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## **Working parents and pensioners can't afford Adelaide's sky high city rents**

Pensioners and working parents have been priced out of the rental market in all metropolitan areas across Australia, according to the latest Rental Affordability Index (RAI), released on 17 May 2017. Rental affordability dropped over the last quarter in all metropolitan areas, except Perth.

“The latest Rental Affordability Index is a wake up call - without swift coordinated action to tackle housing affordability, Australia will become a divided country, with pensioners, part-time working parents and other low income groups locked out of living in metropolitan areas,” said Andrew Cairns, CEO Community Sector Banking.

“The RAI shows that working families - not just low income households – are now being priced out of Australia's metropolitan rental markets. Housing for pensioner groups, for example, is in a particularly critical situation, given their additional needs and service-dependence,” said Ellen Witte, Partner at SGS Economics and Planning.

National Shelter, Community Sector Banking and SGS Economics and Planning have released the Rental Affordability Index (RAI) on a biannual basis since 2015 as an indicator of rental affordability relative to household incomes. This release highlights the situation for low income groups, including aged pensioners and part-time working parents.

### **Adelaide rental affordability eases**

Rental affordability declined minimally in Greater Adelaide since the last release – amongst the general population, the average rental household pays around 25% of income on rent which is deemed affordable however, there is a very different picture for low income households.

The slight decline in affordability can be attributed to a disproportionate increase in rent levels.

Although there has been relatively little change in the geographic spread of affordability in Greater Adelaide since the last release, the situation in the North Adelaide, Thebarton and Torrensville areas has worsened - declining from Moderately Unaffordable to Unaffordable.

Pensioner couples looking to rent in the CBD face Severely Unaffordable rents, with the RAI in these areas ranging from 61 to 67. Rental affordability in the inner to middle ring suburbs are Unaffordable with a RAI range of 81 to 97. To access affordable rents, the average

household now has to move to the outer suburbs of Para Hills and Elizabeth. For a person receiving Newstart Allowance, even these suburbs are out of their financial reach.

“Rents are most affordable in places where the least opportunities are in terms of jobs, services and education,” said Ellen Witte, an Associate at SGS Economics and Planning.

“This is especially concerning for older working women who are reaching retirement and have not been able to build up their superannuation - these people have nowhere to go. On top of that, living further out of the city poses extra challenges such as poorer access to transport, services and health care,” said Adrian Pisarski, Executive Officer of National Shelter.

Regional South Australia continues to see an upward trend in rental affordability. With a RAI of 138, regional South Australia is at its most affordable since at least mid-2012. But again, it's a different story for people living on low incomes in the country.

**An interactive map of the Rental Affordability Index by postcode can be accessed here: [http://www.sgsep.com.au/maps/Joseph/RAI\\_May17/](http://www.sgsep.com.au/maps/Joseph/RAI_May17/)**

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**About National Shelter**

National Shelter is a peak advocacy group whose mission is to create a "more just housing system, particularly for low-income Australian households."

**About SGS Economics & Planning**

SGS is a leading planning and economics firm whose purpose is to shape policy and investment decisions to achieve sustainable places, communities and economies.

**About Community Sector Banking**

Community Sector Banking is the not-for-profit banking specialist for more than 10,000 organisations; it's a joint venture between Bendigo and Adelaide Bank and a consortium of not-for-profit organisations.