



Snapshot: Central Coast, Hunter, and Great Lakes/Taree Regions

Methodology

Every year the Rental Affordability Snapshot tests if it is possible for people on low incomes to rent a home in the private market. We do this by taking a snapshot of the properties listed for rent on realestate.com.au on one weekend in March or April. We then assess whether each property is affordable and suitable for fourteen types of households on low incomes.

Those households are:

- single people receiving the Disability Support Pension, Youth Allowance, JobSeeker and the Age Pension, or earning minimum wage
- single parents receiving the Parenting Payment or earning the minimum wage
- couples without children on the Age Pension, and
- couples with children on JobSeeker, Parenting Payment, earning the minimum wage, or a combination of these income sources.

To test whether a listing is affordable, we calculate the income for our household types using government data. We use these figures to calculate the maximum affordable rent for each household type, and compare that against listed properties that are suitable for each household type. The Snapshot follows the internationally accepted benchmark that rent needs to be no more than 30 percent of a household budget to be affordable for people on low incomes.

Findings

On the Snapshot weekend of 26 March 2021, 1,393 private rentals were advertised for rent in Newcastle, the Hunter Valley, the Mid North Coast, and surrounds. 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 that:

- 64 (4.6 percent) individual properties were suitable for at least one household type living on income support payments without placing them in housing stress.
- 286 (20.5 percent) individual properties were suitable for at least one household type living on minimum wage without placing them in housing stress.



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)
64	286

Table 1: Rental Affordability, Newcastle, the Hunter Valley, Mid North Coast and surrounds

#	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)	17	1%
2	Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	13	1%
3	Couple, no children	Age Pension	50	4%
4	Single, one child (aged less than 5)	Parenting Payment Single	15	1%
5	Single, one child (aged over 8)	Jobseeker Payment	8	1%
6	Single	Age Pension	24	2%
7	Single aged over 21	Disability Support Pension	13	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)	253	18%
12	Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	21	2%
13	Single	Minimum Wage	44	3%
14	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting payment (partnered) + FTB A & B	34	2%
Total No of Properties		1393		



Discussion

Across the region, as is the case across Australia, renters on low incomes are being left behind and forgotten in the narrative of economic recovery.

Rents are less affordable than ever. Yet as the Snapshot was being taken, the support that had been given to renters at the height of the pandemic was falling away. In NSW, people in hardship had been given the right to defer their rental payments. They were also protected by eviction moratoriums to ensure they weren't punished for deferring payments. These arrangements expired on 26 March 2021, just as the Snapshot was being taken. Some renters have found themselves tens of thousands of dollars in rental arrears. If they can't afford to repay their landlords, they face the very real prospect of eviction. On top of it all, cuts to JobSeeker, Youth Allowance and other payments came into effect at the beginning of April.

Put simply, renters on low incomes are facing the perfect storm. The private rental market continues to fail them, especially if they are out of work. The new rate of JobSeeker, which has been framed as an increase, has had no impact on affordability.

People on income support, especially those who are out of work, have few options. We found no rentals that were affordable for a person on the JobSeeker payment. This includes sharehouses. The shortage of affordable rentals will condemn people to make difficult decisions to keep a roof over their head. Some will be turning to services in the region to make the rent.

Families out of work are also facing a dire situation. An out-of-work couple with two children can afford just seventeen rentals (one percent). Single parents out of work face even tougher odds, with just eight rentals (one percent) affordable. This helps explain why the rate of JobSeeker is such a critical factor in child poverty – one in six children now lives in poverty, with those growing up in households that depend on JobSeeker at much greater risk.ⁱ

This year's results again show how brutal the rental market is for young people. A person on Youth Allowance cannot afford any rentals in the region, including sharehouses. Youth Allowance is the lowest of all government payments, and year after year, we find young people are at the bottom of the affordability ladder.

People with disabilities face unique challenges in this market. Some will find that the rentals listed in this Snapshot don't meet their needs, and for many people, the Disability Support Pension is too low to allow them to rent a home that does. A person on the Disability Support Pension could afford thirteen rentals (one percent) of rentals at the time of the Snapshot.

The most generous of government payments is the Age Pension. Yet for a couple living on the Age Pension, only four percent of rentals were affordable. Single retirees have it even worse, with two percent of listings left to compete for.

Working people are hardly better off. A person working full-time on the minimum wage will find that only three percent of rentals are affordable. Of all of the households featured in this Snapshot, families with two parents in full-time work stand the best chance of finding an affordable home. Even they will find they are locked out of more than eighty percent of rentals we surveyed.

Of course, this Snapshot doesn't tell the whole story. Although we look at the full-time minimum wage, we know that more and more people are working casually. Their plight is likely to be much worse than this Snapshot shows. Nor can the Snapshot consider the competition for each of these properties. In an overheated market, an affordable property can attract dozens of applications.



Policy Implications

Raising the rate of payments for people on the lowest incomes

Across the region, people out of work depend on JobSeeker and other payments to get by. Many are likely to be renting, yet this Snapshot shows that the payment is so low that it's trapping people in poverty and housing stress. Cuts to the payment were being phased in right as this Snapshot was being taken, with all of the additional support provided during the pandemic now falling away. The new rate of JobSeeker, introduced from 31 March 2021, has not made a dent on affordability.

Raising the rate of JobSeeker and related payments above the poverty line will give badly needed relief to the people on the lowest incomes. It will allow them to afford the essentials they need to live their lives, and plan for their futures. Most importantly, it will give more people the benefits of a secure home.

More affordable rental homes for Newcastle, the Hunter Valley and surrounding areas

We are facing a major shortfall of affordable homes. The Australian Housing and Urban Research Institute has shown us that we have a shortfall of 18,000 social and affordable rentals across the Mid North Coast, the Hunter Valley, Newcastle and Lake Macquarie. By 2036, that number is expected to grow to 23,100.ⁱⁱ

With the private rental market failing so many people, we must invest in homes for people those need them most. Ending the affordable housing shortfall would be the most powerful way to tackle the rental crisis – and boost the regional economy. The Federal and State governments must work together end this shortfall.

More support for renters

Commonwealth Rent Assistance is meant to help people on low incomes to afford their rent. But it has failed to keep pace with the cost of renting, which has been skyrocketing.

It means that people on low and middle incomes are paying so much in rent they can't meet basic costs like decent food and medical expenses. And for people on some government income payments, like Youth Allowance and Newstart, it doesn't kick in until their rent is already causing serious financial stress.

We need to reform and increase Commonwealth Rent Assistance so that it works for people struggling to pay the rent. That will give people in housing stress more to spend on food, their health and getting on with life in their local community.

A plan to end homelessness

The number of people experiencing homelessness is growing every year because of the shortage of affordable housing. This lack of access to affordable housing is a major concern for older people, who are being into homelessness at record-high rates – at a time in their lives when they need stability more than ever.

People who are homeless need safe secure homes to help them get back on their feet. Being stuck indefinitely in temporary emergency accommodation is not the answer.

We need a plan to end homelessness that tackles the causes of homelessness, including the lack of affordable housing, poverty, and family violence. We also need funding and support to rehouse people who are homeless, helping them keep a roof over their head.



Conclusion

This year's Rental Affordability Snapshot shows that the private rental market is failing people on low incomes. Some people may have shelter or accommodation, but there is very little on the market that could be a place to call home.

The key to making housing more affordable lies in two factors: making sure everyone has a decent income, and providing enough affordable rentals for the people who need them.

It is clear that we must invest in affordable housing. The shortfall of affordable rentals in the region must be tackled. The sobering results of this Snapshot show that this investment is truly urgent.

We are also calling for an increase to the rate of JobSeeker and other payments. This will help people on the lowest incomes find a secure home.

We also need to give more support to renters, and make a real plan to tackle homelessness.

Nobody should be forced to make impossible sacrifices just to keep a roof over their head. It's time to take real action, and make sure that everyone can have place to call home.

ⁱ Phillips, B. and Narayanan, V. (2021) [Financial Stress and Social Security Settings in Australia](#). Australian National University Centre for Social Research and Methods.

ⁱⁱ Australian Housing and Urban Research Institute (2018) [Social housing as infrastructure: an investment pathway](#). See Appendix 4.