

Affordable Housing at Griffith University

Scope: Brisbane and Gold Coast Campuses

Assessment: September 2024

A. Summary

Evaluation of affordable housing

- *Affordable housing*, as defined in Australia, is a concept intended to be used for low-income households, and is typically defined using either,
 - A “30/40” rule: housing is said to be affordable, if up to 30% of gross household income is consumed by housing expenditure, applied to the lowest 40% of income earners; or,
 - *The Community Housing Provider (CHP) rule*: housing is said to be affordable if it is provided at 75% of the market rental rate (plus a utilities allowance).
- For entry-level academic and professional staff modelled at Griffith, the surrounding rental market at Nathan and the Gold Coast is affordable by the 30/40 rule.
- For students, following tertiary sector practice of using the CHP rule, Griffith provides student accommodation that is affordable at both the Nathan and Gold Coast campuses.

Provision of housing by Griffith to staff and students

- Griffith does not provide housing directly to staff, but provides up to four weeks reimbursement for accommodation for relocating staff members, as well as advice and guidance on [accessing accommodation](#);
- Griffith provides housing for students.

Provision of financial support by Griffith to staff and students

- Griffith provides adequate financial support (via salary) to Staff, and via scholarships and reduced accommodation rates in on-campus housing options available to students.

B. Details

B1: Applicable Definitions of Affordable Housing

Housing affordability

Housing affordability is generally understood as the relationship between housing costs—such as rent, mortgage payments, rates, and utilities—and household income, as outlined by Thomas and Hall (2016). The concept is most often applied to low- and middle-income households, where affordability becomes a critical concern. A common benchmark for assessing affordability is the ratio of housing expenses to gross household income. If this ratio is below 30%, the housing is considered affordable; however, when it reaches or exceeds 30%, the household is regarded as experiencing housing stress. In a sector report by Cred Consulting, this benchmark—commonly used by Community Housing Providers (CHPs)—was applied to student housing to account for the wide variation in student incomes and housing costs, as highlighted in the

latest Universities Australia survey. Overall, housing is considered affordable for very low to moderate-income households when it costs less than 30% of their gross income.

The Queensland Context

Housing stress has increased substantially in Queensland post-COVID. Since 2020, Brisbane property prices have increased 65%, which is much higher than the average increase observed for Australian capital cities (34%). Across Queensland, new tenancy rents have increased 45% in the same period. Brisbane now has the most expensive housing in the country with the exception of Sydney (Pawson 2024).¹

The current Queensland housing situation is due, in part, to state population growth. Post-pandemic, Queensland's population has grown by 6.6% (compared with 4.7% for Australia as a whole).⁵ Moreover, the population is continuing to increase with 38,000 more people moving to Queensland since late March 2024, and an expected one million more within the next decade.²

B2: Evaluation of Affordable Housing for Griffith Staff

Model group

- We assume a new Griffith **Level B** Academic employee (PhD, no experience) or **HEW 5** professional staff employee (graduate, no experience)
- Gross incomes taken from Staff Enterprise Agreements:
 - Level B: \$108,299k (March 2024) [\[ref\]](#)
 - HEW 5: \$76,237k (March 2024) [\[ref\]](#)

Affordability rule

- We apply the 30/40 rule, i.e. housing will be affordable if expenditure is less than 30% of gross income.
- Using the definition in ref [1], for housing to be *affordable housing*, we find that for typical entry-level academic and professional staff (assuming they are the only household income) available housing costs (all costs) per year would need to be less than:
 - Level B: $0.3 * 108,299 = \text{\$32,489 per annum}$
 - HEW 5: $0.3 * 76,237 = \text{\$22,871 per annum}$

Evaluation of affordable housing

- **Short term:**
 - There are many short-term accommodation options located near each Griffith campus that are easily accessible by public transport:
 - Nathan:
 - AirBnB and Lastminute.com: prices range from \$130 per night for 2 guests in a studio apartment through to \$182 per night for up to 4 guests in a 2-bedroom apartment.
 - Gold Coast:
 - AirBnB and Lastminute.com: prices range from \$166 per night for 2 guests in double room, through to \$183 per night for up to 4 guests in a 2-bedroom apartment.

¹ <https://theconversation.com/the-housing-crisis-hit-queensland-hard-jolted-into-action-the-state-has-raised-its-game-230870>

² <https://statements.qld.gov.au/statements/100569>

- As per the Griffith [Relocation Assistant Procedure](#) staff relocating to commence employment at Griffith may be eligible for reasonable temporary accommodation costs reimbursed for up to four (4) weeks.
- Short-term accommodation would not satisfy the affordable housing rule, with such accommodation suggested as a welcome transitional pathway to more permanent housing for new staff and visitors.
- *Long term:*
 - On the open rental market, we find that in the suburbs closest to each campus (noting there are likely to be cheaper options further away):
 - [median unit rents in Nathan](#) are currently \$460 per week for 2-bedroom dwellings. Although median rents are not available for 1-bedroom units, there is currently [a studio apartment in Nathan](#) listed at \$370 per week. If we assume water is included, and energy is additional at \$1000 a year in energy, then we come to $(52 \times 370) + 1000$ OR $(52 \times 460) + 1000 = \text{\$20,240 to \$24,920 per annum}$.
 - [median unit rents in Southport, GC](#) are currently \$515 per week and \$650 per week for 1- and 2-bedroom dwellings respectively. There is also currently [a studio apartment in Southport](#) listed at \$400 per week. If we assume water is included, and energy is additional at \$1000 a year in energy, then we come to $(52 \times 400) + 1000$ OR $(52 \times 650) + 1000 = \text{\$21,800 to \$34,800 per annum}$.
 - **There are affordable housing options for staff at both the Nathan and Gold Coast campuses, however there are fewer affordable housing options for the professional staff member and/or for staff working at the Gold Coast campus.**

B3: Evaluation of Affordable Housing for Griffith Students

Model group

- We assume a typical domestic or international undergraduate student (e.g. age 18-25)

What is the "income" available to a student?

- To monitor the financial challenges for university students, Universities Australia conducts a [regular study on the cost-of-living](#) for students. In 2017, Universities Australia surveyed 18,500 students of all ages about their income, employment, and living and study costs. They found that the median yearly income for domestic undergraduate students was **\\$20,900** (\$18,300 for full-time students), with paid work (79.1%) and Youth Allowance (33.2%) being the main sources of income (Universities Australia 2018).
- Griffith provides [financial support for students](#) which includes [scholarship support](#) for a range of circumstances, including relocation (e.g. up to 3k), and students impacted by educational disadvantage (e.g. from 5K per annum up to 40k for a 4 year degree).

Affordability rule

- In general, housing that costs less than 30% of gross household income is considered affordable. However, the Community Housing Provider (CHP) Model defines rents set at 25% less than market rent for comparable properties as a means of determining housing affordability for students.
- [Purcell and Davidson \(2023\)](#), in a recent examination of the experience of young people undertaking tertiary education, found that 'the situation of low wages and precarious employment makes it difficult for tertiary students to access private rentals in what is currently an unprecedentedly expensive and competitive rental market.'

- Using the 30/40 definition, and based on median yearly income for students of \$20,900, for housing to be *affordable housing*, we find that costs per year would need to be less than **\$6270 per annum** (\$120.6 per week).
- Using the CHP model definition, the Nathan rental market offers studio apartments for \$20,240 per annum, which, applying the CHP rule (75%) would require housing that is provided at approximately $20,240 \times 0.75 = \textbf{\$15,180}$. Utilities are estimated by [2] to be \$45 per week, or adding \$2,340, bringing the affordability threshold to at, or below, **\$17,520** per annum.
- Using the CHP model definition, the Gold Coast rental market offers studio apartments for \$27,780 per annum, which, applying the CHP rule (75%) would require housing that is provided at approximately $20,240 \times 0.75 = \textbf{\$20,835}$. Utilities are estimated by [2] to be \$45 per week, or adding \$2,340, bringing the affordability threshold to at, or below, **\$23,175** per annum.

Queensland Context

- In analysing 8553 available rental properties available in Southeast Queensland (via realestate.com.au) in March 2024, Anglicare Southeast Queensland's Rental Affordability Snapshot (2024)³ found that
 - Only 45 unique properties (0.5%) were affordable and appropriate for households on income support.
 - Only 759 unique properties (8.9%) were affordable and appropriate for those on minimum wage.
 - In the Brisbane metropolitan area, there were 624 more rentals available this year than last year, but:
 - the number of available properties that were affordable and appropriate for households on income support has more than halved (9 down to 4).
 - The Gold Coast has 0% affordable and appropriate properties for every household category, and not one household category can rent a property for less than 50% of the household income.

Evaluation of affordable housing

- Griffith provides a range of dedicated student accommodation options at both main campuses:
 - [Nathan campus options](#): Pricing is from \$174 to \$184 per week for a fully furnished room, with electricity, water and gas included in the rental rate, and access to complimentary Wi-Fi and on-site laundry facilities. There is an additional levy of \$130 per trimester as an additional fee. A 35 week contract is available, covering both teaching trimesters (Feb to Oct).
 - Gold Coast Campus Options ([Student Guild](#) or [Griffith University Village](#)): Pricing is from \$200 to \$343.50 per week for a fully furnished room, with electricity, water and gas included in the rental rate, and access to complimentary Wi-Fi and on-site laundry facilities. A 29-week contract is available in the Village, covering two teaching trimesters (June 2024 to Feb 2025).
- Together, the total cost, Griffith provided student housing sits between:
 - **\$6,350** and **\$6,700** per annum at Nathan for a 35 week contract.
 - **\$9,961.50** and **\$10,400** per annum on the GC for a 29 week contract in the Village or a 52 week contract via Student Guild.
- While these costs fall outside the affordable income threshold of 30/40, as seen earlier the affordability threshold applying the CHP rule (75%), based on the Nathan rental market, is at, or below, **\$17,520** per annum. Applying the CHP rule (75%), based on the GC rental market, places affordability at, or below, **\$23,175** per annum
- **Therefore, Griffith students have access to affordable housing in Griffith student provided accommodation.**

³ [Microsoft Word - 2024 Anglicare SQ_RAS report v1.3 final](#)