

Rental Affordability Snapshot

Greater Brisbane metropolitan area | 2021

Anglicare
Southern Queensland





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“ The extent of housing market failure in Australia is such that the private rental market is largely inaccessible, unaffordable and insecure for households on low incomes (AHURI, 2020).⁵

Introduction

This year's Greater Brisbane Rental Affordability Snapshot ('the Snapshot') is a fair example of what some commentators have called an 'odd' real estate market, with even experts 'finding it hard to read'.¹

Unfortunately, however, this doesn't indicate a turning point in the decade-long findings of the Snapshot.

The Anglicare Australia Rental Affordability Snapshot has documented the lived experience of looking for housing on a low income since 2010.

On a 'Snapshot weekend' each year, Anglicare organisations across the country assess thousands of rental properties from the property website realestate.com.au for affordability and appropriateness.^{2,3}

On the weekend of 27–28 March 2021, Anglicare Southern Queensland (Anglicare SQ) surveyed 4,920 rental properties in the Greater Brisbane metropolitan area.⁴

There is still only one household type out of 14 in which median rent as a proportion of household income even comes near the 30% benchmark for housing affordability, and apparent 'improvements' in affordability have been largely meaningless.

This report will explore some of the peculiarities of the first Covid year that may have impacted on the rental market in Greater Brisbane.

The core finding of our research, however, remains the same: that the vast majority of people on income support or minimum wage in Greater Brisbane are unable to afford a home in the private rental sector without putting themselves in severe financial stress.

The bottom line

The rental situation for people on low incomes across the Brisbane metro area remains as bleak as it has been for at least the last decade.

Of the 4920 rental properties surveyed, we found:

4%

202 unique properties were affordable and appropriate for households on income support.

16%

787 unique properties were affordable and appropriate for those on minimum wage.

	Household Type	Payment Type	# Affordable	% Affordable	# Appropriate	% Appropriate	# Affordable & Appropriate	% Affordable & Appropriate	Median rent as % of household income
1	Couple, two children (one aged less than 5, one aged less than 10)	JobSeeker Payment (both adults)	394	8%	1895	39%	9	0%	54%
2	Single, two children (one aged less than 5, one aged less than 10)	Parenting Payment Single	268	5%	1895	39%	6	0%	63%
3	Couple, no children	Age Pension	284	6%	4717	96%	129	3%	41%
4	Single, one child (aged less than 5)	Parenting Payment Single	225	5%	3730	76%	6	0%	67%
5	Single, one child (aged over 8)	JobSeeker Payment	122	2%	3730	76%	2	0%	76%
6	Single	Age Pension	122	2%	4920	100%	122	2%	59%
7	Single aged over 21	Disability Support Pension	122	2%	4717	96%	52	1%	59%
8	Single	JobSeeker Payment	1	0%	4920	100%	1	0%	54%
9	Single aged over 18	Youth Allowance	0	0%	4920	100%	0	0%	97%
10	Single in share house	Youth Allowance	0	0%	4920	100%	0	0%	65%
11	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A	2661	54%	1895	39%	596	12%	32%
12	Single, two children (one aged less than 5, one aged less than 10)	Minimum Wage + FTB A & B	663	13%	1895	39%	19	0%	47%
13	Single	Minimum Wage	196	4%	4920	100%	196	4%	48%
14	Couple, two children (one aged less than 5, one aged less than 10)	Minimum Wage + Parenting payment (partnered) + FTB A&B	1066	22%	1895	39%	54	1%	41%
Total No of Properties		4920							

Table 1: Number and percentage of affordable and appropriate properties by household type, Brisbane*

* A rental property may be affordable and appropriate for more than one household type.

Compared with a household paying 30% of its income on rent, a household paying 40% was two and a half times more likely to go without a meal, twice as likely to have sold or pawned belongings to cover essential payments, and almost twice as likely to have children with inadequate health or dental care.⁶

What did we find?

Recent media headlines pull no punches: **Housing crisis: Desperate tenants are paying up to a year's rent in advance. If you are looking for a rental in Brisbane good luck.**⁷

Other commentators describe crowds milling at open house viewings for rental properties, and multiple applications being submitted on properties that become available – often well above the advertised weekly rent.⁸ With a record 1.5% vacancy rate in February 2021, Brisbane has reportedly broken its own vacancy rate record, with the current rate even lower than a decade ago, when it was 1.7% in February 2011.⁹

*For the first time in five years, it is more expensive to rent a house and unit in Brisbane than in Melbourne... Tenants will find less choice [in coming months], with the pool of available rentals shrinking by one-third compared to last year, pushing Brisbane's vacancy rate to a multi-year low.*¹⁰

This year's Greater Brisbane Snapshot concurs with this bleak picture. This is despite our finding that the number of affordable and appropriate rental properties for people on low incomes has shown some increase since the same time in 2020 (202 properties compared with 125).

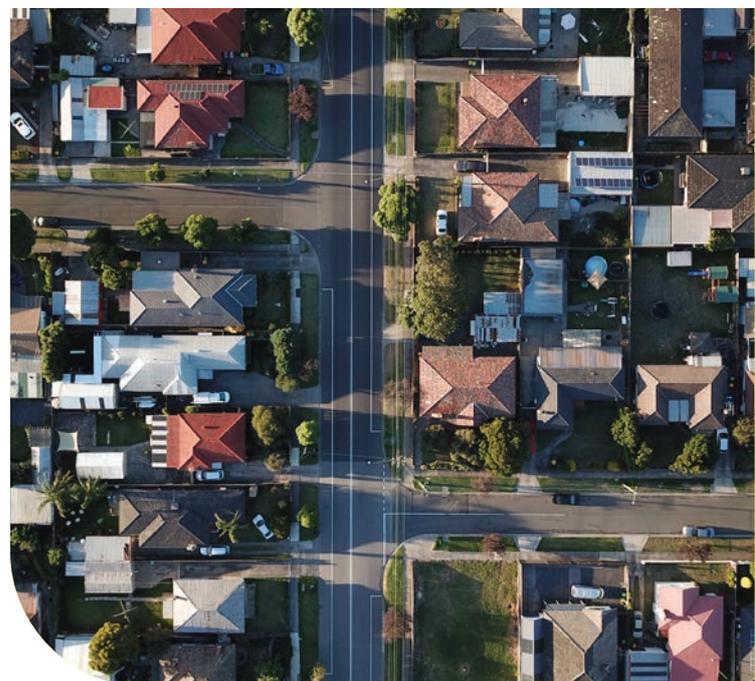
Still very few places to call home

As we noted in the introduction to this report, ostensible 'improvements' in affordability in Greater Brisbane have been largely meaningless. There is still only one household type out of 14 in which median rent as a proportion of household income even comes near the 30% benchmark for housing affordability.

Some groups, as always, are particularly vulnerable. Based on median rent, for example, there is again not even one

affordable and appropriate home in Greater Brisbane for a single person on Youth Allowance/Austudy like Karin (below), who appeared in last year's report. The median rent for an appropriate property has decreased to 97% of her household income, rather than 109% as it was in 2020. Eating properly is still just as much out of Karin's reach as it was last year.

For Ben, who is on JobSeeker, the situation is equally grim. The recent marginal increase to JobSeeker means he can now afford one property in Brisbane rather than none, which is a somewhat empty improvement. Poverty continues to impact every aspect of his life, from housing to health, safety and social connectedness. His options for accommodation are limited to couch-surfing, short term crisis accommodation or room-sharing. None of these alternatives can be considered a home.





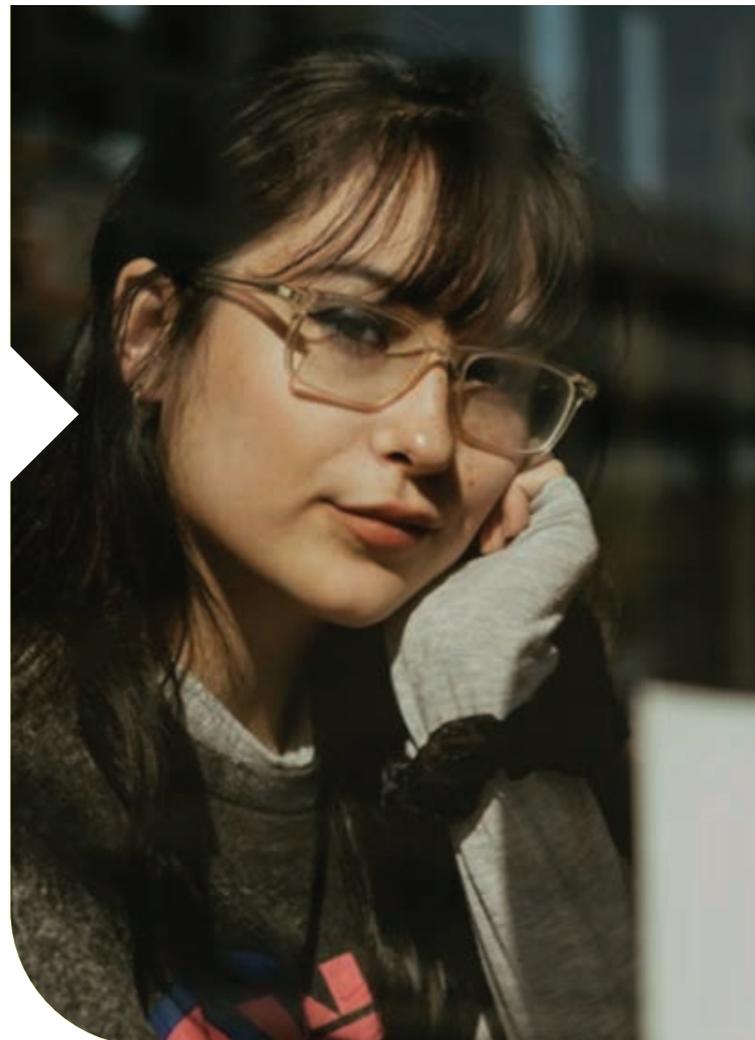
Ben, 36

Ben is on JobSeeker. He can afford one property in Brisbane, which would cost 54% of his income.

Given that the first increase to Newstart/JobSeeker in more than 25 years was recently locked in at \$3.57/day, this is unsurprising.

Karin, 21

On Youth Allowance, Karin cannot afford a studio or one-bedroom (97% of her income) property anywhere in Brisbane, or even a shared rental (65%).



The COVID effect

So why has this year's Snapshot identified more affordable and appropriate properties than in some previous years? Is there some glimmer of light for people on low incomes?

Sadly, no.

It's important to remember that this increase in affordable and appropriate rentals remains miniscule in terms of the Brisbane rental market as a whole.

Our headline figure captures the total number of properties that are affordable and appropriate for our 14 household types. When we dig deeper, it's clear that COVID-19 impacts have affected the various household types in different ways. Decreased demand for rentals targeted at students has particularly influenced the outcome of this year's Snapshot.

In fact, the apparent increase in affordable properties is largely illusory, and the news headlines above genuinely reflect a grim reality for those seeking rental accommodation in Greater Brisbane.

The demand for studio, single bedroom and 'rooming house' accommodation, particularly in suburbs historically popular with students such as St Lucia, Toowong, Kelvin Grove and Woolloongabba, has decreased significantly in the past year. International students are yet to return, and agents are finding that domestic students are unwilling to commit to a lease because they're unsure of how much time they'll be required on campus, and how many classes will be online.¹¹ Real estate analyst Nicola Powell notes that many domestic students are re-assessing the way in which they live and study:

While for some university will always be an opportunity to fly the nest, there might be others who might now choose to go to university but stay at home and commute from the country when they need to.¹²

The result of this shift is that studio, single bedroom and student 'rooming house' accommodation* in the suburbs above, for

example, has nearly doubled in the past year as a proportion of our 'affordable and appropriate' headline figure, from 17.6% to 31.2%.

So while in 2021 there are relatively more affordable and appropriate rental properties, there are complexities in this situation.

One is that studio and single bedroom accommodation is also considered 'appropriate' in our calculations for cohorts other than students, such as singles and couples on the age pension, and singles on a disability pension.

The specific nature of much of this accommodation however makes it less suitable for these ostensibly comparable household types. Many of these rentals, while not subject to 'student-only' restrictions, are overtly marketed to a student cohort, while in other locations there are more intangible barriers to do with connectedness to family, friends and local community, accessibility, and availability of different kinds of services.

'Appropriateness' is a many-layered concept, and housing is never just a roof over one's head.

*We have not included restricted student accommodation, such as that provided by UniLodge or similar agents, in the Snapshot.



What can be done?

Raise the rate

As we noted last year, there is no question that income inadequacy is at the core of rental unaffordability for people on low incomes. The recent purported ‘increase’ to JobSeeker amounts to \$3.57 per day. Rather than an increase, this was a ruthless cut to the Coronavirus Supplement, which was introduced to support vulnerable Australians in a time of unprecedented crisis. After 26 years of stagnancy, income support was raised to a point that enabled many people to both eat and pay rent at the same time — to live, in fact, just above the poverty line instead of struggling below.

The COVID-19 crisis is not over. People are out of work through no fault of their own. Rental vacancies are at an historic low, leaving individuals and families at risk of homelessness and struggling to make ends meet. Services like Anglicare SQ’s are under increasing demand as signs of stress emerge in the community through rising rates of domestic violence and family breakdown.

There is never a time to deliberately plunge people into poverty, but the reduction of JobSeeker and related allowances at this point of time means that families currently in, or on the edge of, poverty will never be able to find their way out.

To reiterate again the words of Anglicare Australia’s 2019 open letter to the Prime Minister: “Raising the rates of these payments would be the most powerful step that any government could take to reduce poverty in Australia.”¹³

“ Raising the rates of these payments would be the most powerful step that any government could take to reduce poverty in Australia.”¹³





More social and affordable rental housing

Further investment in social and affordable housing is urgently needed to address the shortfall of homes Australia-wide. The Australian Housing and Urban Research Institute (AHURI) points out that waiting lists across the country are long, and that there is increasing demand for social housing from people with complex and specialised support needs or in very vulnerable situations.¹⁴ In Queensland, the number of applications deemed ‘high need’ has exploded in the past two years.¹⁵

AHURI research demonstrates that we need 433,400 social and affordable rentals just to make up for the immediate shortfall.¹⁶ To draw even slightly ahead of that shortfall in an effort to future-proof, the Everybody’s Home campaign is calling for 500,000 social and affordable rentals.¹⁷

Together with peak bodies, academia, community organisations and industry associations, we ask that both Federal and state governments work with future tenants to develop modern, diverse social and community housing that reflects the needs of those who will live there, that is accessible to services,¹⁸ and supports healthy communities. This is the only way that every Australian can have a safe and secure place to call home.

Stay for The Home Stretch¹⁹

Young people transitioning out of state care into adulthood face particular difficulties with housing, among other challenges. As a member of the Home Stretch Queensland steering group, Anglicare SQ is one of 14 major care providers across Queensland seeking a commitment by the Queensland Government to extend the leaving care age to 21 years, providing young people with the option to stay in a stable placement or supported care environment until they are more ready to cope independently. This gives young people transitioning from care the same right to home as a safety net that most other young Queenslanders have as they study, begin a working life, and develop the maturity to cope with an adult world.



A final word

The 2021 national Anglicare Australia Snapshot points out that the past year has shown us that Australia's governments can work together for the greater good, and act with urgency in a crisis.

Rental affordability is without a doubt a crisis.

We need Federal and state governments to commit to urgent action, investment and leadership on this issue. Without such intervention, thousands of Australian families will continue to struggle in deepening hardship.

Appendices

Appendix 1: Additional tables

Accommodation type	Median weekly rent					
	2021	2020	2019	2018	2017	2016
House/Townhouse	\$480	\$465	\$450	\$450	\$450	\$460
Unit/Flat/Apartment	\$435	\$440	\$400	\$400	\$400	\$420
Shared Rental (embedded)	\$180	\$180	\$190	\$180	\$165	\$180
Brisbane Metro	\$450	\$450	\$425	\$430	\$425	\$440

Table 2: Comparison of median advertised rents by accommodation type, 2021 to 2016

Property size	Median weekly rent					
	2021	2020	2019	2018	2017	2016
One bedroom ¹	\$320	\$340	\$340	\$325	\$350	\$370
Two bedroom	\$450	\$440	\$400	\$400	\$400	\$410
Three bedroom	\$480	\$450	\$430	\$450	\$440	\$450
Four bedroom	\$595	\$540	\$530	\$530	\$530	\$540
Five bedrooms or more	\$750	\$750	\$695	\$680	\$695	\$730
Brisbane Metro	\$450	\$450	\$425	\$430	\$425	\$440

¹ excludes embedded share rentals, medians calculated separately

Table 3: Comparison of median advertised rents by property size, 2021 to 2016

Region	Number of rental advertisements					
	2021	2020	2019	2018	2017	2016
Brisbane - East	245	454	589	691	712	732
Brisbane - North	535	696	842	1,070	1,308	997
Brisbane - South	1,137	1,484	1,920	1,951	1,918	1,610
Brisbane - West	557	646	718	929	1,000	796
Brisbane Inner City	2,446	2,507	2,421	3,475	3,485	3,345
Brisbane Metro	4,920	5,787	6,490	8,116	8,423	7,480

Table 4: Comparison of number of rental advertisements by region, 2021 to 2016

Appendix 2: A note on methodology

The Snapshot was undertaken over the weekend of 27-28 March 2021 (the Snapshot weekend). This year, Anglicare Australia again partnered with REA Group (who operate the realestate.com.au website) to collect data on rental listings across Australia, replacing previous manual collection methods. State- or region-based data from the total dataset was provided to participating Anglicare and affiliate organisations. Anglicare SQ assessed a data set of 83 postcodes (209 suburbs) from across the five ABS Brisbane City statistical divisions (Inner, North, South, East and West), as well as selected established commuter suburbs in the Moreton Bay South region. Nationally, more than 74,000 properties were surveyed. The following property types were excluded from the data:

- Advertisements for 'non dwellings' such as workshops, garages, shops, warehouses etc
- Duplicate advertisements for the same property
- Properties that included conditions such as house cleaning or child minding
- Short term leases (less than six months), holiday accommodation, boarding houses and student-only accommodation.
- Properties already listed as 'leased'.

For the purposes of the Snapshot, we also applied the following assumptions to the dataset:

- Where rents are banded (eg the property was advertised as renting at \$300-\$320 per week) the higher rent in the band was used.
- Where rents were not stated in the advertisement, they were assumed to be too expensive.
- Where rents are listed as 'from x' or 'offers above x' or 'x neg', the figure given as 'x' was used.
- Where multiple properties were advertised in the same advertisement (e.g. two rooms available in the one share house), these were counted as separate properties. The exception to this rule was where it was not clear from the advertisement how many properties were available. In these cases, they were counted as two properties.

Predefined tests of affordability and appropriateness were then applied to the survey data, resulting in the number of advertised properties on a given day which were adequate for households of different types living on a low income. For a dwelling to be determined as suitable it had to satisfy tests of both affordability and appropriateness.

Affordability

The Snapshot uses a commonly used benchmark of housing affordability called the '30:40 indicator'.²⁰ That is, when housing costs are greater than 30% of disposable income and that household's income is in the bottom 40% of the income distribution, the household is deemed to be in 'housing stress'.²¹

Household incomes are derived from the maximum rate of Centrelink pensions, allowances or net minimum wage combined with the Commonwealth Rent Assistance (CRA) and Family Tax Benefits (FTB) where applicable. Consistent with Australian Housing and Urban Research Institute (AHURI) research about the nature of housing assistance,²² CRA was included in the household's total income, rather than being treated separately as a specific housing allowance. The total resulting income for each household type was used to establish a maximum affordable weekly rent based on the 30% rule.

While any measure of affordability will have weaknesses, the Australian Housing and Urban Research Institute (AHURI) has found that the 30:40 measure (or the ratio method) was a reasonable indicator of housing stress and was useful in identifying “households likely to be at risk of problems associated with a lack of affordable housing”.²³ The ratio method underpins the Housing Affordability Index offered by the HIA and Commonwealth Investment Bank²⁴ and the Council of Australian Governments also uses the ratio method in the National Affordable Housing Agreement as its measure of affordability.²⁵

Appropriateness

We applied the following assumptions in regard to appropriateness:

- A room in a share house, bedsit or at least a one-bedroom property is suitable for a single person with no children.
- A room in a share house is not suitable for couples or those on a disability support pension.
- A two-bedroom property is suitable for a single person or couple with one child.
- Households with two children require a three-bedroom property. We assume that the children are of different gender, and that it is not appropriate for the children to share a room. We acknowledge that in cases where two children under 18 years are of the same gender, there will be slightly more suitable (two-bedroom) properties available.

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About Anglicare Southern Queensland

Anglicare SQ's experience in identifying and responding to the needs of vulnerable members of our many and varied communities is underpinned by 150 years of delivering innovative, quality care services.

Our 3,000 staff and 600 registered volunteers operate across southern Queensland and in Longreach and Townsville. We offer a comprehensive, integrated range of community services that comprises community aged care, residential aged care and community support programs, including child safety, disability support, counselling and education, mental health, homelessness and chronic conditions. Our services are designed to 'wrap around' clients in a comprehensive way, recognising their health needs but also addressing the social needs which contribute to wellness.

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Anglicare Southern Queensland acknowledges the Traditional Owners of the lands on which our services now stand. We pay our respect to Elders – past, present and emerging – and acknowledge the important role of Aboriginal and Torres Strait Islander people in caring for their own communities.

