



Rental Affordability

2021 SNAPSHOT

ANGLICARE VICTORIA - VICTORIAN RENTAL MARKET



CONTENTS

OVERVIEW	5
RESULTS AND DISCUSSION	9
METROPOLITAN MELBOURNE	10
REGIONAL VICTORIA	12
POLICY SOLUTIONS	18
ABOUT ANGLICARE VICTORIA	19
DATA METHODOLOGY	20





Anglicare Victoria

Our Research

Anglicare Victoria's 2021 Rental Affordability Snapshot (RAS) was conducted as part of the national Snapshot undertaken by Anglicare Australia. The Snapshot is an annual survey of the affordability of rental properties for people living on low incomes in Victoria. This is the eleventh consecutive time it has been conducted in Victoria.

The RAS examined 33,710 private rental listings advertised in Victoria on Saturday 27 March 2021. The research calculates what proportion of these listings would be suitable for individuals and families living on the minimum wage, a Commonwealth pension or income support. To be suitable, an advertised property needed to cost less than 30 per cent of a household's total income – a commonly-used indicator of housing stress among vulnerable households – and have enough bedrooms to avoid over-crowding. Please refer to the appendix for methodology and figures.

What we found

Households on income support or pensions, and many households on minimum wage, continue to be locked out of the private rental market.

Of the 33,710 private rentals advertised across Victoria:

- Only 2 per cent (746) were suitable for at least one household type living on income support.
- 18 per cent of properties (6091) were suitable for at least one household type living on minimum wage.

The most notable trend in the 12 months to March 2021 was the sharp decrease in affordability and availability of rental properties in regional, rural and coastal Victoria.

Many individuals and families chose to abandon Melbourne after the second COVID-19 lockdown, creating a squeeze on rental properties in the regions. In this year's snapshot, only 15 of the 48 regional local government areas (LGAs) had any listings available, and just 1,422 (4 per cent) of the 33,710 available listings were from regional Victoria.

This flight from the city led to a rise in the number of available – but not necessarily affordable – properties in Melbourne's CBD and surrounding suburbs.

What we can do

1. Government-led investment and strategy in the housing sector. Rental access and affordability continues to drift out of reach of our lowest income earners. A Commonwealth policy intervention such as a national affordable housing strategy is becoming increasingly critical.

2. Increase the rate of income support. This year, just three rentals across Victoria were affordable for a person on JobSeeker without putting people into housing stress. It's clear that the \$25 a fortnight rise to JobSeeker announced by the Federal Government in 2021 is not sufficient.

3. More housing and support options for those fleeing family violence. There continues to be a shortage of short- and long-term accommodation options for those fleeing family violence.

Top 10 most affordable LGAs in metropolitan Melbourne for households on income support

LGA	Proportion of unique, advertised properties affordable to at least one income group receiving income support	Corresponding number of available properties
Frankston	6.4%	17
Monash	5.3%	90
Banyule	3.6%	25
Mornington Peninsula	3.3%	4
Greater Dandenong	2.9%	19
Boroondara	2.7%	60
Brimbank	2.2%	43
Hume	2.2%	9
Whitehorse	2.1%	16
Maribyrnong	2.1%	19

Top 10 most affordable LGAs in metropolitan Melbourne for households on minimum wage

LGA	Proportion of unique, advertised properties affordable to at least one income group receiving minimum wage	Corresponding number of available properties
Melton	90.6%	983
Cardinia	75.3%	143
Whittlesea	69.7%	624
Casey	64.7%	284
Brimbank	57.5%	1103
Hume	56.9%	236
Wyndham	47.3%	26
Greater Dandenong	34.1%	225
Knox	33.3%	70
Hobsons Bay	33.0%	177

Top 10 most affordable LGAs in regional, rural and coastal Victoria for households on income support

LGA	Proportion of unique, advertised properties affordable to at least one income group receiving income support	Corresponding number of available properties
Wodonga	46.3%	25
Gannawarra	25.0%	2
Latrobe	20.7%	24
Mildura	16.4%	12
Campaspe	13.3%	6
Baw Baw	11.5%	11
Greater Geelong	7.4%	30
Ballarat	5.5%	15
Greater Bendigo	4.0%	6
Bass Coast	3.4%	1

Top 10 most affordable LGAs in regional, rural and Coastal Victoria for households on minimum wage

LGA	Proportion of unique, advertised properties affordable to at least one income group receiving minimum wage	Corresponding number of available properties
South Gippsland	87.5%	7
Gannawarra	75.0%	6
Macedon Ranges	74.7%	109
Ballarat	72.1%	196
Mildura	65.8%	48
Baw Baw	61.5%	59
Campaspe	55.6%	25
Latrobe	54.3%	63
Bass Coast	51.7%	15
Mount Alexander	46.7%	7



Results and Discussion

The findings of the 2021 Snapshot highlight that low income earners, particularly those who rely on income support, continue to be excluded from accessing affordable private rental housing. This year's results also challenge a long-standing trend that renting in regional Victoria is more affordable than metropolitan Melbourne. As remote working became more accessible and acceptable due to the Coronavirus pandemic, many people left the metro areas and moved to country Victoria. The increased competition has led to a squeeze in the regions which has pushed up rental prices – and left a glut of apartment rentals available in inner Melbourne.

The headline trends from the 2021 Rental Affordability Snapshot are as follows:

- **City dwellers flee to the regions after COVID.** Many of those previously living close to the CBD made for the countryside when Melbourne's second lockdown lifted in 2020. This move massively increased competition for rental properties across the state, making many regional towns much less affordable – particularly for those on minimum wage and income support.
- **Sharp fall in regional listings, rise in available CBD properties.** The overall number of rental listings increased to 33,710 from 19,435 in 2020. Only 1422 of these listings were in regional Victoria, less than half the figure from 2020. The 9261 rental listings available in the CBD were more than 2.5 times last year's total of 3320.
- **The average weekly rent in the regions (\$370) is now close to what it is in Melbourne (\$395).** This compares to the average weekly rent of \$350 in regional Victoria a year ago.

- **About 2 per cent (746) of listings were suitable for at least one type of household on income support** without placing them into housing stress.
- **18 per cent of properties (6091) were suitable for at least one household type living on minimum wage.**
- **Only 0.2 per cent (53) of the listings were suitable for a couple with two young children getting by on JobSeeker.**
- **Singles do it tough.** Single people (with and without children) on income support or pension continue to be the most disadvantaged group, as well as singles on the minimum wage. Just 251 (0.7 per cent) of properties were affordable and appropriate across all of Victoria for singles on the minimum wage.
- **Most types of households are worse off in 2021 compared to last year.** There was a marginal improvement for singles and couples on the Age pension (0.1 per cent) and for singles on the disability support pension (0.2 per cent).
- **Regional landlords warm to domestic tourism.** With international holidays not currently an option, Australians are holidaying in regional areas of the country. Some landlords have turned to Airbnb to take advantage of this increased demand for accommodation, reducing the supply of available rentals for lease.

Metropolitan Melbourne

Across metropolitan Melbourne's 31 LGAs there were 32,288 advertised rentals, representing 96 per cent of listings. Of these listings:

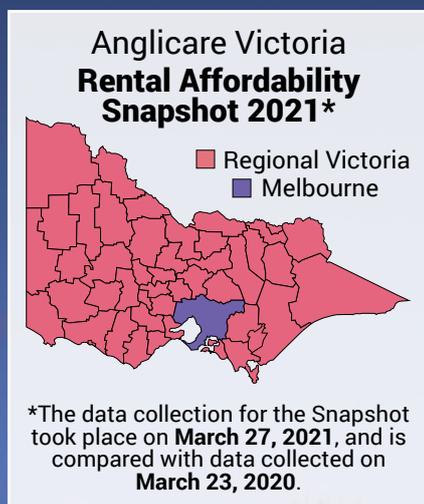
- only 1.9 per cent of properties (614) were suitable for at least one household type living on income support
- 16.5 per cent of properties (5,323) were suitable for at least one household type living on minimum wage
- more than a quarter (27.5 per cent) of available properties in metropolitan Melbourne were in Melbourne's CBD and surrounding suburbs.

The number of listings in metro LGAs almost doubled from the 2020 results, but this large rise did not result in more than a trivial improvement in affordability for those on low incomes.

Families on minimum wage are being further squeezed out of the private rental market in metropolitan Melbourne with the number of affordable and appropriate properties decreasing by more than five per cent in the space of a year (See Table 2 – Data and Methodology below).

As in the past few years, Melton and Cardinia continue to be the most affordable for households on the minimum wage.

The effects of COVID-19 resulted in the flight by many renters from Melbourne's CBD and inner-city suburbs to regional Victoria.



The fall in demand meant the average weekly rent for apartments in the CBD **plunged** by

32%

Rental listings in the CBD and inner-city suburbs **jumped** by

179%

2%

of listings in Victoria are **suitable** for households on income support.

1%

of listings are **affordable** for single people on minimum wage.

Regional Victoria

A total of 1422 rental properties were available in regional areas on 27 March 2021, less than half the number available in the 2020 RAS. Of these:

- 9.3 per cent of properties (132) were suitable for at least one household type living on income support payments without placing them in housing stress
- 54 per cent (768) were suitable for at least one household type living on minimum wage
- The 15 LGAs with available rental property listing were Ararat, Ballarat, Greater Bendigo, Bass Coast, Baw Baw, Campaspe, Colac-Otway, Gannawarra, Latrobe, Macedon Ranges, South Gippsland, Greater Geelong, Mount Alexander, Mildura and Wodonga.

Couples on the aged pension had the most properties open to them with 8.1 per cent of rentals considered suitable. Minimum wage households were the most likely group to find a rental. In families where both partners earned minimum wage, more than half (51 per cent) the listed properties were suitable, however this dropped more than 7 per cent in the last year.

Singles on income support fared the worst with between 0.1% and 1.7% of properties categorised as both affordable and appropriate (depending on income support payment type). In the past year a significant number of low income earners in numerous rural and coastal LGAs have been priced out of the rental market, and are competing for a very small number of rental properties on offer.

Greater Bendigo

Around Greater Bendigo, 151 properties on realestate.com.au were surveyed on the weekend of 27 March 2021:

- 4 per cent (six) properties were affordable and appropriate for households receiving welfare payments
- No properties were affordable and appropriate for a single person on JobSeeker or Youth Allowance, or for families on JobSeeker or receiving the parenting payment
- For a household on minimum wage, 36 per cent (54) of these properties were both affordable and appropriate.

Regional hubs such as the Greater Bendigo region have in the past provided low income households with more affordable options. In the last 12 months, the number of properties affordable for households on the minimum wage dropped by 53 per cent.

Latrobe Valley and Baw Baw regions

In the Latrobe Valley and Baw Baw regions, 212 properties on realestate.com.au were surveyed on the weekend of 27 March 2021:

- 16.5 per cent (35) of properties were affordable and appropriate for households receiving welfare payments
- 57 per cent (122) of properties were affordable and appropriate for households receiving the minimum wage
- No properties were affordable and appropriate for a single person on JobSeeker, Youth Allowance, or a parenting payment.

The Latrobe Valley remains one of the last regional LGAs with more than a handful of listings that are both appropriate and affordable to households on at least one type of income support payment. In the past 12 months this number has dropped by 40 per cent, meaning there is more competition for the affordable properties remaining.

Metro to regional exodus

The snapshot this year presents a different picture to the previous snapshots in the number of listings in metro and regional areas. The overall number of listings has increased considerably in Victoria, with 33,710 properties listed - 44.4 per cent of all listings available across the country on the snapshot day. (For a comparison, Victoria accounted for only 27.8 per cent of the national listings in the 2020 snapshot).

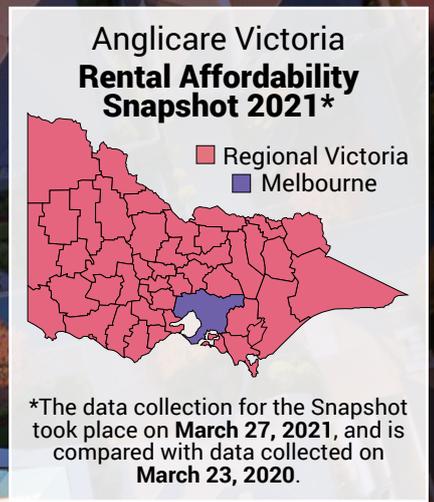
Interestingly, the increase in listings is confined to the metro LGAs, with a dramatic increase of almost 3-fold in the Melbourne CBD area.



In regional areas, the number of available properties is less than half what it was in 2020. (Figure 1 provides a three-year comparison). This is almost certainly attributable to the extended COVID-19 lockdown in the Melbourne metro areas during July-October 2020 that forced people to avoid the CBD for work and stay at home most of the time. It appears to have resulted in many people re-locating to regional locations which were subject to more relaxed restrictions on movement, gatherings and commerce.

An additional factor which likely increased the number of vacant rental properties in Metropolitan Melbourne (particularly the CBD) is the lack of international students residing in Melbourne due to COVID-19-related travel restrictions. However, this is likely a secondary factor which would have impacted other Australian capital cities (especially Sydney) as well. Yet these cities did not see anywhere near as dramatic a rise in vacant rental properties compared to Melbourne.

The exodus increased the cost of rental properties in the regions: fewer than 10% are affordable to those on income support payments.



Available rental listings in regional Victoria decreased by more than

50%

The number of affordable properties for households on income payments/minimum wage decreased by more than

7%

The average weekly rent in the regions is now similar to that in **Melbourne**.

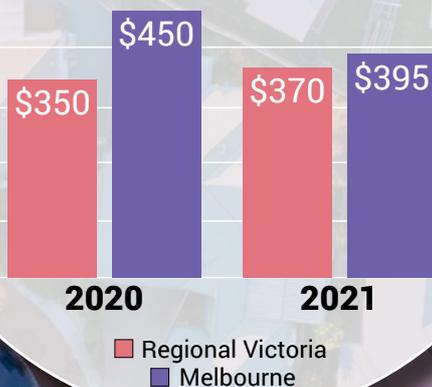
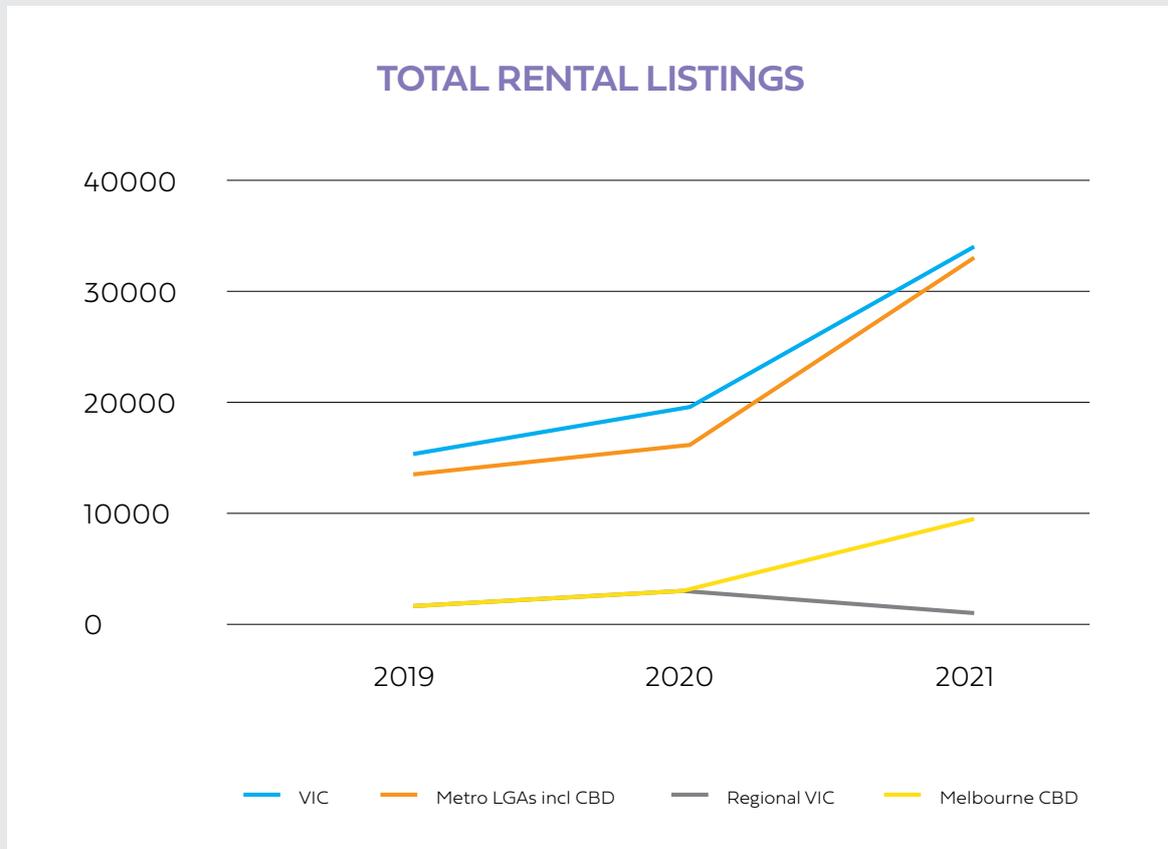


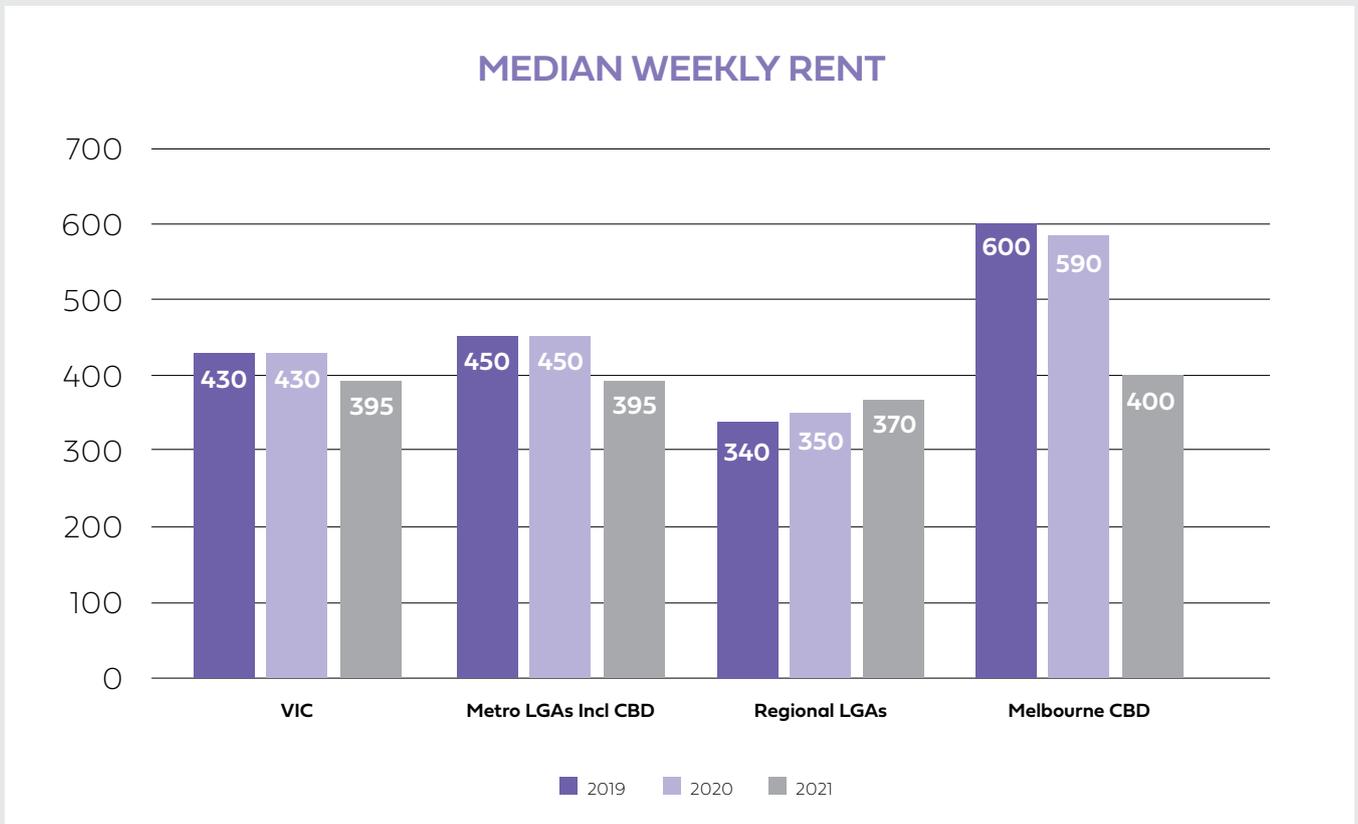
Figure 1: Total rental listings for Victoria - 2019-2021 snapshots



Total number of rental property listings on snapshot day

Year	2019	2020	2021
Victoria - Total	15750	19435	33710
Metro LGAs including CBD	14026	16172	32288
Regional Victoria	1724	3263	1422
Melbourne CBD	1799	3320	9261

Figure 2: Median weekly rent for Victoria - 2019-2021 snapshots



Affordable housing for women and children who have experienced family violence

Housing stress continues to be a problem for people and families on low incomes in Victoria, both in metro and regional areas. Anglicare Victoria is particularly concerned about some of the more vulnerable people within this cohort – namely women and children who have experienced family violence.

The unaffordability of appropriate housing for single parents on Jobseeker and parenting payments imply that a considerable number of women with children who are leaving family violence situations are likely to experience significant housing stress. Single parents with children whose primary source of income is the parenting or Jobseeker payments have affordable access to less than 0.1% of the rental properties across Metropolitan Melbourne and 0.6% in regional Victoria.

This raises serious concerns about the safety of women and children who have experienced family violence, in that economic dependence (which encompasses rental affordability) is a well-established reason that women remain in violent relationships.



Policy Solutions

1. Increase the rate of JobSeeker payments and youth allowance to prevent homelessness.

The cuts to the JobSeeker payments available during the pandemic will push more Victorians into poverty and housing stress in the next few years. Increasing the level of the support payments would improve affordable access to the rental market for low income households. Measures of housing and rental affordability – such as this study – should inform Federal Government decision-making about the rates of these payments and pensions so that vulnerable people are not trapped in rental stress and other aspects of poverty.

2. Greater government investment in targeted social and public housing.

All levels of government need to consider alternative and creative solutions to the housing affordability crisis for all segments of society, not just first home buyers. A huge increase in investment in public housing, and other mechanisms to drive the availability of affordable housing to low income groups (e.g. via social impact bonds) is desperately needed at the federal level following a range of significant policy and infrastructure interventions announced by the Victorian Government during the pandemic to help those who are homeless or at risk of homelessness.

Federal policy intervention such as a national affordable housing strategy or national affordable housing summit is becoming increasingly urgent.

3. Ongoing work to ensure that parents and children leaving family violence have access to dedicated, safe and affordable housing.

Survivors of domestic violence are one of the groups at risk of homelessness. While progress continues to be made in this area, concessions need to be made for the fact that those fleeing abusive relationships may not have a family member or friend they can easily turn to, and that their partner may have control of their finances. Appropriate support systems need to be available to ensure survivors have a safe place to live and access services to help them get back on their feet.

About Anglicare Victoria

At Anglicare Victoria, we create opportunities to transform futures. Everything we do is to prevent, protect and empower disadvantaged Victorian children, young people and families.

These include:

- Out-of-home care
- Family and Parenting Support
- Education
- Family Violence
- Alcohol and Drug Support
- Emergency Relief
- Financial Counselling
- Community Support Programs

www.anglicarevic.org.au



Data and Methodology

Anglicare Victoria's 2021 Rental Affordability Snapshot (RAS) was conducted as part of the national Snapshot undertaken by Anglicare Australia. It covered 79 local government areas (LGAs) in metropolitan Melbourne and Victorian rural, regional and coastal areas – 31 from metropolitan areas and 48 in regional, rural and coastal communities.

On Saturday, 27 March 2021, realestate.com.au provided a data dump of all rental listings for the Victorian RAS. The data was cleaned to remove duplicates, conditional accommodation, serviced apartments, properties listed as 'rent to buy' and commercial properties – including car spaces, warehouses, office spaces and sheds.

The suitability of listed properties was assessed against the different categories of various low income households, as seen in the tables below.

Definitions

A dwelling was deemed suitable if it was both affordable and appropriate for a low-income household. Household groups were made up of single people or family groups living on Commonwealth income support and/or minimum wage.

How was affordability defined?

Renting was affordable if it cost less than 30 per cent of a household's total income (above 30 per cent is commonly considered to indicate housing stress for low income households). We included Commonwealth Rental Assistance (CRA) as income.

How was appropriateness defined?

Appropriateness refers to rentals containing enough bedrooms for each household type. Specifically:

- a share house room or bedsit was suitable for most single people – but not a couple or a disability support pensioner. An aged pensioner was acceptable
- a one to two bedroom property was suitable for a single person or couple
- a two to three bedroom property was suitable for parents with a small number of children.

A property can be affordable and appropriate for more than one household type. For example, a bedsit or a three bedroom home are both suitable for a single person to rent.

Table 1: Rental Affordability, Victoria – By household type and percentage, 2021

	Household Type	Payment Type	Number Affordable & Appropriate	Percentage Affordable & Appropriate
1	Couple, two children (one aged less than 5, one aged less than 10)	JobSeeker Allowance (both adults)	53	0.2%
2	Single, two children (one aged less than 5, one aged less than 10)	Parenting payment single	20	0.1%
3	Couple, no children	Age pension	716	2.1%
4	Single, one child (aged less than 5)	Parenting payment single	25	0.1%
5	Single, one child (aged over 8)	JobSeeker Allowance	8	0%
6	Single	Age pension	93	0.3%
7	Single, over 21	Disability support pension	93	0.3%
8	Single	JobSeeker Allowance	0	0%
9	Single, 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)	5,862	17.4%
12	Single, two children (one aged less than 5, one aged less than 10)	Minimum wage + FTB A and B	251	0.7%
13	Single	Minimum wage	241	0.7%
14	Couple, two children (one aged less than 5, one aged less than 10)	Minimum wage + Parenting payment (partnered) + FTB A and B	1,465	4.3%
	Total no. of Properties	33,710		

Table 2: Rental Affordability, Victoria – Melbourne Metropolitan LGAs, 2021

	Household Type	Payment Type	Number Affordable & Appropriate	Percentage Affordable & Appropriate
1	Couple, two children (one aged less than 5, one aged less than 10)	JobSeeker (both adults)	31	0.1%
2	Single, two children (one aged less than 5, one aged less than 10)	Parenting payment single	16	0%
3	Couple, no children	Age pension	600	1.9%
4	Single, one child (aged less than 5)	Parenting payment single	16	0%
5	Single, one child (aged over 8)	JobSeeker	6	0%
6	Single	Age pension	69	0.2%
7	Single, over 21	Disability support pension	69	0.2%
8	Single	JobSeeker	0	0%
9	Single, 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)	5,137	15.9%
12	Single, two children (one aged less than 5, one aged less than 10)	Minimum wage + FTB A and B	148	0.5%
13	Single	Minimum wage	194	0.6%
14	Couple, two children (one aged less than 5, one aged less than 10)	Minimum wage + Parenting payment (partnered) + FTB A and B	1,169	3.6%
	Total no. of Properties	32,288		

Table 3: Rental Affordability, Victoria – Regional, Rural and Coastal LGAs

	Household Type	Payment Type	Number Affordable & Appropriate	Percentage Affordable & Appropriate
1	Couple, two children (one aged less than 5, one aged less than 10)	JobSeeker (both adults)	22	1.5%
2	Single, two children (one aged less than 5, one aged less than 10)	Parenting payment single	4	0.3%
3	Couple, no children	Age pension	116	8.2%
4	Single, one child (aged less than 5)	Parenting payment single	9	0.6%
5	Single, one child (aged over 8)	JobSeeker	2	0.1%
6	Single	Age pension	24	1.7%
7	Single, over 21	Disability support pension	24	1.7%
8	Single	JobSeeker	0	0%
9	Single, 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)	725	51.0%
12	Single, two children (one aged less than 5, one aged less than 10)	Minimum wage + FTB A and B	103	7.2%
13	Single	Minimum wage	47	3.3%
14	Couple, two children (one aged less than 5, one aged less than 10)	Minimum wage + Parenting payment (partnered) + FTB A and B	296	20.8%
	Total no. of Properties	1,422		

Table 4: Change in affordability 2020 to 2021, Victoria

	Household Type	Payment Type	Percentage Affordable & Appropriate 2020	Percentage Affordable & Appropriate 2021	Change
1	Couple, two children (one aged less than 5, one aged less than 10)	JobSeeker Allowance (both adults)	0.4%	0.2%	-0.2%
2	Single, two children (one aged less than 5, one aged less than 10)	Parenting payment single	0.2%	0.1%	-0.1%
3	Couple, no children	Age pension	2.0%	2.1%	0.1%
4	Single, one child (aged less than 5)	Parenting payment single	0.2%	0%	-0.1%
5	Single, one child (aged over 8)	JobSeeker Allowance	0%	0%	0%
6	Single	Age pension	0.2%	0.3%	0.1%
7	Single, aged over 21	Disability support pension	0.2%	0.3%	0.1%
8	Single	JobSeeker Allowance	0%	0%	0%
9	Single, over 18	Youth allowance	0%	0%	0%
10	Single in share house	Youth allowance	0%	0%	0%
11	Couple, two children (one aged less than 5, one aged less than 10)	Minimum wage + FTB A (both adults)	27.6%	17.4%	-10.2%
12	Single, two children (one aged less than 5, one aged less than 10)	Minimum wage + FTB A and B	2.6%	0.7%	-1.9%
13	Single	Minimum wage	0.9%	0.7%	-0.2%
14	Couple, two children (one aged less than 5, one aged less than 10)	Minimum wage + Parenting payment (partnered) + FTB A and B	5.2%	4.3%	-0.9%





Free and confidential assistance is available

We're here for you

Call **Anglicare Victoria** on **1800 809 722** to chat to a Financial Counsellor

Or visit www.anglicarevic.org.au/our-services/financial-counselling to find out more.

Additional Support Services

National Debt Helpline – 1800 007 007

Lifeline Australia – 13 11 14

Parentline – 13 22 89

Kids Helpline – 1800 55 1800

MensLine Australia – 1300 78 99 78

1800RESPECT – 1800 737 732

Safe Steps Family Violence – 1800 015 188

Carers Australia – 1800 242 636

CENTRAL OFFICE

103 Hoddle Street, Collingwood VIC 3066

PO Box 45, Abbotsford VIC 3067 **P.** 1800 809 722 **E.** Info@anglicarevic.org.au



ABN: 97 397 067 466

All donations of \$2 or more are tax deductible.