

Rental Affordability Snapshot 2021: Anglicare Victoria – Victorian rental market

Introduction

Anglicare Victoria's 2021 Rental Affordability Snapshot (RAS) was conducted as part of the national Snapshot undertaken by Anglicare Australia. The Snapshot is an annual survey of the affordability of rental properties for people living on low incomes in Victoria. This is the eleventh consecutive snapshot conducted in Victoria.

The aim of the Snapshot is to learn what proportion of advertised rental properties are both affordable and have enough bedrooms to enable individuals and families to avoid overcrowding. The affordability of housing was calculated for individuals and families subsisting on the minimum wage or a Commonwealth income support payment or pension. These individuals and families make up much of Anglicare Victoria's client base within our family support programs, family violence services, alcohol-and-other-drug treatment programs, out-of-home-care services, and other program areas. These are some of our society's most vulnerable people.

Anglicare Victoria provides a range of services for children, youth and families across Victoria. These include:

- Out-of-home care services for children and young people, and post-care support
- Family support services, including: family counselling, case management, and parenting education
- Education programs for children and young people
- Emergency relief and financial counselling services
- Disability support services and respite
- Services for AOD, mental health and problem gambling support.
- Refugee and asylum seeker services
- Mentoring and volunteer programs

The data collection for the Snapshot this year took place on **Saturday 27 March 2021**. Data comprised all rental listings advertised on realestate.com.au on that day.

The Snapshot defines an affordable rental as one that takes up less than 30 percent of a household's income. The 30 percent benchmark is commonly used as an indicator of housing stress among low income households, and is widely accepted nationally and internationally.

Findings

The findings of the 2021 Snapshot highlight that low income earners, particularly those who rely on income support, continue to be excluded from accessing affordable private rental housing. (Table 1).

On the Snapshot weekend, 33,710 private rentals were advertised for rent in Victoria. This marks an increase in the total number of listings of more than 70% compared to the 19,435 listings in the Victorian Snapshot of 2020.

Of these properties advertised as available on 27 March 2021:

- 746 (2% of the total available) were suitable for at least one household type living on income support payments without placing them in housing stress.
- 6,091 individual properties (18% of the total available) 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)
746 (2%)	6091 (18%)

Table 1: Rental Affordability, Victoria, by household type and percentage, 2021

#	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)	53	0.2%
2	Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	20	0.1%
3	Couple, no children	Age Pension	716	2.1%
4	Single, one child (aged less than 5)	Parenting Payment Single	25	0.1%
5	Single, one child (aged over 8)	Newstart Allowance	8	0%
6	Single	Age Pension	93	0.3%
7	Single aged over 21	Disability Support Pension	93	0.3%
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)	5,862	17.4%
12	Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	251	0.7%
13	Single	Minimum Wage	241	0.7%
14	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting payment (partnered) + FTB A & B	1,465	4.3%
Total No of Properties		33,710		

Continuing the trend of previous years, single people (with and without children) on income support or pension continue to be the most disadvantaged group with very few of the properties affordable and appropriate for these groups. The pattern extends to single people on minimum wage, who have access to only 241 (0.7%) rental properties and single parents with two children who have access to only 251 (0.7%) affordable and appropriate properties to rent across Victoria including regional areas.

As seen in Table 2, most types of households are worse off in 2021 compared to last year although there is a marginal increase for singles and couples on Age pension and for singles on disability support pension. Affordability for couples with two children on Newstart allowance has declined this year with a much lower proportion of properties accessible to this group.

Table 2: Change in affordability 2020-2021, Victoria

#	Household Type	Payment Type	% Affordable & Appropriate 2020	% Affordable & Appropriate 2021	Change
1	Couple, two children (one aged less than 5, one aged less than 10)	Newstart Allowance (both adults)	0.4%	0.2%	-0.2%
2	Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	0.2%	0.1%	-0.1%
3	Couple, no children	Age Pension	2.0%	2.1%	0.1%
4	Single, one child (aged less than 5)	Parenting Payment Single	0.2%	0.1%	-0.1%
5	Single, one child (aged over 8)	Newstart Allowance	0%	0%	0%
6	Single	Age Pension	0.2%	0.3%	0.1%
7	Single aged over 21	Disability Support Pension	0.2%	0.3%	0.1%
8	Single	Newstart Allowance	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)	27.6%	17.4%	-10.2%
12	Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	2.6%	0.7%	-1.9%
13	Single	Minimum Wage	0.9%	0.7%	-0.2%
14	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting payment (partnered) + FTB A & B	5.2%	4.3%	-0.9%

Victorian post codes cover 31 Local Government Areas (LGAs) in Metropolitan Melbourne and 48 LGAs in regional Victoria. This year rental listings were available for all 31 Metropolitan LGAs.

There were 1,422 properties listed in regional Victoria and they were spread across 15 LGAs, with the remaining 33 LGAs not listing a rental property as available on the day of the survey. This is a marked departure from Snapshot results from last year, which indicated available rental properties in all 48 regional LGAs.

Metropolitan Melbourne

Data for Metropolitan Melbourne captures listings from 31 LGAs including the Melbourne CBD.

Table 3: Rental Affordability, Victoria, Melbourne Metropolitan LGAs, 2021

#	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 (both adults)	31	0.1%
2	Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	16	0%
3	Couple, no children	Age Pension	600	1.9%
4	Single, one child (aged less than 5)	Parenting Payment Single	16	0%
5	Single, one child (aged over 8)	JobSeeker	6	0%
6	Single	Age Pension	69	0.2%
7	Single aged over 21	Disability Support Pension	69	0.2%
8	Single	JobSeeker	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)	5137	15.9%
12	Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	148	0.5%
13	Single	Minimum Wage	194	0.6%
14	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting payment (partnered) + FTB A&B	1169	3.6%
Total No of Properties			32,288	

The number of listings in Metro LGAs almost doubled from that of 2020. In **metropolitan Melbourne** at total of 32,288 rental properties were listed. Of this:

- 614 individual properties (**1.9%** of the total available) were suitable for at least one household type living on income support payments without placing them in housing stress. This is an increase in affordability for this cohort of approximately twenty times compared to

2020 Snapshot data, nonetheless the rental market remains overwhelming unaffordable for people on income support payments.

- 5,323 individual properties (**16.5%** of the total available) were suitable for at least one household type living on minimum wage without placing them in housing stress.

The increased availability of rental properties did not result in more than a trivial increase in affordability. Reflecting the same trend of previous years, households and singles on income support continue to be locked out of the market in Metropolitan Melbourne. There is a similar pattern for singles on the minimum wage. Singles on the minimum wage, and families where only one partner is earning the minimum wage will struggle to find appropriate and affordable private rental accommodation.

Regional Victoria

The number of vacant rental properties in regional Victoria underwent a dramatic decrease, with less than half available compared to the 2020 Snapshot. Data for regional Victoria captures large regional hubs such as Greater Geelong, Ballarat, Gippsland, Bendigo, Mildura, as well as smaller rural/coastal locations. In total, Victoria has 48 regional and rural LGAs. This year, only 15 of the 48 regional LGAs had properties available for rental on the snapshot day. On Snapshot day in 2020, rental properties were available in all 48.

In **regional Victoria** a total of 1,422 rental properties were listed. Of these:

- 132 individual properties (**9.3%** of the total available) were suitable for at least one household type living on income support payments without placing them in housing stress.
- 768 individual properties (**54%** of the total available) were suitable for at least one household type living on minimum wage without placing them in housing stress.

Table 4: Rental Affordability, Victoria, regional LGAs

#	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 (both adults)	22	1.5%
2	Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	4	0.3%
3	Couple, no children	Age Pension	116	8.2%
4	Single, one child (aged less than 5)	Parenting Payment Single	9	0.6%
5	Single, one child (aged over 8)	JobSeeker	2	0.1%
6	Single	Age Pension	24	1.7%

7	Single aged over 21	Disability Support Pension	24	1.7%
8	Single	JobSeeker	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)	725	51.0%
12	Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	103	7.2%
13	Single	Minimum Wage	47	3.3%
14	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting payment (partnered) + FTB A&B	296	20.8%
Total No of Properties			1,422	

In regional Victoria affordable rental properties continue to be out of reach for most households on income support. Singles on income support fared the worst with between 0.1% and 1.7% of properties categorised as both affordable and appropriate (depending on income support payment type). Couples on the Age Pension had the highest access with 8.2% of listed rentals classified as affordable and appropriate.

Aside from the *proportion* of available properties which are affordable in regional areas being low, this year the marked decrease in *total listings* has resulted in a situation whereby very few affordable and appropriate houses are available for most households on income support.

Households on minimum wage fared better than households on income support. Families where both partners were on the minimum wage had the greatest access to suitable housing with 51% (725 properties) of the listed properties considered affordable and appropriate, though the decrease in total listings in regional areas means that fewer properties were available to rent compared to the 1,898 properties available to this household type in 2020.

Most affordable LGAs in Metropolitan Melbourne

Table 5 provides the ranking of most affordable LGAs in Metropolitan Melbourne for households that rely on income support or pensions. The proportion of suitable listings was calculated based on the unique number of properties that were affordable and appropriate for individuals or families on income support.

The rate of affordability remains very low as in previous years, and highlights that people on income support overwhelmingly do not have access to appropriate and affordable properties anywhere within the boundaries of Metropolitan Melbourne.

In 2021, overall affordability has come down from 2020, with a lower proportion of houses affordable in the top ten LGAs.

Table 5: Most affordable LGAs for households on income support in Metropolitan Melbourne

LGA	Proportion of unique, advertised properties affordable to at least one income group receiving minimum wage	Corresponding number of available properties
Frankston	6.4	17
Monash	5.3	90
Banyule	3.6	25
Mornington Peninsula	3.3	4
Greater Dandenong	2.9	19
Boroondara	2.7	60
Brimbank	2.2	43
Hume	2.2	9
Whitehorse	2.1	16
Maribyrnong	2.1	19

For people on income support, Frankston continues to be the most affordable; Monash has improved in affordability with an increased proportion of houses affordable (2.8% in 2020 to 5.3% in 2021).

Table 6 provides a ranking of the most affordable LGAs in Metropolitan Melbourne for households where the primary source of income is the minimum wage.

Table 6: Most affordable LGAs for households on minimum wage in Metropolitan Melbourne

LGA	Proportion of unique, advertised properties affordable to at least one income group receiving minimum wage	Corresponding number of available properties
Melton	90.6	983
Cardinia	75.3	143
Whittlesea	69.7	624
Casey	64.7	284
Brimbank	57.5	1103
Hume	56.9	236
Wyndham	47.3	26
Greater Dandenong	34.1	225
Knox	33.3	70
Hobsons Bay	33.0	177

For people on minimum wage, Melton and Cardinia continue to be the most affordable LGAs. Affordability shows a marginal increase in most of the top ten LGAs compared to 2020.

Most affordable LGAs in regional Victoria

Tables 7 and 8 provide a list of the most affordable LGAs in regional, rural and coastal LGAs for households on income support and on minimum wage. This year, regional Victoria listed a very low number of properties, less than half, compared to 2020. Only 15 of the 48 regional LGAs figured in these listings. Within these LGAs, a very low number of unique properties were identified as affordable to singles and families receiving income support or the minimum wage.

Table 7: Most affordable LGAs for households on income support in regional Victoria

LGA	Proportion of unique, advertised properties affordable to at least one income group receiving minimum wage	Corresponding number of available properties
Wodonga	46.3	25
Gannawarra	25.0	2
Latrobe	20.7	24
Mildura	16.4	12
Campaspe	13.3	6
Baw Baw	11.5	11
Greater Geelong	7.4	30
Ballarat	5.5	15
Greater Bendigo	4.0	6
Bass Coast	3.4	1

It is noteworthy that 9 of 10 most affordable LGAs for households on income support and minimum wage from the 2020 Snapshot did not figure in this year's list of top ten. Latrobe was the exception in both groups. For households on income support Latrobe has advanced to position 3 from 9, but with a reduced proportion of properties being affordable (31.3% of properties in 2020 to 20.7% in 2021). For households on minimum wage Latrobe retains position 8 with a reduced proportion of properties affordable (78.1% of properties in 2020 to 54.3% in 2021).

Table 8: Most affordable LGAs for households on minimum wage in regional Victoria

LGA	Proportion of unique, advertised properties affordable to at least one income group receiving minimum wage	Corresponding number of available properties
South Gippsland	87.5	7
Gannawarra	75.0	6
Macedon Ranges	74.7	109
Ballarat	72.1	196
Mildura	65.8	48
Baw Baw	61.5	59
Campaspe	55.6	25
Latrobe	54.3	63
Bass Coast	51.7	15
Mount Alexander	46.7	7

Discussion

Anglicare Victoria has been involved in the Rental Affordability Snapshots since 2011. This year, our 11th consecutive snapshot, presents a picture of the rental market that points to the continued disadvantage faced by certain household types who have very limited access to affordable and suitable homes.

The very low, and almost negligible proportion of housing available to households on income support and on minimum wage is clear indicator of their continuing housing stress.

Metro to Regional exodus?

The snapshot this year presents a different picture to the previous snapshots in the number of listings in Metro and regional areas. The overall number of listings has increased considerably in Victoria, with 33,710 properties listed. This accounts for 44.4% of the national listings on the snapshot day. (For a comparison, Victoria accounted for only 27.8% of the national listings in the 2020 snapshot).

Interestingly, the increase in listings is confined to the Metro LGAs, with a dramatic increase of almost 3-fold in the Melbourne CBD area. In regional areas, the number of available properties has decreased by more than 50% from last year's. (Fig: 1 gives a 3-year comparison). This is almost certainly attributable to the extended COVID-19 lockdown in the Melbourne Metro areas during July-October 2020 that forced people to avoid the CBD for work, and which appears to have resulted in many people re-locating to regional locations which were subject to more relaxed restrictions on movement, gatherings and commerce. An additional factor which likely increased the number of vacant rental properties in Metropolitan Melbourne (particularly the CBD) is the lack of international students residing in Melbourne due to COVID-19-related travel restrictions. However, this is likely a minor factor, as it would have impacted other Australian capital cities equally (especially Sydney), and yet these cities did not see anywhere near as dramatic a rise in vacant rental properties as Melbourne has.

Fig: 1 Total rental listings for Victoria - 2019-2021 snapshots

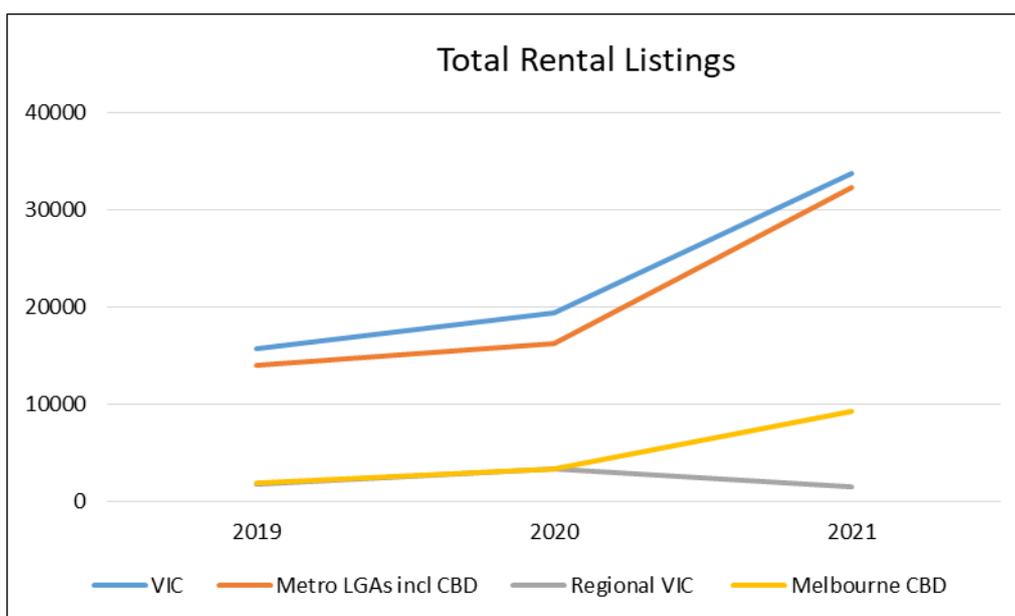


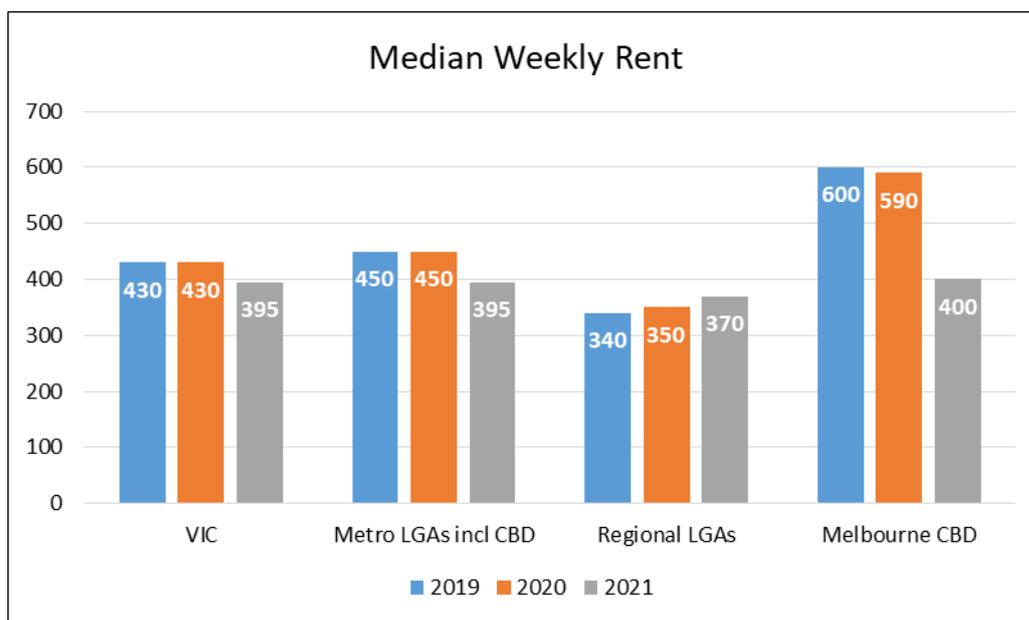
Table 9: Total number of rental property listings on snapshot day

Year	2019	2020	2021
VIC	15750	19435	33710
Metro LGAs including CBD	14026	16172	32288
Regional VIC	1724	3263	1422
Melbourne CBD	1799	3320	9261

Changes to Metro-Regional affordability

Historically, regional areas of Victoria had a markedly lower median weekly rent than metro areas, and so were more affordable to low income households as evidenced in the snapshots of previous years. The results of the 2021 snapshot - as highlighted in Figure 2 - indicate that this difference in median weekly rent between metro and regional areas has narrowed significantly, owing to a large decrease in median rent within metro areas, and a moderate increase in regional areas. Along with the substantial decrease in total vacancies within regional areas, low-income families within regional cities and towns will now have to contend with a more expensive rental market that has markedly fewer properties available. It is too early to tell whether this situation will continue into subsequent years following the COVID-19 pandemic, or if the regional-metro differences observable in previous years will return mostly, or partially.

Fig: 2 Median weekly rent for Victoria - 2019-2021 snapshots



Affordable housing for women and children who have experienced family violence

Housing stress continues to be a problem for people and families on low incomes in Victoria, both in Metro and regional areas. Anglicare Victoria is particularly concerned some of the more vulnerable people within this cohort – women and children who have experienced family violence.

The unaffordability of appropriate housing for single parents on Jobseeker and Parenting Payments would imply that a considerable number of women with children who are leaving family violence situations are likely to experience significant housing stress. Single parents with children whose primary source of income is the Parenting or Jobseeker Payments have affordable access to **less than 0.1%** of the rental properties across Metropolitan Melbourne and **0.6%** in regional Victoria.

This raises serious concerns about the safety of women and children who have experienced family violence, in that economic dependence (which encompasses rental affordability) is a well-established reason that women remain in violent relationships.

Policy Implications

1. Increase the rate of JobSeeker payments and youth allowance to prevent homelessness.

In the post-pandemic context, until the economy builds up to pre-pandemic levels, an ever increasing number of Australians will be reliant on JobSeeker payments. In 2021, the cuts to JobSeeker payments will push more Australians into poverty and housing stress. Increasing the payments would improve affordable access to the rental market for households dependent on income support as evidenced in the 2020 snapshot where the Coronavirus supplements were shown to have a big impact on housing affordability. Measures of housing affordability, such as this study, should inform Government decision-making about the rates of these payments and pensions so that vulnerable people are not trapped in rental stress and other aspects of poverty.

2. Greater government investment in targeted social and public housing.

Given that individuals and families on low incomes have traditionally been locked out of the private rental market, such a sharp decline in listed properties raises serious concerns. As such, all levels of government need to consider alternative and creative solutions to the housing affordability crisis **for all segments of society**, not just first home buyers. A huge increase in investment in public housing, and other mechanisms to drive the availability of affordable housing to low income groups (e.g. via social impact bonds) is desperately needed.

3. Ongoing work to ensure that parents and children leaving family violence have access to dedicated, safe and affordable housing.

We call upon Governments to build and make available more public housing and other affordable housing options for those people in our community who experience significant psychosocial problems and cannot afford or sustain access to appropriate housing. As data from our previous snapshots shows, an increase in payments is highly likely to address youth homelessness and provide a safe home for survivors of domestic violence.

Conclusion

In summary, the 11th annual Rental Affordability Snapshot for Victoria highlights the continuing, critical shortage of affordable housing options for low income earners, particularly those who rely on income support. These groups continue to be excluded from accessing affordable housing within the private rental market, and overwhelmingly, they have no other accessible housing options. Families where both partners are earning the minimum wage are slightly better off, but in general are locked out of large portions of the private rental market as well.

This year, the Melbourne CBD and Metro LGAs have an increased number of properties available. This has not translated to affordability, as a major portion of the market remains out of reach for most low income households. The proportion of properties which are affordable has increased only marginally for most low income household types in the Metro areas, and has either remained the same or decreased in regional areas and for the whole of Victoria.

Compounding this dynamic is the fact that, in regional areas that historically had higher affordability rates compared to the Metro market, the number of available properties is now much lower following the COVID-19 lockdown of 2020 and resultant exodus of many people from Metro to regional areas.

Accordingly, across Victoria, but with an increased severity in regional areas, low income earners in Victoria continue to be faced with a range of unacceptable choices, including paying more than they can afford and/or living in demonstrably inappropriate housing for their needs.