different household types and incomes. This survey defined an affordable rental as one which took up less than 30% of the household's income. The 30% benchmark is commonly used as an indicator of 'housing stress' among low income households.

We assessed how many properties would be affordable for each of the household types listed in the findings section of this report. The only income sources taken into account were the household's main income support payment or minimum wage and Family Tax Benefit. Other allowances the household might receive (e.g. Mobility Allowance, electricity supplements) were not included. Commonwealth rent assistance was included as income for the purpose of calculations.

Data were disaggregated to separate listings of appropriate and affordable properties. Appropriateness for properties was assessed on the basis of the number of the bedrooms in relation to the number of occupants. For a property to be considered suitable, it was required to be affordable and appropriate.

Findings

On the weekend of 24 March, 3,222 properties were advertised for rent in and around Adelaide. Of these, we found that:

- 123 individual properties were suitable for at least one household type living on income support payments without placing them in housing stress.
- 1261 individual properties were suitable for at least one household type living on minimum wage without placing them in housing stress.

Table 1: Rental Affordability, Adelaide, by household type and percentage

Number and Percentage of Affordable & Appropriate Properties by Household Type								Headline figure					
Household Type	Payment Type	# Affordable	% Affordable	# Appropriate	% Appropriate	# Affordable & Appropriate	% Affordable & Appropriate	Households on income support payment	Household on minimum wage				
1	Couple, two children (one aged less than 5, one aged less than 10)	Newstart Allowance (both adults)	194	6%	1928	60%	62	2%	On the Snapshot day, these are no. of unique properties that are affordable and appropriate for: <table border="1"> <tr> <td>Households on income support payment</td> <td>Household on minimum wage</td> </tr> <tr> <td>123</td> <td>1261</td> </tr> </table>	Households on income support payment	Household on minimum wage	123	1261
Households on income support payment	Household on minimum wage												
123	1261												
2	Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	76	2%	1928	60%	29	1%					
3	Couple, no children	Age Pension	94	3%	3222	100%	94	3%					
4	Single, one child (aged less than 5)	Parenting Payment Single	32	1%	3019	94%	24	1%					
5	Single, one child (aged over 8)	Newstart Allowance	2	0%	3019	94%	2	0%					
6	Single	Age Pension	7	0%	3222	100%	7	0%					
7	Single aged over 21	Disability Support Pension	7	0%	3222	100%	7	0%					
8	Single	Newstart Allowance	0	0%	3222	100%	0	0%					
9	Single aged over 18	Youth Allowance	0	0%	3222	100%	0	0%					
10	Single in share house	Youth Allowance	0	0%	3222	100%	0	0%					
11	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A	2316	72%	1928	60%	1251	39%					
12	Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	701	22%	1928	60%	224	7%					
13	Single	Minimum Wage	22	1%	3222	100%	22	1%					
14	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting payment (partnered) + FTB A&B	1159	36%	1928	60%	447	14%					
Total No of Properties		3222											

Table 1 demonstrates that, on the day of the snapshot, 123 appropriate and affordable houses were available for rent in the aggregate by households on income support payment. This was equivalent to 3.8% of the rental market. 1261 appropriate and affordable houses were available to rent in the aggregate for households on a minimum wage. This was equivalent to 39% of the rental market.

Appropriate and affordable rental accommodation was in extremely short supply for households on income support as a whole category, but the property availability figures were lower than the aggregate figure of 3.8% for each household type analysed. Disaggregating the figures for household type, 2% of properties were available at the time of the snapshot for couples on Newstart allowance with two children, and 3% of properties were available for couples on the Age Pension with no children. 1% of properties were available for a single parent on Parenting Payment with one or two children.

Similarly, disaggregated figures for households on the minimum wage reveal 1% of the rental market being available as affordable and appropriate housing for a single person on the minimum wage at the time of the snapshot.

Figures were more favourable for families with two children receiving the minimum wage (with between 7% and 39% of houses being affordable and appropriate, depending on family category). At the other end of the availability spectrum, 0% of houses (and in three out of six categories, zero actual properties) were affordable and appropriate for single people on the Age Pension, Disability Support Pension, Newstart Allowance or Youth Allowance.

This survey does not take in to account suitability of properties in regards to physical accessibility, nor does it account for suitability of neighbourhood or region.

An additional stressor which is not addressed in this snapshot is that of bond payments. In South Australia, the Residential Tenancies Act 1995 (SA) 61(3) indicates that the bond is calculated according to weekly rent. If the rent amount is lower or equivalent to \$250 per week, the maximum bond is four weeks rent. However, where the weekly rent is greater than \$250, the maximum bond is the equivalent of six weeks rent. For households that require more than 1 bedroom the demands on bond payments may be considerable.

Policy Implications

Over the nine years of the Anglicare Rental Affordability Snapshot, AnglicareSA has shown repeatedly that housing unaffordability is at crisis levels for people living on low incomes across the Adelaide area. Action must be taken with a coordinated, systemic and broad approach to addressing housing affordability.

We call for a national plan for affordable housing, which includes the following key priority areas:

1. Grow the supply of social housing.
2. Policy innovation, such as an aggregated bond scheme.
3. Reform the current tax system to support lower cost housing.
4. Supply a mix of housing that meets the different needs of people.

Conclusion

This snapshot assessed the degree of access to the housing rental market for 14 household types on 24 March 2018, when housing was assessed against criteria for affordability and appropriateness. All disaggregated household types reliant on income support payment had access to less than 3.8% of the rental market, with six household types having access to 0% of the rental market at the time that the snapshot was taken.