Review of Housing ACT Market Renters

Department of Disability, Housing and Community Services

August 2004

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Executive Summary

The Minister for Disability, Housing and Community Services requested that a review of Market Renters in Housing ACT be conducted. This review has been conducted by officers from the Department of Housing, Disability and Community Services, Chief Minister's Department and Department of Treasury. The review examines the historical reasons for market renters renting properties, the profile of market renters, the impact of this group on the operations of Housing ACT, policy options for the future treatment of this group, and makes recommendations.

Market Renters are tenants of Housing ACT who do not receive assistance through the granting of a rental rebate. Every State and Territory has market renters within their public housing systems due to security of tenure; however the ACT has historically higher levels due to the role of publicly funded housing in helping establish Canberra as the nation's capital. Due to the need for increased targeting of assistance to individuals and households with high support needs under the 1996 Commonwealth State Housing Agreement (CSHA), the number of market renters has decreased in all jurisdictions, including the ACT. They currently comprise 15% of all tenants compared with 22% in 2001.

Because market renters do not apply for a rental rebate, they are not required to provide household information and hence less information is available from internal data sources than for rebated renters and their households. However, from a comparison of available internal administrative data and the 2001 ABS Census, it is likely that in general market renters may have larger households, more income units within the household and be more likely to be of working age than rebated renters. They are more likely to occupy houses rather than flats and pay on average between $201 to $250 per week in rent. There is considerable movement amongst Housing ACT tenants in terms of their eligibility for a rental rebate; over a three year period around 70% of tenants received a rebate throughout the period, 12% of tenants were market renters throughout the period, and 18% moved between the two groups.

Housing ACT is required to charge a private market equivalent rent for a property under the CSHA, and employs an independent professional valuer to calculate them using a 5% sampling method. The *Residential Tenancies Act 1997* allows for rents to be altered once a year, with Housing ACT conducting a review each October. The Review considered the current process for valuing the portfolio to be cost effective, with an average cost of $4.50 per house per annum. The process is also considered to produce accurate market rents; this being reflected in the low number of appeals being made concerning rent determinations in the Residential Tenancies Tribunal, and the resulting sales of Housing ACT properties based on these valuations that are consistent with market trends.

In 2003 there were 94 appeals as a result of the annual rent review process. Of these, 36 were denied, 40 were varied (usually by around $5), 6 upheld and a further 6 are still pending.

Housing ACT rents and property prices are consistently in the bottom half of the market; the reasons are the generally lower levels of amenity, fixtures and fittings of the stock, and the dominant role of Housing ACT in providing affordable housing to the bottom two income quintiles in the ACT community.

As for rebated renters, the suitability of other housing options for market renters is limited, with equivalent stock in the private rental market currently not being available due to Canberra having the highest median rents amongst capital cities. There is some scope for market renters to be amongst the target groups to receive assistance for first home buyers under the enhanced stamp duty concession schemes, and targeted land releases announced in the 2004-05 Budget.

Housing ACT, like other public housing authorities, uses rental income from market renters as an important component to help finance services it provides. This rental stream is decreasing, as the number of market renters decreases, and increased targeting of assistance by Housing ACT means that for the first time rental rebates are now larger than rent received. A report by Jon Hall and Mike Berry of the Australian Housing and Urban Research Institute confirms that as a long term strategy, targeting of assistance with decreasing funding from both the CSHA and from rental incomes is not sustainable, and suggests that an increasing proportion of tenants with greater household income growth potential should be allocated housing than at present.

The Review has concluded that market renters play an important role in the viability and sustainability of Housing ACT, both as an income source to help pay for services the organisation provides, and as an important contributor to the broader role of public housing being more representative of the community, and helping to sustain tenancies. It is recommended that a study be conducted to assess appropriate strategies to help strengthen this viability in the long term.

Recommendations

It is recommended that the Department of Disability, Housing and Community Services:

1. Conduct further research into the relative impacts of property valuations and changing household incomes on movement between ‘market renter’ and ‘rebated renter’ status.

2. Write to the Privacy Commissioner to seek an exemption to obtain similar information for market renters to that already collected from rebated renters, and to then make appropriate amendments to the Public Rental Housing Assistance Program.

3. Assess the impacts of Housing ACT property amenity levels on tenants to determine whether current minimum standards reflect community expectations, and community “norms”.

4. Conduct a strategic assessment of Housing ACT’s future financial viability, which should include:
    - a benchmarking model of costs and revenues;
    - assessment of appropriate funding strategies including budgetary finance, rental revenues; and partnerships; and
    - rental policy options.

1. Introduction

1.1 Terms of Reference of the Review

In March 2004 the Minister for Disability, Housing and Community Services requested that a review be conducted of market renters tenanting Housing ACT properties.

This requested review to the Minister addresses:

- The causes and history of market renters tenanting Housing ACT properties;

- The statistical characteristics and trends of the market renter population;

- The impact of market renters on the overall ACT housing system;

- Issues arising from market renters in public housing, and on the operational viability of the public housing system;

- Examining recommendations of the Affordable Housing Taskforce for possible incentives to encourage long term, high income market renters to exit public housing; and

- Possible recommendations.

1.2 Structure of the Report

Chapter 1 outlines the role of market renters within the overall history of public housing in the ACT, and recent policies influencing their position as a part of the public housing system.

Chapter 2 analyses the market rental tenancies and provides details of the statistical characteristics of market renters using internal Housing ACT and 2001 Census data.

Chapter 3 examines the requirement to provide market and rebated rents, and examines the operational implications in relation to rent setting for Housing ACT.

Chapter 4 discusses the impact of market renters upon both the operational viability of Housing ACT and upon the sustainability of public housing tenancies and tenant mix.

Chapter 5 examines possible policy options for the treatment of Market Renters, including possibilities for revenue maximisation in relation to Long Term Market Renters.

1.3 Who is a Market Renter?

Market renters are tenants of Housing ACT whose household income has risen to a level where they are no longer eligible for a rental rebate. Instead of paying a rent based on 25% of household income, rent is payable at a market level. This rent is determined by an independent valuer and reflects an equivalent rent to that paid in the private rental market for a similar property.

All State and Territory housing authorities have tenants who pay market rents. This is because once tenants are allocated housing, they generally have security of tenure over the property allocated to them provided the terms of the tenancy agreement are met[1]. As at May 2004 15% or 1,697 of Housing ACT tenants pay a market rent[2].

As at the end of May 2004, the income barriers applying to eligibility for rental housing assistance with Housing ACT were as follows:

Table 1.1

Household Structure	Gross per week	Yearly Income	ACT Income Percentile*	National Income Percentile*	Percentage Of ACT AWE**
Single	$521	$27,166	First	Second	60%
Family of Two Persons	$868	$45,260	Second	Third	100%
Family of Three Persons	$955	$49,796	Third	Third	110%
Family of Four persons	$1042	$54,333	Third	Fourth	120%
Family of five persons	$1129	$58,869	Third	Fourth	130%
Family of Six Persons	$1216	$63,406	Third	Fourth	140%

* Based on 2001 census data – See Appendix 1 for Income levels
** AWE – Average Weekly Earnings published by Australian Bureau of Statistics

[1] Some state housing authorities (SA, Victoria and NT in particular) have introduced tenant eligibility reviews as part of their policies. However, information supplied by these jurisdictions indicated that these policies are either being reviewed, or are still to be operationalised.

[2] It should be noted that some eligible tenants may either choose not to claim a rental rebate, or be unaware of their eligibility to do so. No figures are available to gauge levels of market renters who may fall into this category.

1.4 Public Housing History in the ACT up to 1996

Public housing origins and evolution in Canberra are different from those in other Australian jurisdictions, where public housing was provided, in the main, to people unable to afford private market housing. Public housing in Canberra originally provided public servants transferred to the new national capital, as well as other workers and their families helping build and establish the new national capital, with a home. As stated by Bruce Wright in his definitive history of public housing in Canberra:

> *In most cities, public housing is built to provide a minimum level of accommodation for those who cannot afford to provide it for themselves.*
>
> *Canberra was quite different: public housing was built as a cornerstone of the development of the national capital.*[3]

The first properties were constructed by the Federal Capital Commission in the early 1920s, and Housing ACT still holds one of the earliest of these in Braddon. The stock expanded dramatically, especially in the 1950s and 1960s in response to the growth in the public sector. It was not until 1972 that privately built dwellings outnumbered publicly built dwellings in the ACT. Public housing has had an enormous social impact on Canberra. Again Bruce Wright concludes that:

> *Public housing shaped the development of Canberra. It was pervasive. In some suburbs almost every housing was built by government. Up to the mid 1990s, only three Canberra suburbs had no public housing.*[4]

And again,

> *For all who obtained it, public housing in the ACT was a significant step in life. For some, it was a lifetime opportunity to obtain affordable, decent accommodation.*[5]

Up until 1973, publicly built houses in Canberra were allocated on a waiting list basis without reference to applicant need. The first means test for access was introduced in 1973 in an attempt to align the ACT with housing policies in other States. This means test was based on a formulae stipulated in the 1973 Commonwealth-State Housing Agreement (CSHA), which was soon varied in the absence of any binding agreement between the ACT and the Commonwealth.

It was not until 1987 that the Commonwealth required the ACT to align itself with the housing policies imposed on the States under the CSHA if it wished

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[3] Bruce Wright - Cornerstone Of The Capital – A history of public housing in Canberra ACT Housing 2000 page v
[4] Ibid p95
[5] Ibid pvi

to continue receiving funding. The administration of public housing in the ACT was transferred to the Commissioner for Housing, who oversaw the newly established ACT Housing Trust, a housing authority comparable with those in other States and Territories.

In 1989, with the introduction of self-government, the ACT became a signatory to the CSHA. Despite the ACT inheriting most of the stock built in an era where public housing was available to all, at the beginning of self-government 65% of tenants were in receipt of a rental rebate.

1.5 Developments affecting Market Renters since 1996

The 1996 CSHA departed sharply from previous agreements with the requirement by the Commonwealth for the States and Territories to increasingly target resources. Due to the continually increasing demand for housing assistance, the CSHA had a greater emphasis on rationing housing to those with the greatest demonstrated needs. Underpinned by the *Housing Assistance Act 1996* this agreement made explicit the need for the States and Territories to outline targets and specify outcomes. The 1999 CSHA Agreement also emphasised this requirement. In response the previous ACT Government introduced a number of changes, including:

- Eligibility reviews for all new tenancies commenced after 1 January 2001; and
- A segmented waiting list with 4 categories of housing need.

Security of tenure was reintroduced by the current Government on 10 December 2002 removing the requirement for eligibility reviews. The segmented waiting list continues to operate, and in May 2004 92% of new applicants housed were taken from the highest priority category (EAC1).

The 2003-08 CSHA Bilateral Agreement was signed by both Commonwealth and ACT Governments in June 2004. Along with continued focus on targeting to those in need, this latest agreement includes objectives emphasising increased service provision to public housing tenants.

The full list of objectives of the new Agreement are outlined as follows:

- Objective 1: Develop and maintain a viable and sustainable social housing sector

- Objective 2: Develop and deliver affordable, flexible housing responses that meet the needs and choices of people in housing need.

- Objective 3: Better integrate housing and associated programs to improve client outcomes and meet broader government objectives.

- Objective 4: Continue the ACT's commitment to improving housing outcomes for Aboriginal and Torres Strait Islander people.

- Objective 5: Ensure that housing assistance promotes access to employment.

- Objective 6: Promote innovative approaches to leverage additional resources into the social housing sector.

1.6 Conclusions

Public housing has played a major role in helping accommodate both public servants and other workers who played a vital role in the development of Canberra. A number of these people and their families still occupy Housing ACT properties. These tenants (and possibly their spouses and children) have an expectation to occupy what are in effect family homes.

The current ACT Government has a policy of security of tenure for public housing tenants, which effectively underpins the continuing presence of market renters within Housing ACT for the foreseeable future.

In recent years policies under the CSHA of increasing targeting for welfare clients has meant that earlier policies of open access to public housing has been removed, and hence the number of market renters has declined, to the present situation where they number some 1697 or some 15% of all tenants. This trend is predicted to continue.

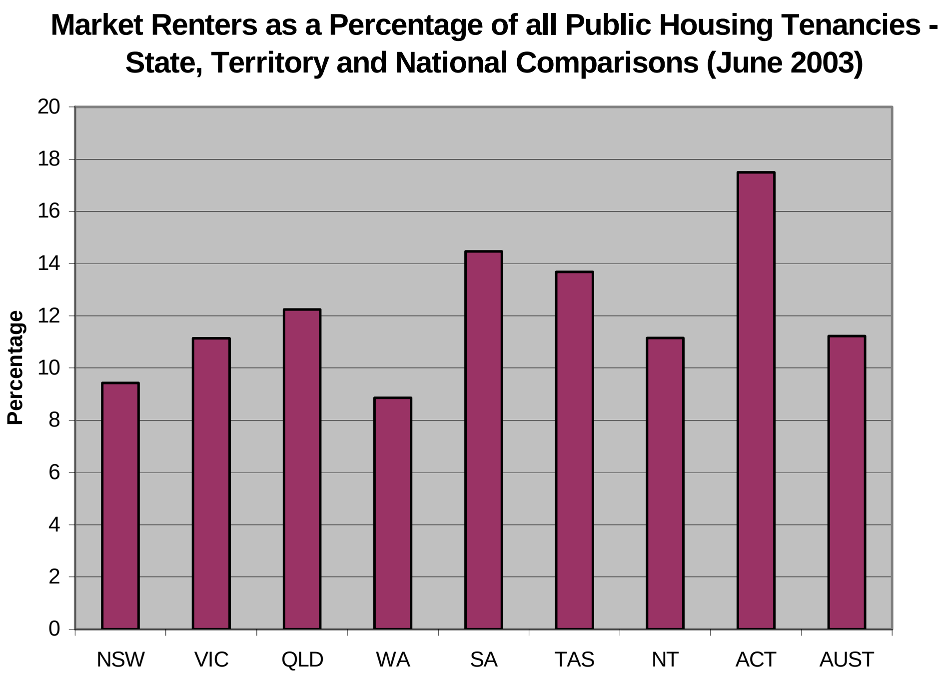
2. The Characteristics of Tenancies Paying Market Rent

This chapter outlines the trends in market rents charged for Housing ACT properties and the corresponding impact on the rebate status of tenancies and the net rent received by Housing ACT. Through comparisons of the characteristics of all public housing tenants with rebated tenancies inferences are made about the characteristics of households paying market rent.

2.1 The changing proportion of market renters within public housing in the ACT

At the end of February 2004 there were 11,107 tenanted Housing ACT properties. Of these, 1671 (15%) tenancies were paying market rent. As shown in Figure 2.1, as at 30 June 2003 17.5% of Housing ACT tenancies were paying market rent, indicating that levels have been declining quite rapidly in recent years. At 30 June 2003, this level was above the national average of 11.23%, and was the highest amongst all jurisdictions.

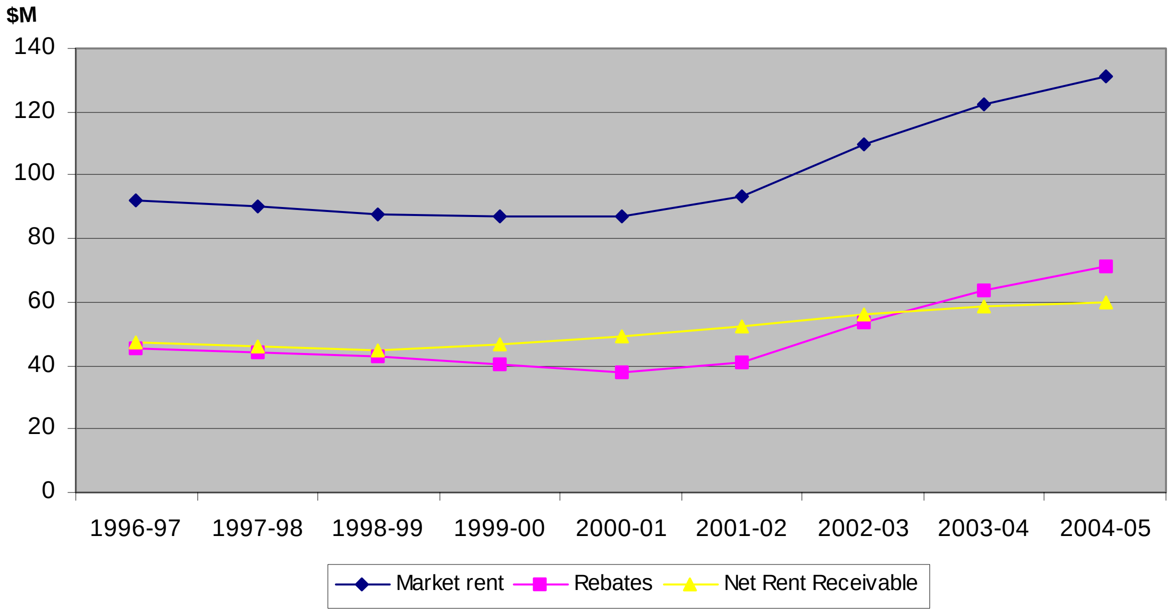
Figure 2.1



Source: Report on Government Services, 2004

Figure 2.2

Housing ACT - Comparison Between Market Rents Receivable, Rental Rebates Granted and Actual Net Rent Receivable - 1996-2005*

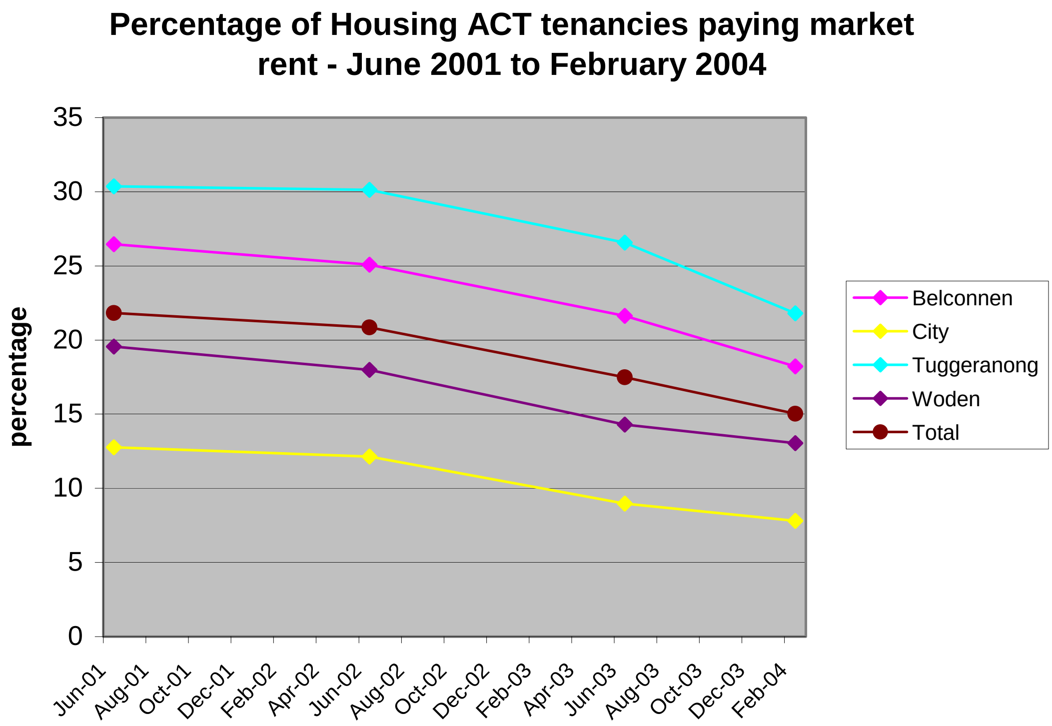


* Figures for 2004-05 are based upon Housing ACT estimate
Source: Housing ACT 2004

Figure 2.2 illustrates the total market rent value for Housing ACT properties, the amount provided by Housing ACT in rent rebates and the net level of receivable rents from 1996-97 to 2004-05. Between 2000-01 and 2004-05 the total rent value for Housing ACT increased from$40 million to $70 million whereas net rent received increased only from $50 million to $60 million. With the increase in the market rent of properties since 2001-02, there has been a correspondent increase in the value of rent rebates. Between 2002-03 and 2003-04 the level of rebates granted by Housing ACT exceeded the net rent receivable.

The increase in rent rebates has occurred through both increased payments to tenants who were already in receipt of a rebate, and through the commencement of rebate payments to tenants who were formerly paying market rent. As Figure 2.3 and Table 2.1 illustrate, tenancies paying market rent have dropped as a proportion of all tenancies across all areas in the ACT between 30 June 2001 and 29 February 2004.

Figure 2.3



Source: Housing ACT 2004

Table 2.1 **Housing ACT Tenancies and Market Rent Accounts by Region – June 2001 and February 2004**

	30 June 2001			29 February 2004		
Region	Number of Accounts	Number of Market Rent Accounts	Percentage on Market Rent	Number of Accounts	Number of Market Rent Accounts	Percentage Paying Market Rent
Belconnen	3065	811	26.46	3176	579	18.23
City	2866	366	12.77	2758	215	7.8
Tuggeranong	2194	666	30.36	2294	500	21.8
Woden	3069	600	19.55	2876	375	13.04
Total	11194	2443	21.82	11104	1669	15.03

Source: Housing ACT, 29 February 2004

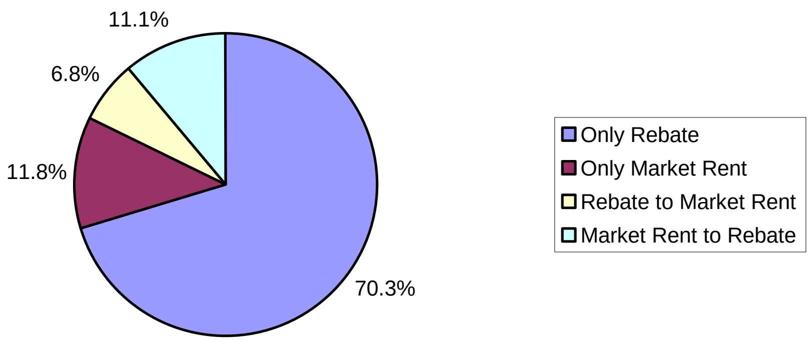
2.2 Changes to Rebate Status

Housing ACT rents are charged according to a household's assessable income until payments are equal to market rent. Most households pay up to 25% of their gross income in rent and therefore receive a rent rebate.

Since 2000-01, the market rent of properties across the ACT has been increasing. Depending on the level of household income, the impact of this increase on rent paid has varied for public housing tenants. Figure 2.4 shows the rebate status or change in rebate status for tenants of public housing over the period February 2001 to February 2004[6].

Figure 2.4

Rebate Status of Housing ACT Tenants: Changes between June 2001 and February 2004



Source: Housing ACT, 29 February 2004

The majority of public housing tenants (70%) were receiving a rebate throughout the three year period; that is, they paid less than market rent and no more than 25% of their household income.

Just over one in ten (11%) public housing households ceased paying market rent and were in receipt of a rebate at the end of this three year period. A similar proportion (12%), paid market rent throughout the period.

A small proportion (7%) of public housing tenants moved from receiving a rebate to paying full market rent for their property.

Both adjustments to a property's market rent and changes to household income affect whether a tenancy is eligible for a rent rebate. However, there is a lack of detailed data which would allow this review to determine the relative importance of these two factors in changes to the rebate status of tenancies.

[6] Changes in rebate status are calculated for all tenants who remained in Housing ACT over this three year period continuously.

Recommendation 1 ***That the Department of Disability, Housing and Community Services conduct further research into the relative impacts of property valuations and changing household incomes on movement between 'market renter' and 'rebated renter' status.***

2.3 Long-Term Market Renters

Table 2.2 **Distribution of Weekly Market Rental Payments for Long Term Housing ACT Market Renters**

Gross Weekly Rental Charge	Number of Tenancies	%
<$150	18	1.97
$151-$200	117	12.80
$201-$250	650	71.11
$251-$280	92	10.07
>$280	37	4.05
Total	914	100.00

Source: Housing ACT 29 February 2004

Long-term market renters are defined for the purposes of the analysis in this Report as public housing tenants who have been paying market rent continuously for a period of three years or more. As identified in the previous section, 12% of public housing tenants fall into this category.

At the end of February 2004, the mean rent paid by long-term market renters was $217.75 per week and the median was $215.00. This is $1.74 greater than the mean for market renters and $5 greater than the median for market renters. Table 2.2 shows that the majority of long-term market renters (650 or 71%) pay between $200 and $249 rent per week. In addition:

- 18 households (less that 2% of long term market renters) are paying less than $150 per week with the average payment $117. This group of households have an average length of tenancy of almost 10 years and the properties are predominately in rural/semi-rural areas;

- 117 households (12.5% of long term market renters) are paying $150 to $199 per week with the average payment $180. This group of households have an average length of tenancy of 13.8 years and the properties are predominately in Tuggeranong and Belconnen:

- 650 households (70.9% of long term market renters) are paying $200 to $249 per week with the average payment $216. This group of households have an average length of tenancy of 14 years and the properties are predominately in Tuggeranong, Western Creek and Belconnen;

- 92 households (10% of long term market renters) are paying $250 to $279 per week with the average payment $260. This group of households have an average length of tenancy of 12.8 years and the properties are spread across the Inner North and Inner South, Western Creek with a small number located in Gungahlin and Belconnen; and

- 37 households (4.5% of long term market renters) are paying above the median rent for the ACT of $280 per week. This group pays $280 to $360 per week with the average payment $295. This group of households have an average length of tenancy of 12.2 years and the properties are spread across the Inner North and Inner South, Western Creek with a small number located in Tuggeranong and Belconnen.

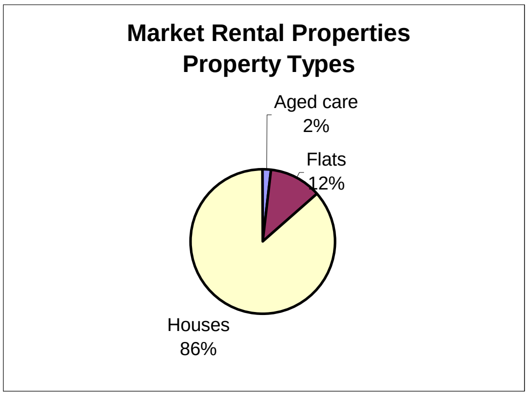
Further analysis of the 37 households paying above the median ACT rent indicates that:

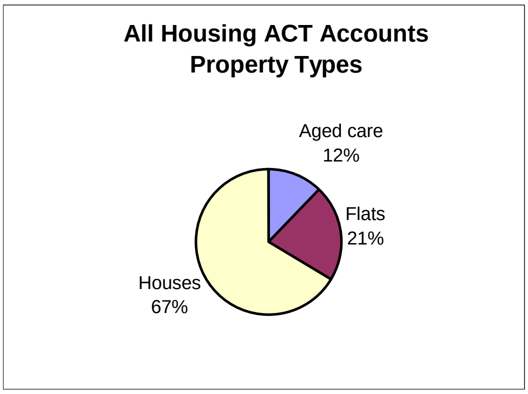
- 68% have occupied the property for 10 years or more;
- 59% are in 3 bedroom homes;
- the majority are located in the inner north and inner south, and;
- At the time of signing the tenancy agreement, half were households of more than two people and two thirds (65%) were aged between 45 and 70.

2.4 Market Renters - Dwelling types

Tenancies paying market rent are predominantly living in stand alone houses rather than multi-unit properties. Of the tenancies paying market rent at 29 February 2004, 86.5% resided in houses, while only 66.3% of all Housing ACT tenancies resided in such properties.

Figure 2.5 **Property Types - Comparison of Market Renters with Overall Housing ACT Tenant Population**



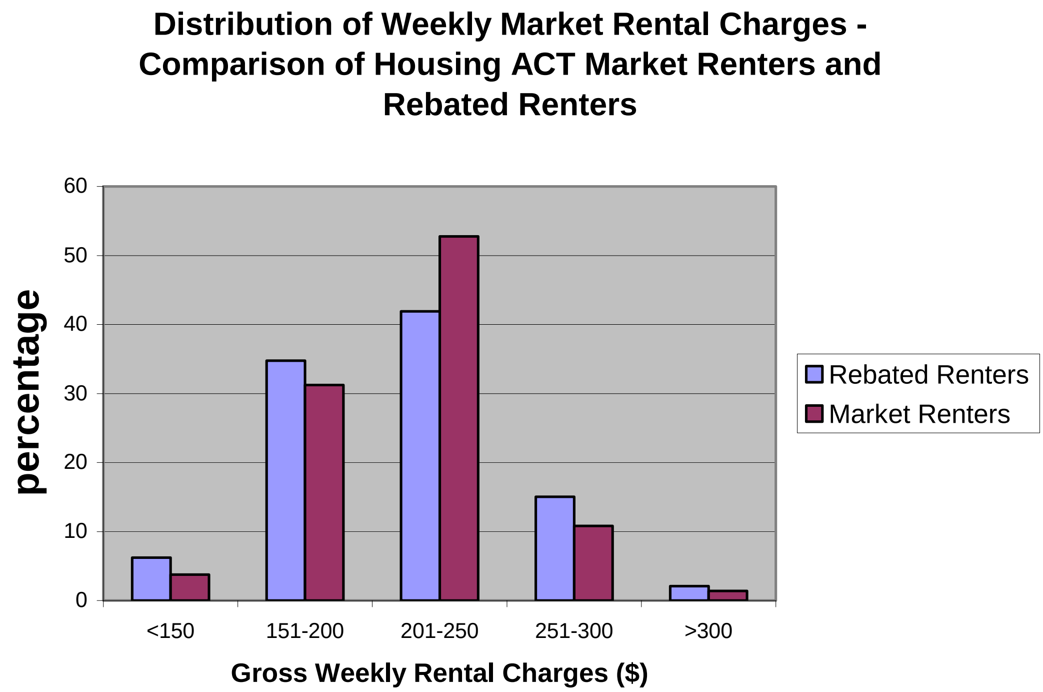


Source: Housing ACT, 29 February 2004

2.5 Gross rents before rebate

There is little difference between the market rent of properties in which tenants receive a rebate and the market rent of properties in which tenants pay market rent. At 29 February 2004, the mean gross weekly rent charged for tenancies paying market rent was $216.01, with the median rent across tenancies paying market rent being $210.00. Rebated accounts had a mean gross rental charge (before rebate) of $214.54 and a median of $210.00.

Figure 2.6



Source: Housing ACT, 29 February 2004

Figure 2.6 shows the distribution of rebated and market rent paying households across the range of rental charges. Just over half (53%) of tenancies paying market rent are charged between $201 and $250 per week in rent. By comparison 42% of rebated renters are in properties valued at this level (before calculation of rebate). At higher rent levels there are proportionally fewer tenancies paying market rent compared to rebated renters; 10.9% of tenancies paying market rent are charged between $251 and $300 compared to 15.04% of rebated renters.

2.6 The Demographic Characteristics of Market Renters

There is limited information available for Housing ACT tenants paying market rent. Detailed information is collected when applicants initially apply for housing assistance, and on an ongoing basis if they apply for rental rebates. Data relating to market renters can be drawn from previous rebate forms or the initial application. However, these sources cannot be relied upon to provide an accurate indication of the current status of tenants.

Details of public housing tenants are also available from the Australian Bureau of Statistics' 2001 Census. It is not possible to determine from Census data whether a tenant is paying market rent or whether they are receiving a rebate. For the purpose of the Review, investigations were undertaken into the extent to which data on public housing tenants from the Census could be compared with administrative data on public housing tenants collected by Housing ACT. By comparing the profile of rebated renters from Housing ACT data with the profile of all public housing tenants obtained from the Census, inferences may be made about the characteristics of market renters.

Caution must be taken in attributing differences between the two data sets solely to the market renter population. A comparison of the ABS and Housing ACT data reveals a high degree of difference in the reported size of the group living in public housing. The Census, conducted in August 2001, reports that there were 9,859 tenanted public housing dwellings[7] while Housing ACT records from 30 June 2001 indicate that there were 11,200 tenanted dwellings (8752 rebated and 2448 paying full market rent). Therefore, at least 10% of the Housing ACT tenancies appear not to have been correctly recorded, adding a degree of inaccuracy to the ABS data. However it may also be possible that dwellings were recorded in the Census as being public housing which were not. Similarly, data recorded by Housing ACT regarding the characteristics of households may be incorrect, for example, where tenants have failed to notify the Department of changes.[8]

[7] (Census of Population and Housing, Selected Social and Housing, Characteristics for Statistical Local Areas - Australian Capital Territory 2001, Table B21)

[8] The source data for figures 2.7 to 2.11, which present data drawn from these two sources, is included in Appendix A.

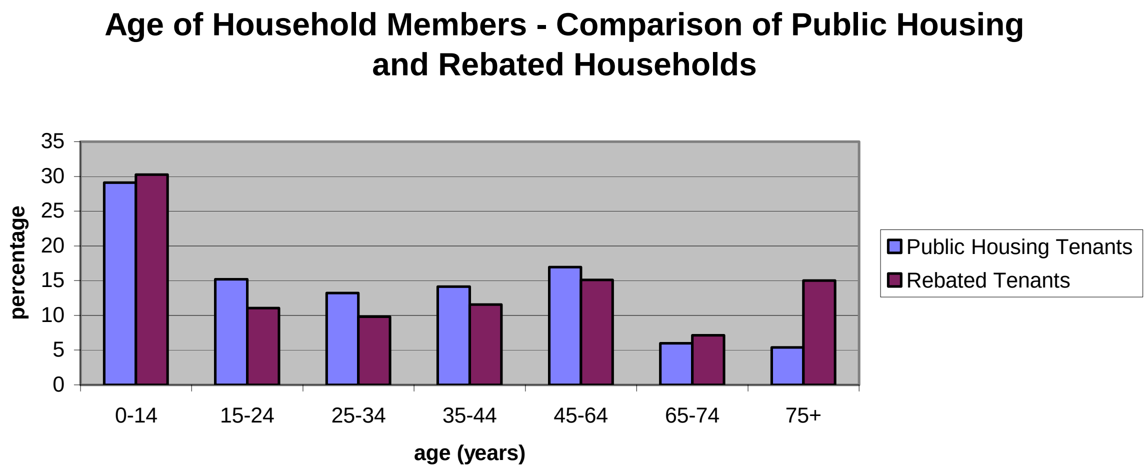
The Review has noted the lack of accurate data on market renters, and is recommending that steps be taken to address this issue.

Recommendation 2	***That the Department of Disability, Housing and Community Services write to the Privacy Commissioner to seek an exemption to obtain similar information for market renters to that already collected from rebated renters, and to then make appropriate amendments to the Public Rental Housing Assistance Program.***

Age of Tenants

Figure 2.7 illustrates the age distribution of all public housing tenants and those in rebated tenancies. Housing ACT data indicates that 15% of rebated tenants are aged 75 years and over and 30% are aged under 15 years, whereas according to the Census, only 5% of all public housing tenants are in the 75 years and over age category and just 29% are aged under 15 years. Comparison of the distributions suggests that tenancies paying market rent may be more likely to be made up of people of working age.

Figure 2.7



Sources: rebated renter data 30/6/01, Housing ACT; public housing tenancy data 7/8/01, ABS

Household Composition

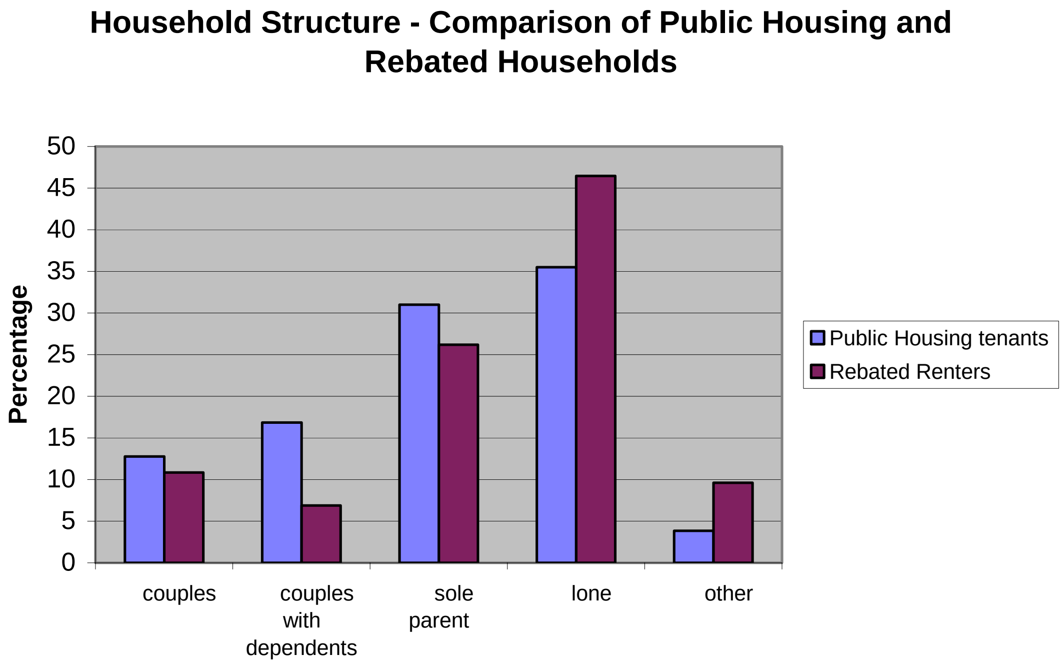
Figure 2.8 illustrates the percentages of all public housing tenancies and rebated tenancies across different household structures[9]. Comparisons of these two data collections indicates that almost half (48%) of rebated households consist of single person households compared to just over one third (36%) of all public housing households in this category. Couples with dependents comprise just 7% of rebated households but 17% of all public

[9] De facto relationships are not explicitly recorded in the Housing ACT data collection and assumptions have been made in defining some of the rebated households as couples and couples with children. Differences between the patterns among this data set and the data drawn from the Census must therefore be treated with caution.

housing tenancies. This suggests that market renter households are less likely than rebated households to consist of single persons and more likely to consist of couples with dependents. They may also be more likely than rebated households to consist of sole parents.

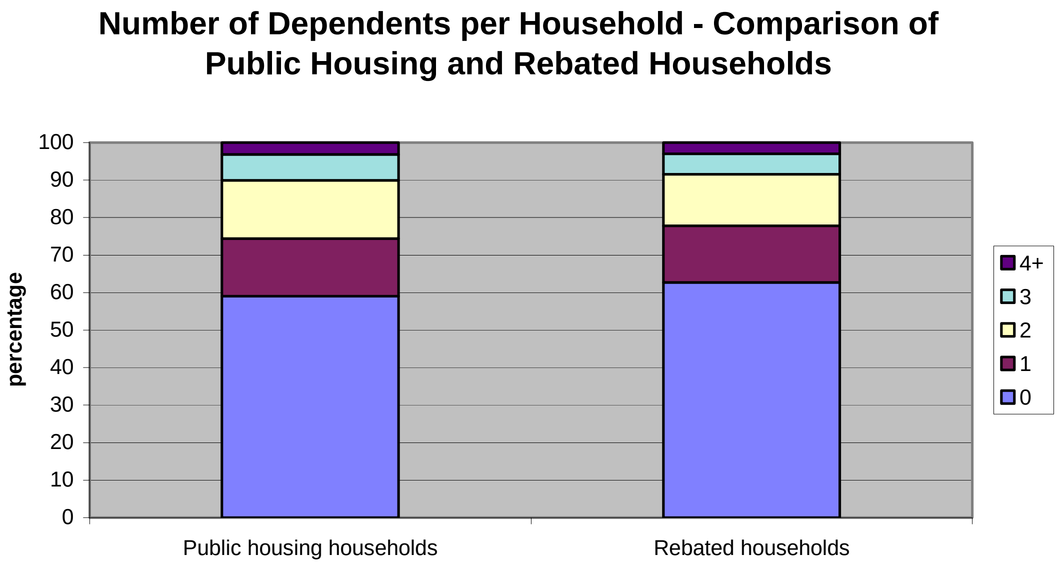
The category “Other” refers to a range of household structures including extended families and share houses.

Figure 2.8



Sources: rebated renter data 30/6/01, Housing ACT; public housing tenancy data 7/8/01, ABS

Figure 2.9



Source: rebated renter data 30/6/01, Housing ACT; public housing tenancy data 7/8/01, ABS

Figure 2.9 shows that the number of dependents reported for rebated households in Housing ACT data follows a similar pattern to the distribution across all public housing households recorded in the Census. The majority of households have no dependents. Comparison of the distributions of all public housing tenants and those in rebated tenancies suggests that market renter household may be more likely than rebated renters to have two or three dependents.

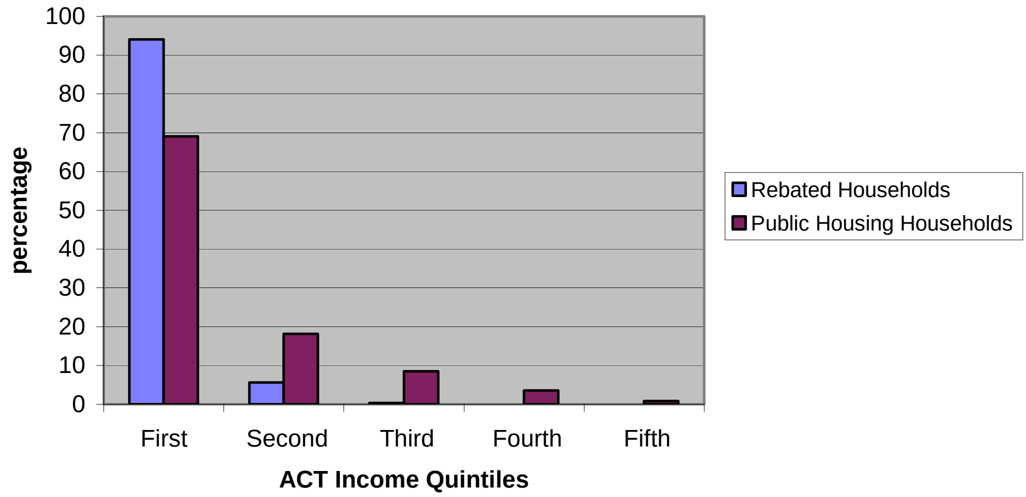
HOUSEHOLD INCOME

Table 2.3: Distribution of Public Housing Tenancies and Rebated Tenancies Across ACT Income Quintiles

ACT Household Income Quintile at Census 2001 (7/8/2001)	Weekly Household Income	Rebated Tenancies at 30/6/2001	%	Public Housing Tenancies at 7/8/2001	%
First	$15 - $548	8051	94.05	6805	69.02
Second	$548 - $897	479	6.00	1789	18.05
Third	$897 - $1,304	28	0.33	834	8.46
Fourth	$1,304 - $1,891	2	0.02	348	3.53
Fifth	$1,891 - $6,323	0	0.00	83	0.84

Figure 2.10

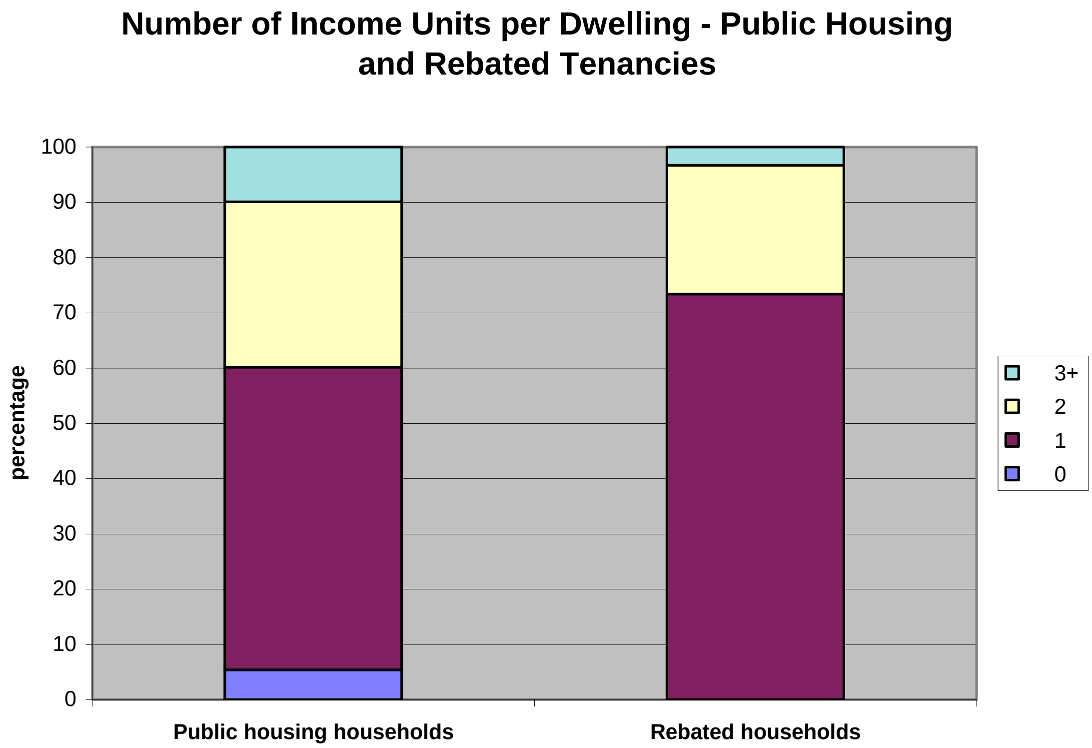
Distribution of Households across ACT Income Quintiles (weekly household income) - Comparison of Public Housing and Rebated Households



Source: rebated renter data 30/6/01, Housing ACT; public housing tenancy data 7/8/01, ABS

Figure 2.10, shows the distribution of all public housing tenants and rebated households according to ACT income quintiles at the time of the 2001 Census. There is a high concentration of rebated households in the bottom two quintiles. The first quintile accounted for 94.0% of rebated households and the second quintile accounted for 5.6%. All public housing households, while also concentrated in the lower income quintiles, were spread over a wider income range. Just 69.0% of all public housing households were reported to have incomes in the first quintile and 18.2% had incomes in the second quintile range. A further 12.8% had household incomes in higher income ranges. This suggests that tenancies paying market rent may be more likely than rebated households to household incomes above the first income quintile range ($15 to $548 per week), most commonly in the second income quintile ($548 to $897).

Figure 2.11



Source: rebated renter data 30/6/01, Housing ACT; public housing tenancy data 7/8/01, ABS

Figure 2.11 compares the distribution of the number of income units per dwelling for rebated households and all public housing households. The proportion of single income households is higher in households receiving a rent rebate (73.4%) than it is in all public housing households (54.8%). There are lower proportions of multiple income unit households among rebated renter households when compared to public housing tenancies as a whole. Tenancies paying market rent would presumably account for this difference, and would therefore appear to more likely than rebated households to have multiple income units.

2.7 Conclusions

Based on comparisons between Housing ACT data and that collected by the Census in 2001, it is found that Market renters households are more likely than rebated renter households to consist of people of working age, have multiple income units and have household income levels above the first income quintile. Market renters occupy high value housing stock to a lesser degree than rebated renters.

It is also likely that market renter households are, in many cases, similar in characteristics to households receiving a rebate. Over three year, close to one in five tenancies moved between paying market rent and receiving a rebate. Changes in income levels and household structures may contribute to this movement to some extent while in other cases, the rise in market rents may be the only change the household has experienced to require them to claim a rebate.

Long term market renters are likely to have more consistent sources of income, at a level high enough to prevent recent increases in market rent levels across Canberra from pushing rents above the rebate threshold of 25% of household income.

Within the cohort of long term market renters there is a small group of 37 long term tenancies (4%), concentrated in the central suburbs of Canberra where rent levels are higher, who are paying above the median rent for the ACT. They are more likely than not to be larger multiple income households.

Whilst the income levels of individual market renters are not known it is apparent that the numbers of higher income tenancies, living in high value properties for a long period of time is extremely small, or virtually non-existent. Rather the characteristic market renter household may be a working age family of either a couple or sole parent, with more than one income earner, on below median incomes (second income quintile) and occupying properties where the rent charged is $250 per week or lower.

3. Housing ACT Rental Policies for Market Renters

3.1 The Requirement for Setting Market Rents

Under the *Commonwealth Housing Assistance Act 1996* (CHAA) the States and Territories agree to provide housing assistance under the terms of their Bi-lateral Commonwealth-State Housing Agreement, and the Commonwealth agrees to provide grant funding for the provision of housing assistance. Section 7 of the CHAA provides for payment of the grants to the Territory for an identified housing program.

The housing programs for the Territory are established under Section 12 of the Territory's *Housing Assistance Act 1987* (HAA), which also creates the Commissioner for Housing and establishes the powers and functions of the Commissioner. The main program for the provision of housing assistance under the HAA is the *Public Rental Housing Assistance Program* (PRHAP).

Under Section 15 of the HAA, market rent is charged in relation to rental housing assistance under a housing assistance program and the market rent is assessed annually. However, under PRHAP, a tenant may apply for a rebate of rent such that the rent payable is not greater than 25% of assessable household income[10].

Charging market rent provides the following benefits:

- A readily identifiable, universally accepted and calculable basis for determining revenues;
- The calculation of the rent forgone through rebates and therefore the calculation of the assistance provided each year; and
- Ensures that tenants who are capable of paying market rent do so and are therefore not being unduly subsidized by the public housing system.

The charging of market rents also provides a benchmark to enable comparisons of performance across jurisdictions and with the private sector, including:

- calculations of yields or returns on properties,
- assistance to each household and in total; and
- an estimate of the location, amenity and condition of the property as a basis for introducing pricing signals.

[10] The household income upon which the calculation of the rebate is based excludes various sources of income as determined from time to time by the Commissioner.

In addition, by granting rental rebates so that eligible households pay no more than 25% of assessable household income as rent, PRHAP provides affordable housing at a universally accepted benchmark for low income earners, which can be readily calculated, costed and compared across housing providers.

3.2 The Process for Determining Market Rents

As described, PRHAP requires the market rent to be determined by the Commissioner for Housing each year. The basis for the annual determination of market rents is an assessment of the market rent for each property provided by an independent and qualified valuer. Egans National Valuers (ACT) have been contracted to provide values for market rents for Housing ACT properties for the last five years.

The calculation of the market rent for each property in the portfolio is based on a sample of valuations conducted by the valuer, which is generally 5% of the public housing portfolio or around 550-600 properties, and includes a representative sample of both types and locations. In addition, the valuers take into account expenditure by Housing ACT on recent upgrades, refurbishment works and property sales and acquisitions.

3.3 The Advantages of the Current Process

Currently, the cost of a valuation based upon the sampling methodology is about $4.50 per property. This is inclusive of the rent re-appraisal and property valuation. Given that the market price for formal valuations of a property is currently about $240, the savings to Housing ACT are potentially around $2.7m per annum[11]. Thus there are considerable cost savings by sampling rather than requiring a formal valuation of each property. Sampling is also considered appropriate as the portfolio contains a number of standard dwelling types, with valuations generally only differentiated by location[12]; The valuers also generally provide valuations and advice on Housing ACT property acquisitions and disposals, which provides additional information and expertise in assessing the property portfolio to determine appropriate levels of market rents.

The rent levels determined are generally upheld as part of any requested internal review or appeal by tenants through the Residential Tenancies

[11] Housing ACT pay Egans $50,625 per annum for calculating market rents for the entire portfolio. Savings are based on conducting valuations at $240 each for 11,250 properties.
[12] These include particular types of housing constructed in large number with identical design and floorplans (such as 5000 and 7000 series homes in the middle ring suburbs developed in the 1970s and 1980s, including Kaleen, Giralang and Evatt on the northside, and Kambah, Wanniassa and Weston Creek on the southside).

Tribunal [13] In many of these cases an independent assessment of the market rent applying to that particular property has been sought from another professionally qualified valuer. These valuations tend to confirm the validity of the original assessment of the market rent[14].

The independent valuer assesses the market rent for public housing each year during March – June for implementation later in the year, generally in October or November.

Over the past few years, following the annual market rent re-assessment; the market rents for public housing tenants who appealed against the market rent were reviewed and re-assessed by another independent valuer. The second valuation was to look specifically at the rent for that property and the market rent was also compared to equivalent rents for comparable properties in the surrounding areas. The analysis generally supports the market rent determined by the Commissioner in the original annual market rent determination and has found that public housing rents were consistently in the lowest quartile of property rents in the area and for Canberra generally.

3.4 Housing ACT property sale and rent levels compared with the overall Private Rental Market

Generally Housing ACT market rents are below median rent and price levels in the private rental market for the ACT. Reasons for this include:

- properties can be of a smaller size, and have more limited, or older style features;
- fixtures and fittings are of a basic standard if supplied, with some not supplied as a matter of course (eg window treatments and floor coverings);
- the dominance of Housing ACT in supplying low cost housing in the ACT, and the lack of affordable rental stock being supplied by the private rental market at levels comparable to other cities; and
- in some cases properties may be in a greater state of disrepair.[15]

Figures 3.1 to 3.4 show the increase in median house prices for a range of suburbs and districts across Canberra compared to the movements in public housing house prices.

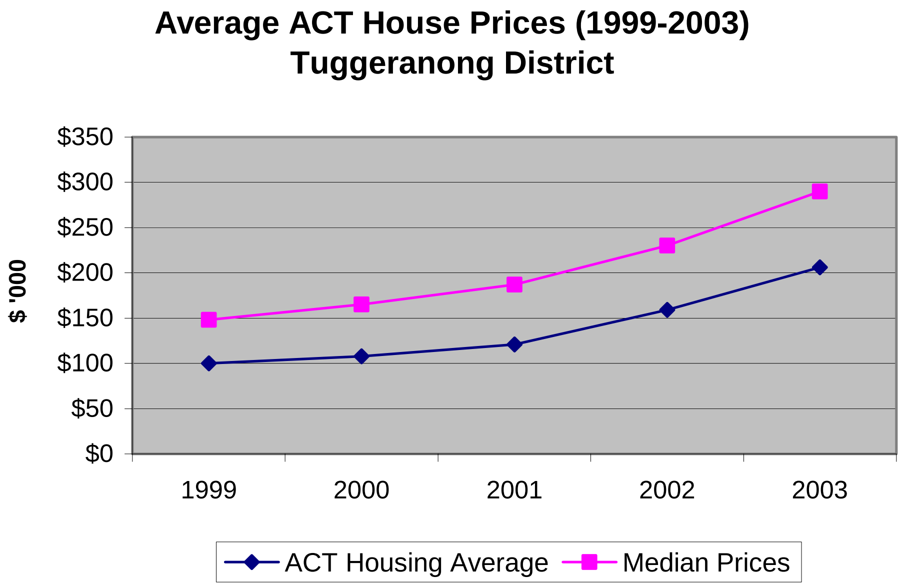
[13] Housing ACT is required to comply with the requirements of the *Residential Tenancies Act 1997* in setting rents. Section 70 states that the market rent payable by the tenant can only be increased once every 12 months.

[14] In 2003 there were 94 appeals as a result of the annual rent review process. Of these, 36 were denied, 40 were varied (usually by around $5), 6 upheld and a further 6 are still pending.

[15] The recent Housing ACT practice of acquiring properties within private residential developments, rather than purpose building properties, should narrow the gap between public housing and private housing sale prices.

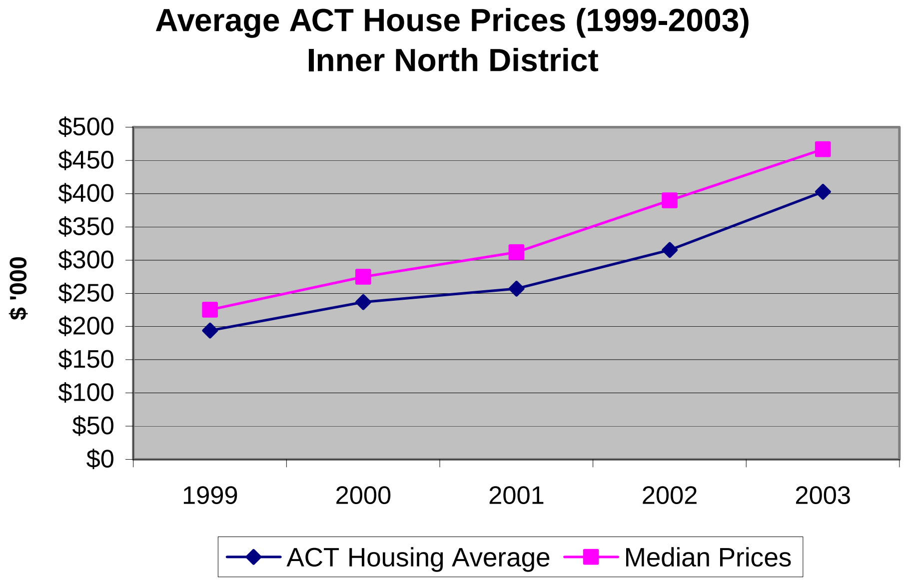
It can be seen from analysis of Housing ACT property sales data (which is based on valuations) that prices achieved for properties sold have generally mirrored the increases in the market, but at lower levels than on average. This confirms the position of Housing ACT in supplying affordable rental stock to income earners in the bottom 40% of income earners in the Territory.

Figure 3.1



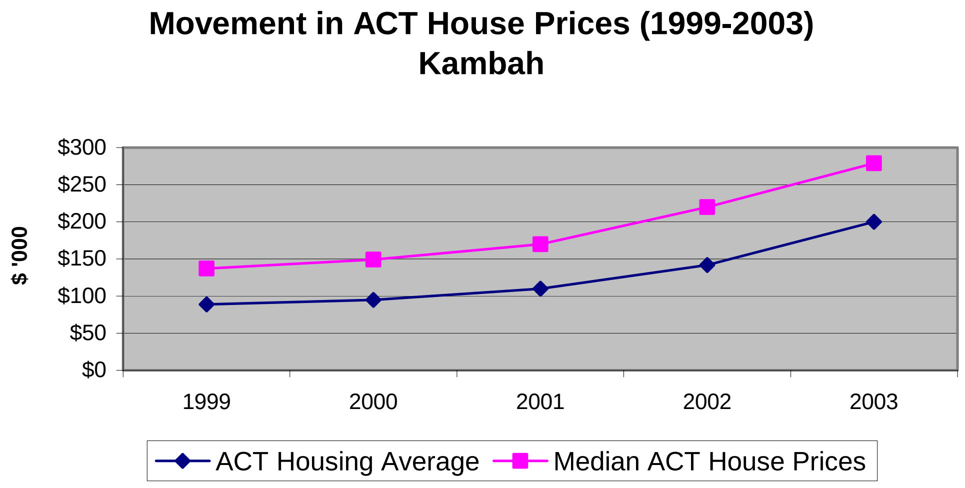
Source: Housing ACT 2004

Figure 3.2



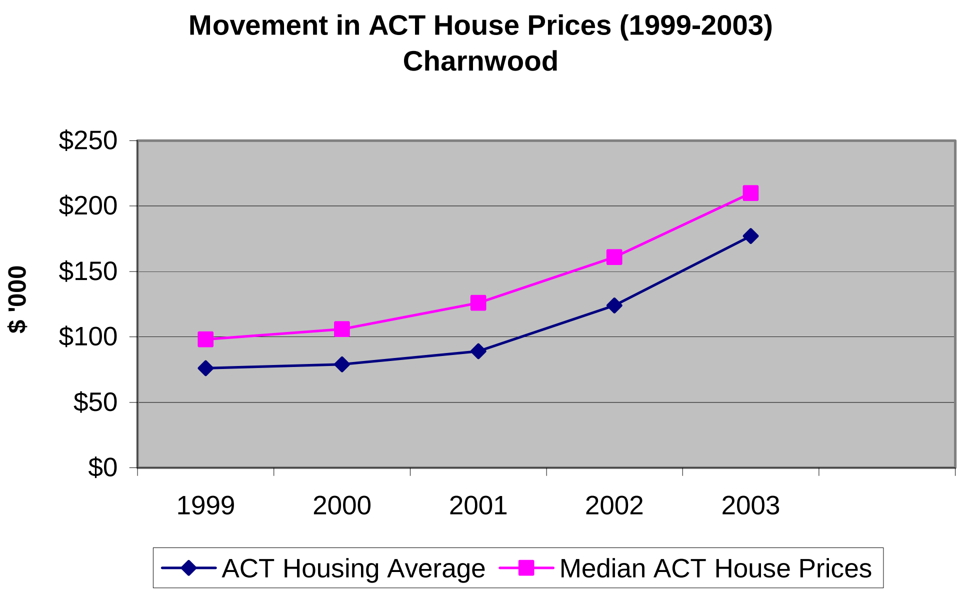
Source: Housing ACT 2004

Figure 3.3



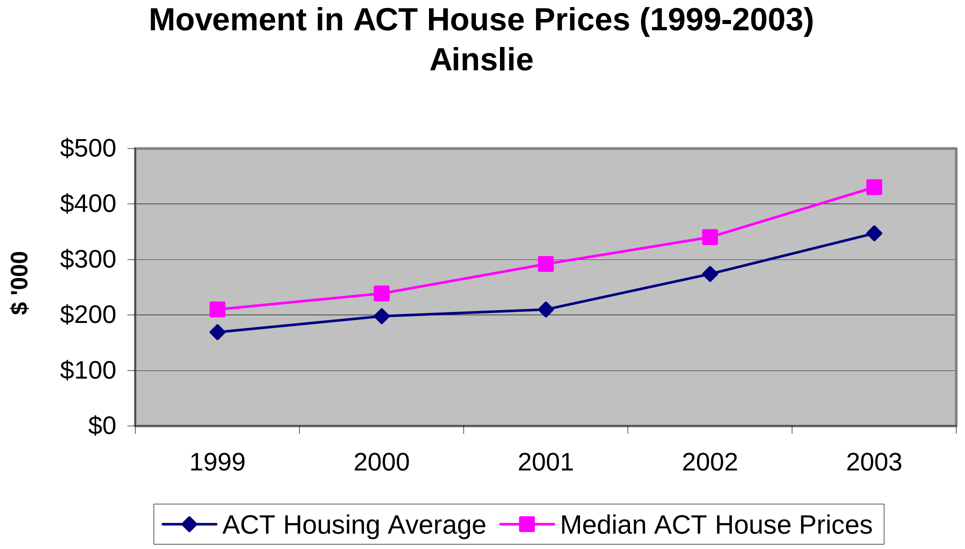
Source: Housing ACT 2004

Figure 3.4



Source: Housing ACT 2004

Figure 3.5



Source: Housing ACT 2004

It should also be noted that the determination of market rents does not include an allowance for security of tenure. Public housing tenants have tenure over a property for as long as they fulfill the requirements of the tenancy agreement. In addition there is a commitment to responsive repairs and maintenance within stated timeframes and various avenues of appeal open to the tenant to attain action that attract limited financial costs. Such advantages of public housing are generally not made available by private rental landlords to their tenants.

The Review group were unable to determine whether such features have an impact on overall Housing ACT market rent levels charged. However, the Review was concerned that the implications of a generally lower level of property amenity than the private market may impact on the sustainability of tenancies for low income earners, and on the wider community view of both public housing properties and tenants in a negative light.

Recommendation 3 – ***That the Department of Disability, Housing and Community Services assess the impacts of Housing ACT property amenity levels on tenants to determine whether current minimum standards reflect community expectations, and community "norms".***

3.6 Conclusions

Market rents are charged to all public housing tenants, though those with low incomes are able to receive a rent rebate to limit their rent payable to no more than 25% of their assessable income.

The market rent is independently assessed by professional valuers to ensure that the market rent is as close to equivalent private sector rents for an equivalent property as possible

Housing ACT market rents are lower than their private sector equivalents because of the generally overall lower quality of stock.

Housing ACT does not have absolute control over rent increases it is able to charge and must comply with the requirements of the *Residential Tenancies Act 1997.*

There is a significant cost to Housing ACT involved in determining market rents in a more comprehensive manner than present, which must be weighed against the actual additional rent that may be charged. However, desirably every effort should be made to ensure a valuation for a Housing ACT property is as close as possible to the private sector equivalent.

4. The Impact of Market Renters on the Viability of Housing ACT

4.1 Introduction

As stated in Chapter 1, historically the proportion of market renters in the ACT has been higher than other jurisdictions. Market renters contribute a high proportion of rental revenue and provide a strong underlying cashflow to Housing ACT. In recent times this has been estimated to be as high as 40% of the total rent collected (roughly double their percentage as tenants).

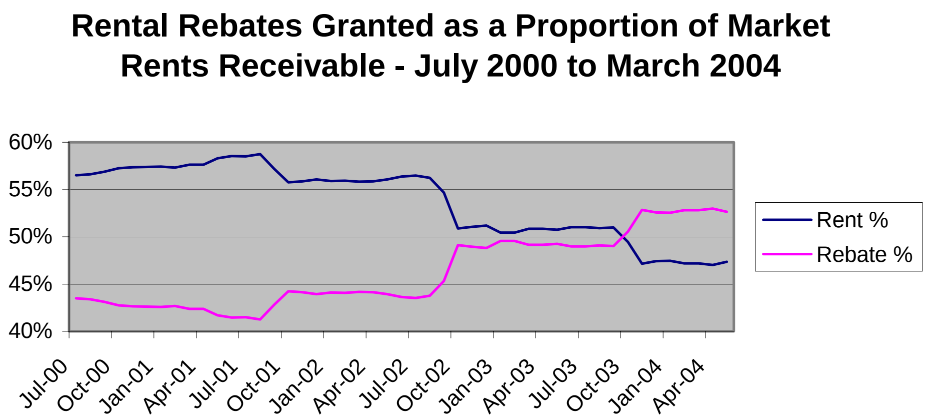
As CSHA funds to States and Territories have decreased, the importance of rent receivable from tenants to the financial viability of State and Territory housing authorities has increased.

4.2 The Costs of Targeting Housing Assistance

Since 2001 the waiting list has been segmented into Early Allocation (EAC 1 and 2) and Standard Allocation (SAC 3 and 4), with priority given to those in the EAC streams. With the increased targeting of public housing to those in greatest need, public housing is now almost exclusively provided to those in receipt of Centrelink benefits or pensions, and with a high degree of need such as high risk of homelessness. This greater targeting impacts upon the viability of Housing ACT by reducing actual and potential rental revenues, which in turn fund operations and services of the organisation. At the same time the support requirements of targeted tenancies are higher.

The financial impact is such that rebates granted to tenants now exceed total rent receivable from tenants. Currently for each dollar of rent chargeable, 52% is granted in rebates and 48% receivable from tenants as rent. Figure 4.1 indicates the declining percentage of each dollar of rent charged compared to the increasing amount of rebate since July 2000.

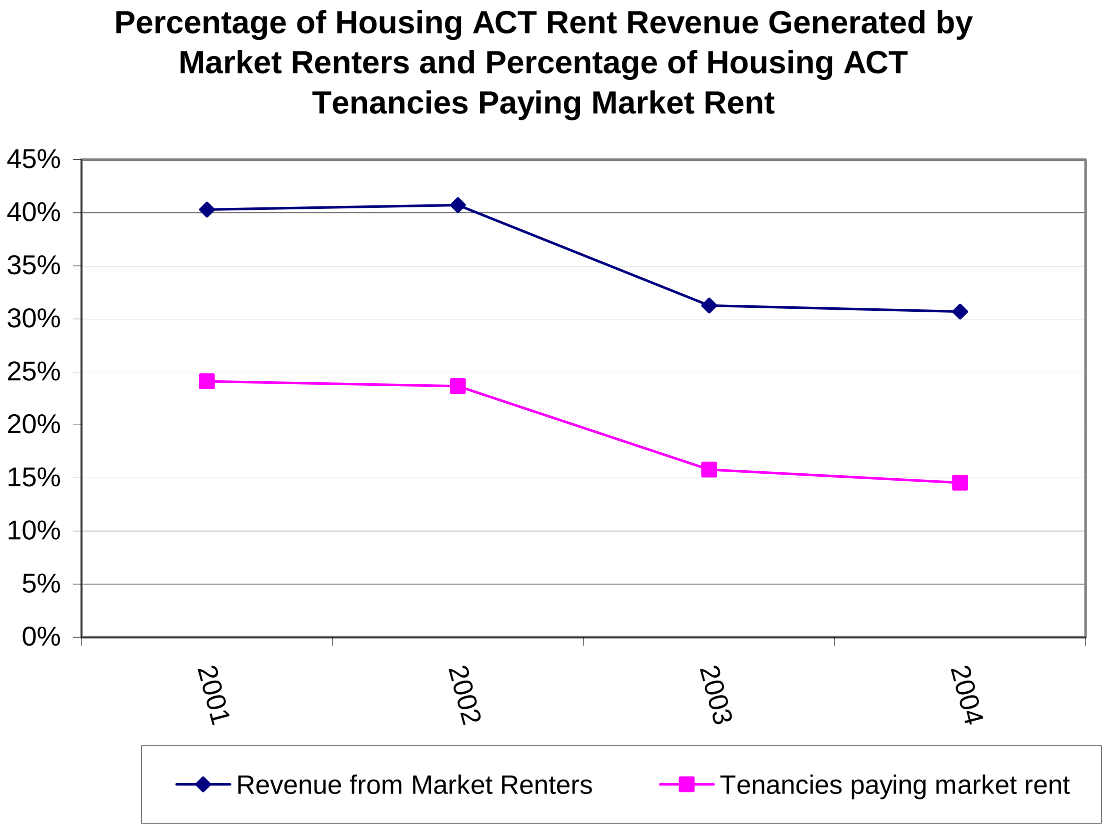
Figure 4.1



Source: Housing ACT 2004

The sharp movements in Figure 4.1 represent annual re-assessments of the market rents each October. The re-assessment of market rents in October 2003 resulted in the proportion of each dollar of rent charged being increasingly allocated to rebate rather than rental revenues. As illustrated in Figure 4.2, recent decreases in the proportion of Housing ACT tenancies paying market rent has been matched by a drop in the percentage of Housing ACT revenue generated from this particular group. This trend is expected to continue whilst rents continue to increase in Canberra in conjunction with increased targeting of new stock allocations from a growing waiting list.

Figure 4.2

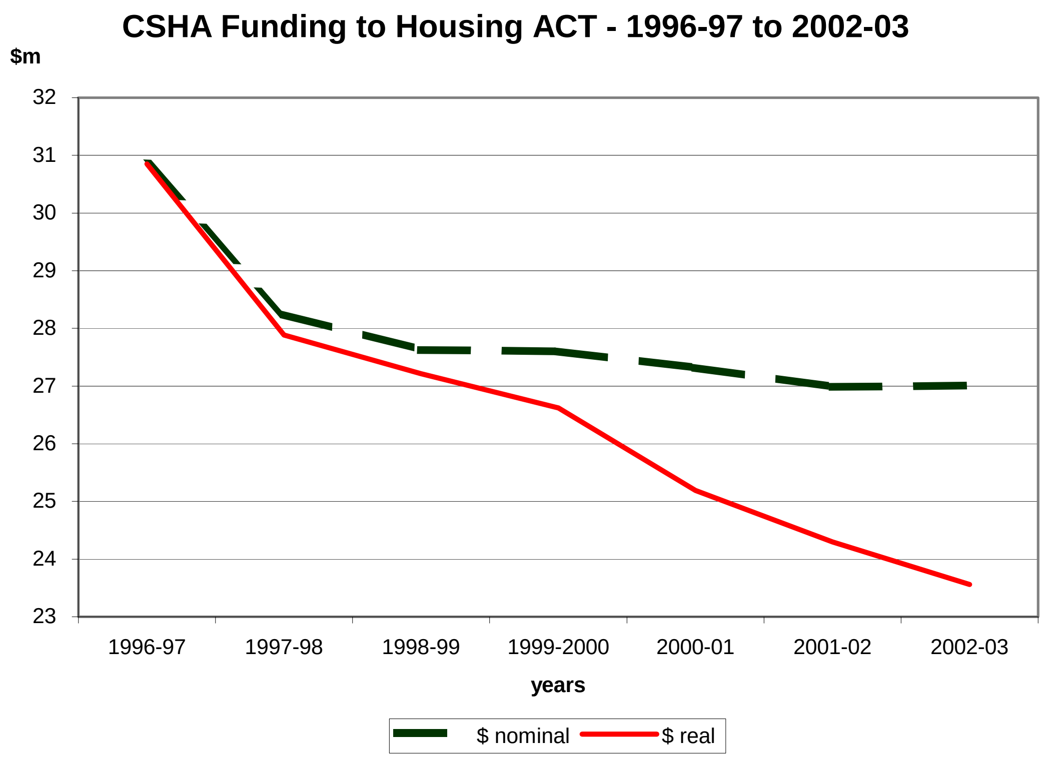


Source: Housing ACT 2004

The combined effect of these two influences will be a reduction of rent receivable and the underlying cashflow. The rent forgone as rebate is in essence an unfunded subsidy (as occurs in all jurisdictions except the Northern Territory).

At the same time the only other significant source of revenue to fund public housing is the grants under the Commonwealth-State Housing Agreement. As shown in Figure 4.3 these continue to decline in real terms.

Figure 4.3



Source: Housing ACT 2004

Therefore, revenues are at best increasingly only slightly each year, but at a rate less than the increase in costs, with the effect of slowly increasing the operating losses. These trends evident in all public housing authorities compromise the portfolio of public housing properties and services to tenants and applicants as detailed in recent research by the Australian Housing and Urban Research Institute[16] Current predictions are for increasing operating losses and negative cashflows from operations.

At the time as these revenue trends are emerging, public housing is increasingly funding support and linkages to the range of community, social, advocacy and other services that are demanded by a growing tenancy base with high and complex needs.

[16] See AHURI Project 30154 *Operating deficits and public housing: policy options for reversing the trend* Jon Hall and Mike Berry 2004

4.3 Encouraging Sustainable Tenancies

Public and community housing provides the greatest benefit to households in the 2 bottom income quintiles of any housing assistance measure, particularly in terms of affordability and security of tenure. Security of tenure is a great value for tenants as it is one feature that cannot be achieved by low-income renters in the private market. The subsidised rent also means that Housing ACT tenants do not in theory experience housing stress. The combination of these two assists households to stabilise their lives and to plan for the future, in a similar manner to home ownership. Stable housing therefore provides the base from which people can engage in education, training and employment, or simply develop relationships with community and support services including local medical facilities schools, and even family, friends and neighbours.

Housing ACT is committed to enable the development and continuation of tenancies that are sustainable, contribute to sustainable communities and facilitate the integration tenants into the wider community so that they can reach their full potential and improve their life choices. The Government considers that policies that encourage non-rebated tenants to exit public housing are not in accordance with this aim. Hence the Government has reintroduced security of tenure. It should be a matter of choice open to the tenant to determine whether they venture into the private market, either to continue to rent or aspire to home ownership.

As discussed in Chapter 2 around 70% of Housing ACT tenants will not follow such a path, will continue to require varying levels support and assistance through the granting of a rental rebate, and will not be able to find alternative forms of tenure that are sustainable and affordable.

This review has found that market renters form a declining proportion of Housing ACT tenants. It has also been found that they make a significant contribution to the financial viability of Housing ACT. The review notes the current trend of declining funding from external sources and the recent increases in Housing ACT’s operational costs

4.4 Conclusions

As discussed, the manner in which rent is set critically affects Housing ACT financial operations and financial viability. A combination of greater targeting in allocations, together with a system in which most tenants pay household rents based on income, reduces the rental income stream which Housing ACT receives and ultimately compromises its financial viability. The current profile of tenants resulting from targeting of housing assistance does not generate sufficient revenue for Housing ACT to meet on-going costs.

Chapter 5 The Way Forward

5.1 Introduction

The Review has accessed a deal of new information about the characteristics and impacts of market renters on public housing that has necessitated a change in its approach to this Report. Whereas previously there has been an emphasis on actively reducing number of market renters by Housing ACT through targeting, the Review considers that other directions may provide both better outcomes for both the overall housing system, and public housing's role within it.

This Chapter outlines some policy considerations concerning the future treatment of Market Renters.

5.2 Incentives for Market Renters to Exit Public Housing

As stated earlier in this report, the Government has a policy of security of tenure for all tenants who fulfil the obligations under the terms of their tenancy agreement. However many tenants exit to other form of housing tenure. In 2003-04 over 11% (1,346) of Housing ACT Tenants exited, including 200 market renters.

The Affordable Housing Taskforce considered that positive incentives to encourage market renters to exit public housing could be developed and utilised in a more comprehensive way. Possible measures suggested included streamlined or expanded opportunities for the purchase of public housing or home purchase assistance products, as well as price signalling to encourage movement to the private market.

Price signals the Taskforce suggested included the linking of rent payable to tenant income for both rebated and non-rebated tenants, rather than the current application of market rent to non-rebated tenants or the introduction of rental bonds for these tenants.

The Government in its response to the Taskforce Report in May 2003 stated that it would investigate these further options. A number of presentations were made to Government, and financial modelling from ACT Department of Treasury indicated a number of targeted approaches to improve housing affordability were appropriate and feasible for people within the 3rd income quintile (including market renters). A package of initiatives were announced for households on moderate incomes as part of the 2004-05 ACT Budget, including stamp duty concessions and targeted land releases. This was in addition to the reintroduction and expansions of Rental Bonds Assistance for low and moderate income earners by the ACT Government.

5.3 Are There Enough Suitable Alternative Forms of Accommodation for Market Renters?

The Taskforce however recognised that in a tight rental market, the ability of market rent tenants to access suitable alternative accommodation is restricted. Since Taskforce met the private rental market has eased somewhat, with the vacancy rate for the March 2004 quarter being 3.6% (1.9% a year ago). However the lack of affordable rents continues to be an issue. Canberra's median weekly rent of $300 per week recorded in the March quarter of 2004 is the highest of any capital city.

Many of the market renter tenants are paying this level of rent due to the market rent on their property being sufficiently low that they are able to meet the market rent from less than 25% of their household income.

For example the average rent payable at Allawah or Bega flats in the City is $165 per week. A one person tenant (household) earning over $650 per week or $34,000 per annum is not entitled to a rental rebate.

At the same time to rent a two-bedroom unit in the City area would most likely cost the tenant around $340 per week and to meet this rental requires an income of $71,000 per annum. This is over 50% of household income.

It is highly unlikely that such a public housing tenant could afford to meet the rental cost of an equivalent property in the same location, or for that matter elsewhere in the City and not pay in excess of 30% of their income as rent.

Some private rental properties are affordable in the private market, but there are related accessibility and equity issues. Households of all income levels compete for affordable private rental properties, with higher income households very often occupying a higher proportion of affordable properties due to inequities and discrimination[17]. For these reasons some market renters would possibly be unable to access similar quality properties in the private market because of competition from higher income households.

The Review considers that for many market renter households, no equivalent quality "housing product" exists within the private market.

[17] For more information on this see AHURI Positioning Paper – *Changes in the supply of and need for low rent dwellings in the private rental market* – Judith Yates, Maryann Wulff, Margaret Reynolds – March 2004 – also Australian Housing Research Fund Project No 213 - *Low Rent Housing in Australia 1986 to 1996* - Maryann Wulff and Judith Yates with Terry Burke – March 2001

5.4 Can Rental Revenue for Public Housing be Increased without Negatively Impacting on People with High Needs and Low Incomes?

Increasing the number of market renters in order to increase rental streams will have other impacts, some of which are described by Jon Hall in his presentation to Housing ACT and his paper jointly authored with Mike Berry. It is can be surmised that allocating properties to tenants with just affordability issues (as opposed to special and high needs who are prolific in the Priority Housing categories) would impact negatively on the housing options and waiting times for the most needy households.

Further, to the extent that the highest rent income could be achieved in the best locations, even less units than at present would be available for those in genuine need to be housed in high value, well serviced areas, and there would be little or no impact on the large and stigmatised big flat complexes where property values (and levels of market renters) are relatively low.

The Review concluded that such a strategy could be expected to produce a net negative effect unless it also involves, over the long term, an expansion of the available social housing stock. In the short to medium term it may be possible to maintain the number of assistances to high need Housing ACT applicants through non-asset based strategies, such as headleasing or rental subsidies (of which a start has been made through the Social Landlord Scheme), whilst pursuing a commercial strategy designed to achieve long term growth of the asset.

5.5 Can Market Renters be Used More Effectively as a Source of Revenue for Housing ACT?

The revenue derived from market renters can be viewed as a primary resource for the long-term sustainability of public housing in its current form.

As outlined throughout this report, Market Renters provide a significant source of revenue for public housing outside of the Commonwealth and ACT grants under the *Commonwealth-State Housing Agreement* (CSHA), amounting to around $19m per year, or 18% of total revenues available to Housing ACT.

Research and studies at the national level have identified income revenues as a critical issue facing public housing. As stated in this Report, largely due to increased targeting to those with highest need through the CSHA (leading to new households obtaining public housing having predominately lower incomes than the households voluntarily leaving public housing) actual rental income growth has remained virtually static in real terms over the past decade. In contrast expenses, particularly overhead expenses (including salaries and related expenses along with administrative expenses) have grown significantly over the same time period.

Notwithstanding that a study of the ACT's public housing operations identified opportunities to improve administrative efficiencies (with benefits of up to $10m per year being available), this result means that options to maximise public housing revenues are critical to the continuing financial viability of public housing.

From this work, there is potential for market renters to be maintained as a significant revenue source for public housing. One possible option is to deliberately retain a certain ratio of market renters (compared to total stock numbers) within public housing.

This could be achieved in either one of two ways:

1. Identifying a proportion of total public housing stock to always consist of households <u>not</u> receiving a rental rebate. Under this approach, separate waiting lists would be kept, so that as households not in receipt of a rental rebate voluntarily leave public housing, another household that will not receive a rental rebate will replace them. It should be noted that the actual number of properties where there is no rental rebate need not remain the same; rather the proportion of households not receiving a rebate should have a target. The eligibility for this portion of the stock could be targeted from current eligibility limits to the bottom of the 4th income quintile, and therefore provide an affordable option predominantly for households with moderate incomes.

2. Quarantine the properties containing households not in receipt of a rental rebate from the remainder of the public housing stock, and treat these properties as if they were a commercial portfolio. Management of the properties could be done either inside or outside of the government. This would be most suitable for Long Term Market Renters.

Alternatively, a proportion of the public housing stock equivalent to that containing households not receiving a rental rebate could be sold, with the proceeds from sale then being reinvested into public housing. Whilst this would generate a significant initial capital injection into public housing, it may have little affect on operational inefficiencies.

On balance, protecting and maintaining the revenue stream would appear to provide an alternative to the sale and reinvestment of the portfolio, and would provides flexibility to meet current needs and emerging priorities.

The Review considers that these options should be investigated further, and work to far more accurately track the impact of changes in the tenant profile on revenues, and hence to develop proper revenue policy option assessments, should be conducted.

Recommendation 4	***That the Department of Disability, Housing & Community Services conduct a strategic assessment of Housing ACT's future financial viability, which should include:***

- ***a benchmarking model of costs and revenues;***
- ***assessment of appropriate funding strategies including budgetary finance, rental revenues and partnerships; and***
- ***rental policy options.***

5.6 Conclusions

The Review has concluded that for many market renters, there are not suitable exit points in the private rental market, and public housing provides them with a standard of housing not provided in other parts of the housing system.

It will be difficult for Housing ACT to allocate fewer properties to high needs applicants without increasing this segment of the waiting list. However, a sizeable expansion of the Public Housing property portfolio, accompanied by large short term securing of stock, such as private rental leasing, could reduce these impacts.

The opportunity exists to formalise a "market renter" program and develop separate funding, eligibility, leasing and property conditions, in order to maximise revenue and redevelopment opportunities for the Housing ACT property portfolio.

A further study is required to further explore and develop the ideas contained in this Chapter.

Appendix A – Various Statistical Tables

Figure 2.2 - Housing ACT - Comparison Between Market Rents Receivable, Rental Rebates Granted and Actual Net Rent Receivable ($'000) - 1996-2005

	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Market Rent	92,316	89,906	87,796	87,115	86,793	93,605	109,586	122,433	131,260
Rebate	45,282	44,067	43,134	40,171	37,739	41,115	53,508	63,648	71,479
Net Rent	47,034	45,839	44,662	46,944	49,054	52,490	56,078	58,785	59,781

Figure 2.3 - Housing ACT tenancies paying market rent - June 2001 to February 2004

	30-Jun-01			30-Jun-02			30-Jun-03			29-Feb-04		
Region	Number of Accounts	Number of Market Rent Accounts	Percentage on Market Rent	Number of Accounts	Number of Market Rent Accounts	Percentage on Market Rent	Number of Accounts	Number of Market Rent Accounts	Percentage on Market Rent	Number of Accounts	Number of Market Rent Accounts	Percentage on Market Rent
Belconnen	3065	811	26.46	3106	779	25.08	3140	679	21.62	3176	579	18.23
City	2866	366	12.77	2900	352	12.14	2873	258	8.98	2758	215	7.8
Tuggeranong	2194	666	30.36	2250	678	30.13	2285	607	26.56	2294	500	21.8
Woden	3069	600	19.55	3031	545	17.98	2881	412	14.3	2876	375	13.04
Total	11194	2443	21.82	11287	2354	20.86	11179	1956	17.5	11104	1669	15.03

Figure 2.5 - Property Types - Comparison of Market Renters with Overall Housing ACT Tenant Population

	Total Accounts	%	Market Rent Accounts	%
Aged Care	1356	12.21	32	1.92
Flats	2382	21.45	194	11.62
Houses	7365	66.33	1443	86.46
All	11103	100.00	1669	100.00

Figure 2.6 - Distribution of Weekly Market Rental Charges - Comparison of Housing ACT Market Renters and Rebated Renters

ACCOUNT TYPE	GROSS WEEKLY RENT CHARGE	NUMBER OF ACCOUNTS	PERCENTAGE
MKT RENT	< $150	63	3.8
MKT RENT	$151-$200	522	31.2
MKT RENT	$201-$250	882	52.8
MKT RENT	$251-$300	181	10.8
MKT RENT	> $300	23	1.4
REBATED	< $150	586	6.2
REBATED	$151-$200	3280	34.8
REBATED	$201-$250	3956	41.9
REBATED	$251-$300	1419	15.0
REBATED	> $300	195	2.1

Figure 2.7 - Age of Household Members - Comparison of Public Housing and Rebated Households

Age	Public Housing Tenants	%	Rebated Tenants	%
0-14	7074	29.12	5545	30.25
15-24	3695	15.21	2028	11.07
25-34	3206	13.20	1796	9.80
35-44	3435	14.14	2123	11.58
45-64	4115	16.94	2769	15.11
65-74	1456	5.99	1313	7.16
75+	1310	5.39	2754	15.03
Total	24291	100	18328	100

Figure 2.8 - Household Structure - Comparison of Public Housing and Rebated Households

	Public Housing Tenancies	%	Rebated Renters	%
Couples	1260	12.8	930	10.9
couples with dependents	1662	16.9	589	6.9
sole parent	3058	31.0	2242	26.2
Lone	3499	35.5	3976	46.4
Other	380	3.9	823	9.6

Figure 2.9 - Number of Dependents per Household - Comparison of Public Housing and Rebated Households

	Public Housing Tenancies	%	Rebated Renters	%
0	5820	59.0	5367	62.7
1	1515	15.4	1291	15.1
2	1528	15.5	1177	13.8
3	680	6.9	472	5.5
4+	314	3.2	253	3.0

Figure 2.10 - Distribution of Households across ACT Income Quintiles (weekly household income) - Comparison of Public Housing and Rebated Households

ACT income quintiles	Income Range	Public Housing Households	%	Rebated Households	%
1	\$15 to \$548	6805	69.02	8051	94.05
2	\$548 to \$897	1789	18.15	479	5.60
3	\$897 to \$1,304	834	8.46	28	0.33
4	\$1,304 to \$1,891	348	3.53	2	0.02
5	\$1,891 to \$6,323	83	0.84	0	0.00
Total		9859	100.00	8560	100.00

Figure 2.11 - Number of Income Units per Dwelling - Public Housing and Rebated Tenancies

	Public Housing Tenancies	%	Rebated Households	%
0	533	5.4	0	0.0
1	5398	54.8	6284	73.4
2	2950	29.9	1992	23.3
3+	978	9.9	284	3.3