

Hobart rental affordability second only to Sydney

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Tasmania's peak body for housing and homelessness has welcomed the latest Rental Affordability Index (RAI) report, but is concerned that the results have not improved since the last report was released in June 2016.

The report has found that there has been little change in rental affordability in Tasmania, and after Sydney, Greater Hobart is the least affordable city for renters in Australia. This is due to low incomes relative to rental costs in the State.

"This report dispels the myth that Tasmania is an affordable place to live for many people. Whilst we do have comparatively low rental costs in Tasmania, we also have the lowest incomes nationally, on average \$100 per week less than other States. In fact, there are 14,600 households, almost one quarter of those on low incomes, experiencing housing stress in the State", Shelter Tas Executive Officer, Pattie Chugg said.

Housing stress occurs when households on the lowest 40% of income pay more than 30% of their income on rent. In Tasmania, this means family households earning between \$450 and \$890 per week. The RAI examines trends in the rental market, with a particular focus on low income households.

'This report confirms that people on low incomes who are living in the private rental market in Greater Hobart are paying well over 50% of their incomes in rent. This leaves less money for essentials such as food, electricity, health and transport. The more people have to pay on rent, the less they have to pay for these essential items, which leaves people to make very cruel choices', Ms Chugg said.

Ellen Witte is the RAI lead researcher, and is concerned that rental affordability contributes to social exclusion. 'Low income households are pushed beyond the margins of the private rental market, forcing them to live in unsuitable, overcrowded dwellings. Furthermore, affordable housing is mostly found in locations with poor access to transport, services and jobs. We know that expensive housing impacts on labour force participation and reduces the productivity of our economy. It is therefore both a social and economic issue of state significance' Ms Witte said.

We know that the biggest cause of homelessness in Tasmania is the lack of safe and affordable housing.

On any given night in Tasmania 1,579 people will not have a place to sleep, and even more concerning – we know that the impact of homelessness has a disproportionate impact on young people, with 40% of the homeless population under 25, and 15% under 9 years old.

"This is why we need continued support of the *Affordable Housing Strategy* to create more homes in Tasmania and secure funding for the National Partnership Agreement on Homelessness which expires in June 2017. This funding provides essential homelessness services in the State", Ms Chugg said.

The RAI has been produced in a partnership between National Shelter, independent economic consultants SGS Economics & Planning, and was sponsored by Community Sector Banking.

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