



Rental Affordability in the Northern Territory

Snapshot Report 2022



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 unsafe 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

Each year Anglicare NT - in partnership with Anglicare Australia - tests 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. We then assess whether each property is affordable and suitable for fourteen types of households on low incomes.

Those households include:

- 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 our 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 19 March 2022, 434 private rentals were advertised across 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** (1.6 %) individual properties were suitable for at least one household type living on income support payments without placing them in housing stress (#1-10).
- 31** (7.1 %) 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)	29	7%
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	0%
14	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting payment (partnered) + FTB A & B	2	0%
Total no. of properties		434		

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

7% of listed properties were affordable and appropriate for a family with two adults and two children on minimum wages like Fiona and Ted.

93%

7%



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

Research discussion

In the Northern Territory, and Australia-wide, household tenants on low incomes are being left behind and forgotten in the private market.

People on income support, in particular those who are out of work, have few options. We found that no rentals were affordable for a person on the **JobSeeker payment**. This includes share houses. The shortage of affordable rentals means people are forced to make difficult decisions to keep a roof over their heads.

Families out of work are also facing a dire situation. An out-of-work couple with two children can not afford any appropriate or affordable properties. Single parents out of work face even tougher odds, with affordability at zero percent. 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.ⁱ

This year's results again show how brutal the rental market is for young people. A person on **Youth Allowance** looking for a share house cannot afford any rental properties. 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 2 percent of rentals were affordable. Single retirees have it even worse, with no listings left to compete for.

Many working people are only marginally better off. A single person working full-time on the **minimum wage** will find that only 0.5 percent of rentals are affordable. Of all the households featured in this Snapshot, families with two parents in full-time work stand the best chance of finding an affordable home. Yet they will find they are locked out of 93 percent of rentals 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. This Snapshot confirms that finding an affordable home in the private rental market is complete fiction for people on low incomes. It is well past time for action to make housing more affordable.



Policy implications

RAISING JOBSEEKER AND RELATED PAYMENTS OVER THE POVERTY LINE

Across the NT, 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 is trapping people in poverty and housing stress.

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

MORE AFFORDABLE RENTAL HOMES FOR THE NORTHERN TERRITORY

Territorians are facing a major shortfall of affordable homes. The Australian Housing and Urban Research Institute has shown we that we have a shortfall of 6,700 social and affordable rentals across the Territory (1,600 in Darwin and 5,100 in the rest of the Territory). By 2036, that number is expected to grow to 14,400.ⁱⁱ

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 being 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.

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 deliver more support to renters and make a real plan to tackle homelessness.

No person or family should be forced to make impossible sacrifices simply 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.



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

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



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