

MEDIA RELEASE**EMBARGOED UNTIL 00:01 Tuesday 1 December 2020****Singles on JobSeeker and pensioners are still struggling in Perth's rental market**

Rental affordability in Perth has remained stable but rents are not affordable across the board and renting remains unaffordable for lower-income households, the latest release of the Rental Affordability Index (RAI) reveals.

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.

A score of 100 and below in the RAI shows that low-income households are suffering rental stress, spending at least 30 per cent of their income on housing. They may experience difficulty paying for primary needs such as food, medicine, childcare and transport. A score of 100-150 shows that low-income households are facing unaffordable rents.

With a score of 145, rental affordability in Greater Perth has remained stable. The median rental household in Greater Perth faces rents costing about 21 per cent of their total income. While this is considered acceptable, rental property remains much less affordable for lower-income households:

- Single pensioner: 65 per cent of income (extremely unaffordable)
- Single person on JobSeeker: 56 per cent of income (severely unaffordable)
- Pensioner couple: 38 per cent of income (unaffordable to severely unaffordable)
- Single part-time worker parent on benefits: 33 per cent of income (unaffordable)
- Full-time hospitality worker: 30 per cent of income (unaffordable)

The geographic spread of affordability across greater Perth remains uneven. While most areas in the city have acceptable or better affordability, coastal and south western suburbs remain moderately unaffordable to unaffordable.

Regional Western Australia has also recorded a slight decrease in affordability from an RAI of 157 to 155. Affordability in regional Western Australia has grown steadily over recent years, due to rising incomes, suggesting affordability has stabilised.

The average household seeking to rent in regional WA would be facing rent levels at around 19 per cent of its income, which is considered to be acceptable. However, like its metropolitan counter-part, many low-income households are facing unaffordable rents – with a single pensioner also spending 65 per cent and a single person on JobSeeker spending 56 per cent of their incomes on rent.

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. While there are great initiatives to deliver more affordable housing – such as the new Western Australia Housing Strategy and the Social Housing Economic Recovery Package – if there is no National Strategy, 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.”

The findings from the RAI add weight to the acute concerns facing people in the private rental market with the scheduled end of the moratorium on evictions and rent increases in March 2021. This will make renting an even more precarious proposition for people on low and low to moderate incomes across Western Australia.

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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/projects/rental-affordability-index>

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.