



Rental Affordability in the Northern Territory

Snapshot Report 2024



Introduction

Anglicare NT acknowledges the systematic and pervasive obstacles that hinder many residents of the Northern Territory from accessing safe and affordable housing. Consequently, many individuals and families often find themselves residing in overcrowded and sometimes hazardous conditions. The scarcity of suitable housing perpetuates a cycle of disadvantage, making it arduous for people to maintain employment, live with dignity and actively participate in their community.

The Northern Territory has the highest rates of homelessness in Australia - almost twelve times the national average rate of homelessness¹. Almost half of all people experiencing homelessness in the NT are under 25 years of age; on any given night over 3,000 young people in the NT are experiencing homelessness.

This year's Rental Affordability Snapshot shows the private rental market is failing people on low incomes. On the Snapshot weekend of 16 March 2024, of the 577 private rentals advertised for rent in the Northern Territory, only 5 individual properties were suitable for at least one household type living on income support payments without placing them in housing stress.

Shelter is a basic human right – without it people struggle to be safe, attend school, keep a job, stay healthy and maintain connections. With peak bodies, Anglicare NT plays an active role in advocating for the improved supply of affordable housing, increases to benefits and needs-based funding to meet demand and address the needs of Territorians experiencing homelessness and housing insecurity.

To assist people experiencing homelessness and those at risk of homelessness, Anglicare NT offers transitional accommodation, tenancy sustainability, homelessness support and early intervention services. Tailored information, outreach support, case management, skills training, supported referrals and advocacy help people address immediate needs, access specialist services, develop plans and explore available housing options. Our Community Housing initiative in Alice Springs provides secure housing to tenants at an affordable rate.

Methodology

Each year Anglicare NT, in partnership with Anglicare Australia and REA Group, 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; or a combination of these payments. Single parents on minimum wage may also be eligible for parenting payment (single). From 2024, the Snapshot includes this payment in calculations
- 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 Saturday 16 of March 2024, 577 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:

- 5** (0.9 %) individual properties were suitable for at least one household type living on income support payments without placing them in housing stress (#1-10).
- 46** (8 %) 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

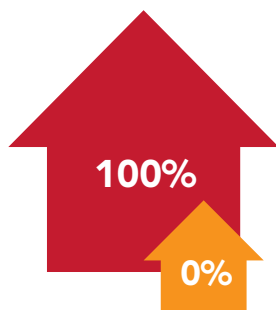
#	Household Type	Payment Type	Number Affordable & Appropriate	Percentage Affordable & Appropriate
1	Couple, two children (one aged less than 5, one aged less than 10)	JobSeeker Payment (both adults)	0	0%
2	Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	0	0%
3	Couple, no children	Age Pension	5	0.9%
4	Single, one child (aged less than 5)	Parenting Payment Single	0	0%
5	Single, one child (aged over 14)	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)	43	7.5%
12	Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting payment + FTB A & B	2	0.3%
13	Single	Minimum Wage	3	0.5%
14	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting payment (partnered) + FTB A & B	3	0.5%
Total no. of properties			577	

Who can afford a home?



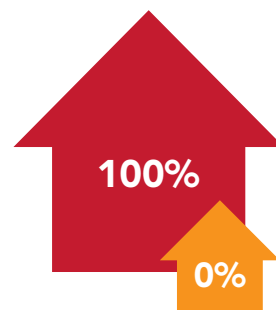
Matt, on a Disability Support Pension

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 and their two children, on JobSeeker Payment

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



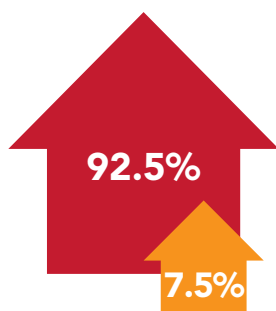
Mary, single parent on JobSeeker Payment

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



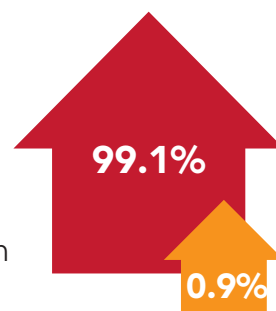
Fiona and Ted, working family

7.5% of listed properties were affordable and appropriate for a family with two adults and two children on minimum wages like Fiona and Ted.



Alfred and Jan, retired couple

0.9% of rentals were affordable and appropriate for a retired couple on the Age Pension like Alfred and Jan.



Research discussion

In the Northern Territory, as is the case across Australia, renters on low incomes are being left behind and forgotten in the private market. The Northern Territory faces many unique challenges that are exacerbated due to its size, remoteness, small population, high cost of living, lack of resources and systemic racism.

People on income support, especially those who are out of work, have few options. We found that **0%** of rentals were affordable for a person on the **JobSeeker payment**. This includes sharehouses. 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 afford **0%** of rentals. For single parents out of work, affordability is also **0%**. 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.²

This year's results again show how brutal the rental market is for young people. A person on **Youth Allowance** looking for a sharehouse can afford **0%** of rentals. 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 afford **0%** of 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 **0.9%** of rentals were affordable. Single retirees have it even worse, with **0%** of listings left to compete for.

Working people are hardly better off. A single person working full-time on the **minimum wage** will find that only **0.5%** 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. Even they will find they are locked out of 92.5% 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.

What this Snapshot shows is that finding an affordable home in the private rental market is complete fiction for people on low incomes. It is time for immediate 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 it is 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

We are facing a major shortfall of affordable homes. Data from the Australian Housing and Urban Research Institute shows 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 14,500.³

With the private rental market failing so many people, it is creating top-down pressure. As rental costs soar, it is forcing higher income renters to apply for properties that were once affordable for households on lower incomes. This prices lower income households out of the private market altogether, who then must turn to social and affordable housing, putting more strain on an already under-resourced area. Therefore, we must invest in homes for people that need them most. Ending our affordable housing shortfall would be the most powerful way to tackle the rental crisis, boost regional economies and address disadvantage. All levels of government must work together to end this shortfall.

Transferring public housing stock to Community Housing providers will contribute to the sustainability of these entities which is a positive move, however it does not increase overall stock.

RENT REGULATIONS

Reforms to NT tenancy legislation are urgently needed. Currently, out of all the States and Territories, the NT has the shortest prescribed notice for a rental increase at just 30 days. We also have the lowest prescribed limit on rent increases – every 6 months - compared to all other Australian jurisdictions and no restrictions on rent bidding.⁴

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 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 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. The sobering results of this Snapshot show investment is truly urgent.

These results demonstrate the importance of needs-based funding. The Northern Territory has the highest rates of homelessness in Australia yet receives only 1.3% of Federal funding through the National Housing and Homelessness Agreement.⁵ This level of funding is simply not adequate to meet the needs of Territorians experiencing homelessness and efforts to grow the Territory population.

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 a place to call home.



¹ Australian Bureau of Statistics Census Data (2021) [Estimating Homelessness: Census](https://www.abs.gov.au/statistics/people/housing/estimating-homelessness-census/latest-release) <https://www.abs.gov.au/statistics/people/housing/estimating-homelessness-census/latest-release>

² Phillips, B. and Narayanan, V. (2021) [Financial Stress and Social Security Settings in Australia](#). Australian National University Centre for Social Research and Methods.

³ Australian Housing and Urban Research Institute (2018) [Social housing as infrastructure: an investment pathway](#). See Appendix 4.

⁴ Darwin Community Legal Services (2023) [Worsening Rental Crisis in Australia](#).

⁵ NT Shelter (n.d.) [Educational Resources - Latest facts and statistics](https://ntshelter.org.au/educational-resources/). <https://ntshelter.org.au/educational-resources/>



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