



SNAPSHOT 2019

Rental Affordability in the Northern Territory



A home for everybody

What if all Territorians had a place to call home? A home where their family can grow, and children can thrive. A home just for them, a place to belong.

Most of us take having a home for granted. We don't often reflect on the important role it plays in our lives. Unfortunately, too many people in the Northern Territory don't have a home. Our homelessness rate is twelve times the national average (ABS, 2016).

Despite the declining cost of rent, Anglicare NT's Rental Affordability Snapshot has again revealed that there are almost no affordable and appropriate homes for people who rely on government income support in the Northern Territory. These people and their children often resort to living in severely overcrowded houses that provide a roof, but not a home. Some move from place to place living in temporary accommodation and others sleep rough. Without a place to call home, for these people, every day becomes a struggle.

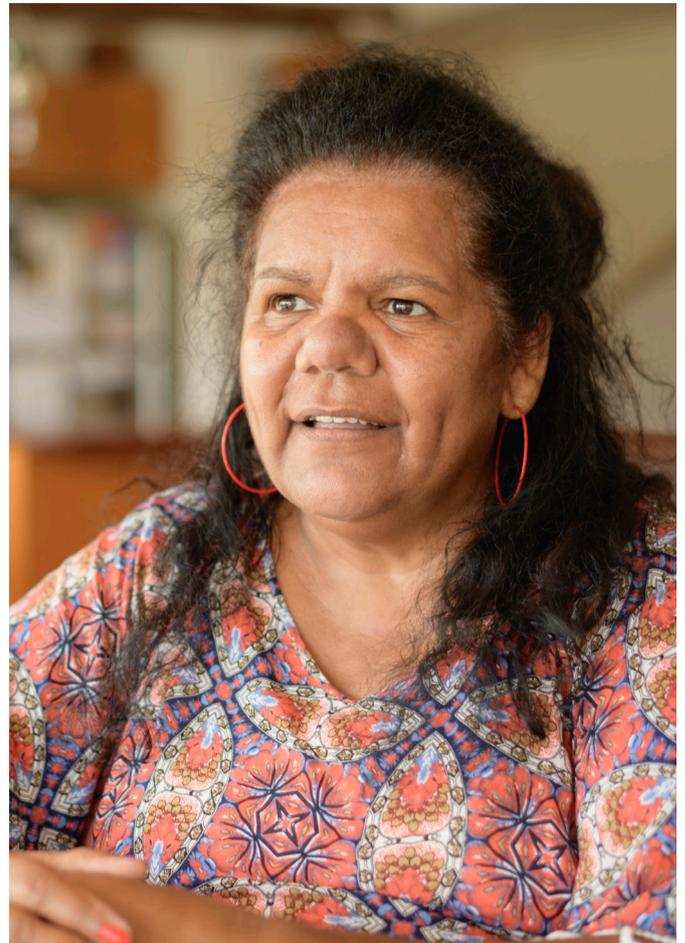
Now imagine a very different Northern Territory. A place where everybody has a home. We can and we must invest in affordable rentals for everyone – especially those who need it the most.

Across the Northern Territory it is estimated that we must build at least 700 new affordable homes, including public and other social housing, each year to meet demand. This must also include significant investment in towns and urban areas as well as the earmarked commitment to remote areas.

The Rental Affordability Snapshot

Anglicare NT conducts the Rental Affordability Snapshot each year to understand how the cost of rent is impacting people on low incomes in the Northern Territory. The Snapshot was conducted on 23 March 2019. It surveyed the 1409 private rentals advertised on that day (compared with 1302 properties in 2018) to determine if the properties were affordable and appropriate for different household types.

We determined a suitable rental to be one which cost less than 30% of a household's income, a commonly used benchmark for affordability; and one that had an appropriate number of bedrooms.



What the research tells us

Anglicare NT's Snapshot found that while there are limited options for working households on low income, most people on income support payments simply cannot afford the cost of private rent.

For people on income support payments in the Northern Territory, including pensioners living alone, single mums and young people, there is little choice but to live in social or public housing.

From the 1409 advertised private rentals:

- **24 properties** (2%) were suitable for only one household type on income support payments
- **253 properties** (18%) were suitable for households living on minimum wage

The only household type that was suitable for the 24 properties found to be affordable and appropriate for people on income support payments were couples both on the Age Pension (i.e living as a couple, with no children).

There were no (n=0) properties that were both affordable and appropriate for all the other household types living on income support including Newstart Allowance, Single Parenting Payment, Disability Support Pension, Youth Allowance or singles on the Age Pension.

Regional analysis of the data demonstrates that Alice Springs and Katherine do not fair any better. In Alice Springs, from a total of 89 properties only 2 were suitable for people relying on income support payments. In Katherine, from 51 properties, only 1 was suitable.



Who can afford a home?



Matt, on a Disability Support Pension

0% of rentals were affordable and appropriate for a single person on the Disability Support Pension like Matt.

100%

0%



Eliza, single Mum on Parenting Payment

0% of listed properties were affordable and appropriate for a single parent on a Parenting Payment like Eliza.

100%

0%



Tina and Peter, on Newstart

0% of rentals were affordable and appropriate for a couple on Newstart like Tina and Peter.

100%

0%



Mary, single parent on Newstart

0% of rentals were affordable and appropriate for a single parent on Newstart like Mary.

100%

0%



Fiona and Ted, working family

18% of listed properties were affordable and appropriate on minimum wages like Fiona and Ted.

82%

18%



Alfred and Jan, retired couple

2% of rentals were affordable and appropriate for a retired couple on the Age Pension like Alfred and Jan.

98%

2%

Unaffordable Affordable



Table 1: Northern Territory Rental Affordability, analysed by household type and percentage

#	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)	0	0%
2	Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	0	0%
3	Couple, no children	Age Pension	24	2%
4	Single, one child (aged less than 5)	Parenting Payment Single	0	0%
5	Single, one child (aged over 8)	Newstart Allowance	0	0%
6	Single	Age Pension	0	0%
7	Single aged over 21	Disability Support Pension	0	0%
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)	250	18%
12	Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B (both adults)	2	0%
13	Single	Minimum Wage	3	0%
14	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting payment (partnered) + FTB A & B	22	2%
Total number of properties		1409		

On the Snapshot day, these are the number of unique properties affordable and appropriate for:	
Households on income support payments (#1-10)	Households on minimum wage (#11-14)
24	253



Discussion

While the average cost of renting in the Northern Territory has continued to decrease from its peak, it remains higher than the national average at \$444 per week (CoreLogic, 2019).

The rate of government income support payments like Newstart, however, have not changed significantly in decades. The payment for singles currently stands at \$278 per week. When coupled with the competing costs of food, electricity and medicines, it is unsurprising that many Territorians are locked out of the private rental market.

For those locked out, the solution is affordable rentals such as social or public housing. However, the anticipated wait time for public housing in the Northern Territory can be up to 6-8 years. There are approximately 4000 households, equating to around 10,000 people on the NT public housing waitlist (NTCOSS, July 2018).

Where do those people go? Many continue to live in overcrowded or unsafe conditions. Some access housing and homelessness services through providers like Anglicare NT.

Last year Anglicare NT assisted over 1200 people who were homeless or at risk of homelessness through our transitional housing and support services. Over 60% of these were women, many with children.

But these services are overstretched and can't meet the demand. In the Northern Territory, almost half of all people seeking help through housing and homelessness services are unable to be assisted. The per capita rate of demand in the Northern Territory is three times that of other states and territories (AIHW, 2018).

Case study

Catherine* became homeless after the death of a family member. Catherine was 8 months pregnant at the time with her fourth child.

"It was so stressful. I had to live day-by-day to feed me and my children," she said.

Catherine spent the next year moving from place to place; camping in backyards and staying in hostels or caravan parks. *"I would drop the kids at school, go into town with my newborn and sit at the library. The kids were withdrawn, I'd say they were stressed but they never showed it... I didn't want to go into depression, I had to be strong as I have my kids."*

Catherine found a place to live through Anglicare NT. *"I'm more relaxed now, my sons are grounded as they have a roof over their heads. They're in their own space and they can walk to the fridge whenever they want to."*

Catherine dreams of having a long-term home for her and her children, *"I'm hoping to get permanent housing now, with more bedrooms so the children don't have to share. To have a yard, get a trampoline, the kids can kick around in the backyard without being on the road."*

*Name changed for confidentiality.



What can be done?

All Territorians need a place to call home. A home is more than bricks and mortar. It's a special place from which people can build their lives.

The solution – we need more rental homes that Territorians can afford and we must support those in need to ensure they stay in those homes long term.

1. INCREASE NUMBER OF AFFORDABLE HOMES IN THE NT

The demand for affordable rentals in the Northern Territory far outstrips supply. It is estimated that across the Northern Territory we need to build at least another 700 public and social houses per year to meet growing demand (AHURI, Nov 2018).

While much needed investment has been earmarked for remote housing, investment in public and affordable housing in cities and towns remains low. It is estimated that in Darwin alone we need to build at least another 160 homes per year (AHURI, Nov 2018). In 2016-17 the NT Government only increased social housing stock by 32 dwellings across urban areas; far lower than what is needed (DHCD, 2017).

2. TENANCY SUPPORT FOR PEOPLE WHO NEED IT

People who have been homeless or at risk of homelessness may have complex issues that they need help with. Once people have a stable roof over their heads, they can start to build financial stability, positive relationships with family and community, living skills and connections to education or work opportunities.

Having specialised tenancy support to help people in this situation connect with services is a proven way to ensure they are able to remain in their homes long term. It is estimated that in the Northern Territory 9 out of 10 people who receive this type of support go on to sustain their tenancy (AIHW, 2018).

Conclusion

Homes are more than just houses. The Anglicare NT Rental Affordability Snapshot has once again demonstrated that having an affordable and appropriate home is still out of reach for a huge number of vulnerable Territorians. Our Snapshot revealed that there were no suitable homes available on Snapshot day for people relying on Newstart, Youth Allowance, Parenting Payments or singles on the Age Pension.

It is widely acknowledged that to live your best life, you must have a place to call home. During his 2018 visit to Tennant Creek, former Prime Minister Malcolm Turnbull described the lack of public housing as the single biggest issue in the town. This is not just true of Tennant Creek but across the Northern Territory.

However, there are solutions. Imagine a Territory where everybody has a home.





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