

Snapshot

Anglicare Southern Queensland

Brisbane Metro 2015





Snapshot: Anglicare Southern Queensland – Brisbane Metro 2015

Introduction

This is the sixth year Anglicare Southern Queensland (ASQ) has contributed to Anglicare Australia's annual nationwide Rental Affordability Snapshot. This year ASQ evaluated over six thousand (6,362) online rental advertisements from the property website, realestate.com.au (RE). The advertisements were listed on the weekend of 11 -12 April 2015 and cover the 202 suburbs of metropolitan Brisbane. They include house, townhouse and unit rentals as well as a small number of embedded share accommodation advertisements.

METHODOLOGY

Several methodological refinements were adopted in 2015 to improve data quality and consistency across the contributing agencies.

- Nationally, a new data collection method was introduced. For the first time, in 2015 the Snapshot was generously supported by realestate.com.au, who electronically supplied all rental advertisements from their website. This replaced ASQ's former collection method of manually extracting summary data using the RE website's embedded search filters. To check the impact of the new collection method, ASQ used both collection practices in 2015 to undertake a 'parallel run' assessment. Only minor and inconsequential variations were observed in the data retrieved using the two different collection methods.
- The formula used to estimate household incomes for dual minimum-income families was also revised in 2015. The revised formula reflects the phasing out of the Dependent Spouse Offset by the Australian Taxation Office over recent years. The current estimate is higher than previous years and consistent with family members submitting independent income tax returns.
- Additionally, ASQ reduced the scope of the Rental Affordability Snapshot in Brisbane in 2015. The scope of the Brisbane survey had been expanded in 2013 and 2014 to allow a comprehensive assessment of the size and impact of share accommodation on rental affordability. The primary findings from these assessments are unlikely to change for some time. Consequently, the scope of this year's survey has been limited to the Brisbane rental market in general.

For the purposes of this study, a rental property is generally considered affordable if its rent is less than 30 percent of (post-tax) household income.

ABOUT ANGLICARE SOUTHERN QUEENSLAND

With a workforce of approximately 2,000 people across residential aged care, community care and social services programs, ASQ serves disadvantaged members of the community, including those in the surveyed suburbs, through a range of social and community welfare activities. These include nursing care and domestic assistance in the home, physiotherapy, emergency accommodation for victims of domestic violence, working with foster carers in the care of vulnerable children, providing a safe caring environment for frail elderly people, services for the homeless, parental education and counselling, and pastoral care. We also offer a range of specialist services within Indigenous, homeless, multicultural and rural and remote communities.



Findings and discussion

RENTAL AFFORDABILITY

On the weekend of 11-12 April 2015, over six thousand (6,362) private rentals were advertised for rent in metropolitan Brisbane. Private rentals listed on the property website realestate.com were assessed. 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:

- 57 individual properties were suitable for at least one household type living on income support payments without placing them in housing stress.
- 731 individual properties were suitable for at least one household type living on minimum wage without placing them in housing stress.

From the table on the following page it is apparent low income earners are largely excluded from the private rental market in Brisbane.

Families with two minimum incomes are a notable exception. Based on dwelling appropriateness and affordability criteria, 680 advertised rental properties were considered suitable for a couple with two children and two minimum incomes. This represents one in nine (11%) of the advertised rental properties in 2015.

By comparison, only 12 of the 6,362 advertised rental properties were considered affordable and appropriate for a couple on Newstart allowance with two children.

Single people on low incomes are especially disadvantaged by the private rental market. Based on the 30% income criterion, none (0%) of the 6,362 rental properties advertised in metropolitan Brisbane was affordable for singles on Newstart, Austudy or Youth Allowance.

The cheapest advertised rental in 2015 was a \$100 per week share accommodation listing. Yet this rent exceeds the 2015 youth allowance (shared accommodation) rent threshold by \$34 per week.

In response to the recognised shortage in affordable student accommodation in the CBD, Brisbane City Council recently proposed a financial incentive scheme to encourage developers to build student accommodation around the Brisbane CBD.¹

The advent of share-bedroom listings in metropolitan Brisbane in recent years suggests the private rental market is willing to adapt to meet the needs of low income renters. These advertisements also confirm that low income renters will compromise living arrangements (and Anglicare appropriateness criterion) to allow other accommodation criteria (e.g. cost and/or location) to be met.

¹ Silva, K. (2015). "Developers to receive discounts to build Brisbane student accommodation", Brisbane Times (online), Feb 25. At: <http://www.brisbanetimes.com.au/queensland/developers-to-receive-discounts-to-build-brisbane-student-accomodation-20150225-130m7y.html>



Table 1 Number and percentage of affordable and appropriate properties by household types in BRISBANE

#	Household Type	Payment Type	Number Affordable & Appropriate	Percentage Affordable & Appropriate
1	Couple, two children (one aged less than 5, one aged less than 10)	Newstart Allowance (both adults)	12	0%
2	Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	3	0%
3	Couple, no children	Age Pension	30	0%
4	Single, one child (aged less than 5)	Parenting Payment Single	0	0%
5	Single, one child (aged over 8)	Newstart Allowance	0	0%
6	Single	Age Pension	18	0%
7	Single aged over 21	Disability Support Pension	0	0%
8	Single	Newstart Allowance	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)	680	11%
12	Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B (both adults)	22	0%
13	Single	Minimum Wage	51	1%
14	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting payment (partnered) + FTB A & B	40	1%
Total No of Properties		6362		

NUMBER OF RENTAL ADVERTISEMENTS

The number of rental properties advertised on realestate.com.au rose by 5% to 6,362 rental properties in 2015 (from 6,055 in 2014). This was a relatively modest increase by comparison to the 30% growth between 2014 and 2013 (see Table 2).

The growth in rental advertisements between 2015 and 2014 was not uniform across Brisbane's five subregions. Rental advertisements grew by around 15% in Brisbane's eastern, southern and western suburbs. This is in marked contrast to the 4% decline in rental advertisements (to 2,646 in 2015) for Brisbane's inner city suburbs.



Table 2

Comparison of number of rental advertisements by region, 2015 to 2013

Region ¹	Number of Rental advertisements ¹		
	2015	2014	2013
Brisbane - East	647	548	545
Brisbane - North	922	875	643
Brisbane - South	1341	1181	942
Brisbane - West	806	697	581
Brisbane Inner City	2646	2754	1930
Brisbane Metro	6362	6055	4641

¹ Source: ABS ASGS 2011

² Includes rental houses, townhouses, units, flats and apartments advertised on realestate.com.au on 11-12 April 2015

Despite this decline, Brisbane’s private rental market continues to be dominated by inner city properties. Over 40% of all Brisbane rental advertisements (6,362) were for properties located in the Inner City (2,646). The subregion was dominated by units and flats, accounting for nearly three quarters (73%) of all advertised rental properties. (Overall, units and flats represented half (50%) of all rental listings advertised across metropolitan Brisbane in 2015.)

ADVERTISED RENTS

On average advertised rents in Brisbane declined by \$3 per week (to \$430 per week) in 2015 (see Table 3). The decline reflects lower advertised rents for properties in Brisbane Inner City and, to a lesser extent, Brisbane South. By comparison, advertised rents rose by \$21 per week for properties in Brisbane East (to \$450 per week on average in 2015). This rent increase is primarily due to the growing popularity and the ongoing gentrification of Brisbane’s bayside suburbs.

Table 3 Comparison of median weekly rents by region, 2015 to 2013

Region ¹	Median Weekly Rent Rental properties ²		
	2015	2014	2013
Brisbane - East	450	429	417
Brisbane - North	395	387	385
Brisbane - South	410	415	403
Brisbane - West	440	439	446
Brisbane Inner City	460	474	470
Brisbane Metro	430	433	425

¹ Source: ABS ASGS 2011

² Includes rental houses, townhouses, units, flats and apartments advertised on realestate.com.au on 11-12 April 2015



Despite the decline in Inner City rents, rents in this subregion are \$30 per week more expensive than Brisbane metropolitan rents on average, due to ongoing growth in luxury accommodation (see Table 4).

Table 4
Comparison of median weekly rents by region and accommodation type, 2015

Region ¹	Median weekly rents ²		
	House/Townhouse	Unit/Flat/Apartment	All Rental Properties
Brisbane - East	450	395	450
Brisbane - North	415	365	395
Brisbane - South	445	355	410
Brisbane - West	475	395	440
Brisbane Inner City	540	445	460
Brisbane Metro	460	400	430

¹ Source: ABS ASGS 2011

² Includes rental houses, townhouses, units, flats and apartments advertised on realestate.com.au on 11-12 April 2015

Rental properties in Brisbane Inner City are largely unaffordable and or inappropriate to low income households (nearly half are two bedroom units). Yet demand for rental accommodation especially in Brisbane's inner city suburbs is expected to remain high given the proliferation of tertiary education facilities and welfare services for the homeless and disenfranchised. Consequently the impact of limited rental affordability in Brisbane Inner City remains a pressing concern for residents and authorities alike.

Conclusion

Analysis of data from the property website realestate.com.au suggests the needs of low income renters are not able to be met by the private rental market in Brisbane. Despite a decline in advertised rents and an increase in the number of rental listings in 2015, low income earners (particularly single people) are largely excluded from the private rental market in Brisbane.

The advent of share-bedroom listings in metropolitan Brisbane in recent years suggests the private rental market is willing to adapt to meet the needs of low income renters. These advertisements also confirm that low income renters will compromise living arrangements (and Anglicare appropriateness criterion) to allow other accommodation criteria (e.g. cost and/or location) to be met.

It is uncertain what options and resources low-income families, the aged and people with disabilities are using to find rental accommodation.

Low income renters who must rely on the Brisbane private rental market are likely to be spending considerably more than 30% of their household income on weekly accommodation rents. The suitability of the rental property to meet their household/family accommodation needs may also be compromised.