



Australian Government

National Rental Affordability Scheme Tenant Demographic Report

2011-2012 NRAS YEAR



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The National Rental Affordability Scheme (NRAS) is an Australian Government initiative, working in partnership with the states and territories, to stimulate the supply of new affordable rental dwellings.

Approved participants of the Scheme are eligible to receive a national rental incentive for each approved home where it is rented to eligible low and moderate income households at a rate that is at least 20 per cent below the prevailing market rates.

Approved participants provide tenant data annually to assist the Department of Families, Housing, Community Services and Indigenous Affairs to satisfy the compliance requirements prescribed by the Scheme and to better understand the types of tenants living in NRAS homes.

The data published in this report was obtained from NRAS homes which were reported tenanted during the 2011-2012 NRAS year. A response to many of the questions asked was voluntary and response rates varied significantly. The report does not adjust for the variable response rate and as such care should be exercised when inferring outcomes from the information supplied.

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Disclaimer

The Department has prepared this report for the purpose of disseminating general information on the National Rental Affordability Scheme (NRAS) free of charge for the benefit of the public. It draws on information and data provided by a variety of individuals and organisations, including Approved Participants in the NRAS and tenants.

This report is based on information gathered up to 30 April 2012 and may be subject to revision and updates.

A large proportion of the information contained in this report is provided voluntarily by tenants and not all tenants choose to answer all or some of the questions.

The Department does not make any representation or warranty concerning the accuracy, currency, reliability, completeness or suitability of this report for any purpose.

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1. Characteristics of NRAS homes

Table 1 Type and Size (bedrooms) of NRAS Homes

Type of home	Studio	1	2	3	4	5+	Total Homes
Apartment		957	1,505	205	5	31	2,703
House		60	217	973	807	12	2,069
Studio	1,747						1,747
Townhouse		91	408	714	21		1,234
Subsidiary Dwelling ¹						5	5
Total Homes	1,747	1,108	2,130	1,892	833	48	7,758

Of the 7,758 homes tenanted in 2011-2012:

- Tenanted homes by type:
 - 1,747 studios;
 - 2,703 apartments;
 - 2,069 houses;
 - 1,234 townhouses; and
 - 5 homes as subsidiary dwellings.
- 6,225 homes were located in major cities, 1,064 in inner regional areas, 466 in outer regional areas, and 3 in remote areas.²
- There were more tenanted homes owned or managed by charities (5,861) than non-charities (1,897).

¹ A subsidiary dwelling for the purposes of this report is a dwelling that contains a number of separate self-contained residences.

² Remoteness is derived from the Australian Bureau of Statistics Remoteness Area (Australian Standard Geographical Classification 2006).

2. Rent information³

Table 2 Median average NRAS weekly market rent by state and territory

State/Territory	Median NRAS Weekly Market Rent ⁴	Median NRAS Weekly Rent
ACT	\$351.00	\$250.00
NSW	\$335.00	\$210.00
NT	\$385.00	\$308.00
QLD	\$344.00	\$262.00
SA	\$290.00	\$212.00
TAS	\$300.00	\$232.00
VIC	\$350.00	\$245.00
WA	\$367.00	\$288.00
National Median NRAS Rents	\$340.00	\$245.00

Table 3 Median average NRAS weekly rent by type of NRAS home

Type of home	Median Market Weekly Rent	Median NRAS Weekly Rent
Apartment	\$324.00	\$223.00
House	\$340.00	\$258.00
Studio	\$351.00	\$245.00
Townhouse	\$328.00	\$255.00
Subsidiary Dwelling	\$928.00	\$699.00
National Median NRAS Rents	\$340.00	\$245.00

- NRAS apartments offered the lowest median weekly rent charged to tenants at \$223 followed by studios at \$245 while houses had the highest median weekly rent at \$258.
- The median weekly NRAS rent charged by endorsed charities (\$240) was 10% lower than the median weekly rent charged by non-charities (\$267).
- The average length of leases held by tenants of NRAS homes was 15.4 months⁵.

³ The rental values of NRAS homes are reported by Approved Participants at 30 April each year. The median average has been used to display this data as it offers a better representation of the range of rental values reported for NRAS homes.

⁴ The NRAS weekly market rent is the weekly market value rent for an approved rental dwelling which is assessed by an independent registered valuer when a dwelling is first available to rent and again at the end of the fourth and seventh years of the Scheme. The market value rent during the intervening years is subject to fluctuations in the local market; however, increases cannot exceed the percentage change in the NRAS market index.

⁵ Reported start and ends dates of tenancies have been used to derive this figure.

3. Savings to tenants

Table 4 Median average NRAS weekly savings from NRAS market rent by type of home⁶

Type of Dwelling	Median NRAS Weekly Savings	% NRAS Weekly Market Rent
Apartment	\$88.00	26.9%
House	\$79.00	23.2%
Studio	\$106.00	30.1%
Townhouse	\$74.00	22.5%
Subsidiary Dwelling	\$241.00	25.9%
National Median NRAS Weekly Savings	\$87.00	25.4%

- The median NRAS weekly savings of tenants residing in NRAS homes was \$87 per week⁷.
- Studios reported the greatest median weekly savings by tenants at \$106 while townhouses offered the lowest median weekly savings to tenants at \$74.
- It has been estimated that NRAS households saved over \$26 million in rent in 2011-2012 based on savings realised over the total period of occupancy reported in each home.

⁶ Figure derived on the median average weekly savings reported by tenants of NRAS homes.

⁷ Figure based on the median average savings from the reported NRAS market rent of the home.

4. Household composition

Table 5 Number of tenants in NRAS homes by state and territory

State/Territory	Number of homes	Total tenants	Avg tenants per home
ACT	1,193	1,584	1.33
NSW	1,229	2,555	2.08
NT	14	36	2.57
QLD	1,951	5,127	2.63
SA	1,107	2,221	2.01
TAS	360	768	2.13
VIC	1,452	2,226	1.53
WA	452	1,202	2.66
Total	7,758	15,719	2.03

- 15,719 tenants were reported living in NRAS homes in 2011-2012. This was an average of 2.03 tenants per home.
- Major cities had the lowest average number of tenants per home with 1.91 tenants while outer regional areas had an average of 2.91 tenants per home⁸.
- The reported ages of NRAS tenants were⁹:
 - 5,115 tenants (32.5%) were reported to be under the age of 18;
 - 8,724 tenants (55.5%) were aged between 18 and 54;
 - 768 tenants (4.9%) were aged between 55 and 64; and
 - 1,112 tenants (7.1%) were aged 65 years and over.
- The reported household types were¹⁰:
 - 3,633 households (46.8%) comprising a single adult;
 - 1,614 households (20.8%) comprising a single adult with children;
 - 1,290 households (16.6%) comprising multiple adults with no children;

⁸ Remoteness is derived from the Australian Bureau of Statistics Remoteness Area (Australian Standard Geographical Classification 2006).

⁹ The provision of NRAS tenant age information is a mandatory reporting requirement.

¹⁰ The provision of NRAS household type's information is a mandatory reporting requirement.

- 1,197 households (15.4%) comprising multiple adults with children; and
- 24 households (0.3%) comprising independent minors¹¹.
- 1,830 tenants (11.6%) reported they were a sole parent.¹²
- Tenant Characteristics:¹³
 - 4,268 tenants (27%) in 3,151 homes were reported to be enrolled in full-time study (primary, secondary or tertiary students).
 - 701 tenants (4.4%) in 327 homes disclosed that they are of Australian Aboriginal or Torres Strait Islander descent.
 - 1,425 tenants (9%) in 1,237 homes disclosed that they were a person with a disability.¹⁴
- Prior living arrangements of tenants:¹⁵
 - 136 tenants (0.9%) reported that they previously owned their own home;
 - 184 tenants (1.2%) reported that they were previously paying off their home;
 - 943 tenants (6%) reported that they were previously renting in State or Territory housing (social housing);
 - 6,078 tenants (38.7) reported that they were previously renting through a real estate agent;
 - 549 tenants (3.5%) reported previously living in supported accommodation;
 - 3,560 tenants (22.6%) reported previously living with family or friends;

¹¹ A household where all tenants are under 18 years of age.

¹² The number of tenants who reported they are a sole parent. Multiple sole parents may reside in any of the household types listed above.

¹³ Responses to tenant characteristic questions are voluntary.

¹⁴ The disability information is not defined nor is the type of disability identified by tenants.

¹⁵ Responses to prior living arrangements questions are voluntary.

- 382 tenants (2.4%) reported that they were previously homeless;
- 1,362 tenants (8.7%) reported other previous living arrangements not specified;
- 2,525 tenants (16.1%) did not provide details of their prior living arrangements.

5. Economic profile of tenants

Table 6 Median average gross annual income of NRAS households by state and territory¹⁶

State/Territory	Median annual income
ACT	\$18,025
NSW	\$33,803
NT	\$55,500
QLD	\$40,040
SA	\$32,514
TAS	\$33,804
VIC	\$24,000
WA	\$41,685
National Median Income	\$31,249

- The median gross annual income of NRAS households was \$31,249 with an estimated median gross weekly income of \$601.
- 4,344 households (56%) reported a tenant in receipt of Commonwealth Rent Assistance.

¹⁶ The median average gross annual income of an NRAS household is the reported amount of income, derived, earned or received by tenants from any source before tax is applied. It is mandatory that NRAS tenants provide income, derived, earned or received to ensure the NRAS dwelling is compliant with the Income Test limits.

6. Income sources of tenants¹⁷

Table 7 Income source of tenants by state and territory

State/Territory	Income from wages	Income from other sources ¹⁸
ACT	28.52%	71.48%
NSW	37.01%	62.99%
NT	84.21%	15.79%
QLD	45.14%	54.86%
SA	34.37%	65.63%
TAS	43.85%	56.15%
VIC	26.64%	73.36%
WA	53.33%	46.67%
National	37.64%	62.36%

- Of the 10,898 tenants who disclosed an income source, 4,102 (37.64%) reported receiving income from wages. The remaining 6,796 tenants (62.36%) reported receiving income from sources other than wages.
- The sources from which tenants derived income are¹⁹:
 - 2,979 tenants (18.9%) derived income from the private sector;
 - 659 tenants (4.2%) derived income from the public sector;
 - 255 tenants (1.6%) derived income from the community sector
 - 209 tenants (1.3%) derived income from self-employment;
 - 5,181 tenants (32.9%) derived income from government pensions or allowances;
 - 45 tenants (0.2%) derived income from their superannuation or annuities; and
 - 6,391 tenants (40.6%) did not specify the source of their income²⁰.

¹⁷ The provision of NRAS tenant income source information is voluntary and care should be taken when using this information as not all tenants provide responses.

¹⁸ Other sources include government pensions and allowances, superannuation or annuities or listed another source not specified.

¹⁹ Percentages are derived by dividing the number of respondents in each category by the total number of tenants (15,719).

²⁰ This number may include children, retirees and tenants who failed to provide a response.