



METHODOLOGY

Housing affordability can be measured in several ways.

The TUV *Private Rental Affordability Bulletin* draws on two standards:

- **30% of Total Income (30%TI):** For low-income households (defined as being in the lowest 40 per cent of income distribution), spending 30 per cent or more of household income on rent is considered an indicator of housing stress.¹
- **After Housing Poverty Line (AHPL):** Poverty lines are income levels derived for various household types against which poverty can be measured. Simply, if a household's income is less than the poverty line applicable to it, then that household is considered to be in poverty.² The AHPL refers to a poverty line with housing costs removed. The figures below show how far above or below the poverty line a household is after paying rent at the median level in dollar terms.

The TUV Private Rental Affordability Bulletin draws on a range of sources for median rent levels and national income data³. The Weekly Minimum Wage (WMW) is reviewed annually by Fair Work Australia and represents the minimum wage applicable to employees who aren't covered by an award or agreement, for example in industries such as retail and hospitality. Average Weekly Earnings (AWE) is reported quarterly by the Australian Bureau of Statistics and is based on all occupations and industries. The AWE households used in this analysis are not considered to be low income households. They have been included as comparators of affordability.

From September 2015, additional suburbs have been included to widen the analysis to burgeoning suburbs and centres with high proportions of private renters. The new format seeks to highlight the geographical dimensions to (un)affordability by separating the analysis into inner, middle and outer suburbs, and also providing a summary of movements in median rents vs household incomes for each suburb.⁴⁵

ANALYSIS⁶

It is worth noting at the outset that households on average weekly earnings serve as useful comparators to illustrate the stark difference in housing affordability between low income households receiving income support or earning the minimum wage, and those earning an average wage. Even if households earning an average wage are paying close to or more than 30 per cent of their income on housing, they typically remain above the after housing poverty line – with the exception of a few of the suburbs profiled in Melbourne's inner ring. This is particularly so for single person households earning an average wage, which have significant disposable income after paying for housing, even if having to pay 30 per cent or more of their income on rent.

INNER RING

Selected movements in median rents				
Suburb	Dwelling Type	Median Rent	Δ Median Rent	
Brunswick	1 BR Flat	\$320	↓ \$15	↓ 5%
CBD	1 BR Flat	\$395	↑ \$15	↑ 4%
Footscray	2 BR Flat	\$350	↑ \$10	↑ 3%
Hawthorn	1 BR Flat	\$300	↑ \$30	↑ 11%
St Kilda East	2 BR Flat	\$400	\$0	0%

The tables above and to the right set out the major movements in median rents for one and two bedroom flats, and the statutory incomes for the profiled low-income households for which these dwellings could be considered appropriate. One and two bedroom flats have been highlighted here because they comprise the vast majority of newly tenanted dwellings in inner city suburbs, and typically house a significant majority of private renter households. As the tables demonstrate, statutory incomes have stagnated while median rents have generally continued to rise. Importantly, even when the median rent decreased significantly, it remains incredibly unaffordable for low-income households.

Selected movements in statutory incomes (p.w.)				
Dwelling Type	Income Payment	Max Income	Δ Income	
			(\$)	(%)
1 BR Flat	Austudy [Single]	\$282	↑1	0.4
	Newstart [Single]	\$329	↑3	0.9
	Aged Pension [Single]	\$494	↑2	0.4
	Min Wage [Single]	\$599	0	0
2 BR Flat	Parenting [Single Parent +1]	\$591	↑3	0.5

MAIN TRENDS:

In the June quarter, the largest movements in median rents were for three bedroom dwellings. Three bedroom dwellings in the CBD and St Kilda East increased \$30 (4 per cent) and \$25 (3.6 per cent) respectively, while three bedroom houses in Brunswick decreased \$55 (8.7 per cent). One and two bedroom flats in Hawthorn also increased \$30 and \$20 from the previous quarter (11.1 per cent and 4.8 per cent respectively). Median rents remain very high across metropolitan Melbourne's inner ring. As the tables below demonstrate, all inner ring suburbs profiled are characterised by critical unaffordability across all household types.

There are gradations, however. The CBD and suburbs in the inner east and north continue to be some of the most unaffordable suburbs in metropolitan Melbourne. Meanwhile Footscray, in the inner west, is relatively more affordable but would still be out of reach of the low income households profiled. With the exception of singles earning an average wage, other than those living in the CBD, all household types would need to pay more than more than 30 per cent of their income on the median rent for an appropriate dwelling in each suburb.

Single Person Households

Households receiving income support are the worst affected. Singles who are studying and not living in Footscray would continue to spend more than 100 per cent of their income to rent a one bedroom flat at the median rent (as high as 140 per cent in the CBD). Even in Footscray, the same student would be required to part with around 82 per cent of their income. Singles receiving Newstart would expend around 91 per cent of their income to live in Hawthorn or St Kilda East, 97 per cent in Brunswick, or more than 120 per cent of their income on median rent in the CBD. Living in any of these four suburbs would leave singles on Newstart between \$226 and \$255 below the poverty line. Similarly, singles earning the minimum wage would also experience rental stress in all five suburbs, needing to spend between 38 per cent and 66 per cent of their income on the median rent.

Family Households

Meanwhile the inner ring is really unaffordable for families with children. For instance, couples with dependent children and earning the minimum wage would need to spend upwards of 74 per cent of their income to afford median rents in the CBD or inner east. Even couples with children earning an average wage would spend more than 30 per cent of their income if paying median rents. These families would spend around 47 per cent of their income for an appropriate dwelling in Brunswick or 56 per cent for a similar size dwelling in Hawthorn, for example. In all suburbs profiled other than Footscray, these families would find themselves below the AHPL (between \$114 and \$319 below).

However the situation is much worse for families relying on Newstart, who would face crippling rental stress if they had to pay median rent in the suburbs profiled, leaving them significantly below the poverty line. For an appropriate three bedroom dwelling at the median rent, the families would be required to pay between 91 per cent and 102 per cent of their weekly income to live in the CBD, Hawthorn or St Kilda East. Even in Footscray, the most affordable of the inner ring suburbs profiled, approximately 59 per cent of their weekly income would be consumed

by the median rent. The dire affordability situation in the inner ring means couples receiving Newstart and with dependent children would be left between \$350 and \$665 below the AHPL.

Brunswick			Median Rent			
Household Type	Property Type	Affordable Rent	Weekly Income	Rent	% of Income	Difference from AHPL
Austudy - Single	1 BR Flat	\$67	\$282	\$320	113.6%	(\$255)
Newstart - Single (>21yrs)	1 BR Flat	\$85	\$329	\$320	97.3%	(\$246)
Newstart - Single (>21yrs) Sharing	2 BR Flat	\$85	\$307	\$208	67.7%	(\$156)
Newstart - Couple (2 children)	3 BR House	\$228	\$760	\$575	75.7%	(\$480)
Aged Pension - Single	1 BR Flat	\$148	\$494	\$320	64.8%	(\$81)
Parenting - Single Parent (1 child)	2 BR Flat	\$177	\$591	\$415	70.2%	(\$214)
AWE - Single	1 BR Flat	\$335	\$1,115	\$320	28.7%	\$440
AWE - Couple (2 children)	3 BR House	\$368	\$1,226	\$575	46.9%	(\$114)
Min Wage - Single	1 BR Flat	\$180	\$599	\$320	53.5%	(\$76)
Min Wage - Couple (2 children)	3 BR House	\$281	\$935	\$575	61.5%	(\$405)

CBD			Median Rent			
Household Type	Property Type	Affordable Rent	Weekly Income	Rent	% of Income	Difference from AHPL
Austudy - Single	1 BR Flat	\$67	\$282	\$395	140.2%	(\$255)
Newstart - Single (>21yrs)	1 BR Flat	\$85	\$329	\$395	120.1%	(\$255)
Newstart - Single (>21yrs) Sharing	2 BR Flat	\$85	\$307	\$275	89.5%	(\$223)
Newstart - Couple (2 children)	3 BR Flat	\$228	\$760	\$780	102.7%	(\$665)
Aged Pension - Single	1 BR Flat	\$148	\$494	\$395	79.9%	(\$156)
Parenting - Single Parent (1 child)	2 BR Flat	\$177	\$591	\$550	93.0%	(\$349)
AWE - Single	1 BR Flat	\$335	\$1,115	\$395	35.4%	\$365
AWE - Couple (2 children)	3 BR Flat	\$368	\$1,226	\$780	63.6%	(\$319)
Min Wage - Single	1 BR Flat	\$180	\$599	\$395	66.0%	(\$151)
Min Wage - Couple (2 children)	3 BR Flat	\$281	\$935	\$780	83.4%	(\$610)

Footscray			Median Rent			
Household Type	Property Type	Affordable Rent	Weekly Income	Rent	% of Income	Difference from AHPL
Austudy - Single	1 BR Flat	\$67	\$282	\$230	81.6%	(\$203)
Newstart - Single (>21yrs)	1 BR Flat	\$85	\$329	\$230	69.9%	(\$156)
Newstart - Single (>21yrs) Sharing	2 BR Flat	\$85	\$307	\$175	57.0%	(\$123)
Newstart - Couple (2 children)	3 BR House	\$228	\$760	\$445	58.6%	(\$350)
Aged Pension - Single	1 BR Flat	\$148	\$494	\$230	46.6%	\$9
Parenting - Single Parent (1 child)	2 BR Flat	\$177	\$591	\$350	59.2%	(\$149)
AWE - Single	1 BR Flat	\$335	\$1,115	\$230	20.6%	\$530
AWE - Couple (2 children)	3 BR House	\$368	\$1,226	\$445	36.3%	\$16
Min Wage - Single	1 BR Flat	\$180	\$599	\$230	38.4%	\$14
Min Wage - Couple (2 children)	3 BR House	\$281	\$935	\$445	47.6%	(\$275)

Hawthorn			Median Rent			
Household Type	Property Type	Affordable Rent	Weekly Income	Rent	% of Income	Difference from AHPL
Austudy - Single	1 BR Flat	\$67	\$282	\$300	106.5%	(\$255)
Newstart - Single (>21yrs)	1 BR Flat	\$85	\$329	\$300	91.2%	(\$226)
Newstart - Single (>21yrs) Sharing	2 BR Flat	\$85	\$307	\$220	71.6%	(\$168)
Newstart - Couple (2 children)	3 BR House	\$228	\$760	\$688	90.6%	(\$593)
Aged Pension - Single	1 BR Flat	\$148	\$494	\$300	60.7%	(\$61)
Parenting - Single Parent (1 child)	2 BR Flat	\$177	\$591	\$440	74.4%	(\$239)
AWE - Single	1 BR Flat	\$335	\$1,115	\$300	26.9%	\$460
AWE - Couple (2 children)	3 BR House	\$368	\$1,226	\$688	56.1%	(\$227)
Min Wage - Single	1 BR Flat	\$180	\$599	\$300	50.1%	(\$56)
Min Wage - Couple (2 children)	3 BR House	\$281	\$935	\$688	73.6%	(\$518)

St Kilda East			Median Rent			
Household Type	Property Type	Affordable Rent	Weekly Income	Rent	% of Income	Difference from AHPL
Austudy - Single	1 BR Flat	\$67	\$282	\$300	106.5%	(\$255)
Newstart - Single (>21yrs)	1 BR Flat	\$85	\$329	\$300	91.2%	(\$226)
Newstart - Single (>21yrs) Sharing	2 BR Flat	\$85	\$307	\$200	65.1%	(\$148)
Newstart - Couple (2 children)	3 BR House	\$228	\$760	\$725	95.4%	(\$630)
Aged Pension - Single	1 BR Flat	\$148	\$494	\$300	60.7%	(\$61)
Parenting - Single Parent (1 child)	2 BR Flat	\$177	\$591	\$400	67.6%	(\$199)
AWE - Single	1 BR Flat	\$335	\$1,115	\$300	26.9%	\$460
AWE - Couple (2 children)	3 BR House	\$368	\$1,226	\$725	59.1%	(\$264)
Min Wage - Single	1 BR Flat	\$180	\$599	\$300	50.1%	(\$56)
Min Wage - Couple (2 children)	3 BR House	\$281	\$935	\$725	77.5%	(\$555)

MIDDLE RING

Selected movements in median rents				
Suburb	Dwelling Type	Median Rent	Δ Median Rent	
Box Hill	1 BR Flat	\$303	↑ \$73	↑ 32%
Broadmeadows	2 BR Flat	\$320	↑ \$12	↑ 4%
Preston	1 BR Flat	\$280	↓ \$20	↓ 7%
Ringwood	3 BR House	\$400	↑ \$5	↑ 1%
Sunshine	2 BR Flat	\$273	↓ \$25	↓ 8%

The table above sets out the major movements in median rents for selected dwellings based on the type of dwelling most private tenants occupy (flats or houses) in the suburb and which type of dwelling comprises the majority of new tenancies in the suburb. Again, the statutory incomes for the profiled low-income households for which these dwellings could be considered appropriate can be found in the income table below. As these tables demonstrate, statutory incomes for low income households have barely increased. Meanwhile median rents have generally continued to rise or, where they have decreased, continue to be critically unaffordable for the low-income households seeking that type of dwelling.

MAIN TRENDS:

Median rents in Melbourne's middle ring suburbs are, on the whole, much lower than those in the inner ring. However, the five suburbs profiled below are unaffordable for all low-income household types, particularly Preston in the north and Box Hill and Ringwood in the east. Median rents were largely stable in the June quarter; however, there were significant movements for one bedroom flats in Box Hill which increased \$73 (32 per cent). Median rents for two bedroom flats also decreased in Preston (\$20, 7 per cent) and Sunshine (\$25, 8 per cent) from the March quarter 2016. [NOTE: there were no one bedroom flats rented in Broadmeadows in the June quarter]

Selected movements in statutory incomes (p.w.)				
Dwelling Type	Income Payment	Max Income	Δ Income	
			(\$)	(%)
1 BR Flat	Austudy [Single]	\$282	↑1	0.4
	Newstart [Single]	\$329	↑3	0.9
	Aged Pension [Single]	\$494	↑2	0.4
	Min Wage [Single]	\$599	0	0
2 BR Flat	Parenting [Single Parent +1]	\$591	↑3	0.5
3 BR House	Newstart [Couple +2]	\$760	↑5	0.7
	Min Wage [Couple +2]	\$935	0	0

Single Person Households

In the eastern suburbs of Box Hill and Ringwood, and Preston in the north, singles on Newstart and living alone would need to spend between 80 per cent and 92 per cent of their income for a one bedroom flat if paying the median rent in these three suburbs. Even singles receiving Newstart and sharing a two bedroom flat would consume between 65 per cent and 64 per cent of their income on housing. Similarly, aged pensioners living alone would need to spend more than 50 per cent of their income on the median rent on a one bedroom flat in these suburbs, including as much as 61 per cent of their income in Box Hill (an increase of 15 per cent on the previous quarter). Sunshine, in the west, and Broadmeadows, in the north west, provide some relief but remain unaffordable for the low income households profiled. Singles on income support and living alone would have to spend between 42 per cent and 75 per cent of their income to pay the median rent in Sunshine. Singles earning the minimum wage, meanwhile, would be required to part with 35 per cent of their income for a one bedroom flat to live in Sunshine, leaving them barely above the poverty line after paying for housing.

Family Households

Families receiving income support also face an unenviable situation. For example, a single parent with one child and receiving the parenting payment would expend between 57 per cent and 66 per cent of available income on the median rent for an appropriate two bedroom flat in the Box Hill, Preston and Ringwood. Though median rents are somewhat cheaper in Broadmeadows and Sunshine, low income families with dependent children would experience significant rental stress. For instance, median rents in these suburbs would consume 42 per cent to 44 per cent of the income of couples receiving Newstart and with dependent children, leaving them \$235 below the poverty line. Similarly, couples with dependent children and earning the minimum wage would spend around 35 per cent of their income to pay for median rent on an appropriate three bedroom house.

Box Hill			Median Rent			
Household Type	Property Type	Affordable Rent	Weekly Income	Rent	% of Income	Difference from AHPL
Austudy - Single	1 BR Flat	\$67	\$282	\$303	107.5%	(\$255)
Newstart - Single (>21yrs)	1 BR Flat	\$85	\$329	\$303	92.1%	(\$229)
Newstart - Single (>21yrs) Sharing	2 BR Flat	\$85	\$307	\$197	64.1%	(\$145)
Newstart - Couple (2 children)	3 BR House	\$228	\$760	\$435	57.3%	(\$340)
Aged Pension - Single	1 BR Flat	\$148	\$494	\$303	61.3%	(\$64)
Parenting - Single Parent (1 child)	2 BR Flat	\$177	\$591	\$393	66.4%	(\$192)
AWE - Single	1 BR Flat	\$335	\$1,115	\$303	27.2%	\$457
AWE - Couple (2 children)	3 BR House	\$368	\$1,226	\$435	35.5%	\$26
Min Wage - Single	1 BR Flat	\$180	\$599	\$303	50.6%	(\$59)
Min Wage - Couple (2 children)	3 BR House	\$281	\$935	\$435	46.5%	(\$265)

Preston			Median Rent			
Household Type	Property Type	Affordable Rent	Weekly Income	Rent	% of Income	Difference from AHPL
Austudy - Single	1 BR Flat	\$67	\$282	\$280	99.4%	(\$253)
Newstart - Single (>21yrs)	1 BR Flat	\$85	\$329	\$280	85.1%	(\$206)
Newstart - Single (>21yrs) Sharing	2 BR Flat	\$85	\$307	\$185	60.2%	(\$133)
Newstart - Couple (2 children)	3 BR House	\$228	\$760	\$438	57.6%	(\$343)
Aged Pension - Single	1 BR Flat	\$148	\$494	\$280	56.7%	(\$41)
Parenting - Single Parent (1 child)	2 BR Flat	\$177	\$591	\$370	62.6%	(\$169)
AWE - Single	1 BR Flat	\$335	\$1,115	\$280	25.1%	\$480
AWE - Couple (2 children)	3 BR House	\$368	\$1,226	\$438	35.7%	\$23
Min Wage - Single	1 BR Flat	\$180	\$599	\$280	46.8%	(\$36)
Min Wage - Couple (2 children)	3 BR House	\$281	\$935	\$438	46.8%	(\$268)

Ringwood			Median Rent			
Household Type	Property Type	Affordable Rent	Weekly Income	Rent	% of Income	Difference from AHPL
Austudy - Single	1 BR Flat	\$67	\$282	\$265	94.0%	(\$238)
Newstart - Single (>21yrs)	1 BR Flat	\$85	\$329	\$265	80.5%	(\$191)
Newstart - Single (>21yrs) Sharing	2 BR Flat	\$85	\$307	\$168	54.7%	(\$116)
Newstart - Couple (2 children)	3 BR House	\$228	\$760	\$400	52.6%	(\$305)
Aged Pension - Single	1 BR Flat	\$148	\$494	\$265	53.6%	(\$26)
Parenting - Single Parent (1 child)	2 BR Flat	\$177	\$591	\$335	56.6%	(\$134)
AWE - Single	1 BR Flat	\$335	\$1,115	\$265	23.8%	\$495
AWE - Couple (2 children)	3 BR House	\$368	\$1,226	\$400	32.6%	\$61
Min Wage - Single	1 BR Flat	\$180	\$599	\$265	44.3%	(\$21)
Min Wage - Couple (2 children)	3 BR House	\$281	\$935	\$400	42.8%	(\$230)

Broadmeadows			Median Rent			
Household Type	Property Type	Affordable Rent	Weekly Income	Rent	% of Income	Difference from AHPL
Austudy - Single	1 BR Flat	\$67		N/A		
Newstart - Single (>21yrs)	1 BR Flat	\$85		N/A		
Newstart - Single (>21yrs) Sharing	2 BR Flat	\$85	\$307	\$160	52.1%	(\$108)
Newstart - Couple (2 children)	3 BR House	\$228	\$760	\$330	43.4%	(\$235)
Aged Pension - Single	1 BR Flat	\$148		N/A		
Parenting - Single Parent (1 child)	2 BR Flat	\$177	\$591	\$320	54.1%	(\$119)
AWE - Single	1 BR Flat	\$335		N/A		
AWE - Couple (2 children)	3 BR House	\$368	\$1,226	\$330	26.9%	\$131
Min Wage - Single	1 BR Flat	\$180		N/A		
Min Wage - Couple (2 children)	3 BR House	\$281	\$935	\$330	35.3%	(\$160)

Sunshine			Median Rent			
Household Type	Property Type	Affordable Rent	Weekly Income	Rent	% of Income	Difference from AHPL
Austudy - Single	1 BR Flat	\$67	\$282	\$210	74.5%	(\$183)
Newstart - Single (>21yrs)	1 BR Flat	\$85	\$329	\$210	63.8%	(\$136)
Newstart - Single (>21yrs) Sharing	2 BR Flat	\$85	\$307	\$137	44.6%	(\$85)
Newstart - Couple (2 children)	3 BR House	\$228	\$760	\$330	43.4%	(\$235)
Aged Pension - Single	1 BR Flat	\$148	\$494	\$210	42.5%	\$29
Parenting - Single Parent (1 child)	2 BR Flat	\$177	\$591	\$273	46.2%	(\$72)
AWE - Single	1 BR Flat	\$335	\$1,115	\$210	18.8%	\$550
AWE - Couple (2 children)	3 BR House	\$368	\$1,226	\$330	26.9%	\$131
Min Wage - Single	1 BR Flat	\$180	\$599	\$210	35.1%	\$34
Min Wage - Couple (2 children)	3 BR House	\$281	\$935	\$330	35.3%	(\$160)

OUTER RING

Selected movements in median rents				
Suburb	Dwelling Type	Median Rent	Δ Median Rent	
Dandenong	1 BR Flat	\$240	↑ \$10	↑ 4%
Frankston	3 BR House	\$350	↓ \$10	↓ 3%
Lilydale	3 BR House	\$393	↑ \$7	↑ 2%
Melton	3 BR House	\$290	\$0	0%
Pakenham	3 BR House	\$328	\$0	0%
Rosebud	3 BR House	\$350	\$0	0%
Sunbury	3 BR House	\$340	↑ \$20	↑ 6%
Werribee	3 BR House	\$320	\$0	0%

The table above sets out the major movements in median rents for selected dwellings based on the type of dwelling most private tenants occupy (flats or houses) in the suburb and which type of dwelling comprises the majority of new tenancies in the suburb. Three bedroom houses are the dwelling type representing the vast majority of new tenancies each quarter, as well as housing the majority of private renters in the suburb. The notable exception is Dandenong, where the vast majority of private renters live in flats rather than houses.

The statutory incomes for the profiled low-income households for which these dwellings could be considered appropriate can be found in the income table on the right. Again the two tables illustrate the point that statutory incomes for low income households have increased very little, while median rents have either continued to rise or, if stable or decreasing, remain critically unaffordable for households reliant on income support or earning the minimum wage.

Selected movements in statutory incomes (p.w.)				
Dwelling Type	Income Payment	Max Income	Δ Income	
			(\$)	(%)
1 BR Flat	Austudy [Single]	\$282	↑1	0.4
	Newstart [Single]	\$329	↑3	0.9
	Aged Pension [Single]	\$494	↑2	0.4
	Min Wage [Single]	\$599	0	0
3 BR House	Newstart [Couple +2]	\$760	↑5	0.7
	Min Wage [Couple +2]	\$935	0	0

MAIN TRENDS:

The outer ring analyses eight suburbs on Melbourne's outer metropolitan fringe: Werribee, Melton and Sunbury on the western and north western fringes; Lilydale in the outer east; and Dandenong, Frankston, Pakenham and Rosebud in the south. While the outer ring is more affordable than the inner and middle rings these areas, as our analysis illustrates, are still unaffordable for all low income households profiled. Only those earning an average wage can afford appropriate housing in the eight suburbs analysed. Median rents were relatively stable or increased slightly in the June quarter; however, there were a few significant movements in median rents for one and two bedroom

dwellings. In Sunbury and Rosebud, median rents for two bedroom flats decreased \$25 (6.3 per cent) and increased \$15 (5.4 per cent), while median rents for one bedroom flats in Dandenong decreased \$20 (8 per cent) from the March quarter 2016. [NOTE: with the exception of Dandenong, Frankston and Lilydale, there were no one bedroom flats rented in the June quarter].

WEST AND NORTH:

Single Person Households

The outer western region is considered the most affordable region in metropolitan Melbourne. As our analysis shows, however, median rents in urban centres such as Melton, Sunbury and Werribee are all unaffordable for households on low incomes. While there is no data on one bedroom flats in Melton, Sunbury or Werribee, singles receiving income support would be required to pay between 40 per cent and 47 per cent of their income on housing if they were rent a two bedroom flat with another person. After paying for housing these individuals would be left between \$73 and \$93 below the poverty line if they had to pay the median rent.

Family Households

Couples with children receiving income support will also find it unaffordable to pay median rent in the outer western region. Families on Newstart, for example, would have to part with 38 per cent of their income on the median rent in Melton, while they would part with around 42 per cent or 45 per cent of their income in Werribee or Sunbury, respectively. These families would be left between \$195 and \$245 below the AHPL. The situation is similar for a single parent who would have to part with between 42 per cent and 49 per cent of their income on the median rent for a two bedroom flat.

Melton			Median Rent			
Household Type	Property Type	Affordable Rent	Weekly Income	Rent	% of Income	Difference from AHPL
Austudy - Single	1 BR Flat	\$67		N/A		
Newstart - Single (>21yrs)	1 BR Flat	\$85		N/A		
Newstart - Single (>21yrs) Sharing	2 BR Flat	\$85	\$307	\$125	40.7%	(\$73)
Newstart - Couple (2 children)	3 BR House	\$228	\$760	\$290	38.2%	(\$195)
Aged Pension - Single	1 BR Flat	\$148		N/A		
Parenting - Single Parent (1 child)	2 BR Flat	\$177	\$591	\$250	42.3%	(\$49)
AWE - Single	1 BR Flat	\$335		N/A		
AWE - Couple (2 children)	3 BR House	\$368	\$1,226	\$290	23.6%	\$171
Min Wage - Single	1 BR Flat	\$180		N/A		
Min Wage - Couple (2 children)	3 BR House	\$281	\$935	\$290	31.0%	(\$120)

Sunbury			Median Rent			
Household Type	Property Type	Affordable Rent	Weekly Income	Rent	% of Income	Difference from AHPL
Austudy - Single	1 BR Flat	\$67		N/A		
Newstart - Single (>21yrs)	1 BR Flat	\$85		N/A		
Newstart - Single (>21yrs) Sharing	2 BR Flat	\$85	\$307	\$145	47.2%	(\$93)
Newstart - Couple (2 children)	3 BR House	\$228	\$760	\$340	44.8%	(\$245)
Aged Pension - Single	1 BR Flat	\$148		N/A		
Parenting - Single Parent (1 child)	2 BR Flat	\$177	\$591	\$290	49.0%	(\$89)
AWE - Single	1 BR Flat	\$335		N/A		
AWE - Couple (2 children)	3 BR House	\$368	\$1,226	\$340	27.7%	\$121
Min Wage - Single	1 BR Flat	\$180		N/A		
Min Wage - Couple (2 children)	3 BR House	\$281	\$935	\$340	36.3%	(\$170)

Werribee			Median Rent			
Household Type	Property Type	Affordable Rent	Weekly Income	Rent	% of Income	Difference from AHPL
Austudy - Single	1 BR Flat	\$67		N/A		
Newstart - Single (>21yrs)	1 BR Flat	\$85		N/A		
Newstart - Single (>21yrs) Sharing	2 BR Flat	\$85	\$307	\$140	45.6%	(\$88)
Newstart - Couple (2 children)	3 BR House	\$228	\$760	\$320	42.1%	(\$225)
Aged Pension - Single	1 BR Flat	\$148		N/A		
Parenting - Single Parent (1 child)	2 BR Flat	\$177	\$591	\$280	47.3%	(\$79)
AWE - Single	1 BR Flat	\$335		N/A		
AWE - Couple (2 children)	3 BR House	\$368	\$1,226	\$320	26.1%	\$141
Min Wage - Single	1 BR Flat	\$180		N/A		
Min Wage - Couple (2 children)	3 BR House	\$281	\$935	\$320	34.2%	(\$150)

EAST AND SOUTH:

Single Person Households

In the outer east and south, the affordability situation is more precarious. Lilydale is the most unaffordable of these three suburbs, with median rents consuming approximately 76 per cent and 89 per cent of the available income for singles on Newstart and Austudy, respectively. In Frankston and Dandenong the situation is not much better with median rents for a similar dwelling consuming between 67 per cent and 85 per cent for these household types. Even singles earning the minimum wage and living alone cannot afford the median rent in Dandenong, Frankston or Lilydale, spending between 37 per cent and 42 per cent of their income.

Family Households

These three suburbs remain critically unaffordable for low income families also. Couples with children receiving Newstart would need to expend around 46 per cent to 47 per cent of their income on the median rent for a three bedroom house in Frankston and Dandenong, or consume 53 per cent for a similar dwelling in Lilydale. In fact, even families receiving an average wage would find themselves paying more than 30 per cent of their income on the median rent for a three bedroom house in Lilydale. Families on Newstart would be left between \$255 and \$305 below the poverty line if paying the median rent in these suburbs.

In Pakenham and Rosebud – suburbs a long way from the CBD – median rents are unaffordable for low income families. For example, a family receiving Newstart would have to pay around 43 per cent and 46 per cent of their income on the median rent for an appropriate three bedroom house in Pakenham and Rosebud, respectively. For similar families receiving the minimum wage, the median rent in Pakenham and Rosebud would consume 35 per cent and 37 per cent of their incomes, respectively. Finally, single parents receiving the parenting payment would also face significant rental stress as they would need to spend between 46 per cent and 55 per cent of their income on median rent for an appropriate two bedroom dwelling across the five suburbs analysed.

Dandenong			Median Rent			
Household Type	Property Type	Affordable Rent	Weekly Income	Rent	% of Income	Difference from AHPL
Austudy - Single	1 BR Flat	\$67	\$282	\$240	85.2%	(\$213)
Newstart - Single (>21yrs)	1 BR Flat	\$85	\$329	\$240	72.9%	(\$166)
Newstart - Single (>21yrs) Sharing	2 BR Flat	\$85	\$307	\$140	45.6%	(\$88)
Newstart - Couple (2 children)	3 BR House	\$228	\$760	\$360	47.4%	(\$265)
Aged Pension - Single	1 BR Flat	\$148	\$494	\$240	48.6%	(\$1)
Parenting - Single Parent (1 child)	2 BR Flat	\$177	\$591	\$280	47.3%	(\$79)
AWE - Single	1 BR Flat	\$335	\$1,115	\$240	21.5%	\$520
AWE - Couple (2 children)	3 BR House	\$368	\$1,226	\$360	29.4%	\$101
Min Wage - Single	1 BR Flat	\$180	\$599	\$240	40.1%	\$4
Min Wage - Couple (2 children)	3 BR House	\$281	\$935	\$360	38.5%	(\$190)

Frankston			Median Rent			
Household Type	Property Type	Affordable Rent	Weekly Income	Rent	% of Income	Difference from AHPL
Austudy - Single	1 BR Flat	\$67	\$282	\$220	78.1%	(\$193)
Newstart - Single (>21yrs)	1 BR Flat	\$85	\$329	\$220	66.9%	(\$146)
Newstart - Single (>21yrs) Sharing	2 BR Flat	\$85	\$307	\$143	46.5%	(\$91)
Newstart - Couple (2 children)	3 BR House	\$228	\$760	\$350	46.1%	(\$255)
Aged Pension - Single	1 BR Flat	\$148	\$494	\$220	44.5%	\$19
Parenting - Single Parent (1 child)	2 BR Flat	\$177	\$591	\$286	48.4%	(\$85)
AWE - Single	1 BR Flat	\$335	\$1,115	\$220	19.7%	\$540
AWE - Couple (2 children)	3 BR House	\$368	\$1,226	\$350	28.5%	\$111
Min Wage - Single	1 BR Flat	\$180	\$599	\$220	36.8%	\$24
Min Wage - Couple (2 children)	3 BR House	\$281	\$935	\$350	37.4%	(\$180)

Lilydale			Median Rent			
Household Type	Property Type	Affordable Rent	Weekly Income	Rent	% of Income	Difference from AHPL
Austudy - Single	1 BR Flat	\$67	\$282	\$250	88.7%	(\$223)
Newstart - Single (>21yrs)	1 BR Flat	\$85	\$329	\$250	76.0%	(\$176)
Newstart - Single (>21yrs) Sharing	2 BR Flat	\$85	\$307	\$165	53.7%	(\$113)
Newstart - Couple (2 children)	3 BR House	\$228	\$760	\$400	52.6%	(\$305)
Aged Pension - Single	1 BR Flat	\$148	\$494	\$250	50.6%	(\$11)
Parenting - Single Parent (1 child)	2 BR Flat	\$177	\$591	\$330	55.8%	(\$129)
AWE - Single	1 BR Flat	\$335	\$1,115	\$250	22.4%	\$510
AWE - Couple (2 children)	3 BR House	\$368	\$1,226	\$400	32.6%	\$61
Min Wage - Single	1 BR Flat	\$180	\$599	\$250	41.8%	(\$6)
Min Wage - Couple (2 children)	3 BR House	\$281	\$935	\$400	42.8%	(\$230)

Pakenham			Median Rent			
Household Type	Property Type	Affordable Rent	Weekly Income	Rent	% of Income	Difference from AHPL
Austudy - Single	1 BR Flat	\$67		N/A		
Newstart - Single (>21yrs)	1 BR Flat	\$85		N/A		
Newstart - Single (>21yrs) Sharing	2 BR Flat	\$85	\$307	\$135	43.9%	(\$83)
Newstart - Couple (2 children)	3 BR House	\$228	\$760	\$328	43.2%	(\$233)
Aged Pension - Single	1 BR Flat	\$148		N/A		
Parenting - Single Parent (1 child)	2 BR Flat	\$177	\$591	\$270	45.7%	(\$69)
AWE - Single	1 BR Flat	\$335		N/A		
AWE - Couple (2 children)	3 BR House	\$368	\$1,226	\$328	26.7%	\$133
Min Wage - Single	1 BR Flat	\$180		N/A		
Min Wage - Couple (2 children)	3 BR House	\$281	\$935	\$328	35.1%	(\$158)

Rosebud			Median Rent			
Household Type	Property Type	Affordable Rent	Weekly Income	Rent	% of Income	Difference from AHPL
Austudy - Single	1 BR Flat	\$67		N/A		
Newstart - Single (>21yrs)	1 BR Flat	\$85		N/A		
Newstart - Single (>21yrs) Sharing	2 BR Flat	\$85	\$307	\$148	48.2%	(\$96)
Newstart - Couple (2 children)	3 BR House	\$228	\$760	\$350	46.1%	(\$255)
Aged Pension - Single	1 BR Flat	\$148		N/A		
Parenting - Single Parent (1 child)	2 BR Flat	\$177	\$591	\$295	49.9%	(\$94)
AWE - Single	1 BR Flat	\$335		N/A		
AWE - Couple (2 children)	3 BR House	\$368	\$1,226	\$350	28.5%	\$111
Min Wage - Single	1 BR Flat	\$180		N/A		
Min Wage - Couple (2 children)	3 BR House	\$281	\$935	\$350	37.4%	(\$180)

NOTES:

- ¹ 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.
- ² 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.
- ³ Rent data are based on quarterly rental bond payments obtained from the DHHS. Income data is collected from Centrelink, the Family Assistance Office, Fair Work Australia and the ABS. Full citations are available on request. The table below summarises the components of total weekly income for the various household types:

Household Type	Income Components	Maximum Total Weekly Income*
Austudy - Single	Austudy CRA	\$281.80
Newstart - Single (>21 yrs)	Newstart CRA	\$329.00
Newstart - Single (>21yrs) [Sharing]	Newstart CRA	\$307.27
Newstart - Couple (2 children)	Newstart Family Tax Benefit A (Child 1) Family Tax Benefit A (Child 2) CRA	\$759.76
Aged Pension - Single	Aged Pension Pharmaceutical Allowance CRA	\$494.09
Parenting - Single Parent (1 child)	Family Tax Benefit A Family Tax Benefit B Parenting Payment Pharmaceutical Allowance CRA	\$591.45
AWE - Single	Average Weekly Income	\$1,115.26
AWE - Couple (2 children)	Average Weekly Income (1 partner) Family Tax Benefit A (Child 1) Family Tax Benefit A (Child 2) Family Tax Benefit B (Children 5-15)	\$1,226.35
Min Wage - Single	Weekly Minimum Wage	\$598.59

Min Wage - Couple (2 children)	Weekly Minimum Wage (1 partner) Family Tax Benefit A (Child 1) Family Tax Benefit A (Child 2) Family Tax Benefit B (Children 5-15) CRA	\$935.36
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* Total weekly income for households in the tables above is less than the maximum where households are not eligible for maximum CRA payments.

⁴ Suburbs have been designated as “Inner”, “Middle” or “Outer” based on distance to the Melbourne CBD using criteria set out by AHURI (see Murray S. et al 2015, ‘Processes for developing affordable and sustainable medium-density housing models for greyfield precincts: Appendix 1’, Australian Housing and Urban Research Institute, p.3). The three regions are categorised as the following: Inner (up to 7km); Middle (7km – 25km); and Outer (25km+)

⁵ Dwelling types analysed in these summary boxes have been chosen based on what type of dwelling (flats or houses) the majority of private renter households occupy in the relevant suburb, derived from and analysis of ABS Census 2011 data. As well as which dwellings comprise a majority of new tenancies in the suburb, based on rent data provided by DHHS.

⁶ Each table includes the affordable rent for each household type, which is based on its income, as well as a number of calculations relating to each household type having to pay the median rent. This ‘affordable rent’ is not 30 per cent of the ‘Weekly Income’ because the latter figure will, given the median rent is so high, more often than not include the maximum CRA payment. Because statutory incomes are so low, an ‘affordable rent’ will not necessarily include the maximum CRA payment this subsidy is paid proportionally for the amount of rent paid over a minimum rent threshold.