



Media release - 23 April 2018

One and two bedroom rental affordability hits rock-bottom

The peak body for homelessness has warned that Melbourne’s stock of affordable one- and two-bedroom rentals has fallen to crisis levels. Analysis of the latest DHHS rent data showing just 21 one-bedroom rentals affordable to a Newstart recipient in the December 2017 quarter. Ten years ago there were six times as many one-bedders affordable to a Newstart recipient.

Worryingly, the analysis shows that areas that once had an abundance of affordable one and two bedroom rentals now only offer a handful, or, in some cases, zero affordable options.

For example, in Greater Geelong in 2007, there were 74 one-bedroom apartments that would have been affordable to someone on Newstart, while in December 2017 there were just three one-bedroom apartments available to a Newstart recipient.

Geelong, Dandenong, Frankston, Brimbank and Wyndham were the areas that saw the greatest decline in the number of affordable two-bedroom rentals, as renters surge to the outer-suburbs seeking haven from the high rents, pushing up prices.

The City of Melbourne is the only Local Government Area (LGA) which has seen an increase in affordable one and two-bedroom lettings over the last decade, which is due to the explosion of new apartment developments in the CBD. However, the numbers are still low, with just eight affordable one-bedroom apartments and 21 affordable two-bedroom apartments in the Melbourne LGA in the December 2017 quarter, despite 4,100 being on the market.

The Council to Homeless Persons says that outer suburban areas are no longer a haven for low-income earners seeking somewhere affordable to live.

“People move further out to chase cheaper rent, but just face fiercer competition from other low-income earners and young people saving for deposits to buy, for a shrinking pool of low-cost rentals,” said Jenny Smith, CEO, Council to Homeless Persons.

“Rents in the private market are skyrocketing and wages are stagnating. It is a perfect storm culminating in increased homelessness, and the only solution is to build more social housing” said Ms Smith.

CHP says the data is further evidence of the need for more one- and two-bedroom social housing and should be a wake-up call to those who are opposing the re-development of nine public housing sites around Melbourne, to increase the stock of one- and two-bedroom social housing.

“Blocking progress on new social housing is unconscionable while women and children, and vulnerable single people are skipping meals to pay private market rents,” said Ms Smith.

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Affordable one-bedroom rentals in metro Melb			Affordable two-bedroom rentals in metro Melb		
	<i>Dec 2007</i>	<i>Dec 2017</i>		<i>Dec 2007</i>	<i>Dec 2017</i>
Greater Geelong	74	3	Greater Geelong	201	70
Darebin	6	0	Greater Dandenong	124	30
Maribyrnong	5	1	Frankston	106	28
Yarra Ranges	5	0	Brimbank	77	26

Boroondara	4	0		Wyndham	55	11
Brimbank	4	0		Darebin	47	9
Frankston	4	0		Casey	38	10
Greater Dandenong	4	0		Maribyrnong	35	13
Stonnington	3	1		Moreland	33	7
Hobsons Bay	3	0		Kingston	32	6
Kingston	3	0		Yarra Ranges	28	7
Whitehorse	3	0		Moonee Valley	26	6
Moreland	2	2		Hobsons Bay	26	5
Maroondah	2	1		Melton	25	10
Bayside	2	0		Hume	20	2
Glen Eira	2	0		Cardinia	19	5
Knox	2	0		Maroondah	19	2
Melbourne	1	8		Knox	13	2
Port Phillip	1	2		Monash	10	5
Monash	1	1		Whitehorse	7	5
Moonee Valley	1	0		Banyule	5	2
Hume	0	1		Stonnington	4	4
Yarra	0	1		Glen Eira	4	3
Banyule	0	0		Yarra	3	7
Cardinia	0	0		Port Phillip	3	6
Casey	0	0		Boroondara	3	3
Manningham	0	0		Melbourne	2	21
Melton	0	0		Bayside	1	1
Wyndham	0	0		Manningham	1	1
TOTAL	132	21			967	307

DHHS defines rent as unaffordable if a tenant is paying more than 30 per cent of their income on rent and is on a low income (low income = a Newstart income for those looking to rent a one-bedroom property, or a single parenting payment for those looking to rent a two-bedroom property).