

APRIL 2022

## Snapshot: AnglicareSA – Adelaide region

### Introduction

This report was prepared for AnglicareSA. The report outlines rental availability for the Adelaide metropolitan area for the weekend of 19 March 2022.

### Methodology

Every year AnglicareSA 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 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 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 evaluate 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.

### Findings

On the Snapshot weekend of 19 March 2022, 1125 private rentals were advertised for rent in metropolitan Adelaide. 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:

- Eight individual properties (0.7% of properties) were suitable for at least one household type living on income support payments without placing them in housing stress.
- 285 individual properties (25% of properties) were suitable for at least one household type living on minimum wage without placing them in housing stress.

On the Snapshot weekend, these are the number of unique properties affordable and appropriate for:	
Households on income support payments (#1-10)	Households on minimum wage (#11-14)
8	285

Table 1: Rental Affordability, Adelaide, 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)	4	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	4	0%
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)	283	25%
12	Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	16	1%
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	59	5%
Total No of Properties		1125		

## Discussion

In Adelaide, as is the case across Australia, renters on low incomes are being left behind and forgotten in the private market.

People on income support, especially those who are out of work, have few options. We found that zero percent of rentals were affordable for a person on the JobSeeker payment. This includes share-houses. The shortage of affordable rentals will condemn people to make tough 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 afford zero percent of rentals. Single parents out of work can similarly afford zero percent of the market. 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.<sup>i</sup>

This year's results again show how brutal the rental market is for young people. A person on Youth Allowance can afford zero percent 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 living with disability face unique challenges in this market. Some will find that the rentals listed in this Snapshot do not 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 zero percent 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, zero percent of rentals were affordable and appropriate. Similarly, single retirees have zero percent of listings available.

Working people are hardly better off. A single person working full-time on the minimum wage will find that zero percent of rentals are affordable. 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 75 percent of rentals we surveyed.

Of course, this Snapshot does not 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 complete fiction for people on low incomes. It is time for action to make housing more affordable.

## **Policy Implications**

### **Raising JobSeeker and related payments over the poverty line**

Across Adelaide, 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.

Raising the rate of JobSeeker and related payments above the poverty line will give desperately 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 affordable rental homes for Adelaide**

We are facing a major shortfall of affordable homes. The Australian Housing and Urban Research Institute has shown that we have a shortfall of 25,500 social and affordable rentals across Greater Adelaide. By 2036, that number is expected to grow to 40,400.<sup>ii</sup>

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. AnglicareSA has responded to this challenge by committing \$100million in social and affordable housing over the next ten years through its recently rebranded housing arm - Believe Housing Australia.

### 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 cannot meet basic costs, like decent food and medical expenses. And for people on some government income payments, like Youth Allowance and JobSeeker, it does not 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 experiencing 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 forced 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.

AnglicareSA 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.

In addition, we 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 is time to take real action, and make sure that everyone can have a place to call home.

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