

## Snapshot

### Anglicare Southern Queensland - Brisbane Metro 2016



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## Introduction

Anglicare Southern Queensland (ASQ) has contributed to the annual national Snapshot since 2010. This year, ASQ evaluated nearly seven and a half thousand (7,480) online rental advertisements across 202 suburbs in metropolitan Brisbane. The rental advertisements were sourced from the property website realestate.com.au (RE),<sup>1</sup> and relate to house, townhouse and unit vacancies as well as a small number of embedded share accommodation advertisements. The advertisements were listed on 1 April 2016.

### *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 Aboriginal and Torres Strait Islander, homeless, multicultural and rural and remote communities.

## Findings

On 1 April, 7,480 private rentals were advertised on realestate.com.au for rent in metropolitan Brisbane. 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:

- Sixty eight (68) individual properties were suitable for at least one household type living on income support payments without placing them in housing stress.
- Nearly nine hundred (896) individual properties were suitable for at least one household type living on minimum wage without placing them in housing stress.

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<sup>1</sup> realestate.com.au provided Anglicare with an electronic extract of all rental advertisements listed on their website as at 1 April 2016. This is the second year realestate.com.au has generously supported the Snapshot. Previously each Anglicare agency was required to manually extract summary rental data from the RE website. Consequently, access to an electronic extract has enhanced data consistency across and between the 19 agencies involved in the Snapshot.



*Table 1: Rental Affordability, metropolitan Brisbane, 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)	Newstart Allowance (both adults)	10	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	26	0%
4	Single, one child (aged less than 5)	Parenting Payment Single	1	0%
5	Single, one child (aged over 8)	Newstart Allowance	0	0%
6	Single	Age Pension	36	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)	796	11%
12	Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	29	0%
13	Single	Minimum Wage	101	1%
14	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting payment (partnered) + FTB A & B	47	1%
Total No of Properties		7,480		

On the Snapshot day, these are the number of unique properties affordable and appropriate for:	
Households on income support payments (#1-10)	Households on minimum wage (#11-14)
68	898

- Low income earners continue to face significant rental stress if they have to rely on the private rental market in Brisbane.
- Only households with at least two minimum wages can afford to rent from the Brisbane private rental market without placing themselves into undue financial stress. Table 1 shows nearly eight hundred (796) rental properties were affordable and appropriate for a family of four earning two minimum incomes. This number represents 11% of the total (7,480) rental property listings in 2016.



- With minor exceptions, all other low income households (families, couples and singles) need to spend considerably more than 30% of their weekly household income to rent from the Brisbane private rental market.
- Three bedroom properties are generally considered appropriate for a family of two adults and two children. The median advertised rent for a THREE bedroom property in Brisbane in 2016 was \$450 per week (see table 3 below).<sup>2</sup> A couple with two children on Newstart Allowance would need to spend 58% of their household income for a rent of \$450 per week.
- For a TWO bedroom property in Brisbane in 2016, the median advertised rent was \$410 per week. A rent of \$410 per week would absorb nearly seventy percent (68%) of household income for a single parent with one child receiving the Parenting Payment. If the child is eight years or older and the single parent is on Newstart Allowance (rather than the Parenting Payment), a weekly rent of \$410 would consume a staggering 81% of their household income.
- In 2016 the median advertised rent for a ONE bedroom property in Brisbane was \$370 per week. A single person earning the minimum wage would have to spend 63% of their weekly income to rent a one bedroom property at \$370 per week. A weekly rent of \$370 would cost a single person on the aged or disability pension three quarters (75%) of their household income.
- The median advertised rent for a room in a SHARE rental (embedded in the general realestate.com.au rental listings) was \$180 per week in Brisbane in 2016. A single person on Newstart would need to spend more than half (55%) of their weekly income to pay a \$180 weekly rent. Students are more disadvantaged still, as a shared rental rate of \$180 per week represents 70% of the Youth Allowance.
- Consequently, low income earners who must rely on the Brisbane private rental market will have little disposable income left after paying rent.

## Discussion

Over the past five years there has been a property development boom in Brisbane, especially in inner city apartments. In 2016, 7,480 properties were advertised for rent on realestate.com.au (see table 2). This was almost 3,000 more rental advertisements than in 2013 (4,641). Nearly half (45%) of all the rental advertisements were for properties located in Brisbane Inner City (3,345).

*Table 2: Comparison of number of rental advertisements by region, 2016 to 2013*

Region	Number of Rental advertisements			
	2016	2015	2014	2013
Brisbane - East	732	647	548	545
Brisbane - North	997	922	875	643
Brisbane - South	1610	1356	1181	942
Brisbane - West	796	806	697	581
Brisbane Inner City	3345	2631	2754	1930
<b>Brisbane Metro</b>	<b>7480</b>	<b>6362</b>	<b>6055</b>	<b>4641</b>

Yet despite the marked growth in rental property advertisements, rental affordability for low income earners did not improve in Brisbane in 2016 (see table 3). This is especially true for low income earners reliant on government allowances. On average, advertised rents rose in Brisbane by \$10 per week in 2016 (to \$440 per week).<sup>3</sup>

<sup>2</sup> These findings compare with those reported in the *Rental Affordability Index* prepared by Community Sector Banking, National Shelter and SGS Economics & Planning, November 2015.

<sup>3</sup> This finding differs from figures published by Core Logic RP Data in March 2016. They estimated Brisbane's median rent at \$431 per week and 0.7% lower than last year. But their estimate relates to properties currently rented in Brisbane while the

*Table 3: Comparison of median advertised rents by accommodation type and property size, 2016 and 2015*



Accommodation type / property size	Median Weekly Rent	
	2016	2015
House/Townhouse	\$460	\$460
Unit/Flat/Apartment	\$420	\$400
Shared Rental (embedded)	\$180	\$160
One bedroom <sup>1</sup>	\$370	\$355
Two bedroom	\$410	\$400
Three bedroom	\$450	\$445
Four bedroom	\$540	\$548
Five bedrooms or more	\$730	\$695
<b>Brisbane Metro</b>	<b>\$440</b>	<b>\$430</b>

<sup>1</sup> excludes embedded share rentals, medians calculated separately

For houses and townhouses, the median advertised rent remained stable between 2016 and 2015 (at \$460 per week). For units and flats, the median advertised rent rose by \$20 per week on average in 2016 (to \$420 per week), as did the advertised rent for a room in a shared rental.

The number of shared rental advertisements embedded within the general rental listings on realestate.com.au doubled between 2015 and 2016. Our recent findings suggest an increasing trend for realtors to act as off-site property managers, renting individual rooms in purpose-built apartments. Anecdotally, share rentals have become an increasingly popular accommodation choice for those wishing to live in luxury accommodation in the CBD. As Thomas Clement, chief officer of flatmates.com.au, notes: "Share accommodation is no longer just housing for students or those moving out of the family home; sharers have become far more diverse and include anyone from single mums to retirees".<sup>4</sup>

This trend is bad news for low income earners. Historically, share accommodation has been the exclusive refuge of low income earners, mostly offered in low cost older properties. The recent expansion in purpose-built apartments appears to have contributed to the rise in median advertised rents for shared rentals in 2016.

Last year Brisbane City Council introduced a financial incentive scheme to encourage more purpose-built student accommodation to be developed in the Brisbane CBD. The Council has already approved eight (of 23) applications for 7,500 student accommodation beds to be built by 30 June 2019.<sup>5</sup> The first of these developments (UniLodge with 850 rooms) is expected to be opened by February 2017. It will be interesting to note the impact these properties have on the Brisbane rental market in coming years.

figures in Table 3 refer to advertised rents (i.e. for properties yet to be rented). The Core Logic RP Data may point to future price reductions in advertised rents. (2016). "Tenants in line for a little relief", *The Courier Mail*, 9 March.

4 Fuary-Wagner, I. (2016) "Increasing number of Australians over 40 turning to share housing", Domain website, 23 March. At: [www.domain.com.au/news/increasing-number-of-australians-over-40-turning-to-share-housing-20160323-gnlg3r/](http://www.domain.com.au/news/increasing-number-of-australians-over-40-turning-to-share-housing-20160323-gnlg3r/)

5 Atfield, C. (2016). "Council attracts 23 student developments in 1 year", [brisbanetimes.com.au](http://brisbanetimes.com.au), 2 Feb. At: [www.brisbanetimes.com.au/queensland/council-approves-23-student-developments-in-1-year-20160202-gmjjqk.html](http://www.brisbanetimes.com.au/queensland/council-approves-23-student-developments-in-1-year-20160202-gmjjqk.html)



## Policy Implications

Anglicare Australia and its network members continue to advocate for policy reform to improve Australian housing affordability in general and rental affordability in particular. The 10-point plan for improved housing affordability developed by Professor Hal Pawson (Professor Housing Research and Policy, University of New South Wales) has been described as a sound staging ground for action.<sup>6</sup> A key element of the 10-point plan is to implement the Henry Tax Review recommendations on enhancing Rent Assistance (the existing CRA allowance) to improve affordability for low income tenants.

These strategies need to be considered in conjunction with an urgent response to income inadequacy (particularly the rates of Newstart and Youth Allowance) as a barrier to secure housing and meaningful social participation. Our findings above clearly demonstrate that almost all low income households need to spend far in excess of 30% of their weekly household income to rent from the Brisbane private rental market. This places obvious pressure on people's ability to pay for other essentials such as food, clothing, electricity, transportation, education and health costs. In low income households, the weekly choice may literally be between paying rent or feeding the family, buying school shoes or visiting the doctor. Low income renters clearly also have limited capacity to save for a home deposit, thereby locking people out of the choice of home ownership and potentially into a long term rental poverty trap.

## Conclusion

The Brisbane rental market is in transition. In the inner city, which dominates the Brisbane rental market, traditional houses are increasingly being replaced by multi-rise purpose-built apartments. To date these developments have not benefited low income households. Median advertised rents have steadily climbed every successive year since ASQ commenced evaluating the Brisbane rental market in 2010.

More broadly, Australian housing affordability in general has been shown to be dangerously in decline. Brisbane was ranked the 17th least affordable housing market in the world in 2015. Median house prices in Brisbane were six times higher than median household incomes. This is better than Sydney prices (twelve times higher) and Melbourne (nine times higher), but only Hong Kong (twenty times higher) now exceeds Australia as the least affordable region in the world. Even Singapore housing affordability is better than Brisbane's (median house prices five times higher than median household incomes).<sup>7</sup>

Affordable housing in Australia is profoundly in need of Government-driven and supported leadership, investment and innovation.

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6 "Anglicare calls for action on housing affordability", Focus, October/November 2015.

7 12th Annual Demographia International Housing Affordability Survey (2015: 3rd Quarter), Performance Urban Planning Jan 2016