

## Report Dispels Myth of Cheap Tassie Rent

Tuesday 24<sup>th</sup> November 2015

The release of Australia's first Rental Affordability Index (RAI) has been welcomed by Tasmania's peak body for affordable housing and homelessness, Shelter Tas.

"This report, released today, backs up what we are being told regularly by services, that over 50% of those people accessing homelessness services cite housing affordability as their reason for seeking support. The report gives a clearer picture of why many people in Tasmania struggle so much with the cost of rent", Shelter Tas Executive Officer, Pattie Chugg said.

The RAI provides a detailed account of rental affordability in Australia's major cities and highlights the need for more affordable housing in Tasmania. As the RAI will be released quarterly, it will provide the ability to track changes over time. The report has been produced in a partnership between National Shelter, independent economic consultants SGS Economics & Planning, and was sponsored by Community Sector Banking.

"This report shows housing affordability is a much bigger problem for renters than owner occupiers. The report is designed to fill a gap in available data on rental affordability and focus attention on the need to reform our rental system. Rental stress is a drag on productivity, is increasing poverty and breaking down social cohesion," National Shelter Executive Officer, Adrian Pisarski said.

Housing stress occurs when households on the lowest 40% of income pay more than 30% of their income on rent. The RAI is the first report to examine trends in the rental market, with a particular focus on low income households.

"The RAI complements the findings of the Tasmanian Affordable Housing Strategy, and will allow us to monitor the progress of the Strategy's initiatives. The Strategy states that over 39% of low income Tasmanians are in housing stress and 1 in 3 single person households are in rental stress. The findings add to the urgency of increasing new affordable supply, because the private rental market is simply unaffordable to over 8,000 people on low incomes in Tasmania," Ms Chugg said.

The report provides a better understanding of the importance of rental housing in the overall housing mix.

"There has been a gap in our knowledge about private rental which connects incomes to the cost of renting, this makes the RAI different from other housing reports. The report is particularly relevant to Tasmania, where incomes are on average \$100 less than in other States and this has created a myth that housing is more affordable here. In fact, Hobart is unaffordable to a large number of low income renters, just like in other capital cities," Ms Chugg said.

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