MEDIA RELEASE
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Brisbane rental affordability continues to make gains; low-income groups and individuals on JobSeeker are suffering

The cost of renting in many parts of Brisbane continues to ease according to the Rental Affordability Index (RAI).

The RAI is an indicator of the price of rents relative to household incomes based on new rental agreements. It is released annually by National Shelter, Bendigo and Adelaide Bank, SGS Economics & Planning and the Brotherhood of St Laurence. The report provides an indication on the impact of early COVID-19 responses and supplement payments, measuring rental affordability for households until the June quarter 2020.

With an RAI of 129 Brisbane is considered acceptable, with the average household paying 23 per cent of its total income if renting at the median rate.

However, lower-income households have to fork out a much higher proportion of their income to afford a roof over their heads:

- Single person on JobSeeker: 53 per cent of income (severely unaffordable)
- Single pensioner: 61 per cent of income (extremely unaffordable)
- Pensioner couple: 42 per cent of income (severely unaffordable)
- Single part-time worker parent on benefits: 37 per cent of income (unaffordable)
- Full-time hospitality worker: 31 per cent of income (unaffordable)

In East Brisbane, the average income household is now paying 25 per cent of income on rent. Three months earlier, at the start of the pandemic, that would have been 29 per cent.

In the past 12 months, more middle to outer suburbs have shifted from moderately unaffordable to unaffordable. However, most postcodes in inner to middle Brisbane remain moderately unaffordable to unaffordable.

Regional Queensland less affordable than Brisbane

Affordability has fluctuated in regional Queensland over the past 12 months, seeing a slight increase in affordability during the second quarter of 2020. With an RAI score of 123, its level of rental affordability is less than its metropolitan counterpart. The average rental household is facing rents at 24 per cent of its total income.

“We are seeing a movement away from the capital to regional centres which is tightening rental affordability across regional Queensland,” Mr Pisarski said.

On the Sunshine Coast, Maroochydore and Noosa are generally moderately unaffordable to unaffordable. Unaffordability has continued to spread inland from Noosa towards Pomona over the past 12 months. Parts of the Cairns and Toowoomba regions have shifted from acceptable to moderately unaffordable.

Adrian Pisarski, Executive Officer, National Shelter, said: “Despite JobSeeker being a welcome boost to many low-income renters, it was not enough to lift them out of rental stress. This shows the depth of our rental affordability problem, where even with additional support, there is not one place in Australia where a JobSeeker recipient can rent affordably.”

“As we’ve seen in Victoria, there is a massive need for government investment in social and affordable housing – and now is the time for it since borrowing costs are so low in Australia.

Without investment in this space, we are ignoring our responsibility to help people be decently housed.

Now is not the time to pass the buck of responsibility for building social housing between the Commonwealth and States; a truly national effort is required. If there is no action, the net result of our housing system failures will be a dramatic increase in homelessness," Mr Pisarski said.

Ellen Witte, Partner at SGS Economics and Planning said: "The market is responding to the inability of JobSeeker recipients to pay high market rents by lowering rents. From March to June 2020, rents fell between two and seven per cent nation-wide. The greatest falls in rental prices were in Greater Melbourne (-7%), Greater Hobart (-6%) and Greater Brisbane (-6%)."

"There is a real opportunity to use the current recession to build a stronger future. With low interest rates, high unemployment and an increase of demand for affordable housing, this is the time to invest in social housing. And at the same time, people can be brought back into jobs."

"An investment of about $7.8 billion would create 15,500 to 18,000 jobs over four years and add 30,000 dwellings to our social housing stock and refurbish aged stock," Ms Witte said.

David Robertson, Head of Economic and Market Research at Bendigo and Adelaide Bank, said: "We're seeing more people working from home – even as we emerge out of the COVID-19 crisis – and greater movements from capital cities to regional centres. As more people move into regional areas and the outer fringes of our cities, we need to consider infrastructure and opportunities for employment and training."

"Looking beneath the headline figures, rental stress is affecting the majority of very low-income households in Australia. This trend is creating pressure on regional rental markets and their associated infrastructure. Even in cities with higher than average incomes and better than average rental affordability, the plight of low-income renters continues to remain dire."

Professor Shelley Mallett, Director of Research and Policy at Brotherhood of St Laurence, said that despite the additional support from the JobSeeker Supplement, many Australians receiving this support continue to face severe rental affordability.

"Rental stress has become so entrenched and severe for low-income households that the JobSeeker supplement has brought little relief – with the situation for most low-income households in these metropolitan areas remaining untenable," Professor Mallett said.

"We can expect that the September reduction to JobSeeker will further increase rental stress and disparities of this cohort. Coupled with the economy not re-creating jobs and a relatively high unemployment rate, many households are being trapped in a poverty cycle."

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Interview opportunities are available with:

- Adrian Pisarski, Executive Officer of National Shelter – Noosa, QLD
- Ellen Witte, Partner at SGS Economics and Planning – Hobart, Tasmania

- David Robertson, Head of Economic and Market Research at Bendigo and Adelaide Bank – Melbourne, Victoria
- Professor Shelley Mallett, Director of Research and Policy at Brotherhood of St Laurence – Melbourne, Victoria

Link to interactive map:
https://www.sgsep.com.au/maps/rai/australia-rental-affordability-index-nov20-embargoed/?thirdspace=1

About the Rental Affordability Index
National Shelter, Bendigo and Adelaide Bank, SGS Economics & Planning and the Brotherhood of St Laurence have released the Rental Affordability Index (RAI) biannually since 2015. Since 2019, the RAI has been released annually. The RAI is a price index for housing rental markets. It is a clear and concise indicator of rental affordability relative to household incomes.

About National Shelter
National Shelter is a peak advocacy group whose mission is to create a more just housing system, particularly for low-income Australian households.

About SGS Economics & Planning
SGS Economics & Planning is a leading planning and economics firm whose purpose is to shape policy and investment decisions to achieve sustainable places, communities and economies.

About Bendigo and Adelaide Bank
Bendigo and Adelaide Bank is Australia's 5th biggest retail bank, with more than 7,400 staff helping our more than 1.9 million customers to achieve their financial goals.

About Brotherhood of St Laurence
The Brotherhood of St Laurence is a community organisation that works to prevent and alleviate poverty across Australia.