

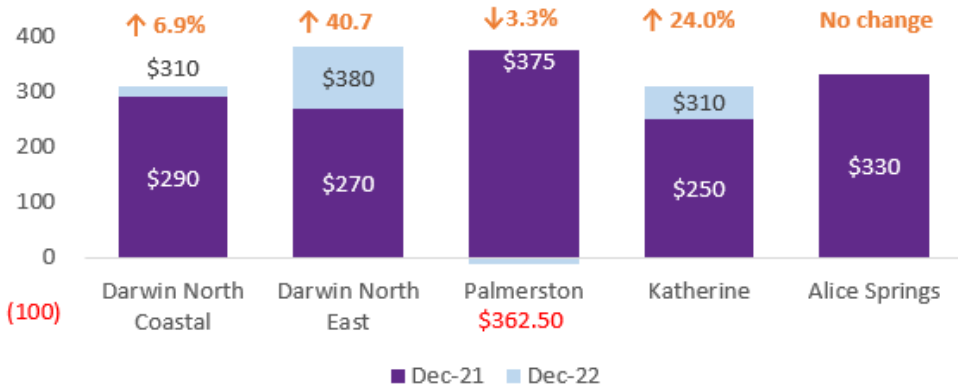
FACT SHEET

Cost of Housing in the NT April 2023



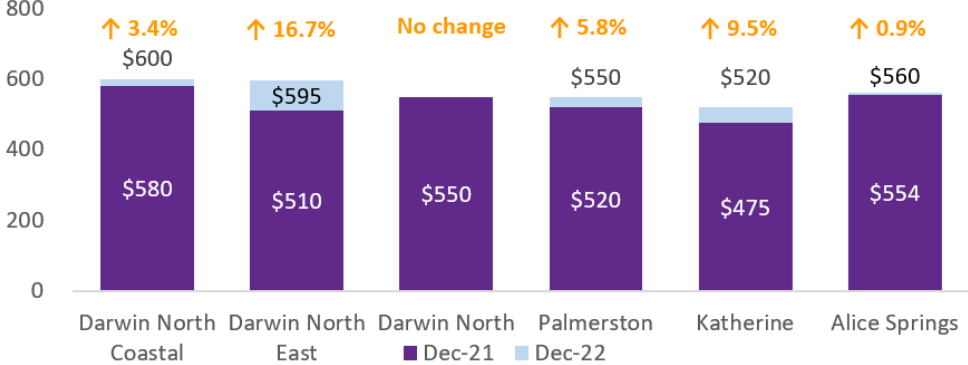
Rent costs unaffordable, price rises in most major centres over the past year

1BR Unit Prices in Major Centres, Private Rent



Median private rent prices across the NT are extremely high. Over the past year rent prices for 3 bedroom houses and 1 bedroom units have risen, with many rent prices well above the general inflation rate of 7.1% for Darwin (CPI All Groups) for the same time period. The most extreme price increases were seen in 1 bedroom units in Darwin North East (up 40.7%)

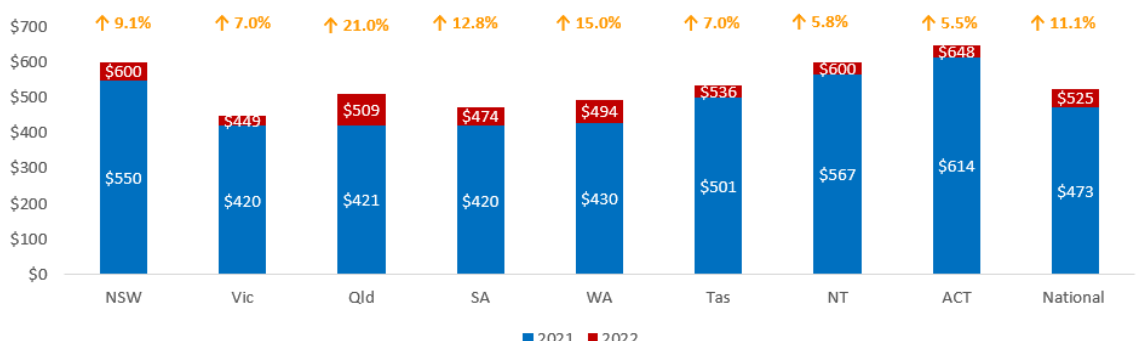
3BR Houses Prices in Major Centres, Private Rent



As at December 2022, the NT had the equal second highest average rent price for a 3 bedroom house, and was the third least affordable jurisdiction for renting 3 bedroom houses in terms of proportion of average household income required (25.6% vs national average of 22.9%).

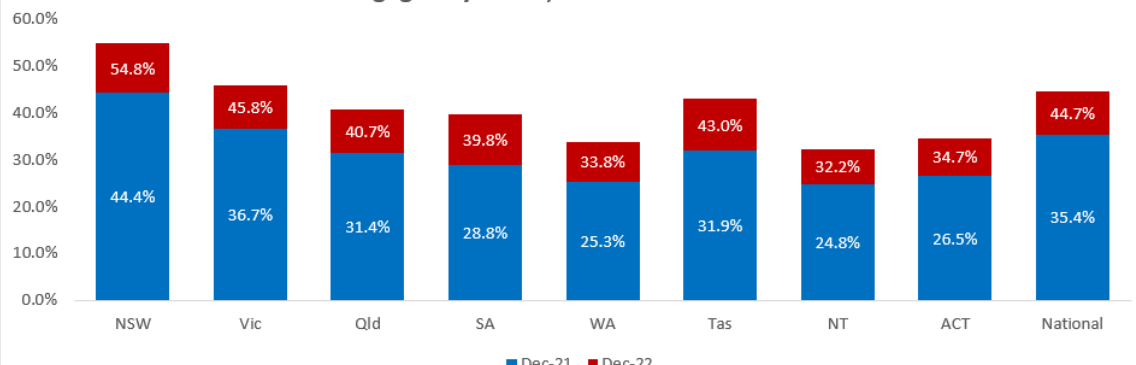
Rental affordability in the NT has declined by 2.7 percentage points over the past 5 years. While it has improved by 8.3 percentage points over the past 10 years, it has declined by 4.5 percentage points over the past 20 years

National Comparison, Average Rent, 3 BR House, Dec 2022 vs Dec 2021



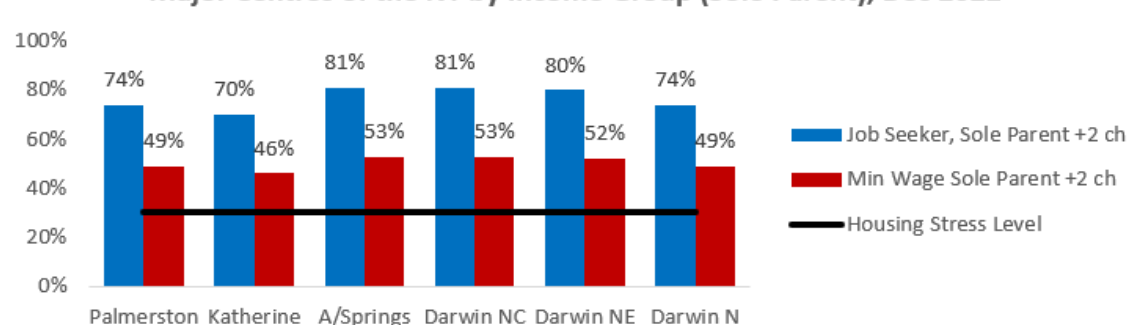
Mortgage stress is rising in the NT: if a homeowner puts more than 30% of pre-tax income into their mortgage payments, they are considered to be in mortgage stress. While the NT is lower than other jurisdictions in terms of average weekly income required for mortgage payments, it has still risen above 30% to 32.2%

National Comparison Percentage of Average Weekly Income required for Mortgage Payments, Dec 2021 vs Dec 2022



Similarly, if rental costs exceed 30% of a low income household's gross income, this is considered housing stress

Proportion of Income required for Private Rent for 3 BR House for Major Centres of the NT by Income Group (Sole Parent), Dec 2022

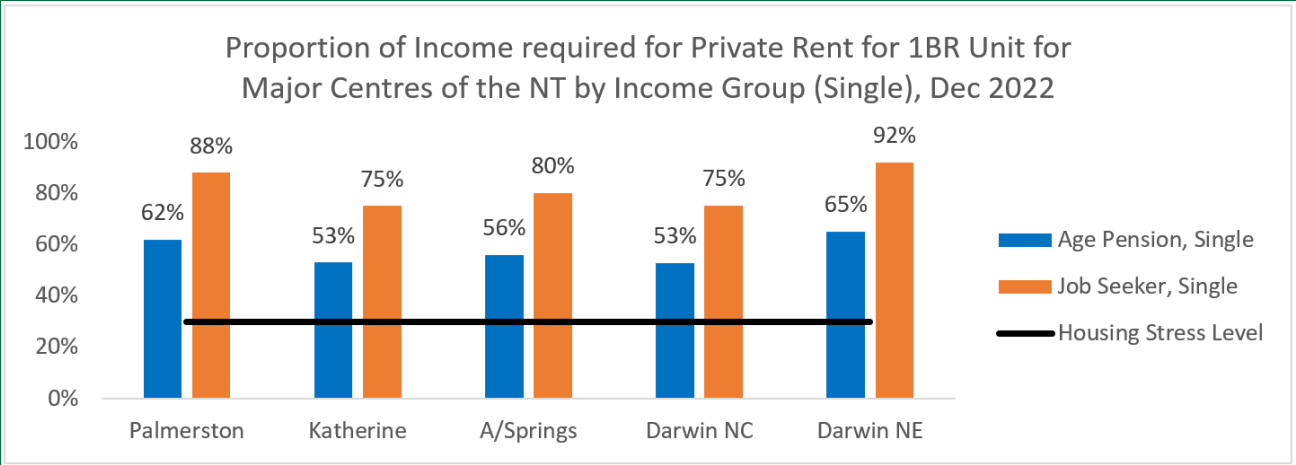


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Cost of Housing in the NT April 2023



Housing affordability in the NT has declined by 8.4 percentage points over the past 5 years, 1.2 percentage points over the past 10 years and 10.4 percentage points over the past 20 years



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

NTCOSS calls on the NT Government to:

Invest in more social housing in the NT to address the shortfall of 12,000 homes

Amend the Residential Tenancy Act to establish rules around reasonable rent increases to help address the current crisis

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

NTCOSS calls on the Federal Government to:

Benchmark Commonwealth Rent Assistance (CRA) to rents paid, lifting the maximum rent threshold by 50%, which would deliver a 100% increase to maximum rates of payment

Prevent unnecessary loss of existing affordable rental housing stock in the NT as NRAS entitlements expire. Establish a one year \$2billion 'Rapid Response Housing Fund' to encourage proposals from Community Housing Organisations to expand social and affordable housing via mechanisms other than new construction (eg acquisition of suitable distressed new build properties or existing rental homes)

Increase JobSeeker to at least \$76 a day to cover basic living costs

References: Fair Work Commission 2022; Real Estate Institute of Australia 2023, Housing Affordability Report, Dec Quarter 2022, Canberra, ACT; Real Estate Institute of the Northern Territory Inc. 2023, Real Estate Local Market (RELM) Analysis, Dec Quarter 2022, Darwin, NT; Services Australia 2022; SGS Economics and Planning 2022