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Low-income households priced out of the rental market as rent prices in Queensland continue to soar to new heights

The cost of renting in many parts of Queensland continues to rise according to the Rental Affordability Index (RAI).

The report reveals Brisbane has seen a massive decline in affordability, with one year's decline in rental affordability wiping out four years of improvement in Brisbane.

A similar trend is evident from Maroochydore to Noosa, which are now unaffordable or severely unaffordable.

Regional Queensland has fared much worse, with affordability significantly decreasing in the Gold Coast. Areas such as Helensvale, Broadbeach and Robina are now severely unaffordable.

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.

The report also provides an indication of the impact of COVID-19, measuring rental affordability for households.

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 necessities such as food, medicine, childcare and transport. A score of 100-150 shows that low-income households are facing unaffordable rents.

With an RAI score of 121 in Greater Brisbane, reflecting rising rents, the average rental household faces paying a quarter of its total income on rent.

It reveals that for households on \$80,000 and under, rents are unaffordable or severely unaffordable from Tweed Heads to Tewantin, except for an area around Caboolture.

Many postcodes in inner to middle Brisbane remain moderately unaffordable to unaffordable and areas to the North West, around Samford Valley, continue to be among the most unaffordable in Queensland.

"Decreasing rental affordability in Queensland is unprecedented and is having devastating impact on peoples' lives. Regional organisations are struggling at the front-line to keep pace with demand", said Fiona Caniglia, Executive Director of Q Shelter.

"We need urgent and innovative measures to ensure a pipeline of housing options over and above recent State Government investment. Each region needs supply targets and a concerted effort across all levels of Government, community and private sectors if we are to prevent surging demand," said Ms Caniglia.





Adrian Pisarski, Executive Officer at National Shelter, said the organisation is considering calling for rent control to combat unaffordable rents for low income households.

“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,” Mr Pisarski said.

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

“The implementation of rental control may be needed in Australia, or at the least the Commonwealth Rent Assistance needs 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.

“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, in Brisbane, renters are even worse off than before.

“During the pandemic, many households relocated from capital cities into regional areas, which had a major impact on housing demand and consequently rental affordability plummeted. Households from capital cities like Brisbane also tend to have higher incomes, pricing the local community out of the market.

“As part of the economic recovery out of the pandemic, we need structural adjustments to welfare payments and to curb increases in rent levels and limit rent increases to inflation. 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.

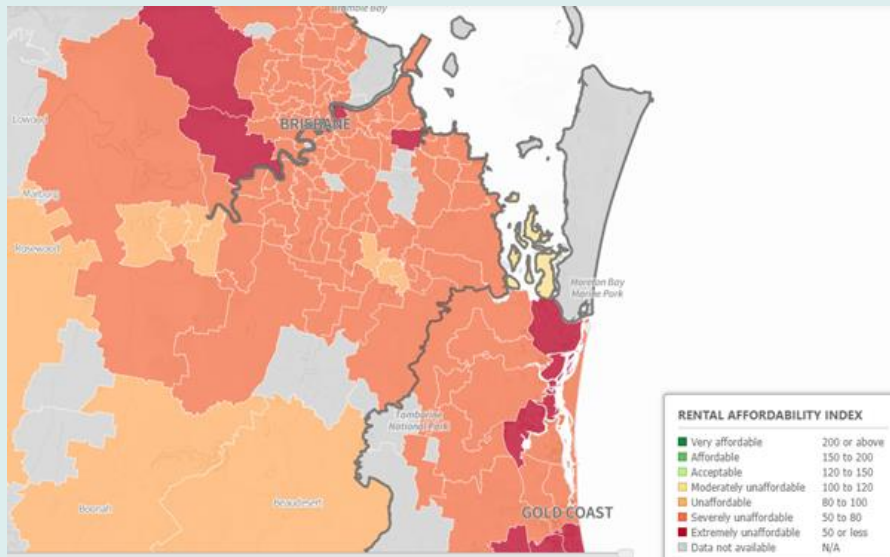
“Young people living in regions with the highest rental unaffordability will face even greater stress as they are the ones who are often in low-paid and insecure work. And with woefully



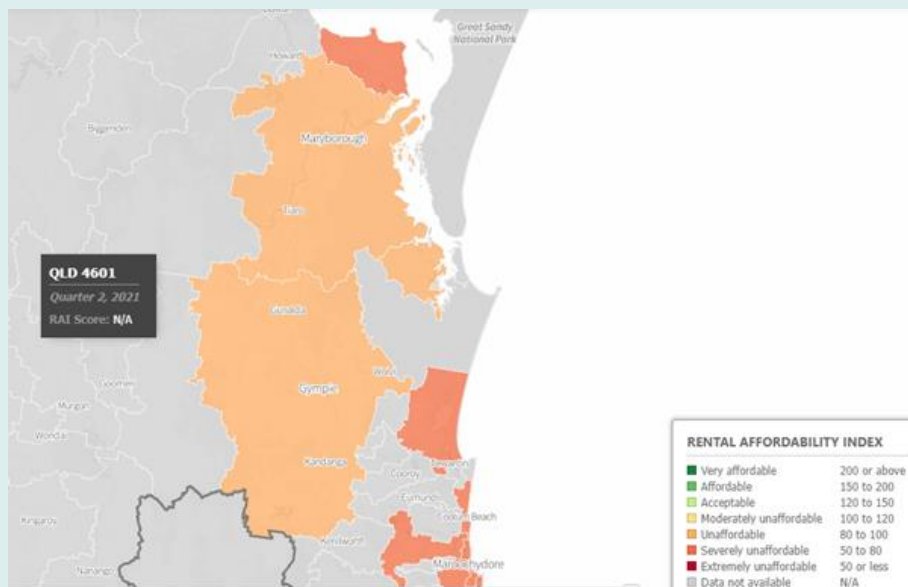


inadequate youth allowance payments, many will struggle to make ends meet," Professor Mallett said.

To read the National media release, including comment from National Shelter Executive Officer Adrian Pisarski, click [here](#). To view the interactive map and find out how your area is faring in rental affordability, click [here](#).



Rental affordability for a hospitality worker earning \$50,000 p.a. in the Greater Brisbane area.



Rental affordability for a single pensioner in the Maroochydore to Maryborough area.





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Media opportunities for comment by Q Shelter Executive Director, Fiona Caniglia.

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