

| 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) |
| 138 | 1,311 |

Snapshot: Anglicare Sydney – Greater Sydney and the Illawarra

Introduction

Anglicare Sydney's Rental Affordability Snapshot covers Greater Sydney¹ and the Illawarra Region (including Shoalhaven and the Southern Highlands)². 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. The COVID-19 pandemic and economic downturn have provided further difficulties for many vulnerable people in Sydney and the Illawarra. In a survey of Anglicare Sydney's Community Services' clients in 2020, about half of emergency relief clients had difficulty paying bills and affording essentials during the COVID-19 pandemic, and 12% of these clients became homeless as a result of the pandemic³.

Findings

On the Snapshot weekend of 27-28 March 2021, **24,550** private rentals were advertised for rent in Greater Sydney and the Illawarra. Data on private rentals were obtained from realestate.com.au. While a property could be affordable and appropriate for more than one household type, each unique property has only been counted once in the following tables. To this end, we found that in Greater Sydney and the Illawarra:

¹ Greater Sydney is here defined as the Sydney Greater Capital City Statistical Area (GCCSA) plus Lithgow (postcode 2790).

² 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.

Anglicare Sydney has also prepared a report focusing on this region, including the Central Coast of NSW. Central Coast data has been excluded from this summary as it is included in the Samaritans Foundation section. The Anglicare Sydney report and regional data tables can be downloaded at www.anglicare.org.au

³ Andersen, P., Yan, L., King, S., Bellamy, J. and Mollenhauer, J. (2021) Community Services Survey 2020 Consolidated Report, Anglicare Sydney, p53.

- **138** unique properties 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=135 properties) with the remainder located in the Illawarra (n=3) and none in Southern Highlands/Shoalhaven.
- **1,311** unique properties were affordable and appropriate for people living on the minimum wage without placing them in housing stress. Again, the majority of these properties were located in Greater Sydney (n=1,254), with the remainder in the Illawarra (n=38) and the Southern Highlands/Shoalhaven (n=19).

Table 1: Number of Affordable and Appropriate Private Rental Properties in, Greater Sydney and the Illawarra, by household type

| # | 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) | 1 | Less than 1% |
| 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 | 116 | Less than 1% |
| 4 | Single, one child (aged less than 5) | Parenting Payment Single | 0 | 0% |
| 5 | Single, one child (aged over 8) | JobSeeker Payment | 0 | 0% |
| 6 | Single | Age Pension | 26 | Less than 1% |
| 7 | Single aged over 21 | Disability Support Pension | 5 | Less than 1% |
| 8 | Single | JobSeeker Payment | 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) | 1,214 | 5% |
| 12 | Single, two children (one aged less than 5, one aged less than 10) | Minimum Wage + FTB A & B | 25 | Less than 1% |
| 13 | Single | Minimum Wage | 97 | 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 | 135 | 1% |
| Total No. of Properties | | 24,550 | | |

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=116), followed by single people on the Aged Pension (n=26) and Disability Support Pension (n=5). No suitable properties were found for households living on the JobSeeker Payment or Youth Allowance.

Results revealed that minimum wage earners had a greater chance than people on benefits of obtaining housing without being put under rental stress. Prospects were best for couple families where both partners earned the minimum wage (n=1,214), followed by families with two children where one partner was earning the minimum wage and the other partner was receiving the Parenting Payment (n=135).

Share accommodation is another important source of housing for single persons with low incomes. On the Snapshot weekend, an indicative search of share accommodation advertised on the website *Flatmates.com.au* was undertaken for the Sydney region and the Wollongong region⁴. Of the 3,078 share properties advertised in the Sydney region, only 166 were affordable for a single person on the Aged Pension and 519 were affordable for a single person on the minimum wage. In the Wollongong region, 10 out of 93 share houses were affordable for a person on the Aged Pension and 29 were affordable for a person on the minimum wage. No analysis of suitability was conducted on these share-houses. Buckle *et al.* (2020) found that the median rent for share accommodation in Sydney advertised on the Flatmates website in April 2020 was \$275 per week⁵, which is not affordable for any of the single person households in this study.

A similar search of the online classifieds website Gumtree (*gumtree.com.au*) for 'Flatshare/ Houseshare' listings was conducted for the Sydney, Wollongong and South Coast regions⁶. At face value, in the Sydney region there were 569 share houses that were affordable for a single person on the Aged Pension, and 985 affordable for a person on the minimum wage. In the Wollongong and South Coast regions, there were only 20 affordable options for single people on the minimum wage. No analysis of suitability was conducted on these share-houses. From a more detailed analysis of the Flatmates website conducted in 2020⁷, it is likely that a significant proportion of the listings on both Flatmates and Gumtree would be inappropriate for the single households in this Snapshot, for example, sharing a bedroom, or having conditions attached (e.g. females or students only).

⁴ Flatmates regions used

⁵ Buckle, C., Gurrán, N., Phibbs, P., Harris, P., Lea, T. and Shrivastava, R. (2020) Marginal housing during COVID-19, AHURI Final Report No. 348, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/finalreports/348>, p21.

⁶ Gumtree regions used

⁷ Bellamy, J., Andersen, P. and Bijen, G. (2020) Rental Affordability Snapshot 2020: Greater Sydney and the Illawarra. Anglicare Sydney, <https://www.anglicare.org.au/media/6330/2020-rental-affordability-snapshot.pdf>, p21.

Discussion

The findings above show how difficult it is for people in Greater Sydney and the Illawarra regions of NSW living on low incomes to find appropriate and affordable rental accommodation. The situation is particularly difficult for people living on income support payments. Our Snapshot found that there was only one property affordable and appropriate for a couple living on JobSeeker Payments with two children, and no properties affordable and suitable for other households living on JobSeeker Payment, Youth Allowance or Parenting Payment Single.

Within Greater Sydney, most affordable and appropriate rental properties for households dependent upon income support payments were in the Greater Parramatta (n=41), CBD and Surrounds (n=36) and Western (n=33) districts of Sydney. Of the remaining properties, 16 were in the South District and 7 in the North District⁸. Within the Illawarra Region, affordable and appropriate properties were located in the Illawarra (n=3) but not the Southern Highlands/Shoalhaven (n=0). Two rental properties were affordable and appropriate in Lithgow. This result confirms that, rather than being a solution to Sydney's lack of suitable housing, areas outside Sydney such as the Illawarra and Lithgow also face their 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 Greater Parramatta (n=490) and Western Sydney (n=481) districts of Greater Sydney. Within the CBD & Surrounds, 129 suitable properties were identified and 136 in the North and South districts. A further 57 suitable properties were available in the Illawarra Region and 18 in Lithgow. 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=135) or for a single parent earning the minimum wage (n=25). 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.

This year's Snapshot showed an overall 6% increase in the number of properties listed for rent in Greater Sydney and the Illawarra compared with last year. However, there was great variation by region, with a 10% increase in the number of listings in Greater Sydney contrasted with an approximately 50% decrease in rental listings in the Illawarra, Southern Highlands/Shoalhaven and Lithgow regions. This appears to be a result of an increase in supply in the inner metropolitan areas, especially of apartments, due to new dwelling completions and the lack of tourism causing short-term rental properties to be converted to long-term rentals. As well as more rental stock, a shortage of tenants in inner city areas has been caused by tenants terminating their leases in response to unemployment, under-employment or the need to relocate due to the COVID-19 pandemic. At the same time, the prevalence of working from home and lockdowns have increased the demand for larger houses and properties in regional or outer metropolitan areas, where properties may be more affordable than in the inner city⁹. Communities in the South Coast of NSW are still recovering from the bushfires of 2019/20, and many outer metropolitan areas were also recently impacted by floods, which would have placed further stress on the rental markets in these areas.

While median rental prices across Greater Sydney are at a record high of \$550 per week for houses, unit rents have fallen by almost 10% over the last year to \$470 per week. In the Illawarra, house median rents have increased by 4% over the last year and in the Southern Highlands/Shoalhaven

⁸ The five districts of Greater Sydney were those of the Department of Planning, Industry and Environment; however, Western City is here named Western Sydney, Central City is here named Greater Parramatta and Eastern City is here named CBD & Surrounds. <https://www.planning.nsw.gov.au/Plans-for-your-area/A-Metropolis-of-Three-Cities/Greater-Sydney-Districts/Five-districts>

⁹ Pawson, H., Martin, C., Sisson, A., Thompson, S., Fitzpatrick, S. and Marsh, A. (2021) 'COVID-19: Rental housing and homelessness impacts – an initial analysis'; ACOSS/UNSW Poverty and Inequality Partnership Report No. 7, Sydney, pp49-75.

these have increased by 12%¹⁰. Rents in all areas remain high compared with income support payments and wages.

The result of all these changes in rental submarkets is that there were less affordable and appropriate properties for Minimum Wage households with children in March 2021 than in March 2020, with a decrease in the percentage of affordable and appropriate properties for two minimum wage earners with two children (5% instead of 6%). The situation for households reliant on income support payments has not changed significantly, 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 Sydney and the Illawarra.

The Rental Affordability Snapshot this year coincides with the final removal of the Coronavirus Supplement from income support payments, the ending of the JobKeeper program and, in NSW, the end of the temporary rental eviction moratorium and the beginning of the six-month transitional period¹¹. For some tenants, rent deferrals have meant that they have accumulated debts which when they fall due may cause some to be evicted. It is a potentially dangerous time for many low-income households in Sydney and the Illawarra in terms of housing security.

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.

For over a decade, the social services and business sectors have voiced concern over the low rate of payments such as the JobSeeker Payment. The findings from this Snapshot demonstrate that, even with the \$50 per fortnight increase in JobSeeker, Youth Allowance and Parenting Payment which came into effect on 1 April 2021, there were virtually no affordable and appropriate properties for these households in Sydney and the Illawarra in the private rental market. The experience of the Coronavirus Supplement has shown how these households can benefit from income support payments that come closer to meeting current costs of living. There needs to be more substantial permanent increases to the base rates of income support payments such as JobSeeker Payment. This will reduce rental stress and provide more money for life essentials, food security, utility payments, health needs, and children's educational requirements for families reliant on these income supports.

The COVID-19 pandemic and its associated economic downturn have disproportionately affected private renters in Australia, with at least a quarter losing income during the pandemic. Despite this, only a small minority were granted a rent variation from their landlord (between 8 and 16% of renters). Of these variations, 30% deferred the rent rather than reducing it, by an average of \$216 per week. It is estimated that at least 75,000 Australians had rent debts in late 2020¹². Governments need to consider further financial supports to assist with accumulating rental debt for those most financially disadvantaged.

At a national level, the Federal government should immediately increase Commonwealth Rent Assistance and/or reform the eligibility rules so as to improve the targeting of the payment to those

¹⁰ Domain (2021) Domain Rental Report, March 2021. <https://www.domain.com.au/research/rental-report/march-2021/>

¹¹ Department of Fair Trading (2021) Residential tenancy moratorium – transitional measures. NSW Government, <https://www.fairtrading.nsw.gov.au/resource-library/publications/coronavirus-covid-19/property/moratorium>

¹² Pawson, H., Martin, C., Sisson, A., Thompson, S., Fitzpatrick, S. and Marsh, A. (2021) 'COVID-19: Rental housing and homelessness impacts – an initial analysis'; ACOSS/UNSW Poverty and Inequality Partnership Report No. 7, Sydney, pp 77-84

households who need it most¹³. The Government should also defer the expiry of homes under the National Rental Affordability Scheme, due to expire this year¹⁴.

At a state level, attention must continue to be directed to social housing. With over 51,000 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 years¹⁵. In addition, the Snapshot this year has highlighted the need for social and affordable housing in regional and outer metropolitan areas as the private rental market has become tighter in these areas over the past year due to the pandemic and natural disasters.

The NSW Government released its ten-year strategy for social housing in 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.

It is also important to improve security and stability for renters in the private rental market. The NSW Government previously enacted laws that introduce more protections into lease agreements, including limiting the frequency of rent increases¹⁶. However, 'no grounds' evictions should be prohibited, to improve security of tenure for tenants. The temporary moratorium on evictions and other supports in response to the coronavirus pandemic should be used as a guide to more permanent housing policy changes. Better regulation of the boarding and share housing market is also needed to increase rental protections and safety for low-income tenants¹⁷. As Australia emerges from the COVID-19 pandemic and economic protections are removed, it is a critical time for governments, communities and business sectors to work together to ensure the financially disadvantaged in our society have safe and secure housing.

Conclusion

In the Greater Sydney and Illawarra regions of NSW, the lack of affordable and appropriate rental housing for people living on income support payments and the minimum wage continues in the Snapshot this year. The removal of the temporary Coronavirus Supplement for certain households highlights the need for substantial, permanent increases to income support payments, in addition to long-term commitments to improve rental affordability from all levels of government, community and business sectors.

¹³ Ong, R., Pawson, H., Singh, R. and Martin, C. (2020) Demand-side assistance in Australia's rental housing market: exploring reform option, AHURI Final Report No. 342, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/342>

¹⁴ ACOSS (2020) COVID 19 Housing and Homelessness, Briefing, 17 April 2020. Australian Council of Social Service, Sydney.

¹⁵ Department of Communities and Justice (2021) Expected Waiting Times. <https://www.facs.nsw.gov.au/housing/help/applying-assistance/expected-waiting-times>

¹⁶ The Residential Tenancies Amendment (Review) Act 2018. <https://www.legislation.nsw.gov.au/acts/2018-58.pdf>

¹⁷ Buckle, C., Gurrán, N., Phibbs, P., Harris, P., Lea, T. & Shrivastava, R. (2020) Marginal Housing During COVID-19. AHURI Final Report No. 348, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/finalreports/348>