

# Private Rental Affordability and Affordable Housing in Victoria



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# Outline of the paper



- Affordable rental supply change 1991-2001
- Is there a shortage of affordable rental?
- Affordable housing choices
- Affordable housing and urban planning

# Rental Affordability in Victoria - main findings



- Growth in affordable rental 1991-2001
- Affordable rental supply shortage in Victoria is over 10,000
- Smaller households, particularly singles, have the greatest need for affordable rental stock
- Inner Melbourne is now almost devoid of affordable rental dwellings

# Rental Affordability Dimensions

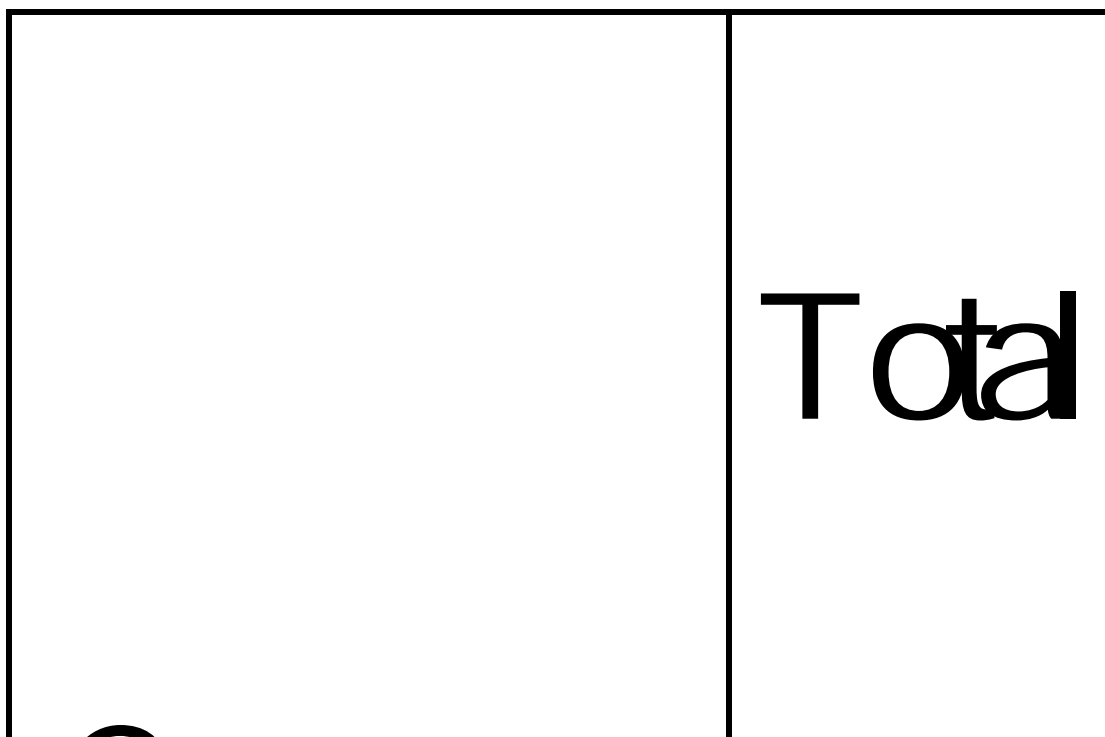


- Data: Census 1991-2001, Centrelink, RTBA
- Households
  - Affordable supply for lowest income households by suitable size
- Calculations
  - Net rent
    - $(\text{Rent} - \text{RA}) / \text{Income} @ 30\%$
  - Proportion total
    - Affordable rental as % total in area
  - Percentage change
    - % Change in total affordable over time

# Affordable Rental 1991-2001



Growth in affordable rental supply



Is it enough?

# Shortage Affordable Rental 2001



The shortage of affordable rental is over 10,000

	2001	Per cent total
Total private rental supply	303,434	
Affordable private rental supply	122,526	40.4%
Total CRA Recipients	141,516	
No. paying >30% on rent – OOH eligible	34,154	24%

# Affordable Rental



Greatest shortage for smaller households

Affordable rental supply 2001

	1 bedroom	2 bedroom	3 bedroom	4+ bedroom	Total
1991	6,687	29,822	28,116	7,429	72,053
1996	8,638	47,016	45,675	10,227	111,556
2001	8,508	48,699	54,045	11,273	122,526

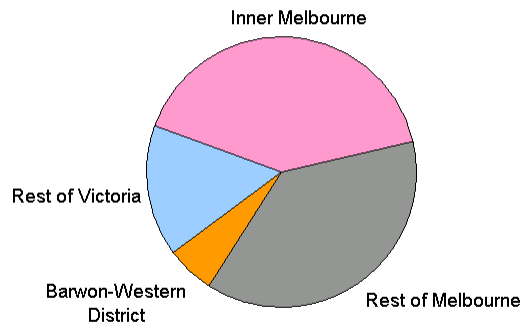
14,700 Single adults on Newstart paying >30% on rent - 2001

# Rental Affordability – Distribution 2002

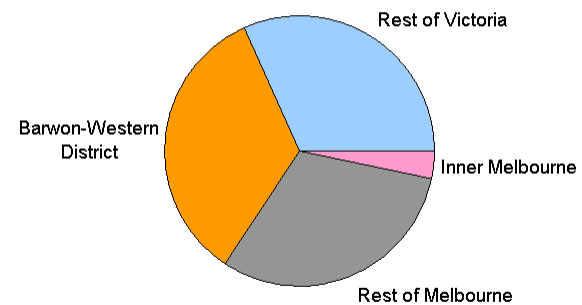


Inner Melbourne now almost devoid of affordable rental

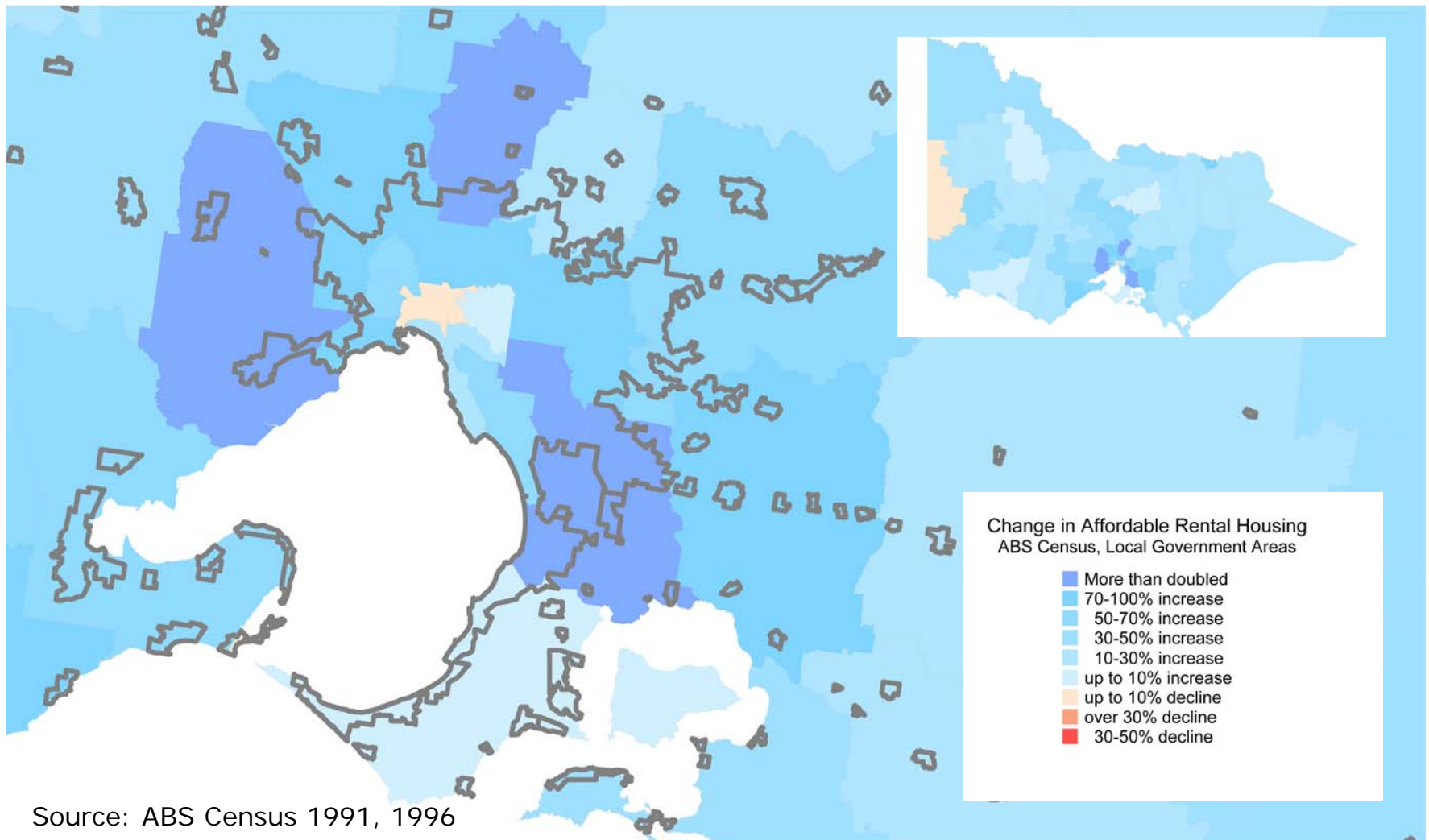
Total Lettings Jan-June 02



Affordable Lettings Jan-June 02

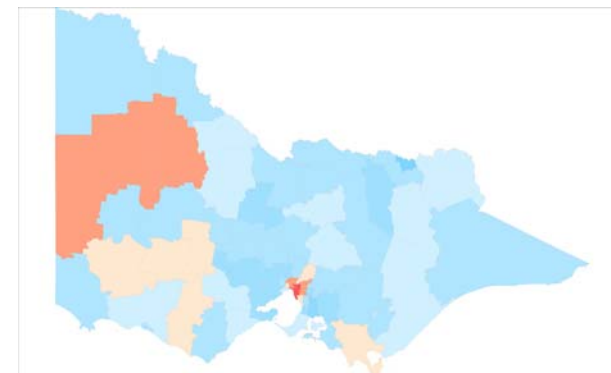


# Rental Affordability – Change 1991-1996



Source: ABS Census 1991, 1996

# Rental Affordability – Change 1996-2001



Change in Affordable Rental Housing  
ABS Census, Local Government Areas

- More than doubled
- 70-100% increase
- 50-70% increase
- 30-50% increase
- 10-30% increase
- up to 10% increase
- up to 10% decline
- over 30% decline
- 30-50% decline

Source: ABS Census 1996, 2001

# Affordable housing choices



- Rent assistance – not keeping up
- CSHA – not enough
- Affordable housing innovations – still in development
- Institutional proposals - uncertain
- Housing market – unreliable
- Urban planning - vital

# Affordable housing an urban planning issue



- Local government - important role
- Community resistance to social and affordable housing
- Melbourne 2030
  - Partnership opportunities
  - Regional Housing Working Groups
  - Housing strategies
  - Raise profile of affordable housing