

# Rental Affordability in the Northern Territory

**Snapshot Report 2021**



## Introduction

Anglicare NT recognises that unsafe, inadequate and expensive housing is a challenge across the Northern Territory. People who struggle to find housing often resort to living in overcrowded and sometimes unsanitary conditions, which can constrain their capacity to maintain employment and participate within their community in a meaningful way. Anglicare NT continues to advocate for additional resources in the housing sector to improve access to suitable accommodation options and ensure support services are available for Territorians who need them most.

Anglicare NT provides services that help young people, adults and families to establish stable housing environments, maintain tenancies and access transitional accommodation as required. In addition, Anglicare NT provides some emergency relief support services and case management.

## Methodology

Every year Anglicare NT, in partnership with Anglicare Australia, identifies if it is possible for people on low incomes to rent a home in the private market. We do this by taking a snapshot of the properties listed for rent on [realestate.com.au](https://www.realestate.com.au) on one weekend in March or April. We then assess whether each property is affordable and suitable for fourteen types of households 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 the Parenting Payment or earning the 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.

To test whether a listing is affordable, we calculate the income for household types using government data. We use these figures to calculate the maximum affordable rent for each household type, and compare that against listed properties that are suitable for each household type. The Snapshot follows the internationally accepted benchmark that rent needs to be no more than 30 percent of a household budget to be affordable for people on low incomes.



## Research findings

On the Snapshot weekend of 26 March 2021, 387 private rentals were advertised for rent in the Northern Territory. 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.

To this end, we found that:

- 7** (1.8 %) individual properties were suitable for at least one household type living on income support payments without placing them in housing stress (#1-10).
- 36** (9.3 %) individual properties were suitable for at least one household type living on minimum wage without placing them in housing stress (#11-14).

**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)	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	7	2%
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)	34	9%
12	Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	0	0%
13	Single	Minimum Wage	2	1%
14	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting payment (partnered) + FTB A & B	4	1%
<b>Total no. of properties</b>		<b>387</b>		

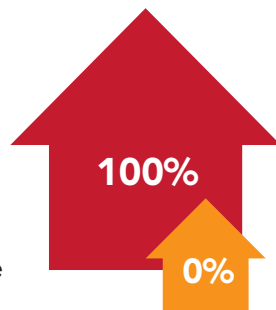


## Who can afford a home?



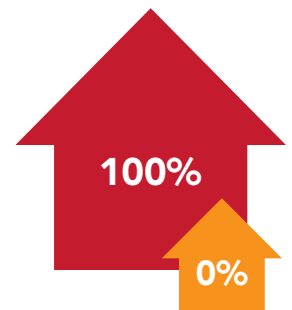
### **Matt, on a Disability Support Pension**

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



### **Eliza, single Mum on Parenting Payment**

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



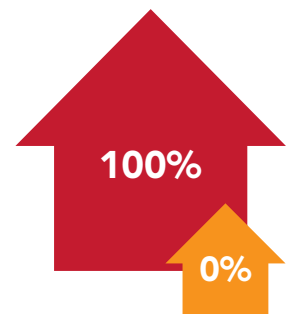
### **Tina and Peter, on JobSeeker Payment**

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



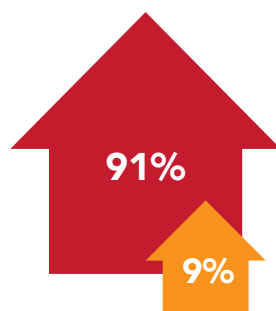
### **Mary, single parent on JobSeeker Payment**

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



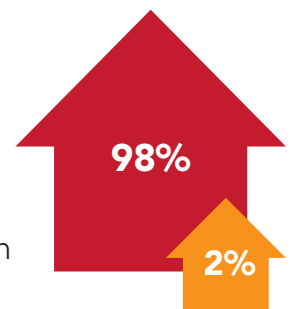
### **Fiona and Ted, working family**

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



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

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



Unaffordable



Affordable

## Research discussion

In the Northern Territory, as is the case across Australia, renters on low incomes are being left behind and forgotten in the narrative of economic recovery.

People on income support, especially those who are out of work, have few options. We found that there was not a single affordable rental for a single person on the **JobSeeker payment**, out of all of the listings in the Northern Territory. This includes sharehouses. The shortage of affordable rentals will condemn people to make difficult decisions to keep a roof over their head. Some will be turning to Anglicare NT or other services in our region to make the rent.

Families out of work are also facing a dire situation. Single parents out of work, couples and families with one parent out of work cannot afford any of the rentals listed on our Snapshot weekend. This helps explain why the rate of **JobSeeker** is such a critical factor in child poverty – one in six children now lives in poverty, with those growing up in households that depend on JobSeeker at much greater risk.

This year's results again show how brutal the rental market is for young people. A person on **Youth Allowance** cannot afford any rentals in the Northern Territory, including sharehouses. Youth Allowance is the lowest of all government payments, and year after year we find young people are at the bottom of the affordability ladder.

People with disabilities face unique challenges in this market. Some will find that the rentals listed in this Snapshot don't meet their needs, and for many people, the **Disability Support Pension** is too low to allow them to rent a home that does. A person on the Disability Support Pension could not afford any rentals at the time of our Snapshot.

The most generous of government payments is the **Age Pension**. Yet for a couple living on the Age Pension, only two percent of rentals were affordable. Single retirees have it even worse, with no affordable listings at all.

Working people are hardly better off. A single person working full-time on the **minimum wage** will find that only one percent of rentals are affordable. Of all of the households featured in this Snapshot, families with two parents in full-time work stand the best chance of finding an affordable home. Even they will find they are locked out of over 90 percent of the listings we surveyed.

Of course, this Snapshot doesn't tell the whole story. Although we look at the full-time minimum wage, we know that more and more people are working casually. Their plight is likely to be much worse than this Snapshot shows. Nor can the Snapshot consider the competition for each of these properties. In an overheated market, an affordable property can attract dozens of applications.

All of this is a wake-up call. What this Snapshot shows is that finding an affordable home in the private rental market is near impossible for people on low incomes. It's time for action to make housing more affordable.



## Policy implications

### RAISING THE RATE OF PAYMENTS FOR PEOPLE ON THE LOWEST INCOMES

Across the Northern Territory, people out of work depend on JobSeeker and other payments to get by. Many are likely to be renting, yet this Snapshot shows that the payment is so low that it's trapping people in poverty and housing stress. Cuts to the payment were being phased in right as this Snapshot was being taken, with all of the additional support provided during the pandemic now falling away. The new rate of JobSeeker, introduced from 31 March 2021, has not made a dent on affordability.

Raising the rate of JobSeeker and related payments above the poverty line will give badly needed relief to the people on the lowest incomes. It will allow them to afford the essentials they need to live their lives, and plan for their future. Most importantly, it will give more people the benefits of a secure home.

### MORE AFFORDABLE RENTAL HOMES FOR THE NORTHERN TERRITORY

The shortfall of affordable homes for the Territory is massive. The Australian Housing and Urban Research Institute has shown that we have a shortfall of 6,700 social and affordable rentals across the Northern Territory. By 2036, that number is expected to grow to 14,500.

With the private rental market failing so many people, we must invest in homes for people who need them most. Ending our affordable housing shortfall would be the most powerful way to tackle the rental crisis – and boost our regional economy. The Federal and State governments must work together to end this shortfall.

### MORE SUPPORT FOR RENTERS

Commonwealth Rent Assistance is meant to help people on low incomes to afford their rent. But it has failed to keep pace with the cost of renting, which has been skyrocketing.

It means that people on low and middle incomes are paying so much in rent they can't meet basic costs like decent food and medical expenses. And for people on some government income payments, like Youth Allowance and Newstart, it doesn't kick in until their rent is already causing serious financial stress.

We need to reform and increase Commonwealth Rent Assistance so that it works for people struggling to pay the rent. That will give people in housing stress more to spend on food, their health and getting on with life in their local community.

### A PLAN TO END HOMELESSNESS

The number of people experiencing homelessness is growing every year because of the shortage of affordable housing. This lack of access to affordable housing is a major concern for older people, who are entering into homelessness at record-high rates – at a time in their lives when they need stability more than ever.

People who are homeless need safe secure homes to help them get back on their feet. Being stuck indefinitely in temporary emergency accommodation is not the answer.

We need a plan to end homelessness that tackles the causes of homelessness, including the lack of affordable housing, poverty and family violence. We also need funding and support to rehouse people who are homeless, helping them keep a roof over their head.

## Conclusion

This year's Rental Affordability Snapshot shows that the private rental market is failing people on low incomes. Some people may have shelter or accommodation, but there is very little on the market that could be a place to call home.

The key to making housing more affordable lies in two factors: making sure everyone has a decent income, and providing enough affordable rentals for the people who need them.

It is clear that we must invest in affordable housing. The shortfall of affordable rentals in our region must be tackled. The sobering results of this Snapshot show that this investment is truly urgent. The Northern Territory Government must make good on its discussion papers and housing strategies to grow a community housing sector in the Territory.

Anglicare NT is also calling for an increase to the rate of JobSeeker and other payments. This will help people on the lowest incomes find a secure home.

We also need to give more support to renters, and make a real plan to tackle homelessness.

Nobody should be forced to make impossible sacrifices just to keep a roof over their head. It's time to take real action, and make sure that everyone can have place to call home.



<sup>1</sup> Phillips, B. and Narayanan, V. (2021) [Financial Stress and Social Security Settings in Australia](#). Australian National University Centre for Social Research and Methods.

<sup>2</sup> Australian Housing and Urban Research Institute (2018) [Social housing as infrastructure: an investment pathway](#). See Appendix 4.



**Head Office**

60 Winnellie Road, Winnellie NT 0820

**T:** 08 8985 0000

**E:** [anglicare@anglicare-nt.org.au](mailto:anglicare@anglicare-nt.org.au)

**f** /AnglicareNT **🐦** @AnglicareNT

**[anglicare-nt.org.au](http://anglicare-nt.org.au)**