

# Rental Affordability Snapshot 2021

Western Australia  
Anglicare WA



# Rental Affordability Snapshot 2021

In 2021, Anglicare WA is more concerned than ever about thousands of Western Australian tenants facing increased rental stress, eviction and homelessness over the coming months. Affordability and availability are significant issues, on a scale not seen since the mining boom a decade ago.

Anglicare WA conducts the Rental Affordability Snapshot each year to develop a better understanding of how our rental market is changing and the implications for Western Australians living 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 Parenting Payment or earning 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.

This year's Snapshot captured the number of affordable and suitable homes available for rent for people on low income on the weekend of 27-28 March 2021. It found 3,695 private rentals in the Perth Metro area, South West and Great Southern, and the North West - roughly **half the number of available private rentals in last year's Snapshot**. A property was considered affordable if it required less than 30% of a household's income, and was considered appropriate if it had an adequate number of bedrooms.

The Snapshot was taken just days before the end of the WA Government's 12-month moratoria on rent increases and evictions as part of its COVID-19 economic response. Ordinary tenancy laws now apply again, with the State Government confirming there are no plans to extend the moratoria.

Over the last year the rental market has significantly tightened with vacancy rates of less than 1% and price rises for new tenancies. The end of the moratoria has released pent up market demand that analysts expect will see prices increase by at least 20% and increase the incentives for property

owners to raise rents or evict and re-let to new tenants. New rentals are likely to be significantly more expensive or impossible to find.

Compounding this situation is the concurrent reduced incomes for many households, with the end of both the Federal Government's Coronavirus Supplement (for those on JobSeeker and related payments) and the JobKeeper wage subsidy program in March 2021. At the peak of this temporary support in 2020, affordability increased significantly for those eligible for payments. This reduction in income support is a significant factor in lack of affordability.

In all, we expect the gap between incomes and housing costs to grow for some of WA's most vulnerable households and for a new cohort of households as rental affordability decreases.

## Highlights

- ♦ There are half as many private rentals available statewide compared to the 2020 Snapshot. The South West has only 30% of last year's number of properties.
- ♦ Almost complete lack of affordable options for all low-income households, particularly those that rely on Government benefits. The North West remains completely unaffordable.
- ♦ Since last year's Snapshot, median rents have increased:
  - 16% in the Perth Metro area from \$370 to \$430;
  - 12% in the South West and Great Southern from \$330 to \$370; and
  - 17% in the North West incl Kimberley & Pilbara from \$470 to \$550.
- ♦ Last year's Coronavirus Supplement increased affordability for many, but without it they are now priced out of the rental market. People are paying too much in rent, going without essentials like food or medicine, or living in various forms of homelessness like sleeping rough, couch surfing or overcrowding.

## Perth Metro

### Omar, JobSeeker Payment

There was 1 property (<0.5%) in Perth that he can afford. Couples on JobSeeker could afford 16 properties.



### Carol and Lynn, Age Pension

They can afford 2% of listed properties.



### Claudia, Parenting Payment

She can afford 12 (<0.5%) of listed properties.



### Grace, Minimum Wage

She can afford 2% of listed properties. Down from 11% last year.



## South West & Great Southern

### Kim, Disability Support Pension

They can afford 2 (1%) of the listed properties.



## North West (including Kimberley & Pilbara)

### Lisa and Ben, Minimum Wage & Parenting Payment

They can afford 3% of the listed properties.



## Omar

### Single, JobSeeker Payment

Omar lost his job in the COVID downturn. A year on he remains in unstable employment, surviving between JobSeeker and casual 'gig' work. Omar had cut back expenditure to the bare minimum, including foregoing health costs, and used the Coronavirus Supplement to clear debts as best he could.

Omar has still not recovered financially, and his rent is increasing 20% just as the permanent JobSeeker rate is set in place, well below the poverty line. Each fortnight, Omar has just enough money for one week, and will rely on emergency food help for the second week.



*"The price hikes themselves are ridiculous - there needs to be some sort of control on them".*

As a single person on JobSeeker, Omar can afford to pay \$100 maximum per week in rent.

**There was just 1 room (<0.5%) in a share house, in the whole of Perth, that was affordable for Omar.**

By comparison, when the full Coronavirus Supplement for JobSeeker was in place Omar could at least afford 1% (51) of available properties as a single person. For couples on JobSeeker, the loss of the Coronavirus Supplement made a significant difference. If the Supplement was still in place, 30% of properties would be affordable. Without it, almost 0% (16 out of 3,228 available properties) were affordable this year.

0%

Perth Metro  
properties are  
affordable

## Claudia

Single parent with one child, Parenting Payment

Claudia and her young daughter have been living with her mum since her relationship ended. It's been well over a year and the situation is crowded and tense.

Claudia is looking for a permanent job and affordable childcare. She would like to reduce stress by having a place of her own, but would struggle to pay for food, clothes and baby items.



*"Give me a chance...  
It's unfair for single parents  
with children who also  
deserve a home".*

0%

Perth Metro  
properties are  
affordable

Claudia can afford \$200 per week for rent on Parenting Payment.

**12 properties out of 3,228, less than 0.5% in the Perth Metro area are affordable and appropriate for Claudia and her daughter.**

She would have to pay 64% of her weekly income to afford the median rental of \$430 a week.

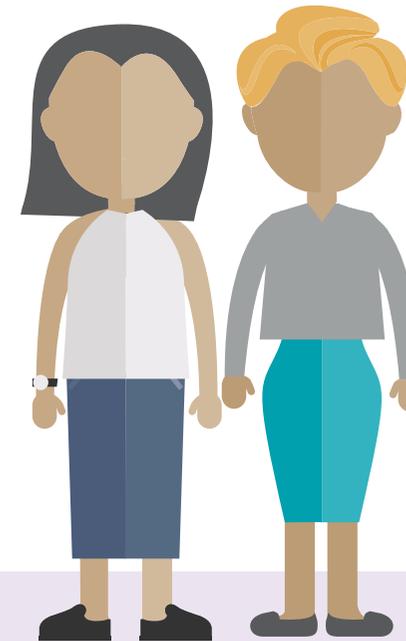
When the full Coronavirus Supplement was in place, Claudia could afford 5% of properties.

## Carol and Lynn

Couple, Age Pension

Through a combination of not being able to work through poor health and the breakdown of previous relationships, neither Carol nor Lynn reached retirement age with their own house or a substantial amount of superannuation.

Rent comes out of their age pensions. It is a struggle to make ends meet with what is left, particularly with their medical costs. They recently moved into an acquaintance's granny flat, but it is much smaller with an informal agreement and no written lease. The lack of secure tenure and the risk of homelessness weigh heavily on them.



*"...I've moved 11 times due to the whims of the rental market".*

**2%**

Perth Metro  
properties are  
affordable

A couple on an Age Pension can afford \$232 a week in rent.

2% of listed rental properties in the Perth Metro, or just 65 in total, are affordable for a couple on an Age Pension.

# Perth Metro

## Grace

### Single parent with two kids, Minimum Wage

Last year Grace was able to find an affordable rental, and was happy that she and her kids were safe after years of violence and conflict with her ex-partner.

Grace has been very thankful for the rent freeze this past year as her fixed term lease came to an end and she was moved on to a periodic lease. She is very aware of the media speculation around rent hikes and landlords selling properties, which makes her nervous.



*“Eviction without reason should not be permitted”.*

2%

Perth Metro  
properties are  
affordable

Grace can afford \$309 per week in rent for her and her two kids.

There has been a steep decline in affordability for families like Grace’s; 2% of listed properties (down from 11% last year) are affordable and appropriate for a single parent earning minimum wage.

# South West & Great Southern

## Kim

Single, Disability Support Pension

Kim is finally in community housing after 10 years on the social housing waitlist, stuck between unstable share housing or sleeping in their car.

Breaking that cycle by finally getting into social housing has meant they can focus on their health and wellbeing, even enjoying some hobbies and returning to study part time.



*“Without stable, affordable housing everything else falls apart”.*

1%

South West &  
Great Southern  
properties are  
affordable

Kim can afford to spend \$162 a week on rent.

**2 properties (1%) out of 249 in the South West and Great Southern are affordable for Kim.**

They would have to pay 70% of their weekly income to afford a median rental in the South West and Great Southern of \$330 a week.

Properties are much scarcer in these regions with just 30% of the number available in last year’s Snapshot.

# North West including the Kimberley and Pilbara

## Lisa and Ben

### Couple, Minimum Wage and Parenting Payment

Lisa and Ben have been renting, but their dream is to save for a deposit to buy their own home. Ben found work last year and things were looking up. He was temporarily stood down on JobKeeper but is now full-time.

Unfortunately, their landlord has given them notice, saying his son needs to move into the house. They are looking, but the few properties available are completely unaffordable. Lisa and Ben considered leaving town but it would mean Ben giving up his job, and rents do not look much better anywhere else. They don't know what will come next.



*“House repayments are often less than rent, but as many people don't have a steady job (or a deposit) owning a home is out of reach”.*

3%

North West  
properties are  
affordable

Lisa and Ben can afford \$354 a week on rent.

The median rent in the North West increased dramatically from \$470 per week in 2020 to \$550 in 2021.

**Only 3% of properties in the North West are affordable for Lisa and Ben.**

# What can be done?

## Urgent Financial Support for Tenants

### What needs to change

Once families lose housing, they are much more vulnerable in their health, employment and social situation. We need expanded eligibility for the State Government's Residential Rent Relief Grants Scheme to allow access for more low-income households and other targeted rent relief to keep people housed.

## Permanently Increase JobSeeker and Related Payments

### What needs to change

- The single biggest and simplest step to increasing affordability is adequate income support.
- We need the Federal Government to permanently increase rates of JobSeeker, Youth Allowance, Parenting Payment and other related payments above the poverty line and increase Commonwealth Rent Assistance.
- We need to index allowances in line with wage movements at least twice per year.

## Provide More Stable and Secure Tenancies

### What needs to change

- We need the Residential Tenancies Act in WA (currently under review by the State Government) amended to include:
  - A permanent ban on evictions for no reason.
  - Extend legal protection to boarders and lodgers.
  - Quick, fair and consistent dispute resolution between tenant and landlord.
  - Protection from unreasonable and excessive rent increases.

## Increase Housing Supply – Private, Public and Community

### What needs to change

- There is inadequate social housing in WA (both public and community sector) to meet demand. The waitlist is over 15,000 and takes years.
- We need a net increase in social housing of at least 15,000 dwellings by 2030 in line with the [Unlock Housing](#) campaign:
  - New builds or spot purchasing of 10,000 new diverse social homes
  - Maintenance to 6,000 existing homes
  - Refurbishments to another 1,000 homes
- Provide subsidised housing to 2,000 households in the private rental market.

### What you can do

- Share this report with your [State](#) and [Federal](#) members of parliament and ask them to act on these recommendations.
- Sign up to the [Unlock Housing](#) campaign, calling on government to act on affordable housing and homelessness.
- Share your story with or support the [#RaiseTheRateForGood](#) campaign asking for a rate of JobSeeker and other income support that keeps people above the poverty line.
- Property owners and agents can list an affordable property with [Home Hub](#) offering housing to people in need.



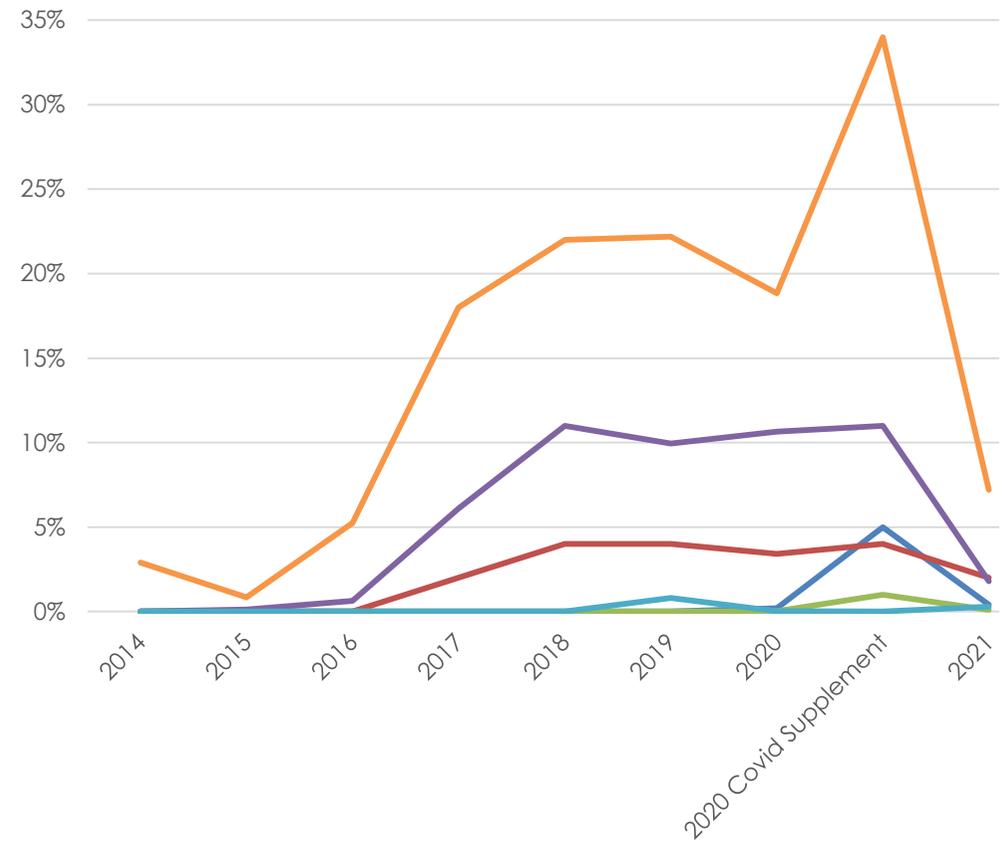
# Affordability by Region, 2014-2020

The timelines in these graphs show the importance of adequate income support. The comparison from the Coronavirus Supplement in 2020 to now shows just how borderline affordability is in the private rental market for some household types. For others on very low-income, housing was unaffordable even with the Supplement. The private rental market is clearly failing Western Australians.

## Perth Metro

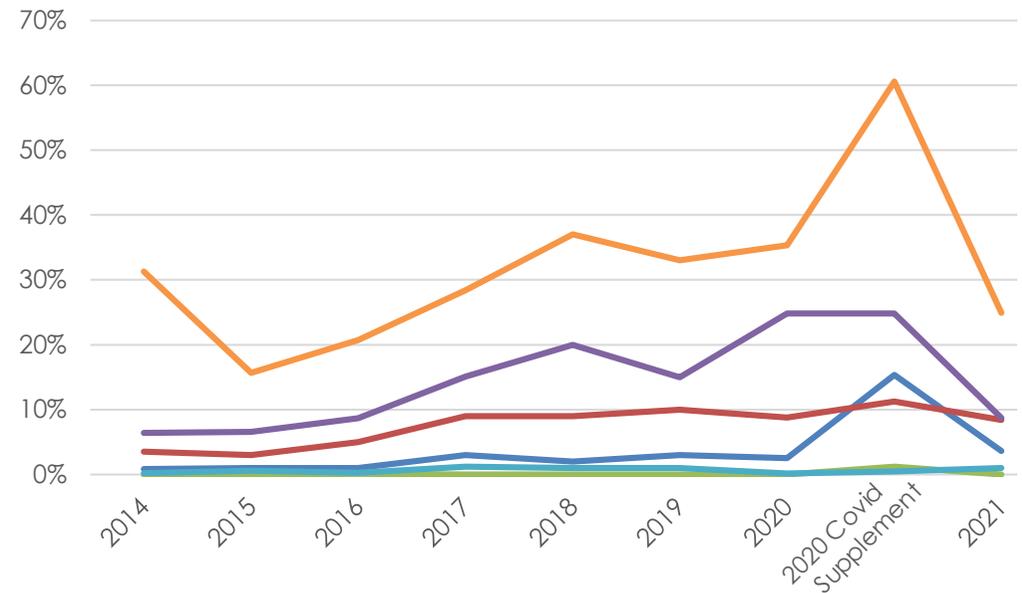
A single person on a JobSeeker payment would be able to afford 0% of properties in the Perth Metro Area. Couples on a minimum wage and Parenting Payment suffered a dramatic drop in affordability, from 34% to 7%, with the removal of the Supplement. Single parents in receipt of Parenting Payment also fare worse, from 5% affordable properties to 0.4%.

- Single + 1 kid, Parenting Payment
- Couple, Age Pension
- Single, JobSeeker
- Single + 2 kids, Min wage
- Single, Disability Support Pension
- Couple + 2 kids, Min wage & Parenting Payment



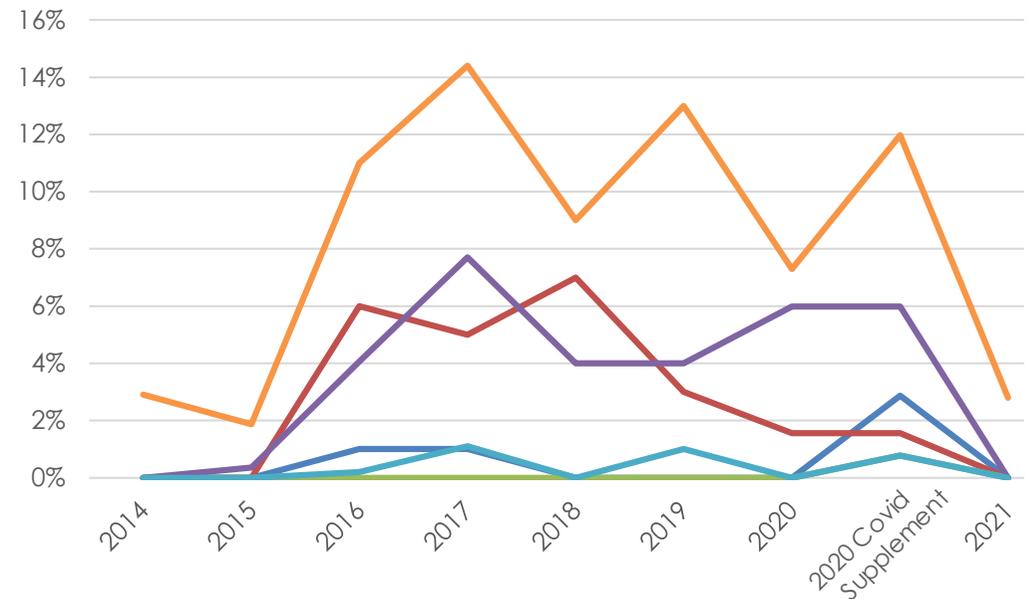
## South West & Great Southern

Parents experienced the biggest drop in affordability in the South West and Great Southern. However, the temporary relief of the Supplement was still inadequate for those on JobSeeker seeking private sector housing. Households with the Age Pension or singles receiving the Disability Support Pension – who were never eligible for the Coronavirus Supplement – will also continue to struggle to secure affordable accommodation with a respective 8% and 1% of listed properties being affordable.



## North West

Affordability has plunged or remains almost non-existent across household types in the North West. We have had to increase the scale on the vertical axis compared to the other regions in order to show the details. All household types, except those on a minimum wage, effectively have no properties that are affordable. Only 3% of properties are available to a couple on minimum wage.



- Single + 1 kid, Parenting Payment
- Couple, Age Pension
- Single, JobSeeker
- Single + 2 kids, Min wage
- Single, Disability Support Pension
- Couple + 2 kids, Min wage & Parenting Payment



## Number and Percentage of Affordable & Appropriate Properties by Household Type

Household Type	Payment Type	Perth Metro		South West & Great Southern		North West	
		#	%	#	%	#	%
Couple, two children	JobSeeker Payment (both adults)	16	0.5%	13	5.2%	0	0%
Single, two children	Parenting Payment Single	4	0.1%	4	1.6%	0	0%
Couple	Age Pension	65	2.0%	21	8.4%	0	0%
Single, one child	Parenting Payment Single	12	0.4%	9	3.6%	0	0%
Single, one child	JobSeeker Payment	4	0.1%	1	0.4%	0	0%
Single	Age Pension	29	0.9%	2	0.8%	0	0%
Single aged over 21	Disability Support Pension	11	0.3%	2	0.8%	0	0%
Single	JobSeeker Payment	1	0%	0	0%	0	0%
Single aged over 18	Youth Allowance	0	0%	0	0%	0	0%
Single in share house	Youth Allowance	0	0%	0	0%	0	0%
Couple, two children	Minimum Wage + FTB A	878	27.2%	144	57.8%	19	8.7%
Single, two children	Minimum Wage + FTB A&B	59	1.8%	24	9.6%	0	0%
Single	Minimum Wage	48	1.5%	6	2.4%	0	0%
Couple, two children	Minimum Wage + Parenting Payment (partnered) + FTB A&B	235	7.3%	62	24.9%	7	3.2%
<b>Total number of properties</b>		<b>3,228</b>		<b>249</b>		<b>218</b>	
<b>Median rent per week</b>		<b>\$430</b>		<b>\$370</b>		<b>\$550</b>	

The full methodology for the Rental Affordability Snapshot can be found [here](#).

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