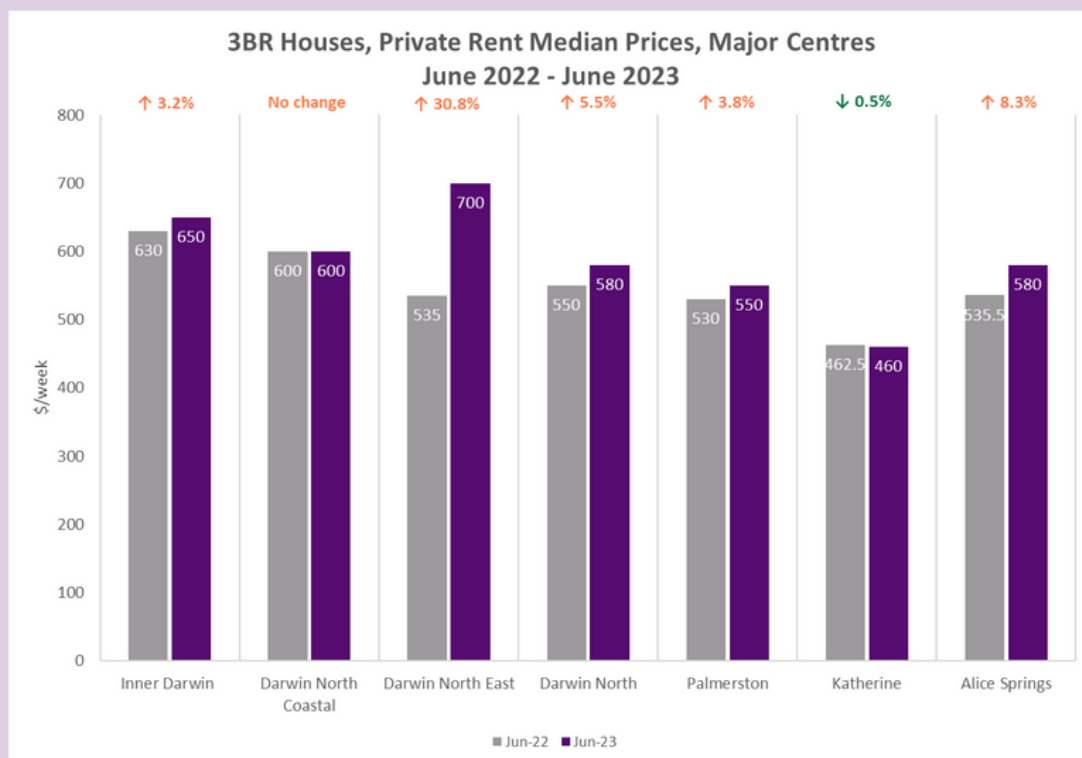


FACT SHEET

Cost of Housing in the Northern Territory

Private rental costs are increasingly unaffordable, with price rises in most major centres over the past year

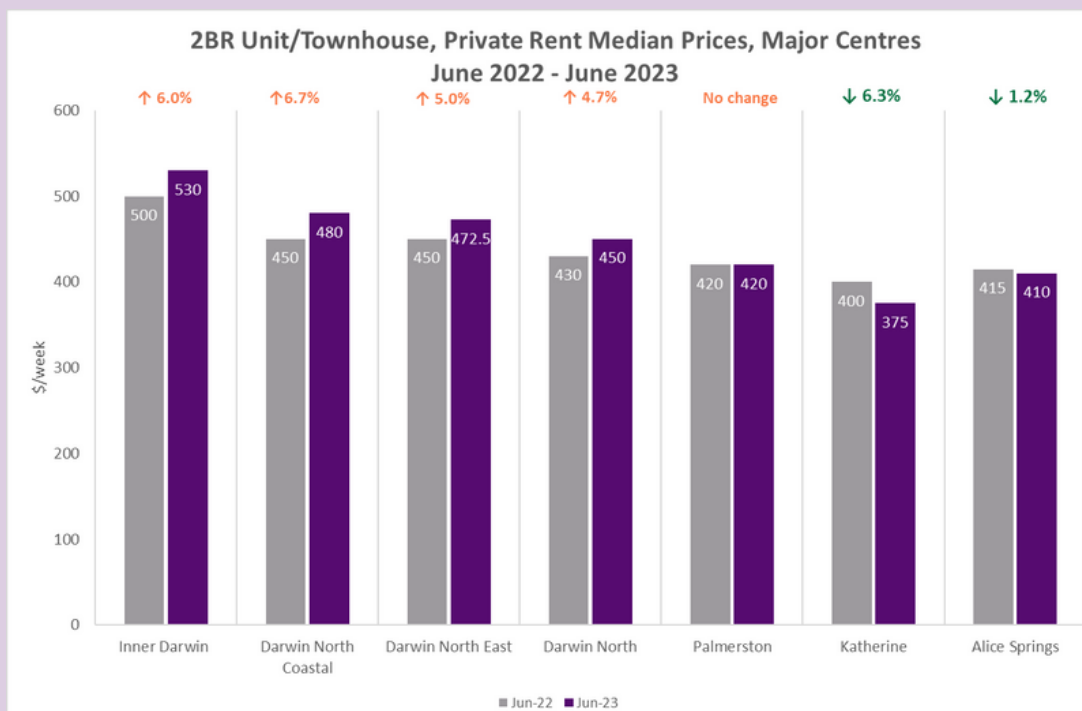


Median private rent prices across the NT have been historically high - and this remains the case. Over the past year prices for 3 bedroom houses have generally risen – with many price rises well above the general inflation rate of 5.3% for Darwin (CPI All groups) for the same time period.



The most extreme price rise was in Darwin's North East where the median rent for a 3 bedroom house has increased by \$165 per week (30.8%) in the past year.

Note: Darwin's North East includes Berrimah, Marrara and Winnellie.



The price of private rent for 2-bedroom units has risen across all Darwin suburbs over the past year. Palmerston saw no change. There were decreases in both Katherine and Alice Springs, however prices remain high.

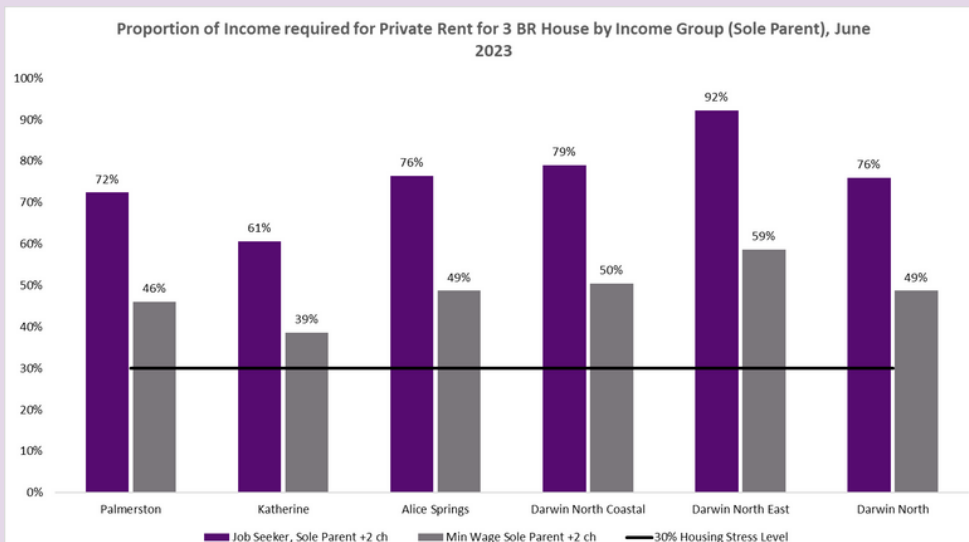
FACT SHEET

Cost of Housing in the Northern Territory

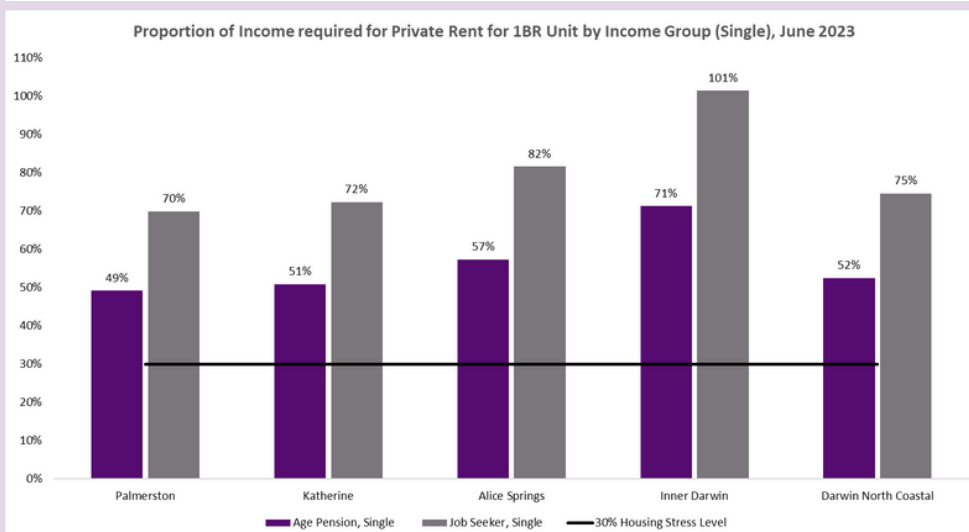
Low income households are disproportionately impacted by high rental costs. Renting privately in every region would put low-income households in deep housing stress if paying median rent.



A sole parent family in Alice Springs receiving Job Seeker would be paying 76% of their income to rent a three-bedroom house in the private market.



A single person in Alice Springs receiving Job Seeker would be paying over 80% of their income to rent a one-bedroom unit in the private market.



Note: not all regions of Darwin were available for this data.

Anglicare Rental Affordability in the Northern Territory: Snapshot Report 2023

Of 566 private rentals advertised across the NT on 19 March 2023:

- Only 6 properties in total (1 %) were suitable for at least one household type living on income support payments without placing them in housing stress.
- Only 34 properties (6 %) were suitable for at least one household type living on minimum wage without placing them in housing stress. [6]



Matt, on a Disability Support Pension

0% of rentals were affordable and appropriate for a single person on the Disability Support Pension like Matt.

100%

0%



Eliza, single Mum on Parenting Payment

0% of listed properties were affordable and appropriate for a single parent on a Parenting Payment like Eliza.

100%

0%



Fiona and Ted, working family

6% of listed properties were affordable and appropriate for a family with two adults and two children on minimum wages like Fiona and Ted.

94%

6%

Unaffordable Affordable

FACT SHEET

Cost of Housing in the Northern Territory

The proportion of income required to cover housing costs has increased for both private renters and homeowners.

As of June 2023, the average private rent for a three-bedroom house in the NT requires 25.5% of median weekly family income, more than the national average of 23.4%.

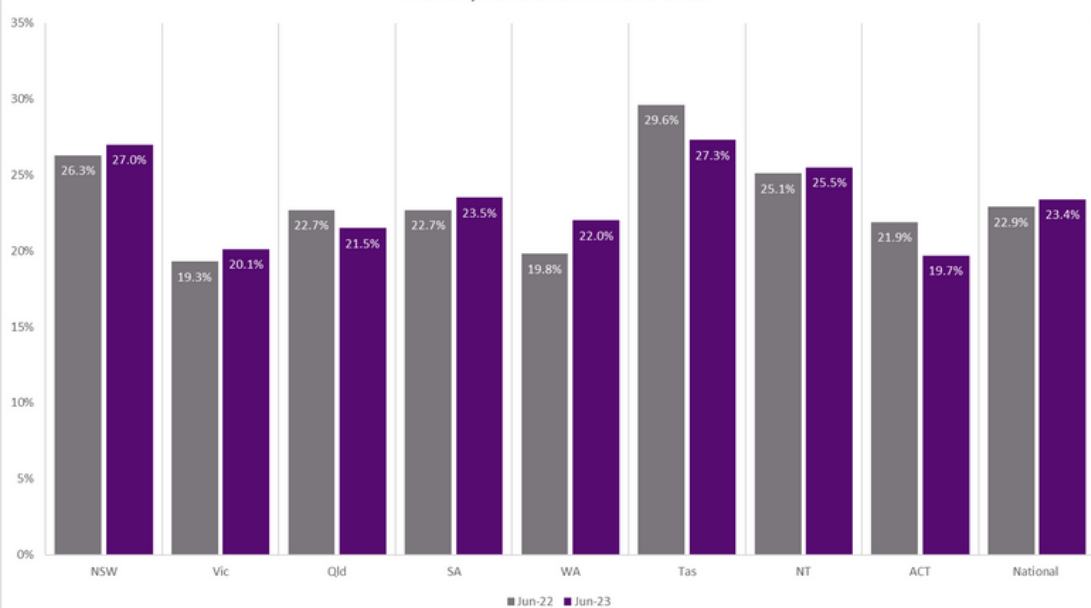
\$616

Average weekly private rent for a 3-bedroom house

\$781

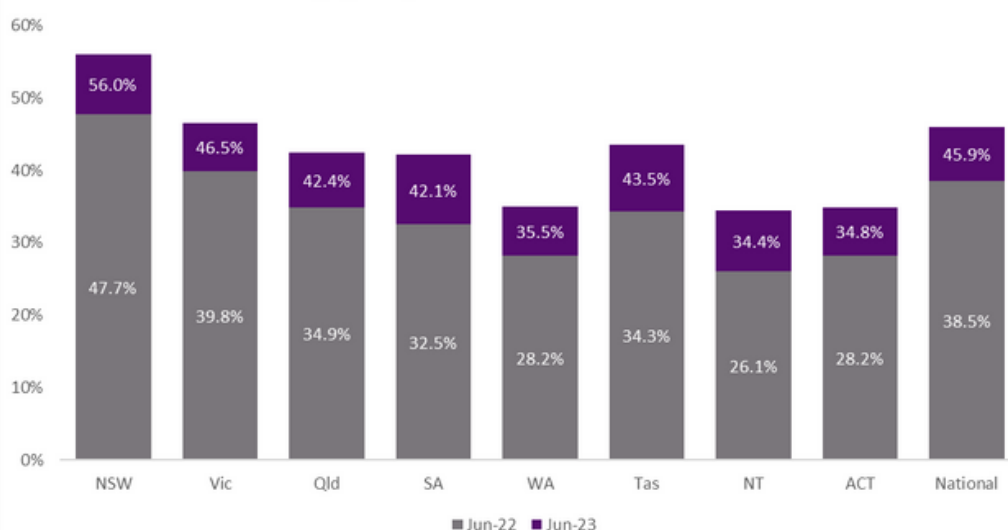
Average weekly mortgage repayment

Proportion of Median Weekly Family Income required for 3BR Home in the Private Rental Market, June 2022 to June 2023



In June 2023, the NT had the third highest private rent nationally for a 3 bedroom house, behind NSW (\$650/week) and ACT (\$623/week).

Proportion of Median Weekly Family Income required for Average Mortgage Payments, June 2022 vs June 2023



In the past year, the average mortgage repayment has increased by almost \$200, from \$592/week in June 2022 to \$781/week in June 2023. This requires 34.4% of a family's median weekly income.

Note: these figures are calculated using a median weekly income of \$2416 in the NT [3]

Recommendations

For the Federal Government:

- Raise the base rate of Job Seeker and other working age income support payments to at least \$78 a day, to support people to afford the basic costs of living.
- Benchmark Commonwealth Rent Assistance (CRA) to rents paid and lift the maximum threshold for CRA by 50%.
- Prevent unnecessary further loss of existing affordable rental housing stock in the NT as National Rental Affordability Scheme (NRAS) entitlements expire.

For the NT Government:

- Commit to substantive reform of the *Residential Tenancies Act 1999* (NT) to ensure Territory renters have at least the same rights and protections as other jurisdictions.
- Implement and enforce restrictions on rent increases.
- Meet and exceed the housing supply targets in the Housing Australia Future fund and National Housing Accord over the next 5 years.
- Successfully deliver the Social Housing Accelerator Initiative and identify and implement ways to address the shortfall of 12,000 homes through the Northern Territory Housing Alliance.
- Continue and expand the Rent Choice rental subsidy scheme to ensure housing around the NT is affordable for key workers and their families.
- Release more land for housing and provide incentives to ensure 20% of new supply is for social and affordable housing.
- Implement minimum energy efficiency standards in rental housing.

References

1. Australian Bureau of Statistics 2023; Consumer Price Index, Australia, June 2023, Table 11, CPI: Group, Sub-group and Expenditure Class, Percentage change from previous quarter by Capital City Australian Bureau of Statistics, Canberra, ACT, Data 4,5,6.
2. Fair Work Commission 2022; Awards and Agreements: National Minimum Wage Orders, Adelaide, SA.
3. Real Estate Institute of Australia 2023, Housing Affordability Report, June Quarter 2023, Canberra, ACT.
4. Real Estate Institute of the Northern Territory Inc. 2023, Real Estate Local Market (RELM) Analysis, June Quarter 2023, Darwin, NT;
5. Services Australia 2023; A Guide to Australian Government Payments, Australian Government, Canberra, 20 September – 31 December 2022, Canberra, ACT.
6. Anglicare NT, 2023; Rental Affordability in the Northern Territory: Snapshot Report 2020, Darwin, NT.