

MEDIA RELEASE

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Tasmanian rental crisis deepens

Hobart renters are exposed to the toughest conditions in the country, with the broader Tasmanian market not far behind, according to a [landmark annual study](#) that cross references incomes against rents and shows Tasmanians earning low incomes are bearing the brunt of the crisis.

Shelter Tas, Tasmania's peak body for housing and homelessness is concerned by worsening conditions for Tasmanian renters. The annual National Shelter-SGS Economics and Planning [Rental Affordability Index](#) shows since 2016, the median rental rate in Hobart has grown by 60 per cent. This is currently only four per cent lower than the Melbourne median, despite Hobart's average rental household income being 21 per cent lower.

For people on low incomes such as single people on Jobseeker, single or coupled pensioners, and single part time worker parents on benefits, rents were classed as *severely unaffordable*.

For people on average incomes, almost all parts of Greater Hobart are considered *moderately unaffordable* or *unaffordable*, with affordability decreasing significantly from Mount Nelson to Glenorchy over the past two years.

The report shows an alarming and historic low in affordability for the rest of Tasmania. The average rental household is paying around 28 per cent of their income for a dwelling at the median rate, near the definition of rental stress. Regional centres such as Launceston offer *moderately unaffordable* to *unaffordable* rents. From Swansea to Orford, rents have deteriorated from *acceptable* to *moderately unaffordable* in the last year.

To find *acceptable* to *affordable* rents, households on the average income need to look to the north-west of the state, though towns such as Burnie and Devonport have *moderately unaffordable* levels of rent.

For people on low incomes in the rest of Tasmania (such as single people on Jobseeker, single or couple pensioners, and single part time worker parents on benefits) rents were classed as either *severely unaffordable* or *unaffordable*.

"The Rental Affordability Index is shocking but not surprising," Shelter Tas CEO, Pattie Chugg said. "Hobart rents are almost equal to rents in Melbourne, even though wages here are significantly lower. This is an unacceptable level of pressure, and it is pushing people right to the brink of homelessness."

“Housing hardship and cost of living pressures are creating a social crisis that is pushing further up the income scale. Even with an average income of \$86, 000 a household renting at the median rent is dangerously close to rental stress, paying 29% of their income in rent. But people on low incomes such as pensioners, those on income support or part time workers, have it the worst, living in dire housing stress and too often are facing the threat of homelessness. Regional communities that used to offer some respite now have surging, inescapable rents.

“Housing and homelessness services are overwhelmed with requests for help and often can’t keep up with demand.

“Tasmania’s population is growing and we need a clear commitment to make ten per cent of all housing stock social or affordable. Unless that happens, more Tasmanians will be at risk of housing stress and homelessness.”

Kishan Ratnam, Partner at SGS Economics & Planning said there was a strong economic dimension to the crisis. “The affordability crisis is also hurting the economy, and with major infrastructure projects underway and in the pipeline, there are very few affordable rentals for workers. In addition, seasonal workers are struggling to find a place to rent.

“This downward spiral has now reached the point where very few affordable long-term rentals are on offer.” We need to attack this problem from multiple angles. This means expanding social and affordable housing, rethinking how we use tax subsidies and strengthening renters’ rights.”

EDITOR’S NOTE: The rental affordability index scores areas based on median rental prices and average income of rental households within the capital city or rest of state area’. A score of 100 indicates households spend 30 per cent of income on rent, the critical threshold level for housing stress. A lower score is worse.

A score of 50 or less indicates extremely unaffordable rents, 51-80 indicates severely unaffordable rents, 81-100 indicates unaffordable rents, 101-120 indicates moderately unaffordable rents, 121-150 indicates acceptable rents, 150 or more indicates affordable rents.

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