

Latest Rental Affordability Index reports deepening rental crisis

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Tasmania's peak body for housing and homelessness is concerned but not surprised at the findings of the fifth Rental Affordability Index (RAI) released today.

"Rental affordability in Greater Hobart has fallen to its lowest point since the Index began in 2015. Hobart remains the second least affordable capital city after Sydney, due to our lower incomes in Tasmania, and rising rents," Shelter Tas Executive Officer, Pattie Chugg said.

"Sadly the results of this latest RAI are not unexpected when we have seen a 14% rise in rent in Hobart and 9% in Launceston in the past year," Ms Chugg said.

"This Index provides ongoing evidence that housing stress is entrenched in Tasmania, affecting young and old alike. This surely busts the myth that housing in Tasmania is affordable. Around 40% of renters on low incomes are in rental stress in Tasmania (8,000 households)," Ms Chugg said.

"Our homelessness services report they are finding it increasingly difficult to find affordable rentals for their clients. The Index shows that even those households on average incomes are finding private rents bordering on unaffordability. However, these averages mask the situation for low income earners, with many paying over 60% of their income on rent," according to John Stublely, Executive Committee member.

"We know that affordability for a single parent working part-time has declined markedly over the past 10 years across the State, but it has deteriorated further in the last year in Hobart. And a single person on benefits would struggle to find any affordable rental across Tasmania," Ms Chugg said.

In such competitive and unaffordable rental markets, lower income households are being forced out to areas where rent is cheaper but jobs and transport options are fewer, further entrenching their disadvantage.

"The more households have to pay on rent, the less they have to put towards other essential items, which leaves people very limited choices. Increasing housing stress has real social and economic impacts for people," Mr Stublely said.

"We know that the biggest cause of homelessness in Tasmania is the lack of safe and affordable housing. We are seeing growing numbers of families with children seeking help from homelessness services, with one in five clients now being children under 9 years of age," Mr Stublely said.

"With a State Election around the corner all political parties need to demonstrate a serious commitment to building more affordable and long term housing for people struggling to secure a home," Ms Chugg said.

About the Rental Affordability Index

National Shelter, Community Sector Banking and SGS Planning & Economics have released the Rental Affordability Index (RAI) biannually since 2015. The RAI is an easy to understand indicator of the price of rents relative to household incomes based on new rental agreements.

Go to the [SGS Economics & Planning website](#) to see the full RAI report and interactive map.

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