



Rental Affordability in the Northern Territory

Snapshot Report 2023



Introduction

Anglicare NT recognises the systematic and prolific barriers to safe and affordable accommodation that many Territorians face. As a result, many people resort to living in overcrowded and at times unsafe conditions. A lack of appropriate housing creates a cycle of disadvantage, making it difficult for people to sustain employment, live with dignity and engage in their community in a meaningful way. Anglicare NT continues to advocate for more housing, flexible responses and the appropriate supports required to create and sustain tenancies in the Territory.

Anglicare NT provides services to individuals and families at every stage of their housing journey. We support people, offering a no wrong door and wrap around approach to help tackle the unique challenges faced by so many Territorians.

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 appropriate 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 2023, 566 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:

6 (1 %) individual properties were suitable for at least one household type living on income support payments without placing them in housing stress (#1-10).

34 (6 %) 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	6	1%
4	Single, one child (aged less than 5)	Parenting Payment Single	1	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)	33	6%
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	1	0%
14	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting payment (partnered) + FTB A & B	1	0%
Total no. of properties		566		

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 and their two children, 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

6% of listed properties were affordable and appropriate for a family with two adults and two children on minimum wages like Fiona and Ted.

94%

6%



Alfred and Jan, retired couple

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

99%

1%



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 will condemn people to make difficult decisions to keep a roof over their head.

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 the same 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 one percent of rentals were affordable. Single retirees have it even worse, with no listings left to compete for.

Many working people are hardly better off. A single person working full-time on the **minimum wage** will find only one individual property to be affordable and appropriate. 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. Even they will find they are locked out of 94 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 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 its trapping people in poverty and housing stress.

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 futures. Most importantly, it will give more people the benefits of a secure home.

MORE SOCIAL AND AFFORDABLE HOMES FOR THE NORTHERN TERRITORY

Territorians are facing a major shortfall of affordable homes. The Australian Housing and Urban Research Institute has shown that we have a shortfall of 10,800 social and affordable rentals across the Territory (3,100 in Greater Darwin and 7,700 in the rest of the Territory). By 2036, that number is expected to grow to 14,500.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.

FIXING TAX CONCESSIONS

Australia's current housing tax concessions contribute to the high costs of housing in Australia. They encourage property investors to speculate on the property market, at the expense of people trying to buy or rent a home.

Negative gearing and capital gains tax concessions cost the federal budget a staggering \$14.85 billion per year, and overwhelmingly favour the wealthiest 20 percent of Australians.

Better targeting of negative gearing and capital gains tax exemptions would provide funding for homes for people on low incomes who are struggling to survive in the private rental market or need social housing.

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 social and affordable housing. The shortfall of social housing and 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.

No person or family 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 a 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.



Head Office

60 Winnellie Road, Winnellie NT 0820

T: 08 8985 0000

E: anglicare@anglicare-nt.org.au

f /AnglicareNT **in** @AnglicareNT

anglicare-nt.org.au