

# Rental Affordability in the Northern Territory

**Snapshot Report 2020**



## Executive summary

- The private rental market is failing people on low incomes in the Northern Territory with many households not able to afford appropriate housing.
- The Coronavirus pandemic has demonstrated the need for housing for the health and safety of individuals, families and whole communities.
- The Northern Territory needs to build more than 700 new social and affordable houses each year to ensure all Territorians have a home to stay safe and healthy.
- The Coronavirus Supplement payment must be made permanent and extended to those on the Age Pension and Disability Support Pension, so more people can afford to rent in the private market.



The **Rental Affordability Snapshot** has shown, once again, that private rentals are unaffordable for Territorians on low incomes. There continues to be a severe shortage of the basic, affordable housing required to keep Territorians safe and healthy.

The Northern Territory has the highest rate of homelessness in Australia at twelve times the national average.<sup>1</sup> Despite having a population of only approximately 240,000 people, the NT accounts for 22% of severely overcrowded households nationally.<sup>2</sup> When the cost of private rent is prohibitive, people have few options. Stay with family (often creating overcrowded conditions), wait up to 6-8 years on the public housing waitlist<sup>3</sup> or access the very limited supply of affordable housing.

The new Coronavirus Supplement will give households on certain government payments badly needed relief. However, even with double the income, private rent remains unaffordable for people on income support. People with a disability or on the age pension missed out altogether.

Anglicare NT is calling on the Australian Government to make the welfare increase permanent and extend it to people on disability support and age pension. This will help keep a roof over Territorians heads and assist them to buy essential supplies.

The pandemic has further demonstrated the necessity and urgency of building more affordable housing to keep people safe. Anglicare NT is calling on the Australian Government and NT Government to supply **700 new** social and affordable houses **each year** to meet the demand.

<sup>1</sup> ABS, 2016

<sup>2</sup> Ibid

<sup>3</sup> <https://nt.gov.au/property/public-housing/apply-for-housing/apply-for-public-housing/waiting-list> (22/04/20)



## Research findings

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. This Snapshot contains two sets of findings: it shows the number of affordable and suitable homes for rent for people on low income on the weekend of 21 March 2020. It then uses the same Snapshot rental property listings to provide an analysis of what would change if the current temporary increases to some government income payments, coming into effect at the end of April 2020, were made permanent.

On the Snapshot weekend, 1159 private rentals were advertised in the Northern Territory. Private rentals were surveyed from [realestate.com.au](https://www.realestate.com.au). While a property could be affordable and appropriate for more than one household type, any individual property can only be rented out by one household type at any time.

### The number of unique properties on the Snapshot weekend, affordable and appropriate for:

#### Households on income support payments (#1-10)

42

#### Households on minimum wage (#11-14)

242

From the 1159 properties advertised:

- 42 were suitable for at least one household type living on income support payments without placing them in housing stress
- 242 properties were suitable for at least one household type living on minimum wage without placing them in housing stress

Regional analysis of the data demonstrates that it is almost impossible for households on income support payments to obtain private rental in Alice Springs and Katherine.

- Alice Springs: from 110 properties advertised, only 2 were affordable and appropriate for people on income support payments and only 1 for households on minimum wage
- Katherine: from 64 properties advertised, 0 (n=zero) were affordable and appropriate for people on income support and 21 for households on minimum wage



From 1159 properties advertised, only 42 were suitable for at least one household type living on income support payments

## 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 JobSeeker Payment**

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

100%

0%



### **Mary, single parent on JobSeeker Payment**

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

100%

0%



### **Fiona and Ted, working family**

20% of listed properties were affordable and appropriate on minimum wages like Fiona and Ted.

80%

20%



### **Alfred and Jan, retired couple**

4% of rentals were affordable and appropriate for a retired couple on the Age Pension like Alfred and Jan.

96%

4%



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)	JobSeeker Payment (both adults)	1	0%
2	Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	1	0%
3	Couple, no children	Age Pension	42	4%
4	Single, one child (aged less than 5)	Parenting Payment Single	0	0%
5	Single, one child (aged over 8)	JobSeeker Payment	0	0%
6	Single	Age Pension	0	0%
7	Single aged over 21	Disability Support Pension	0	0%
8	Single	JobSeeker Payment	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)	234	20%
12	Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	12	1%
13	Single	Minimum Wage	8	1%
14	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting payment (partnered) + FTB A & B	26	2%
Total no. of properties		1159		



## Retaining the Coronavirus Supplement

This Rental Affordability Snapshot was taken just days before the Australian Government announced a temporary, 6 month increase to some government support payments, in response to the pandemic. The 'Coronavirus Supplement', an additional \$550 per fortnight, will be paid to all new and existing recipients of JobSeeker (formerly Newstart), Youth Allowance and Parenting Payments from 27 April 2020<sup>4</sup>, on top of their normal payments.

These temporary increases allowed us to pose a hypothesis: what would the change in rental affordability be for households on government incomes, if the increase in payments via the Coronavirus Supplement was made permanent?

### Data with Coronavirus Supplement

The number of unique properties on the Snapshot weekend, affordable and appropriate for:

Households on income support payments  
(#1-10)

136

Households on minimum wage (#11-14)

242

From the 1159 properties surveyed:

- 136 (up from 42) were suitable for at least one household type living on income support payments without placing them in housing stress.



<sup>4</sup> The full list of government income payments temporarily increased via the Coronavirus Supplement can be found here: <https://www.dss.gov.au/about-the-department/coronavirus-covid-19-information-and-support#cor>



**Table 2** Northern Territory Rental Affordability, analysed by household type and percentage with Coronavirus Supplement

#	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 Payment (both adults)	81	7%
2	Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	3	0%
3	Couple, no children	Age Pension	44	4%
4	Single, one child (aged less than 5)	Parenting Payment Single	17	1%
5	Single, one child (aged over 8)	JobSeeker Payment	5	0%
6	Single	Age Pension	0	0%
7	Single aged over 21	Disability Support Pension	0	0%
8	Single	JobSeeker Payment	1	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)	234	20%
12	Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	12	1%
13	Single	Minimum Wage	8	1%
14	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting payment (partnered) + FTB A & B	133	11%
<b>Total no. of properties</b>			<b>1159</b>	



## Research discussion

The Coronavirus Supplement has brought some households much needed relief – but the private rental market remains largely unaffordable for people on the lowest incomes.

Even with double the income, there are almost no properties affordable for singles on the JobSeeker Payment or Youth Allowance. In six months time, this income will be halved, plunging them further into poverty. People receiving an Age or Disability Pension missed out on the Supplement altogether. On Snapshot day there were zero properties suitable for singles on these payments across the Northern Territory. This, at a time when one of the most important health messages is to stay at home.

Although prices in the rental market in the Northern Territory have dropped, they have not dropped enough. The Rental Affordability Snapshot showed that the average cost of rent in the Northern Territory is \$436 per week. This is down slightly from last year's \$444 per week but is significantly higher than the Government's JobSeeker payment of \$279 per week and still unaffordable with the additional Corona Supplement at \$554 per week.

In our regions, it's even tougher. In Katherine the weekly average rent on Snapshot day was \$445 and in Alice Springs \$460. To put that in perspective, the average rent in regional Australia is just \$385.<sup>5</sup>

Ending the affordable housing shortfall would be the most powerful way to tackle the rental crisis – and boost the economy. Right now, there are over 4500 households on the Northern Territory public housing waitlist. They will wait up to 6-8 years for a property in some regions.<sup>6</sup> While demand for affordable homes continues to grow, investment in new public and community housing in urban areas remains low. In the past 5 years, the total number of public and community housing dwellings (excluding state-owned Indigenous housing) only increased by 38%.<sup>7</sup> In 2018-19, only eight new public housing dwellings were constructed in urban areas.<sup>8</sup> The Northern Territory has 431 community housing dwellings in total. This type of affordable housing, well established in other states, is in its infancy in the Northern Territory and could be expanded.

Lack of investment in social and affordable housing has meant that nationally demand far outstrips supply. AHURI has estimated that across Australia 727,000 new social and affordable homes are required over the next two decades, including at least 14,500 in the NT or 725 per year.<sup>9</sup> This is more than double Victoria's affordable housing growth needs, on a per capita basis.<sup>10</sup>

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<sup>5</sup> Core Logic, 9 March 2020 <https://www.corelogic.com.au/news/rental-values-investment-properties-throughout-previous-property-upswing-absorbed>

<sup>6</sup> <https://nt.gov.au/property/public-housing/apply-for-housing/apply-for-public-housing/waiting-list> (22/04/20)

<sup>7</sup> Productivity Commission, Report on Government Services 2020, Part G

<sup>8</sup> NT Department of Housing, Local Government and Community Development Annual Report 2018-19

<sup>9</sup> AHURI, Social Housing as Infrastructure, November 2018

<sup>10</sup> Ibid



## What can be done?

Despite the increase in some welfare payments and modest price decreases in private rentals, particularly in Darwin, it remains extremely difficult for people on low incomes to obtain affordable and appropriate housing in the Northern Territory. There is simply not enough to meet the need. What can be done?

### 1. Investment in more affordable homes

Dramatically increase the rate of new affordable housing available by building at least 700 more each year. Increasing the public housing stock by eight in the last financial year in urban areas is not nearly enough. While some investment has been made into remote housing, the Australian and NT Government must do more to meet this basic need and keep Territorians safe and healthy.

### 2. Continue the Coronavirus Supplement payment

The Australian Government must permanently raise the rate of welfare payments, continuing the Coronavirus Supplement beyond six months. They must also extend the additional payment to people on the Age Pension and Disability Support Pension.

#### Serena's story

Serena\* lives in Anglicare NT transitional housing. Prior to living there, she was sharing a house with her mother and other family members, squeezing into a single room with her three boys.

Serena has rented a house from her work before but hasn't ever rented in the private rental market.

"I didn't even really look at it because it's too expensive in Alice Springs."

Serena was hoping to get a job this year but the Coronavirus pandemic has made that difficult. For now, she relies on Government Income Support. Even though she is paying subsidised rent, she says it's hard to support her three boys by herself.

"I have just enough money for my boys but none left over."

She is happy about the increased income from the Coronavirus Supplement which is an additional \$550 per fortnight, but cautioned that it's not the answer as it's not permanent. She says "It will make life a little bit easier but it's only for six months. For that time, it will make life less stressful."

Serena plans to look for work once the Coronavirus pandemic is over. She said she'd consider private rental if she can find a place that she can afford.

*\*Name changed for confidentiality*

"I have just enough money for my boys but none left over."



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