

Private Rental Housing *still not* Affordable

Across the Nation and Tasmania

National Report on Private Rents and Low Income Households

A National Affordability Bulletin just released (25.9.2006) by the Tenant Union of Victoria shows that private rental housing affordability has not improved and indeed has declined for many cities and all capital cities across Australia in the last 12 months. Over the past 20 years, there has been a clear shift in policy away from provision of housing assistance through placements in public housing (where rents are capped at 25% of tenants income), and increased reliance on the private market as the primary source of accommodation for low income households. This shift in policy has occurred despite an overwhelming body of evidence demonstrating that the private rental market is failing to provide a sufficient supply of appropriate and affordable housing and that low income households in private rental are particularly vulnerable to poverty.

Recent data from the Real Estate Institute of Australia (REIA) demonstrated that medium rents have increased over the year to June 2006 and outpaced the 4% CPI increase in many areas. *"Notable increases occurred in Sydney, Canberra, Melbourne, Brisbane and Adelaide. Perth and Hobart experienced double-digit growth in rents over the year 2006"*.

The Bulletin highlights the shortage of affordable rental properties and the failure of the Commonwealth Government to ensure housing affordability for

low income Australians. In particular, it shows that even those who receive Commonwealth Rental assistance (CRA) are unlikely to be able to afford rental in any capital city. The bulletin, which measures the availability of private rental housing for a range of household types, including singles in all Australian capital cities (except Darwin) shows that for hundreds of thousands of Australians, particularly those on certain Centrelink payments, there is nowhere for them to live without experiencing poverty.

Approximate 590,000 households in Australia (of those over 21,000 households in Tasmania) are struggling with housing stress. **Housing stress is defined as spending more than 30% of disposable income on housing and being on the bottom 40% of income distribution.*

Concurrent with increases in the cost of rent, there is an acute shortage of low cost rental dwellings. This is exacerbated by tendency of higher income households to 'trade down' and occupy low rental housing to save on costs. The shortage of stock show in the vacancy rates in PRM across all capital cities. The vacancy rate measures the amount of unoccupied rental property in a given area to indicate the availability of properties on the market. Historically, vacancy rates of less than 3% are associated with higher rents and greater incidents of rent increases, as increased demand outstrips supply.

This is currently experienced right across Tasmanian with

the latest data from the Real Estate Institute of Tasmania (REIT) showing that:

Vacancy Rates August 2006 Tas

Hobart	1.9%
Launceston	2.5%
Burnie	2.5%
Ulverstone	2.5%
Devonport	2.5%

Affordability Across Australia – A Crisis in our Capital Cities

To provide a practical demonstration of the acute shortage of housing the Tenants Union, conducted a survey to determine just how many affordable rental dwelling were available on Thursday 21st September 2006. The results are detailed in a number of tables. It showed that locating affordable housing in the private rental markets of Australia capital cities is extremely difficult, and in some cases impossible. (P.T.O.)

Pulp Mill Proposal

Shelter's submission to the Resource Planning and Development Commission on the proposed Bell Pay Pulp Mill Project, highlighted concerns that the Integrated Impact Statement (IIS) did not adequately address the need to increase the supply of housing in the Tamar Valley area, and the subsequent impact this will have on the local rental markets and in turn impact on low-income housing consumers in the area.

For more got to:

<http://www.shelertas.org.au/newsissues/papers>

Recommended reading now on the Shelter Web Site

Mixed Communities: Success and Sustainable from the Joseph Rowntree Foundation. This report started from the growing concern about communities in Britain which do not function properly, especially some of the social housing estates occupied only by people with low incomes, **similar to our public housing estates here in Tasmania.** Key questions for public policy are where socio-economically mixed communities work better, and what are the key factors which make sustainable and successful communities where people want to live. The foundation studied the experiences of a numbers of mixed communities to learn more about these areas, and identify what ingredients help make neighbourhood work.

Key findings showed that mixed communities studied where overwhelmingly judged successful where they were not characterised by the problems often linked with exclusively low-income areas.

There are important lessons here for our public housing areas, Shelter's position is that public housing areas need to have mixed tenure and households to create robust and healthy communities, and that any additions to our public housing system stock need to be geographically spread through the community not just in existing public housing estates to avoid concentration of disadvantage and past mistakes made in housing policy.

For the full report go to www.shelertas.org.au under Hot spots



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Crisis in our Capital Cities (continued)

For low income Australian households. Private rental housing is just not affordable for a significant proportion of Australian low income renter households. The results from series of tables produced looks at various household types based on income. For Hobart there was no affordable housing based on either 25% or 30% of income to rent for:

Single person under 21 years on Newstart Allowance living alone, Single people over 21 in Newstart Allowance, sharing or for Sole Parents with one child on Parent payment. Then with only limited housing for couples with two depend children receiving Newstart allowance and Single person on minimum wage.

As the report notes that data presented relates only to the affordability and availability of rental dwellings: it does not address the related (and equally pressing) issue of quality and standards of housing stock, and the location of available housing in relation to job and community infrastructure.

Need for and National Affordable Housing Agreement:

It is clear the private rental market is not meeting the needs of low income people across Australia. With Housing Ministers from across the country meeting this Friday 29.9.2006 with housing affordability on the agenda, Shelter supports the Tenant Union call for action from the Commonwealth Government to develop a national affordable housing agreement that includes reform of assistance and commits to expanding the supply of affordable housing.



University of Tasmania invites you to

A Conference on Isolation
14-16 December 2006 Hobart Tasmania

Dr Rowland Atkinson, the director of Housing and Community Research Unit part of the school of sociology and social work, has asked Shelter to forward this to interested community organisations interested. He thinks it will appeal to those working in social services, particularly the elderly and young excluded and isolated groups.

To ensure that they have a broad engagement from workers in the community sector and not-for-profits he is offering **significantly reduced costs** places for delegates from the sector. A full program is now on the web site.

For more details and registration go to the <http://www.utas.edu.au/sociology/HACRU/news.htm>
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