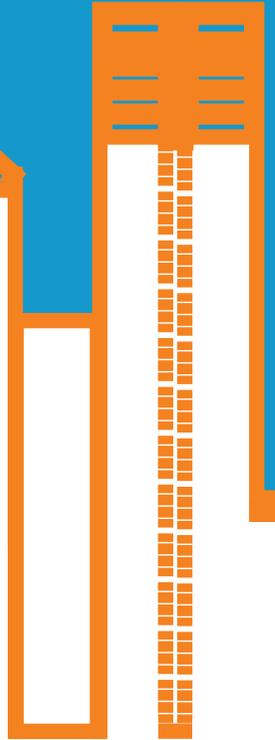
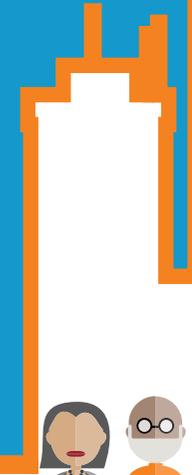
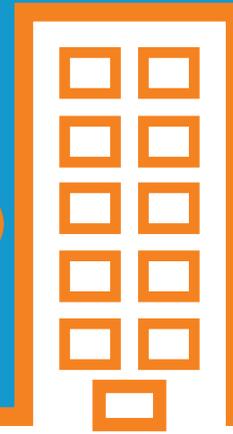
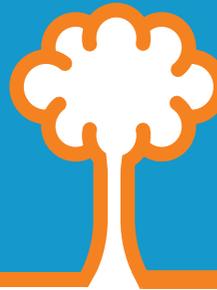
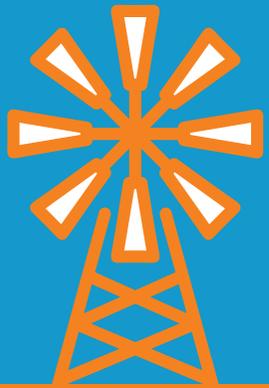


# Rental Affordability Snapshot 2020

Western Australia - Anglicare WA



Anglicare WA™

# Rental Affordability Snapshot 2020

Anglicare WA conducts the Rental Affordability Snapshot each year to develop a better understanding of how our rental market is changing and the implications for Western Australians living on low incomes.

The Rental Affordability Snapshot was taken just days before the Australian Government announced a temporary, 6 month increase to some government income payments, in response to the Coronavirus pandemic. This 'Coronavirus Supplement' of an additional \$550 per fortnight will be paid to all new and existing recipients of the JobSeeker (formerly Newstart), Youth Allowance, and Parenting Payments from 27 April 2020, in addition to their normal payments.

This Rental Affordability Snapshot contains two sets of findings: it shows the number of affordable and suitable homes for rent for people on low incomes on the weekend of 21 March 2020. It then uses the same property listings to measure affordability for the same WA households if the temporary supplements were made permanent.

This year's Snapshot is based on 7,256 private rentals in the Perth metro area, South West and Great Southern, and the North West including the Kimberley and Pilbara. A property was considered affordable if it required less than 30% of a household's income, and it was considered appropriate if it had an adequate number of bedrooms.

The 2020 Rental Affordability Snapshot highlights the lack of affordable options for low income households, particularly those that rely on Government benefits. They continue to be priced out of the private rental market across the State. Since last year, median rents increased from \$350-\$370 in the Perth metro area, remained steady at \$330 in the South West and Great Southern, and increased dramatically from \$400 to \$470 in the North West including the Kimberley and Pilbara.

The impact of the Coronavirus Supplement on affordability for different family types is uneven, with households in receipt of JobSeeker, Youth Allowance or Parenting Payments experiencing greater rates of affordability with the new payments. However, households that rely on the Disability Support Pension and Age Pension will be left behind since they are not eligible for the Supplement. The slight increase in affordability for those on Age Pension and DSP are from an increase of \$11 per fortnight on 20 March 2020 as part of a bi-annual increase linked to CPI.

## Key Findings

### Perth Metro

#### Michael, JobSeeker Payment

There is 1 property (0%) in Perth that he can afford. With the Coronavirus Supplement he could afford 1%.



Couples on the JobSeeker Payment could only afford 1% of listed properties. With the Coronavirus Supplement, 30% of properties would be affordable to them.

#### Claudia, Parenting Payment

She can afford 12 (0%) of listed properties. With the Coronavirus Supplement she could afford 5%.



#### Ruby and Bruce, Age Pension

They can afford 3% of listed properties. The couple are not eligible for the Coronavirus Supplement.



#### Grace, Minimum Wage

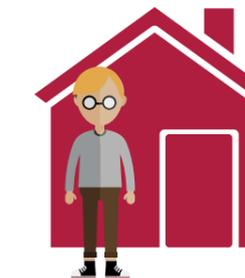
She can afford 11% of listed properties. She is ineligible for the Coronavirus Supplement, no change in affordability.



### South West & Great Southern

#### Kevin, Disability Support Pension

He can afford 1 (0%) of listed properties. He is not eligible for the Coronavirus Supplement.



### North West (including Kimberley & Pilbara)

#### Lisa and Ben, Minimum Wage & Parenting Payment

They can afford 7% of listed properties. With the Coronavirus Supplement they could afford 12%.



## Michael

Single, JobSeeker Payment

Last year we introduced Michael who, after losing his job, had to find somewhere cheaper to live and eventually secured a public housing unit where he pays 25% of his income. Having access to decent, affordable accommodation has made a huge difference to Michael's health and wellbeing.

His mate, Kim, also on JobSeeker Payment, can afford to pay \$90 per week in rent. There is 1 room in a share house, in the whole Perth Metro, that is affordable for Kim. He spends 65% of his income on a private rental. Each fortnight, he has enough money for one week, and relies on emergency food help for the second week.



*"I'm enjoying having my own place. I haven't been this happy in a long time. My outlook is improving. I'm writing again, getting my creativity back."*  
- Michael

## Claudia

Single parent with one child, Parenting Payment

Since Claudia couldn't find an affordable place on her own last year, she moved in with her mum, but the situation is tense.

Claudia is looking for work and childcare for her 18 month old. She would like to have a place of her own where her daughter can have space to play.



*"I hate relying on other people but at the moment I don't know how to get out of this situation."*



With the Coronavirus Supplement, Michael could afford **1%** (51 properties) up from **0%** without the Supplement.

The Coronavirus Supplement will make a significant difference to a couple on JobSeeker Payment. Without it, they could only afford **1%** of listed properties. With it, **30%** of properties would be affordable to them.



Claudia can afford \$193 per week for rent. 12 properties out of 6,187 (**0%**) of properties in the Perth Metro area are affordable and appropriate for Claudia and her daughter.

She would have to pay 66% of her weekly income to afford a median rental of \$370 a week.

With the Coronavirus Supplement, Claudia could afford **5%** (331 properties) up from **0%** without the Supplement.

## Ruby and Bruce

Couple, Age Pension

Ruby and Bruce moved into a caravan park this year to try and make ends meet. They are doing their best to integrate into the community and Ruby started volunteering at a local library.

She would like to be working, but it makes it hard to look for work when you don't have a car, which they had to sell to afford the move to the caravan park.



*"We cut everything off to save money, but now we feel disconnected."*



A couple on an Age Pension can afford \$227 a week in rent. Ruby and Bruce pay \$173 per week for the caravan site plus \$70 a month for electricity.

**3%** of listed rental properties in the Perth Metro are affordable for a couple on an Age Pension.

Ruby and Bruce are not eligible for the Coronavirus Supplement, but due to a small increase in the Age Pension linked to CPI as of 20 March 2020, they could afford **4%** of properties in the Perth metro area.

## Grace

Single parent with two kids, Minimum Wage

This year, Grace was able to move into a cheaper rental that she can afford.

She would still like to be closer to school, but for now she is happy that she and her kids are safe after years of violence and conflict with her ex-partner.



*"My kids come first."*



Grace can afford \$303 per week in rent.

There has been an improvement in affordability for families like Grace's; **11%** of listed properties are affordable and appropriate for a single parent earning minimum wage.

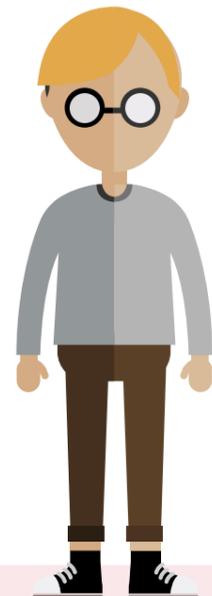
Grace isn't eligible for the Coronavirus Supplement so she would continue to be able to afford **11%** of listed properties.

## Kevin

Single, Disability Support Pension

Kevin has moved a few times this year, renting rooms in people's houses and staying in a lodging house. One place was so small, you "couldn't swing a cat in it."

He's looking for stability after years of bouncing around.



*"I just want a home. I haven't had one in a long time."*



Kevin can afford to spend \$159 a week on rent. Kevin would have to pay 72% of his weekly income to afford a median rental in the South West and Great Southern of \$330 a week.

1 property (**0%**) out of 685 in the Southwest and Great Southern is affordable for Kevin.

Kevin isn't eligible for the Coronavirus Supplement, but with a new rate of Disability Support Pension as of 20 March 2020, he would be able to afford increased rent of \$160 (up \$2) making 3 properties (0%) in the whole South West and Great Southern affordable to him.

## Lisa and Ben

Couple, Minimum Wage and Parenting Payment

Lisa and Ben have been able to maintain their rental from last year but have been unable to save up for a deposit to buy their own home as they had hoped.

Ben found work and is on a temporary contract. He doesn't know if it will be extended beyond this year.



*"We're just trying to keep up."*



Lisa and Ben can afford \$334 a week on rent. The median rent in the North West increased dramatically from \$400 per week in 2019 to \$475 in 2020.

Only **7%** of properties in the Northwest are affordable for Lisa and Ben, down from 13% in 2019.

With the Coronavirus Supplement, Lisa and Ben could afford **12%** up from **7%** without the Supplement.

## What can be done?

### Permanently Increase Income Support – JobSeeker Payment

#### The issue

- Welfare increases have given many Australians much needed relief, but the private rental market is still failing people on the lowest incomes. Age pensioners and people with disability have been left out altogether.
- Welfare increases should be open to all people in need – and they should be permanent.

#### What needs to change

- Permanently increase single rates of JobSeeker, Youth Allowance and related payments by retaining the COVID-19 supplementary payment as standard.
- Index allowances in line with wage movements at least twice per year.

#### What Anglicare WA is doing

We have signed up to the #RaiseTheRate campaign and are asking the Federal Government and all WA MPs to make the increases to JobSeeker payments permanent.

#### What you can do

- Share your story with the #RaiseTheRate campaign.
- Contact or visit [your Federal MP](#) to ask them to support a permanent increase.
- Sign up for campaign updates to #RaiseTheRate.

## What can be done?

### Protecting Renters

#### The issue

- 28% of renters were already in rental stress prior to COVID-19, paying more than 30% of their income on rent.
- Across the country, we've heard stories from people who are losing their jobs and seeing their hours cut back. Incomes are drying up. People are at serious risk of losing their homes.
- The Residential Tenancies Act regulates the private rental market in WA and is currently under review by the WA State Government.

#### What needs to change

- Provide rent and debt relief to tenants in need.
- Limit rent rises to Consumer Price Index as they have done in a number of places in Europe, the UK and the USA. In limited circumstances, such as when substantial improvements are made to a property, landlords could apply to increase the rent by more than CPI.

#### What Anglicare WA is doing

We are working with the [Make Renting Fair](#) coalition of community organisations calling for the stabilisation of rent increases as part of their '[Tenancy Ten](#)' - a list of tenancy issues and solutions.

#### What you can do

Support the Make Renting Fair campaign by telling your story, signing up for campaign updates or donating to the campaign.

## What can be done?

### Increase Housing Supply – Private, Public and Community

#### The issue

- We're asking people to stay at home – so we must invest in homes for people who need them most.
- There is inadequate social housing (public and community housing) in WA to meet demand. Prior to COVID-19 the waitlist was over 14,000 and is likely to increase.

#### What needs to change

- Increase social housing by a net increase of at least 15,000 social housing dwellings with a major construction program as part of our COVID-19 economic recovery.
- Provide subsidised housing in the private rental market and require new developments to include at least 15% affordable housing, of which at least 5% is social housing.

#### What Anglicare WA is doing

- We are providing our experience and opinion to the development of the [State Housing Strategy](#) being developed by government with the support of Shelter WA.
- We are a member of the [WA Alliance to End Homelessness](#) and working with the State government and other organisations to implement the [State Homelessness Strategy](#).

#### What you can do

- Ask your State and Federal MPs to back a major social housing construction program to both provide more affordable housing and support our economic recovery.
- Private rental landlords can register their property with the Assisted Rental Pathways Pilot.

## What can be done?

### Reduce Costs of Utilities

#### The issue

- With the internet and digital connectedness increasingly essential to economic and social life, the prohibitive cost for many low income renters can result in exclusion to opportunity and participation.
- Poor insulation in lower rent housing often requires more cooling and heating than other housing.
- Utilities as a proportion of income are higher for low income renters.

#### What needs to change

- Extend coronavirus hardship schemes and rebates for utilities for the long term.
- Broadband connections to be included in utilities hardship schemes.
- Retrofitting housing stock for greater energy efficiency by social housing providers and minimum insulation standards for private rentals.

#### What Anglicare WA is doing

We are working with the [Make Renting Fair](#) coalition of community organisations that calls for minimum standards in rentals, including climate appropriate housing, as part of their '[Tenancy Ten](#)' - a list of issues and solutions.

#### What you can do

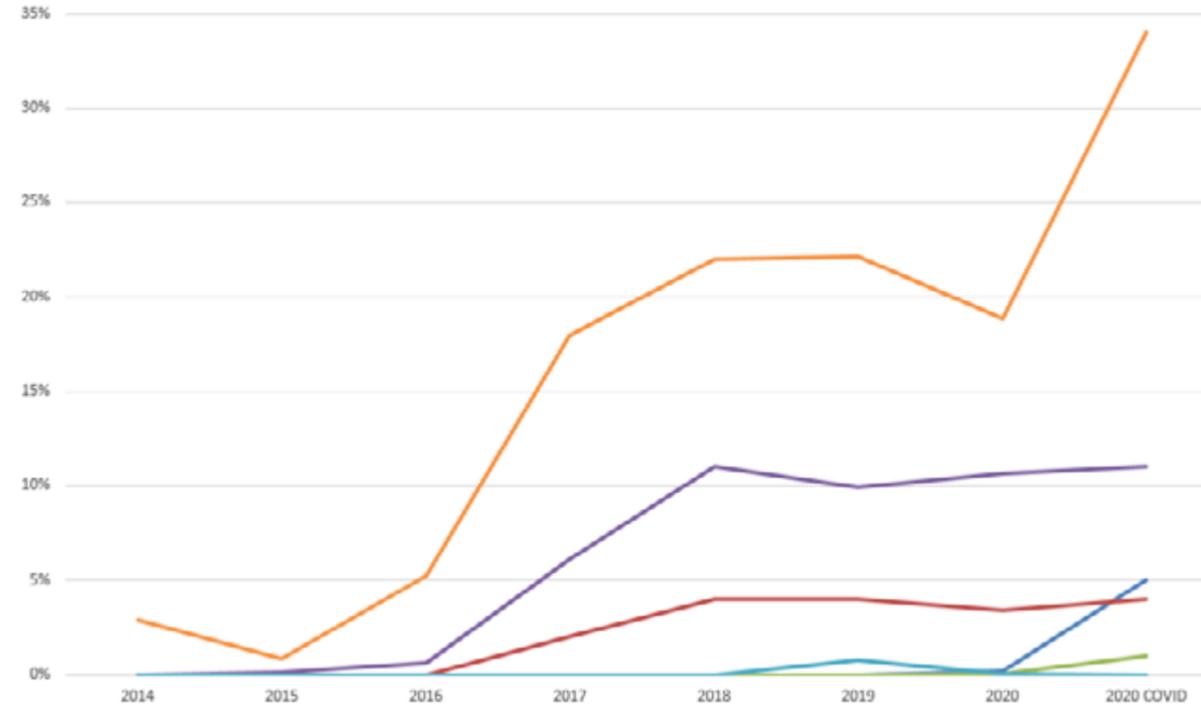
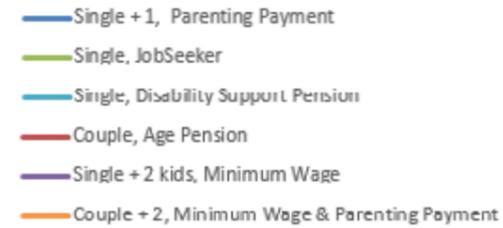
- Ask your MP to support the [No Australian Left Offline](#) proposal.
- Support the [Make Renting Fair](#) campaign.

## Affordability by Region, 2014-2020

### Perth Metro

Without the Coronavirus Supplement, a single person on a JobSeeker payment would be able to afford 0% of properties in the Perth Metro Area. With the Supplement, they could afford 1%, a slight improvement, but not adequate to meet demand.

Couples on a Minimum Wage and Parenting Payment will experience significant improvements in affordability, from 19% to 34%, with the Supplement. Single parents in receipt of Parenting Payment will also fare better with the Supplement, from 0% affordable properties to 5%.

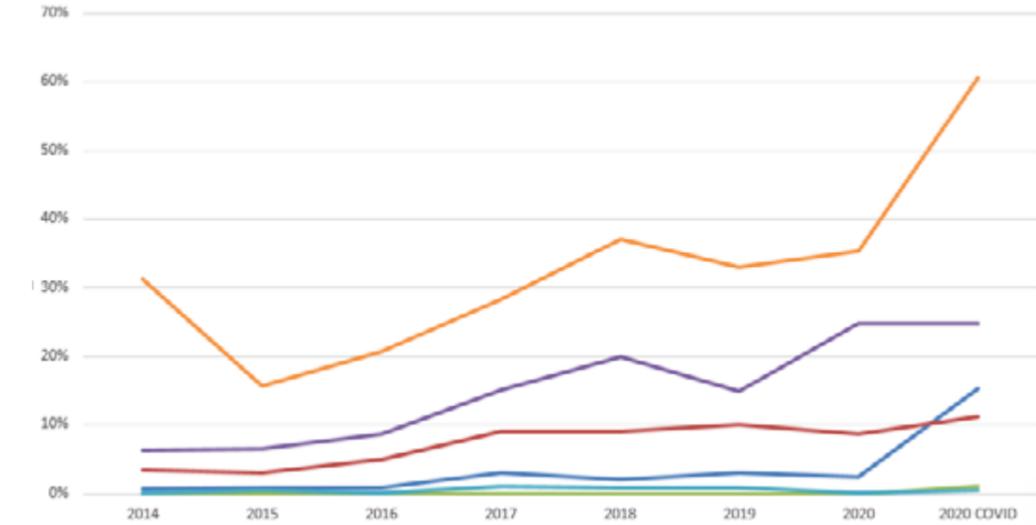


## Affordability by Region, 2014-2020

### South West & Great Southern

With the Coronavirus Supplement, single parents in receipt of Parenting Payment in the South West and Great Southern would experience dramatically improved affordability from 3% to 15%.

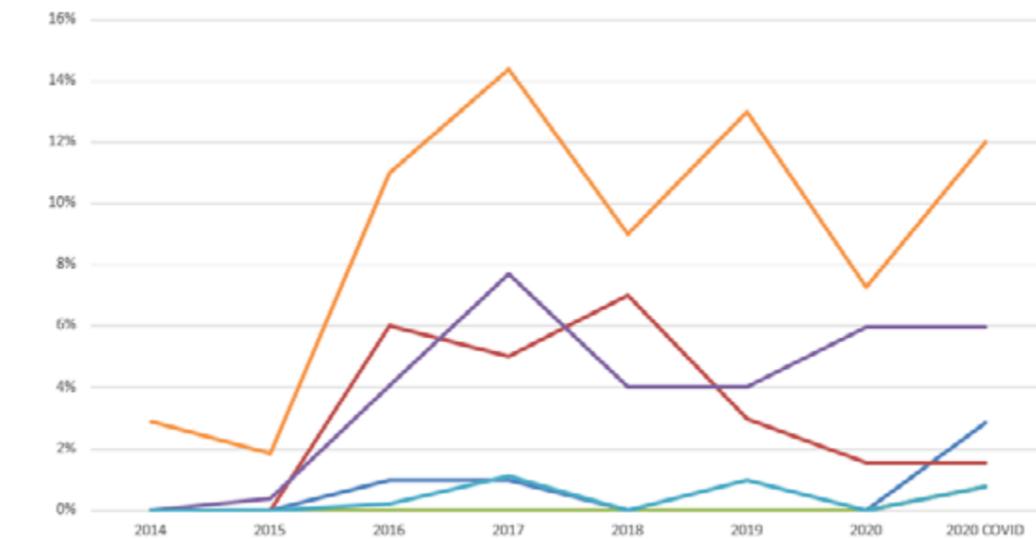
Couples on a Minimum Wage and Parenting Payment would also experience greater affordability, with the Supplement giving them access to 61% of properties compared to 35% without the Supplement.



### North West

A single person on a JobSeeker payment would be able to afford 1% of properties in the North West with the Supplement compared to 0% without the Supplement. Affordability would increase considerably in the North West for a couple on a Minimum Wage and Parenting Payment from 7% to 12%.

Households on an Age Pension will still struggle to secure affordable accommodation with only 3% of listed properties being affordable for a couple on an Age Pension across the North West.



# Affordable and Appropriate Properties by Region and Household Type

With and without the Coronavirus Supplement

Household Type	Payment Type	% Old rate		% With COVID-19 Supplement		% Old rate		% With COVID-19 Supplement	
		Perth Metro	South West & Great Southern	Perth Metro	South West & Great Southern	Perth Metro	South West & Great Southern	Perth Metro	South West & Great Southern
Couple, two children	JobSeeker Payment (both adults)	1%	29.7%	5.5%	53.7%	0.3%	10.2%		
Single, two children	Parenting Payment Single	0.3%	6.1%	3.2%	16.6%	0%	2.9%		
Couple	Age Pension	3.4%	4.4%	8.8%	11.2%	1.6%	1.6%		
Single, one child	Parenting Payment Single	0.2%	5.3%	2.5%	15.3%	0%	2.9%		
Single, one child	JobSeeker Payment	0%	2.5%	0%	8.9%	0%	0.3%		
Single	Age Pension	0.6%	0.6%	0.3%	0.6%	0%	0.8%		
Single aged over 18	Disability Support Pension	0%	0%	0.1%	0.4%	0%	0.8%		
Single	JobSeeker Payment	0%	0.8%	0%	1.2%	0%	0.8%		
Single aged over 18	Youth Allowance	0%	0.6%	0%	0.6%	0%	0.8%		
Single in share house	Youth Allowance	0%	0.5%	0%	0.3%	0%	0%		
Couple, two children	Minimum Wage + FTB A	43.5%	43.5%	71.4%	71.4%	19%	19%		
Single, two children	Minimum Wage + FTB A & B	10.7%	10.7%	24.8%	24.8%	6%	6%		
Single	Minimum Wage	1.2%	1.2%	3.5%	3.5%	1%	1%		
Couple, two children	Minimum Wage + Parenting payment (partnered) + FTB A&B	18.8%	34.1%	35.3%	60.6%	7.3%	12%		
<b>Total number of properties</b>		<b>6187</b>	<b>685</b>	<b>6187</b>	<b>685</b>	<b>384</b>	<b>384</b>		
<b>Median</b>		<b>\$370</b>	<b>\$330</b>	<b>\$370</b>	<b>\$330</b>	<b>\$475</b>	<b>\$475</b>		

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