

## 2022 Rental Affordability Index confirms Tasmania's intensifying rental crisis

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Shelter Tas, Tasmania's peak body for housing and homelessness is concerned by worsening conditions for Tasmanian renters. The annual Rental Affordability Index (RAI) released today is produced by National Shelter, SGS Economics & Planning, Beyond Bank and the Brotherhood of St Laurence. The 2022 RAI report confirms the growing gap between income and rents across Tasmania.

The RAI compares household incomes with the cost of renting in the private rental market, and shows that Tasmanians continue to face worsening rental stress, where households on the lowest 40% of incomes pay more than 30% of their income in rent.

"The Rental Affordability Index report released today shows that Hobart is still the least affordable capital in Australia for renters. The average rental household in Hobart is paying 29% of their income if renting at the median rate. Since 2016, the median cost of renting in Hobart has grown by 60%, and is now 11% higher than the median rent in Melbourne. However, the average rental household in Hobart earns 18% less than the average rental income in Melbourne," Shelter Tas CEO, Pattie Chugg said.

"Even with an income of \$85 000 per year, the average rental household in Hobart is just 1% below the official level for housing stress. Part-time workers are much worse off, and those who are on much lower incomes, such as a single pensioner earning \$35 600 or a single person on JobSeeker earning \$21 300 are facing severe hardship and housing poverty.

"Rental hardship has spread from Hobart to the entire state. For the fifth year in a row, the RAI shows declining affordability in Tasmania's regional areas. Over the last year, regional Tasmania has experienced a 10% decline in affordability, to a historic low level. In the North, affordability in Launceston and Kings Meadows has dropped significantly since last year's RAI. In North West towns such as Burnie, and on the East Coast, a similar decline in affordability can be seen.

"Housing and homelessness services who work day to day with people on low incomes across Tasmania report unprecedented hardship for people searching for an affordable home. The lack of affordable housing puts people at increased risk of housing stress and homelessness. In the worst cases, when people cannot find an affordable home to rent, they will end up homeless. On any given day in Tasmania, 46 requests for help from homelessness services go unassisted. One third of requests involve family or domestic violence. Most times, requests for help are unassisted because people need accommodation and it can't be found," Ms Chugg said.

“In response to our ongoing housing crisis, Shelter Tas advocates in our recent submission to the State Budget Process for a housing impact analysis in all policies, including population growth and tourism.

“We are seeing growth in Tasmania’s population along with the loss of long-term rental accommodation to short stay accommodation, such as Airbnb. We recognise that short stay visitor accommodation is not the only driver of our current shortage of rental properties, but it is a key factor that needs to be carefully managed.

“Shelter Tas would like to see better monitoring of the private rental market, such as regular bond lodgement data reported each month. The number of bonds held by the Residential Deposit Authority can show the real time size of the private rental market, and whether it is keeping pace with demand. Right now, in 2022, this information is not shared with the public in Tasmania, unlike in other states,” Ms Chugg said.

Tasmania’s waiting list for social housing continues to grow, and has now reached 4,505 applications; these applications represent individuals, couples and families.

“Shelter Tas calculate that Tasmania needs a level of at least 10% of dwellings to be affordable social rentals (currently 6.2%), and we call on the state government to support this target in the new 20-year *Tasmanian Housing Strategy*.

“We have seen that the Tasmanian Government can act quickly to support those people in housing hardship and facing homelessness, and this report shows the need to build new housing supply and extend the social housing target to achieve 10% of dwellings,” Ms Chugg said.

Kishan Ratnam, Senior Associate and Partner at SGS Economics & Planning and lead author of the RAI report said, “The reprieve in affordability caused by falling rents during Covid-19 was short-lived and rental affordability across Tasmania is worse than it was pre-pandemic. It has plummeted during the past year, and if trends continue, both Hobart and Regional Tasmania will be the only regions in Australia with a RAI score below 100. This means even full-time working households face the risk of rental stress, putting pressure on their ability to pay for other primary needs such as food, medicine, and education for their children.

“Successfully alleviating the rental crisis will need a range of policy responses, from increasing social and affordable housing stock, to rental assistance for key workers, to facilitating an increase in the supply of market provided housing,” Mr Ratnam said.

**To find out more about the Rental Affordability Index, read the full report and explore the interactive map, go to:**

<https://www.sgsep.com.au/projects/rental-affordability-index-2> (available from Tuesday 29th November).

**About Shelter Tasmania:**

Shelter Tasmania is the peak body for housing and homelessness.

[www.shelertas.org.au](http://www.shelertas.org.au)

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