

Private Rental Affordability Bulletin Capital Cities (Sept Quarter 2010)



State of the rental market

Methodology

Affordable housing can be measured in several ways. The TUV Private Rental Affordability Bulletin draws on two well recognised standards:

- **30% of Total Income:** For low income households (defined as being in the lowest 40% of income distribution), spending 30% or more of household income on rent is considered an indicator of housing stress.ⁱ
- **After Housing Poverty Line:** Poverty lines are income levels derived for various household types against which poverty can be measured. If a household's income is less than the poverty line applicable to it, then that household is considered to be in poverty.ⁱⁱ The AHPL refers to a poverty line with housing costs removed. The figures below show the money a household has left after paying rent at the median level, with figures in red representing a negative outcome.

This is a practical approach to the issue of affordability, demonstrating how much money households have left over after paying their direct housing costs (i.e. their rent) for the other necessities of life.

The TUV Private Rental Affordability Bulletin draws on a range of sources to provide median rent levels in each state.ⁱⁱⁱ

Analysis

Adelaide

Household Type	Property Type	Affordable Rent		Rent	Median Rent		Diff from Poverty Line
		Rent (30% of Total Income)	% of Median Rent		% of Income		
Single - Austudy	1 BR Flat	\$58.00	25.8%	\$225.00	91.4%	(\$185.96)	
Single (>21yrs) Sharing - Newstart	2 BR Flat	\$75.00	57.7%	\$130.00	48.2%	(\$67.26)	
Single - Aged Pension	1 BR Flat	\$121.00	53.8%	\$225.00	55.1%	(\$23.91)	
Single Parent (1 child) - Parenting	2 BR Flat	\$147.00	56.5%	\$260.00	52.1%	(\$75.66)	
Couple (2 children) - Newstart	3 BR House	\$201.00	64.8%	\$310.00	46.3%	(\$181.58)	
Couple (2 children) - AWE	3 BR House	\$379.00	122.3%	\$310.00	24.5%	\$332.46	
Couple (2 children) - Min Wage	3 BR House	\$269.00	86.8%	\$310.00	34.5%	(\$34.35)	

Brisbane

Household Type	Property Type	Affordable Rent		Rent	Median Rent		Diff from Poverty Line
		Rent (30% of Total Income)	% of Median Rent		% of Income		
Single - Austudy	1 BR Flat	\$58.00	20.7%	\$280.00	>100%	(\$207.06)	
Single (>21yrs) Sharing - Newstart	2 BR Flat	\$75.00	41.1%	\$182.50	67.6%	(\$120.26)	
Single - Aged Pension	1 BR Flat	\$121.00	43.2%	\$280.00	68.6%	(\$78.91)	
Single Parent (1 child) - Parenting	2 BR Flat	\$148.00	40.3%	\$365.00	73.2%	(\$180.66)	
Couple (2 children) - Newstart	3 BR House	\$201.00	52.9%	\$380.00	56.7%	(\$251.58)	
Couple (2 children) - AWE	3 BR House	\$379.00	99.7%	\$380.00	30.0%	\$262.46	
Couple (2 children) - Min Wage	3 BR House	\$269.00	70.8%	\$380.00	42.3%	(\$104.35)	

Canberra

Household Type	Property Type	Affordable Rent		Rent	Median Rent		Diff from Poverty Line
		Rent (30% of Total Income)	% of Median Rent		% of Income		
Single - Austudy	1 BR Flat	\$58.00	19.7%	\$295.00	>100%	(\$207.06)	
Single (>21yrs) Sharing - Newstart	2 BR Flat	\$75.00	39.5%	\$190.00	70.4%	(\$127.26)	
Single - Aged Pension	1 BR Flat	\$121.00	41.0%	\$295.00	72.3%	(\$93.91)	
Single Parent (1 child) - Parenting	2 BR Flat	\$148.00	38.7%	\$380.00	76.2%	(\$195.66)	

Couple (2 children) - Newstart	3 BR House	\$201.00	44.7%	\$450.00	67.2%	(\$321.58)
Couple (2 children) - AWE	3 BR House	\$379.00	84.2%	\$450.00	35.6%	\$192.46
Couple (2 children) - Min Wage	3 BR House	\$269.00	59.8%	\$450.00	50.1%	(\$174.35)

Darwin

Household Type	Property Type	Affordable Rent		Rent	Median Rent	
		Rent (30% of Total Income)	% of Median Rent		% of Income	Diff from Poverty Line
Single - Austudy	1 BR Flat	na	na	na	na	na
Single (>21yrs) Sharing - Newstart	2 BR Flat	\$75.00	36.3%	\$206.50	76.5%	(\$144.26)
Single - Aged Pension	1 BR Flat	na	na	na	na	Na
Single Parent (1 child) - Parenting	2 BR Flat	\$147.00	35.6%	\$413.00	82.8%	(\$228.66)
Couple (2 children) - Newstart	3 BR House	\$201.00	36.1%	\$557.00	83.2%	(\$428.58)
Couple (2 children) - AWE	3 BR House	\$379.00	68.0%	\$557.00	44.0%	\$85.46
Couple (2 children) - Min Wage	3 BR House	\$269.00	48.3%	\$557.00	62.0%	(\$281.35)

Hobart

Household Type	Property Type	Affordable Rent		Rent	Median Rent	
		Rent (30% of Total Income)	% of Median Rent		% of Income	Diff from Poverty Line
Single – Austudy	1 BR Flat	\$58.00	32.2%	\$180.00	73.1%	(\$140.96)
Single (>21yrs) Sharing - Newstart	2 BR Flat	\$75.00	57.7%	\$130.00	48.2%	(\$67.26)
Single - Aged Pension	1 BR Flat	\$121.00	67.2%	\$180.00	44.1%	\$21.09
Single Parent (1 child) – Parenting	2 BR Flat	\$148.00	56.5%	\$260.00	52.1%	(\$75.66)
Couple (2 children) - Newstart	3 BR House	\$201.00	60.9%	\$330.00	49.3%	(\$201.58)
Couple (2 children) - AWE	3 BR House	\$379.00	114.8%	\$330.00	26.1%	\$312.46
Couple (2 children) - Min Wage	3 BR House	\$269.00	81.5%	\$330.00	36.8%	(\$54.35)

Melbourne

Household Type	Property Type	Affordable Rent		Rent	Median Rent	
		Rent (30% of Total Income)	% of Median Rent		% of Income	Diff from Poverty Line
Single – Austudy	1 BR Flat	\$58.00	20.1%	\$289.00	>100%	(\$207.06)
Single (>21yrs) Sharing – Newstart	2 BR Flat	\$75.00	44.1%	\$170.00	63.0%	(\$107.26)
Single - Aged Pension	1 BR Flat	\$121.00	41.9%	\$289.00	70.8%	(\$87.91)
Single Parent (1 child) - Parenting	2 BR Flat	\$147.00	43.2%	\$340.00	68.1%	(\$155.66)
Couple (2 children) - Newstart	3 BR House	\$201.00	60.9%	\$330.00	49.3%	(\$201.58)
Couple (2 children) - AWE	3 BR House	\$379.00	114.8%	\$330.00	26.1%	\$349.95
Couple (2 children) - Min Wage	3 BR House	\$269.00	81.5%	\$330.00	36.8%	(\$54.35)

Perth

Household Type	Property Type	Affordable Rent		Rent	Median Rent	
		Rent (30% of Total Income)	% of Median Rent		% of Income	Diff from Poverty Line
Single – Austudy	1 BR Flat	\$58.00	20.7%	\$280.00	>100%	(\$207.06)
Single (>21yrs) Sharing - Newstart	2 BR Flat	\$75.00	44.1%	\$170.00	63.0%	(\$107.26)
Single - Aged Pension	1 BR Flat	\$121.00	43.2%	\$280.00	68.6%	(\$78.91)
Single Parent (1 child) - Parenting	2 BR Flat	\$147.00	43.2%	\$340.00	68.1%	(\$155.66)
Couple (2 children) - Newstart	3 BR House	\$201.00	55.8%	\$360.00	53.8%	(\$231.58)
Couple (2 children) - AWE	3 BR House	\$379.00	105.3%	\$360.00	28.5%	\$282.46

Couple (2 children) - Min Wage	3 BR House	\$269.00	74.7%	\$360.00	40.1%	(\$84.35)
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Sydney

Household Type	Property Type	Affordable Rent		Rent	Median Rent	Diff from Poverty Line
		Rent (30% of Total Income)	% of Median Rent		% of Income	
Single – Austudy	1 BR Flat	\$58.00	14.9%	\$390.00	>100%	(\$207.06)
Single (>21yrs) Sharing – Newstart	2 BR Flat	\$75.00	34.9%	\$215.00	79.7%	(\$152.26)
Single - Aged Pension	1 BR Flat	\$121.00	31.0%	\$390.00	95.6%	(\$188.91)
Single Parent (1 child) - Parenting	2 BR Flat	\$147.00	34.2%	\$430.00	86.2%	(\$245.66)
Couple (2 children) - Newstart	3 BR House	\$201.00	51.5%	\$390.00	58.2%	(\$261.58)
Couple (2 children) - AWE	3 BR House	\$379.00	97.2%	\$390.00	30.8%	\$252.46
Couple (2 children) - Min Wage	3 BR House	\$269.00	69.0%	\$390.00	43.4%	(\$114.35)

Notes

ⁱ A 'housing first' measure of affordability originally derived from commercial lending terms. The assumption is that housing costs have first priority out of the household income.

ⁱⁱ The Henderson Commission of Inquiry into Poverty (1975) established the poverty line, based on a benchmark income of \$62.70 for a family of two adults and two dependent children in the September quarter of 1973. This amount was the disposable income required to support the basic needs of a family of this size. Poverty lines for other household types are derived from this benchmark figures using equivalence scales. Since then, the Melbourne Institute of Applied Economic and Social Research has updated the HPL using an index of per capita household disposable income, calculated using estimates provided by the Australian Bureau of Statistics (ABS). Thus, because the index is based on estimates, the poverty lines themselves are estimates. Also, updating poverty lines according to changes in household disposable income means that the poverty lines are relative levels of poverty - as real incomes rise, so will poverty lines. The value of the poverty lines will therefore be generally stable relative to general standards of living.

ⁱⁱⁱ Rent data is based on data collected by state housing authorities or real estate institutes. Full citations are available on request.