

## Snapshot: Anglicare Sydney – Greater Sydney and the Illawarra

### Introduction

Anglicare Sydney's Rental Affordability Snapshot covers Greater Sydney<sup>1</sup> and the Illawarra Region (including Shoalhaven and the Southern Highlands)<sup>2</sup>. The aim of the snapshot is to highlight issues of affordability and appropriateness for people looking for rental accommodation on low incomes.

According to the 2016 Census, there were around 1.7 million households in Sydney (including the Central Coast) and 170,000 in the Illawarra and surrounds – collectively accounting for about two-thirds (68%) of households in NSW. Over a quarter of households in Sydney (29%) and one fifth of households in the Illawarra (20%) were privately renting their home.

In 2016, the median weekly household income in Greater Sydney was \$1,750 per week. This was higher than the median income of households in the Illawarra Statistical Area (\$1,352 per week), and in the Southern Highlands and Shoalhaven Statistical Area (\$1,091 per week). However, some aspects of household expenditure were also higher in Greater Sydney than in the Illawarra and surrounds, including rent and mortgage repayments.

Anglicare Sydney provides a wide range of services to people in Greater Sydney (not including the Central Coast), the Illawarra, Southern Highlands and Shoalhaven areas. Long-term housing security and affordability are major issues for our service users who are living on low incomes.

### Findings

On the Snapshot weekend, **22,911** private rentals were advertised for rent in Greater Sydney and the Illawarra. Private rentals were surveyed from realestate.com.au. While a property could be affordable and appropriate for more than one household type, any individual property can only be rented out by one household type at any time. To this end, we found:

- **48** unique properties that were affordable and appropriate for people living on income support payments without placing them in housing stress. The majority of these properties were located in Greater Sydney (n=35 properties) with the remainder located in the Illawarra Region (n=13).
- **1,628** unique properties that were affordable and appropriate for people living on the minimum wage without placing them in housing stress. Again, the majority of these

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<sup>1</sup> Greater Sydney is here defined as the Sydney Greater Capital City Statistical Area (GCCSA).

<sup>2</sup> The Illawarra Region is here defined as the Illawarra Statistical Area Level 4 (SA4), plus the Southern Highlands and Shoalhaven SA4. The postcodes 2536, 2579 and 2622 were excluded as these are included in the Anglicare NSW South, NSW West and ACT section.

properties were located in Greater Sydney (n=1,439), with the remainder in the Illawarra (n=189).

Among households receiving income support payments, couples on the Aged Pension had the largest number of affordable and appropriate properties available to them across Sydney and the Illawarra (n=41), followed by single people on the Aged Pension (n=7). No suitable properties were found for households living on the Disability Support Pension, Newstart Allowance or Youth Allowance.

Results reveal that some Minimum Wage earners had a greater chance of obtaining housing without being under rental stress. Prospects were best for couple families where both partners earned the Minimum Wage (n=1,563), followed by families with two children where one partner was earning the Minimum Wage and the other partner was receiving the Parenting Payment (n=117) and single persons earning the Minimum Wage (n=65).

Share accommodation is another important source of housing for single persons with low incomes. On the Snapshot weekend a sample of 72 suburbs from the Greater Sydney and Illawarra region was taken from the share accommodation website Flatmates.com.au, in which 3,199 share properties were advertised. It was found that only 56% of these listings were appropriate i.e. did not require sharing a bedroom, were not short-term leases and had no conditions attached e.g. females or students only. Of the appropriate listings, only 1% of share-houses were affordable for single persons on the Aged Pension and no properties were affordable for single people on the Newstart Allowance or Youth Allowance. For single persons earning a Minimum Wage, only 5% of share properties in the sample were affordable.

An indicative search of the online classifieds website Gumtree (gumtree.com.au) for 'Flatshare/Houseshare' listings for the Sydney Region<sup>3</sup> revealed that at face value, there were around 1,500 share-houses that were affordable for single people on the Minimum Wage. In the 'Wollongong' and 'South Coast' regions, there were less than 50 affordable options for single people on the Minimum Wage. No analysis of suitability was conducted on these share-houses. From the sampling analysis of the Flatmates.com.au website, it is likely that a significant proportion of the listings on the Gumtree website would also be inappropriate for the single households in this Snapshot.

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<sup>3</sup> Gumtree regions used

| On the Snapshot weekend, these are the number of unique properties affordable and appropriate for: |                                     |
|--|-------------------------------------|
| Households on income support payments (#1-10)  | Households on minimum wage (#11-14) |
| 48   | 1,628                               |

*Table 1: Rental Affordability, Greater Sydney and the Illawarra, by household type and percentage*

| #                      | Household Type   | Payment Type   | Number Affordable & Appropriate | Percentage Affordable & Appropriate |
|------------------------|--|--|---------------------------------|-------------------------------------|
| 1                      | Couple, two children (one aged less than 5, one aged less than 10) | Newstart Allowance (both adults)                         | 0                               | 0%                                  |
| 2                      | Single, two children (one aged less than 5, one aged less than 10) | Parenting Payment Single                                 | 0                               | 0%                                  |
| 3                      | Couple, no children  | Age Pension  | 41                              | Less than 1%                        |
| 4                      | Single, one child (aged less than 5)                               | Parenting Payment Single                                 | 0                               | 0%                                  |
| 5                      | Single, one child (aged over 8)                                    | Newstart Allowance                                       | 0                               | 0%                                  |
| 6                      | Single   | Age Pension  | 7                               | Less than 1%                        |
| 7                      | Single aged over 21  | Disability Support Pension                               | 0                               | 0%                                  |
| 8                      | Single   | Newstart Allowance                                       | 0                               | 0%                                  |
| 9                      | Single aged over 18  | Youth Allowance  | 0                               | 0%                                  |
| 10                     | Single in share house  | Youth Allowance  | 0                               | 0%                                  |
| 11                     | Couple, two children (one aged less than 5, one aged less than 10) | Minimum Wage + FTB A (both adults)                       | 1,563                           | 7%                                  |
| 12                     | Single, two children (one aged less than 5, one aged less than 10) | Minimum Wage + FTB A & B                                 | 10                              | Less than 1%                        |
| 13                     | Single   | Minimum Wage   | 65                              | Less than 1%                        |
| 14                     | Couple, two children (one aged less than 5, one aged less than 10) | Minimum Wage + Parenting payment (partnered) + FTB A & B | 117                             | 1%                                  |
| Total No of Properties |  | 22,911   |                                 |                                     |

## Discussion

Within Greater Sydney, most affordable and appropriate rental properties for households dependent upon income support payments were in the Outer Ring (n=31), at least 20km from the Sydney CBD. Of the remaining properties, 2 were in the Middle Ring (5-20km from CBD) and 2 were in the Inner Ring (within 5km of the CBD). However, the suitable properties in the Inner and Middle Rings were only affordable and appropriate for households receiving the Aged Pension. Within the Illawarra Region, affordable and appropriate properties were located in the Shoalhaven (n=7) and Illawarra (n=6). This result confirms that rather than being a solution to Sydney's lack of suitable housing, the Illawarra also faces its own critical lack of affordable and appropriate housing.

For household types earning the minimum wage, the vast majority of affordable and appropriate rental properties were in the Outer Ring of Greater Sydney (n=1,341). Within Sydney, 81 suitable properties were identified in the Middle Ring and only 17 in the Inner Ring. A further 189 suitable properties were available in the Illawarra Region. However, disturbingly, there were few suitable properties across Greater Sydney and the Illawarra for a couple with children where only one of the partners was earning the minimum wage (n=117) or for a single parent earning the minimum wage (n=10). This shows that unaffordable rentals and, hence, situations of rental stress are the norm for any household where there is only one, minimum wage income.

Research commissioned by the Everybody's Home Campaign identified western Sydney as the national epicentre of rental stress in Australia. The unprecedented population growth in the region has had a major contribution to both rental stress and a sharp rise in rates of homelessness<sup>4</sup>. While median weekly rental prices across Greater Sydney have fallen over the last year<sup>5</sup>, rents remain high compared with income support payments and wages.

The last two years have shown significant increases in the number of properties listed for rent in the Greater Sydney and the Illawarra Snapshots and also an increase in the number of share houses advertised in online platforms. This has eased the pressure somewhat on Minimum Wage households, with an increase in the percentage of affordable and appropriate properties for them compared with last year (7% instead of 5%). However, this increase in supply has not improved the situation for households reliant on income support payments, for whom less than 1% of listings remain affordable and appropriate. It is extremely difficult for these people to compete for the available properties in the private rental markets in Greater Sydney and the Illawarra.

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<sup>4</sup> Australian Broadcasting Commission (2019) Western Sydney's rental stress is nation's worst, new report warns.  
<https://www.abc.net.au/news/2019-01-08/western-sydney-rental-stress-sparks-call-for-more-social-housing/10696768>

<sup>5</sup> Family and Community Services (FACS) (2019) Rent and Sales Report March 2019.  
<https://public.tableau.com/profile/facs.statistics#1/vizhome/Rentandsales/Rent>

## Policy Implications

The issue of rental affordability facing thousands of Greater Sydney and Illawarra residents requires an urgent and long-term commitment to improve affordability from all levels of government, community and business sectors.

On a national level, housing affordability must be addressed by a Cabinet portfolio and with funding for the re-establishment of an independent housing specialist entity to gather and analyse data on housing supply and demand in Australia. All levels of government need to commit to long-term agreements such as the new National Housing and Homelessness Agreement (NHHA), with strategies and funding commitment for at least five years. Federal and State Governments should review the effect of federal and state taxes and duties (and their respective concessions) on housing rental and home ownership affordability, and modify the tax system accordingly to improve affordability.

Recipients of Newstart and Commonwealth Rent Assistance desperately need increased income support to help prevent them entering rental stress in the Greater Sydney and Illawarra area. The Federal government should immediately increase Newstart by \$75 per week and Commonwealth Rent Assistance by \$40 per fortnight.

All levels of government should agree to a formal five-year plan with numerical targets to increase the supply of social and affordable housing. The level of affordable housing in rezoned developments under the Greater Sydney Commission Plan should be revised from 5-10% to between 15% and 30%.

On a state level, attention must continue to be directed to social housing. With almost 53,000 approved applicants for social housing waiting on the NSW Housing Register, waiting times for general applicants on the register in the Greater Sydney and Illawarra region are either 5-10 years or over 10 years. The NSW Government has released its ten year strategy for social housing in January 2016, *Future Directions for Social Housing in NSW*. Initiatives to increase the supply of social and affordable housing include Communities Plus, which commits to 23,000 new and replacement dwellings over the next ten years, and the Social and Affordable Housing Fund (SAHF). This long-term strategy will generate greater collaboration and partnership between government, community and private sectors.

Anglicare Sydney is partnering with the NSW Government in the second Phase of SAHF to deliver 550 social and affordable dwellings targeted at single older women which is one of the most rapidly growing cohorts facing homelessness.