

# 2018 RENTAL AFFORDABILITY SNAPSHOT

Regional Reports and Snapshots

**EMBARGOED TO  
30 APRIL 2018**



## Snapshot: Anglicare North Coast – North Coast NSW

### Introduction

Anglicare North Coast covers a broad demographic area, stretching from Port Macquarie in the south to Tweed Heads in the north. Within this area, we have several larger regional cities, but also large rural areas, with smaller networks of towns which assist in meeting housing demand. Whilst the larger urban areas are relatively well serviced in terms of infrastructure and services, residents outside of those areas face additional barriers to accessing services, employment and housing.

As stated in previous years, the North Coast is economically disadvantaged when compared to both the NSW average and the national average. Levels of unemployment remain high, with longer than average disengagement from the work force and an overall lower median household income. The Aboriginal population of the North Coast is nearly double that of NSW and, typically, Aboriginal people face greater discrimination when applying for accommodation.

Anglicare has a number of services which aim to build resilience and support clients to achieve their aims: Community Housing; Partners In Recovery; 3Es To Freedom, Financial Counselling – Problem Gambling, and Emergency Relief

### Findings

On the Snapshot weekend of 24 March 2018, 660 private rentals were advertised for rent in 9 separate locations on the North Coast of NSW. Private rentals were surveyed from realestate.com.au. While a property could be affordable and appropriate for more than one household type, any individual property can only be rented out by one household type at any time. To this end, we found that:

- 25 (4%) individual properties were suitable for at least one household type living on income support payments without placing them in housing stress.
- 145 (22%) individual properties were suitable for at least one household type living on minimum wage without placing them in housing stress.

| <b>On the Snapshot weekend, these are the number of unique properties affordable and appropriate for:</b> |                                     |
|---|-------------------------------------|
| Households on income support payments (#1-10)   | Households on minimum wage (#11-14) |
| 25  | 145                                 |



*Table 1: Rental Affordability, North Coast NSW, by household type and percentage*

| #                      | Household Type   | Payment Type   | Number Affordable & Appropriate | Percentage Affordable & Appropriate |
|------------------------|--|--|---------------------------------|-------------------------------------|
| 1                      | Couple, two children (one aged less than 5, one aged less than 10) | Newstart Allowance (both adults)                         | 3                               | 0%                                  |
| 2                      | Single, two children (one aged less than 5, one aged less than 10) | Parenting Payment Single                                 | 1                               | 0%                                  |
| 3                      | Couple, no children  | Age Pension  | 23                              | 3%                                  |
| 4                      | Single, one child (aged less than 5)                               | Parenting Payment Single                                 | 2                               | 0%                                  |
| 5                      | Single, one child (aged over 8)                                    | Newstart Allowance                                       | 0                               | 0%                                  |
| 6                      | Single   | Age Pension  | 3                               | 0%                                  |
| 7                      | Single aged over 21  | Disability Support Pension                               | 3                               | 0%                                  |
| 8                      | Single   | Newstart Allowance                                       | 0                               | 0%                                  |
| 9                      | Single aged 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)                       | 139                             | 21%                                 |
| 12                     | Single, two children (one aged less than 5, one aged less than 10) | Minimum Wage + FTB A & B                                 | 17                              | 3%                                  |
| 13                     | Single   | Minimum Wage   | 7                               | 1%                                  |
| 14                     | Couple, two children (one aged less than 5, one aged less than 10) | Minimum Wage + Parenting payment (partnered) + FTB A & B | 26                              | 4%                                  |
| Total No of Properties |  | 660  |                                 |                                     |

**AVAILABILITY OF AFFORDABLE AND APPROPRIATE RENTAL PROPERTIES,  
BROKEN DOWN BY REGIONS IN THE NSW NORTH COAST OF NSW, AND BY HOUSEHOLD TYPE**

| Regions surveyed  |  | Ballina   | Byron Bay | Casino    | Clarence Valley | Coffs Harbour | Kempsey   | Lismore   | Port Macquarie | Tweed Heads |
|---|--|-----------|-----------|-----------|-----------------|---------------|-----------|-----------|----------------|-------------|
| <b>TOTAL COUNT</b>  |  | <b>48</b> | <b>41</b> | <b>24</b> | <b>116</b>      | <b>130</b>    | <b>38</b> | <b>51</b> | <b>164</b>     | <b>49</b>   |
| <b>Household Type</b>                                     | Couple, 2 children Newstart              | 0         | 0         | 1 (4%)    | 1 (1%)          | 0             | 1 (1%)    | 0         | 0              | 0           |
|   | Single, 2 children, Parenting Payment    | 0         | 0         | 0         | 1(1%)           | 0             | 0         | 0         | 0              | 0           |
|   | Couple, Age Pension                      | 0         | 0         | 3 (13%)   | 7 (6%)          | 4(3%)         | 3 (8%)    | 2 (4%)    | 2 (1%)         | 0           |
|   | Single, 1 child, Parenting Payment       | 0         | 0         | 0         | 1 (1%)          | 0             | 0         | 1 (2%)    | 0              | 0           |
|   | Single, 1 child, Newstart                | 0         | 0         | 0         | 0               | 0             | 0         | 0         | 0              | 0           |
|   | Single, Age pension                      | 0         | 0         | 1 (4%)    | 1 (%)           | 1 (1%)        | 0         | 0         | 0              | 0           |
|   | Single, 21 +, Disability Support Pension | 0         | 0         | 1 (4%)    | 1 (1%)          | 1 (1%)        | 0         | 0         | 0              | 0           |
|   | Single, Newstart                         | 0         | 0         | 0         | 0               | 0             | 0         | 0         | 0              | 0           |
|   | Single, 18 +, Youth Allowance            | 0         | 0         | 0         | 0               | 0             | 0         | 0         | 0              | 0           |
|   | Single (sharing), Youth Allowance        | 0         | 0         | 0         | 0               | 0             | 0         | 0         | 0              | 0           |
|   | Couple, 2 children, Min wage, FTB A&B    | 1 (1%)    | 1 (2%)    | 13 (54%)  | 32 (28%)        | 30 (23%)      | 19 (50%)  | 10(20%)   | 29 (18%)       | 0           |
|   | Single, 2 children, Min wage, FTB A&B    | 0         | 0         | 6 (26%)   | 5 (4%)          | 0             | 5 (13%)   | 1 (2%)    | 0              | 0           |
|   | Single, Min wage                         | 0         | 0         | 1(4%)     | 4 (3%)          | 1 (1%)        | 1 (3%)    | 0         | 0              | 0           |
| Couple, 2 children, Min wage, Parenting Partnered FTB A&B | 0  | 0         | 8 (33%)   | 6(5%)     | 0               | 8 (21%)       | 2 (4%)    | 1 (1%)    | 0              |             |



## Discussion

Work is ongoing on the major upgrade of the Pacific Highway in this region, in particular the Far North Coast. Undoubtedly, this is bringing work to the area but it is set against a background of an overall drop in employment opportunities. In an article from the Daily Examiner on the 3<sup>rd</sup> of February 2018, citing research from CommSec, it was revealed that the Coffs Clarence region has the highest rate of unemployment in NSW, and the fifth highest unemployment rate nationally, rising from 7.9% in 2016 (source: ABS Census 2016) to 8.7% in 2017. We have a higher than state average of people engaged in part time work, with employment centred around casual and seasonal work.

We still have clients reporting to us that there is increased competition for housing. On reading the property descriptions, many properties are targeted at workers, with power and water included in the rent, which is a notable difference from previous years. Real Estate agents have collaborated with housing investors to create accommodation for single workers, but these are temporary and will be removed once construction is complete. Additionally, they do nothing to relieve pressure on local families searching for permanent accommodation. The median rent has risen in Grafton from \$250 in 2016 to \$340 in 2018 which is a 36% increase (sources: ABS Census 2016 and Realestate.com), placing a huge strain on finances, with no real rise in wages or benefits to offset this increase.

This year we have seen a steep decline in properties available from 795 in 2017 to 660 in 2018. It's worth noting that in 2013, when we surveyed fewer areas, there were 912 properties available for rent.

The reduction in available properties is more marked in the Ballina/Byron/Tweed areas. There is some research into the impact that Airbnb is having in these areas, given that they are areas of high tourist demand within the sample we survey. In Ballina/Byron/Tweed there are a total of 3,805 Airbnb properties advertised, of which, on average 76.4% are whole house rentals, with an average occupancy rate (of all properties advertised on Airbnb in those regions) in those regions of 18.6%. This implies that almost 3,000 homes in these areas are vacant throughout most of the year, instead of their owners being incentivised to rent them to long-term tenants (source: [Inside Airbnb](#)). From these figures, it would suggest there is legitimate concern that the Airbnb business model is having a detrimental impact on the residential market.

Consistent with the last 6 years of our participation in this Snapshot, single people in receipt of a lower rate of benefit cannot access any housing whatsoever. Worryingly, all family groups in receipt of income support, and single households on minimum wage, would struggle to find housing for themselves and their children. In fact, the only demographic who might be able to access accommodation are those who work for minimum wage, and who are in receipt of Family Tax benefit. Given that we know that unemployment rates are high, and work is uncertain, this is an unsettling result.

## Policy Implications

### Housing availability and affordability is going backwards

- Housing affordability on the North Coast of New South Wales appears to be suffering from the conditions of an infrastructure 'boom'. Existing supply is increasingly targeting temporary workers at premium rates, and the average cost of rental has increased by up to 36% over two years. Never has the need for the development of new affordable housing projects been more keenly felt in this region, especially alongside other State and Commonwealth funded infrastructure projects like the new Grafton Gaol and the upgrade for the Pacific Highway.
- Availability of permanent housing in the tourist centres in our region is also affected by unregulated holiday letting through platforms such as Airbnb. Charming coastal communities



are at risk of becoming resort towns by proxy, as permanent residents can no longer afford to live there, stripping communities of social capital which is replaced by the hard currency of tourist dollars.

## Conclusion

While infrastructure projects ostensibly bring prosperity to the region through employment and influx of capital investment, the main beneficiaries of this prosperity are a relatively small segment of the community. Meanwhile a growing number of our community are feeling the pain, especially single person households, many of whom are older women. This report observes yet another sharp increase in inequality in our communities as a direct result of the projects that should be bringing jobs and wealth to the North Coast.

This year, we have noted that families on low income are also much less likely to find affordable accommodation, placing family units and children at risk of homelessness. Unemployment continues to rise in the Coffs-Clarence region, while precarious employment prevails for those engaged in casual and seasonal labour. At the same time, significantly fewer rental properties are available than this time last year, especially in the affordable range. With additional pressure on housing costs applied by the demands of the tourist market, this region is no longer meeting the housing needs of a significant number of its citizens.

Housing is a very basic human need, and the stress of finding or affording a place to live carries significant risks to successful participation in work, society and family life. We lament the current situation that marginalises single people, families and children of low and middle income from access to such a basic need, as we continue to provide services that seek to relieve and ameliorate some of these harmful effects.