

MEDIA RELEASE**EMBARGOED UNTIL 00:01 Wednesday 24 November 2021****Singles on JobSeeker and pensioners continue to struggle in Western Australia's rental market**

Unaffordable rent continues to affect Western Australia, with lower-income households impacted the most, the latest release of the Rental Affordability Index (RAI) reveals.

Low-income households from Kununurra in the north to Cape Naturaliste and Albany in the south and mining regions in the Pilbara and Goldfields regions have no affordable rental housing. So too, the whole of Perth, Mandurah and other areas.

While Perth remains more affordable for average income households, the average masks an absence of affordable rentals for single people on benefits, pensioners, single parents working part-time and on benefits and any household earning under \$60,000 per annum.

The RAI score for Perth has decreased by 14 per cent over the past year, meaning that Perth is now less affordable than Sydney and Melbourne (having previously been the most affordable capital). This is the largest decrease in affordability across all capital cities over the last twelve months.

The RAI indicates the price of rents relative to household incomes, based on new rental agreements. It is released annually by National Shelter, SGS Economics & Planning, the Brotherhood of St Laurence and Beyond Bank Australia.

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. These households may experience difficulty paying for basic necessities such as food, medicine, childcare and transport. A score of 100-150 shows that low-income households are facing unaffordable rents.

Significantly, with an RAI score of 27, rents are 'extremely unaffordable' for single people receiving Jobseeker payments. This household's rental costs are **110 per cent** of their income. They would require, on average, three times their current income to move into the 'acceptable' affordability range.

With a RAI score of 125, rental affordability in Greater Perth has fallen significantly over the past 12 months, to its lowest point since 2016 reversing improvements from the previous five years.

In Perth, there has been a particular decrease in affordability in the northern suburban corridor, the Greater Fremantle area and in some south-eastern suburbs.

The report measures rental affordability for households until the June quarter 2021, and continues to provide an indication on the impacts of COVID-19.

WA is characterised by having regional incomes significantly higher than its capital and while regions have stable and generally affordable rentals, there is still nothing affordable for low-income households for most regions in WA.

National Shelter Executive Officer, Adrian Pisarski said COVID has taken its toll on renters over the past year with improvements slowly gained in previous years wiped out in one year's rent rises and income losses.

“Low-income households have fared worst over the past year after an improvement generated by the COVID supplements in the previous year.

“It may be time to be calling for rent controls to put a brake on unsustainable rents, or at the very least Commonwealth Rent Assistance need to rise by 50 per cent to allow households receiving it to retain a level of affordability.

“We are seeing a big shift in regional rents, while some inner cities have become more affordable, our regions are being impacted, people are being forced out and homelessness is rising.

“In WA high incomes are masking a terrible situation for low-income households, by pushing average affordability higher while it remains shockingly unaffordable for people on low incomes.

“Australia needs a National Housing Plan, much more social and affordable housing, better tenancy laws, reforms of tax settings, new planning measures and the removal of incentives distorting our housing system,” he said.

Ellen Witte, Partner at SGS Economics & Planning, said the COVID pandemic had a noticeable impact on rental affordability across Australia.

“This report shows the most marked changes in rental affordability since we first released the RAI in 2015 – especially for JobSeeker recipients and renters in regional areas.

“The situation continues to be untenable for low-income households. With households having to pay most of their income on rent, many are pushed into poor quality, overcrowded houses and often far away from jobs and services.

“People on JobSeeker experienced a short reprieve from soaring rents. But now, they are even worse off than before.

“As part of the economic recovery out of the pandemic, we need structural adjustments to welfare payments. We need to prioritise those most in need and create jobs: expanding the social and affordable housing stock will achieve that,” Ms Witte said.

Professor Shelley Mallett, Director of Research and Policy Centre at the Brotherhood of St. Laurence said the RAI highlights the challenges younger Australians are facing.

“Young people living in regions with the highest rental unaffordability will face even greater stress as they are the ones who are often in low-paid and insecure work. And with woefully inadequate youth allowance payments, many will struggle to make ends meet,” Professor Mallett said.

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Interview opportunities are available with:

- Adrian Pisarski, Executive Officer of National Shelter – RAI creator
- Ellen Witte, Partner at SGS Economics and Planning – lead author RAI
- Professor Shelley Mallett - Director at the Brotherhood of St. Laurence’s Research and Policy Centre

Link to interactive map: <https://www.sgsep.com.au/maps/rai/australia-rental-affordability-index-nov21-embargoed/?embedded=1>

About the Rental Affordability Index

National Shelter, SGS Economics & Planning, the Brotherhood of St. Laurence and Beyond Bank Australia 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 Brotherhood of St Laurence

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

About Beyond Bank Australia

Beyond Bank is one of the largest 100% customer-owned banks in Australia. The organisation has been putting people before profit for more than 60 years.