Open For Inspection?

Private rental stress in the Eastern Metropolitan Region of Melbourne

Research Report
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Wesley Mission Victoria

After 117 years responding to injustice and disadvantage, Wesley continues to proactively respond to the changing dynamics in our communities to work for an Australia where all belong.

Today Wesley Mission Victoria runs 50 different services from over 95 sites across Victoria whilst advocating on a state and national basis for a just society. Our purpose is to work together creatively to reduce disadvantage, so all people live life to the full within inclusive communities. With the assistance and feedback from local communities, our programs are tailored to meet individual needs.

Wesley’s services include residential and community-based services that:

- Seek to prevent homelessness and support people experiencing homelessness.
- Provide housing and facilitate access to community activities for people with disabilities.
- Seek employment opportunities for people experiencing long-term disadvantage.
- Support young people in home-based care and residential care.
- Support and counsel people in crisis.
- Provide housing and social activities for older people.

Tenants Union of Victoria

The TUV was established in 1975 as an advocacy organisation and specialist community legal centre, providing information and advice to residential tenants, rooming house and caravan park residents across the state. We assist about 18,000 private and public renters in Victoria each year. As part of our work, TUV runs a specialist outreach service for rooming house and caravan park residents. Our outreach workers visit around 1000 rooming houses and caravan park dwellings per year. Our purpose is to improve the status, rights, and conditions of all tenants in Victoria.

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Abbreviations

ACHA  Assistance with Care and Housing for the Aged  NAHA  National Affordable Housing Agreement
AHPL  After Housing Poverty Line  NRAS  National Rental Affordability Scheme
AIHW  Australian Institute of Health and Welfare  PRB  Private Rental Brokerage
CAG  Consumer Affairs Victoria  REIV  Real Estate Institute of Victoria
CRA  Commonwealth Rent Assistance  RTA  Residential Tenancies Act 1997 (Vic)
EMR  Eastern Metropolitan Region  SAAP  Supported Accommodation Assistance Program
FaHCSIA  Department of Families, Housing, Community Services and Indigenous Affairs  SRS  Specialist Homelessness Support Program
HEF  Housing Establishment Fund  SHS  Specialist Homelessness Services data collection
HSP  Homelessness Support Program  TFS  Supported Residential Service
LGA  Local Government Area  THM  Transitional Housing Management
NAHA  National Affordable Housing Agreement  TUV  Tenants Union of Victoria
VCAT  Victorian Civil and Administrative Tribunal  WMV  Wesley Mission Victoria
Executive Summary

Introduction
The last twelve months has seen considerable media coverage about the deteriorating private rental situation in Melbourne and other capital cities. Amidst this housing shortage, rental affordability has become a significant issue for a growing number of people.

Most at risk in a tight rental market are those on a lower income. Lower-income renters in housing stress have reported missing meals and postponing or neglecting to access health care in order to meet rental payments. For those on low incomes, difficulty finding and maintaining affordable housing can escalate beyond financial pressure into a period of homelessness.

Homelessness is extremely destabilising and stressful. It can trigger mental illness, drug abuse, physical illness and family breakdown. Children experiencing homelessness often have their education interrupted. The inadequate availability of homelessness services, and severely limited affordable long-term housing opportunities, means that many people who become homeless may remain homeless for extended periods.

Project design
This research was conducted by Wesley Mission Victoria (Wesley) and the Tenants Union of Victoria (TUV) using the Eastern Metropolitan Region (EMR) as an example. This study was designed to explore the issues that relate to private rental and people on a low income using three sources for data collection:

• A review of the literature and policy environment surrounding private rental in Australia and Victoria
• A collection of quantitative data from service providers and government agencies.
• Interviews to explore the experiences of individuals, service providers and other stakeholders in the private rental situation in the EMR. This included service users, service workers, real estate agents and representatives from local councils from the EMR.

Research findings

How has the private rental market changed in the EMR?
The vast majority of interview data indicates that the private rental market in the EMR has worsened dramatically in the previous five years. The key drivers identified in the interview data are reduced affordability, record low vacancy rates and suitability of accommodation. A major contributing factor faced by some individuals and families was a marginal position in relation to the labour market.

Who is having trouble maintaining and accessing private rental?
There was a general consensus in the interview data that homelessness and housing support services are now dealing with a much broader cross section of people than previously. The data highlighted doubts, raised in other studies, around the historical role of the private rental market as the first stage of a housing career that culminates in home ownership. Older people were also identified in the interviews as having significant problems maintaining and accessing private rental.

As part of this question, the data strongly suggested those in a position of prolonged or significant rental stress suffered negative impacts on health and well-being.

What are some adaptation strategies used by those in private rental?
In addition to supporting some of the adaptation strategies proposed in previous studies, the interviews uncovered additional adaptation strategies, such as avoidance, doing without and putting up with sub-standard accommodation.

What supports exist for those excluded or having difficulty maintaining a private rental and how effective are they?
Interviews with service users and workers, including those working in homelessness services, indicated that the crisis accommodation and case management services funded by the Commonwealth and State government National Affordable Housing Agreement often provide only a minimal response to people in housing crisis.

The interviews reveal three major issues that impact on the effectiveness of support services:

• There is not enough affordable housing. This issue was raised by service users, service workers, real estate agents and council workers.
• The rules and service targets for support provision can be very restrictive and at times can limit the effectiveness of assistance provided.
• There is a lack of proactive services that are available to work with people before they are in crisis. Connected to this issue is the observed gap in accessible and available advocacy services.

What is the role of the real estate industry?
Interview data highlights a strong disconnect between the aims and functions of the not for profit homelessness and housing sector and the real estate industry. While this may not be surprising, it is worth exploring in greater detail given the implied policy position of the Commonwealth and State governments that the private rental market is the solution to the housing problems experienced by many in the community. This is demonstrated through the significant reduction of investment in public housing in recent years and the current popularity of programs focusing on assisting individuals to become ‘private rental ready’.

Many service users are confused, angry and frustrated at what they view as the gate-keeping role played by real estate agents and reported numerous instances where they felt discriminated against or biased from renting for unfair reasons.

While some service workers reported little interaction with the real estate industry, and prefer to by-pass agents in order to work directly with landlords, the majority felt under pressure to build relationships with agents to secure housing outcomes for their clients. While some reported success in dealing with the real estate industry, others, particularly those working with significantly disadvantaged clients, saw little gain from their efforts.

What is the role of local councils?
Despite their size and significance as service providers, housing affordability has received limited attention from local government in the EMR until recently. All those interviewed agreed it was an issue they needed to tackle. At the same time, they argued that there was little they could do to influence the private rental market and most report very little interaction with landlords or the real estate industry.

Research implications and key messages

More housing stock

Not surprisingly, the universal response from the interview data to the question what can be done to improve the private rental situation in the EMR is more housing stock.

Obviously different supply solutions will help the different categories of people experiencing difficulties in the private rental market that have been identified in this study. The issue of increased housing stock almost immediately moves into the vexed debate about what changes are needed at the macro level in terms of improved tax settings and changes to planning systems, to give just two examples. Connected to this was the debate about the various responsibilities of the different tiers of government. These are two issues that this research does not have the space to address adequately.

It also raised important questions around the adequacy of the data that we currently have on which to plan a supply response. This includes national level data and data collected locally by homelessness and other services. The implementation of the Specialist Homelessness Services data collection instrument will hopefully lead to improvements in some of these areas.
Increased access to advice and information

The interview data identifies the need to better support those struggling in the private rental market to stabilise tenancies that may be at risk before they break down. Help is particularly needed by those in the early stages of experiencing difficulties maintaining their private rental.

Changes to rent assistance programs

Rent assistance programs such as bond loans and the Housing Establishment Fund (HEF), while they provide a vital intervention, need to be re-examined to make them more preventative. For example, consideration should be given to making the loan transferable between properties so that individuals do not have to move out and wait for their bond to be returned before they can start to apply for other properties.

Similarly, it is clear the Commonwealth Rent Assistance (CRA) has not kept pace with increasing rents, significantly diminishing its value over time. The interview data suggests low income tenants would benefit immensely from increased to CRA payments, particularly those who receive Newstart or Youth Allowance as their primary benefit.

Providing greater security and affordability

Different points of view surfaced in the data about the pros and cons of another measure often raised in relation to assisting private renters, the provision of longer leases. According to the TUV advice figures, the TUV receives almost nine hundred calls per year on lease breaking, which is comparable to call numbers on the receipt of a notice to vacate. Real estate agents also report a lot of lease breaks, which suggests it may not be the ideal solution.

On the other hand, there are some groups, such as older people and people with families, for whom the idea of a longer lease is ideal because it would give them more ability to plan for the future.

Currently, the Residential Tenancies Act provides very minimal regulation of rents. The interview data suggests the rent setting process often causes hardship for tenants. This suggests greater legislative intervention is required to ensure rent setting does not exacerbate housing stress for tenants.

Helping people access the market

The suite of approaches broadly identified under the heading of private rental brokerage (PRB) has emerged as a key government response to those experiencing difficulty accessing the private rental market and the interview data gathered as part of this research acknowledges the usefulness of these approaches. However, PRB schemes are clearly not meant as a supply solution.

Interview data pointed to numerous instances where PRB had proved successful in getting people into rental properties and helping to sustain these. Several factors emerged from the interview data as being likely to contribute to the success of PRB. In particular, it was seen as working well with people who already have some of the basic attributes associated with private rental readiness, including the recently homeless, who require only minimal additional supports.

Linked to this, the interview data highlights the value of someone, whether it is a service worker or an advocate, whose job it is to get an outcome for the individual or family concerned. This includes being in regular contact and helping to navigate the service system. This appears to be particularly successful when the support worker concerned has the ability to help out in a range of areas, for example, filling out social or public housing applications or brokering relationships with real estate agents, and access to flexible brokerage funds.

PRB programs are prefaced on providing assistance with intermittent/short term periods of difficulty, whereas the difficulties faced by some in the rental market may be of a much more fundamental nature. These programs can also present a one-dimensional view of the problems experienced by many in the private rental market. This can individualise issues which may have their cause in broader issues, such as fragmented, inappropriate or non-existent referral pathways.
1. Introduction

The last twelve months has seen considerable media coverage about the deteriorating private rental situation in Melbourne and other capital cities. According to this coverage (Vedelago, October 3 2010; Johanson, December 16 2010), shrinking rental vacancy rates and rising house prices have combined to force up rents. This has in turn increased pressure on the lower end of the rental market.

The 2010 National Housing Supply Council State of Supply Report identified a cumulative shortfall of 178,400 dwellings in the national supply of housing (National Housing Supply Council). Amidst this housing shortage, rental affordability becomes a significant issue for a growing number of people. The Council predicts that increasing demand for housing from population growth and a decrease in residential construction will further contribute to tightening rental markets throughout Australia (National Housing Supply Council, 2010). Decreasing availability and affordability of private rental is a problem that is not going away.

Alongside the issue of inadequate supply, changes in patterns of family and household formation have contributed to a shift away from traditional housing careers that follow a ‘rent, buy, aged care’ trajectory across the life course. Changing housing needs across the life course mean that affordability is no longer an issue only for younger people at the start of their housing career. It has become a concern for many other groups at many different stages of life. This has put increasing pressure on a housing system that is predicated on the majority following a traditional housing career.

Most at risk in a tight rental market are those on a lower income. For example, of the 1.4 million private rental dwellings that could be considered affordable, over three-quarters were occupied by households in higher income groups. This creates a shortfall of almost 500,000 affordable and available dwellings for those in the bottom 40 percent of income distribution (National Housing Supply Council, 2010).

Affordability problems are of increasing concern in the private rental market. Research indicates more than 250,000 Victorian households are paying over 30 percent of their income (the commonly accepted level of housing stress) in housing costs (Mami and Nepal, 2008). This situation is not confined to inner urban areas, but has extended to middle ring suburbs and outer suburban areas. Yet we hear less about the problems faced by people in the private rental market and these issues do not figure prominently in many of the housing related policy processes taking place at a state or national level.

Perhaps most concerning is the extent of lack of affordable housing and homelessness in the Federal Government's (2007-presentation) policy agenda. This period has put significant energy into the development of a new national approach to homelessness and affordable housing. This focus put the spotlight on the extent of these issues in Australia and introduced a number of new programs and funding structures to address these problems.

Despite these efforts, concern continues to be expressed by homelessness service providers in Victoria and other states about the emergence of a new group of people accessing their services, who do not have significant social problems or complex needs but are experiencing significant difficulty either maintaining or accessing housing in the private rental market. These concerns are expressed in Wesley’s 2009 No Vacancy report into alternatives to short-term crisis accommodation for families (Mitchell et al., 2009).

Lower income renters in housing stress have reported missing meals and postponing or neglecting to access health care in order to meet rental payments. For those on low incomes, difficulty finding and maintaining affordable housing can escalate beyond financial pressure into a period of homelessness. The Council to Homeless Persons estimates that 23,000 people were homeless on any given night in Victoria (Wright-Howie, 2008).

Homelessness is extremely destabilising and stressful. It can trigger mental illness, drug abuse, physical illness and family breakdown. Children experiencing homelessness often have their education interrupted. The inadequate availability of homelessness services, and severely limited affordable long term housing opportunities, means that many people who become homeless may remain homeless for extended periods.

1.1 Aims and background

This research project was developed by Wesley Mission Victoria (WMV) and the Tenants Union of Victoria (TU.V) to build a better understanding of issues related to the private rental market that are affecting families on low incomes, using the Eastern Metropolitan Region (EMR) as an example.

The following research questions guided this project:

- What is the current situation in the EMR in relation to private rental and how has it changed over the last five years?
- Which groups are experiencing rental stress or are excluded from the private rental market, and what are the particular problems and barriers they experience?
- How do those in rental stress or excluded from the private rental market adapt and cope?
- What formal and informal supports exist specifically to help people in private rental stress or those excluded from the private rental market? How effective are these and what are the gaps in service provision?
- What is the interaction of the service system and the individuals and families in it with members of the private real estate industry? What role does it play and where are the points of intersection and divergence between these two sectors?
- What can be done to change the situation to the benefit of those currently experiencing affordability problems and stress in the private rental market?

1.2 Project design

This study was designed to explore the issues that relate to private rental and people on a low income using three sources for data collection: a review of the literature and policy environment surrounding private rental in Australia and Victoria; quantitative data from service providers and government agencies, and interviews to explore the experiences of individuals, service providers and other stakeholders in relation to private rental in the EMR.

The policy review included:

- An analysis of the private rental market in the EMR, and including forms of rental accommodation, i.e., privately owned and managed, houses managed by real estate agents, rooming houses,
- A review of legislation, regulations and policy at a local, state and national level relevant to the private rental situation.
- Mapping key actors in the EMR and their relationship with the private rental market.
- A review of Commonwealth and Victorian policy documents relating to housing and homelessness.

The quantitative data collection stage included gathering data from service providers and government agencies, including homeless Entry Points, Housing Associations, and providers of Housing Establishment Funds (HEF) and Private Rental Brokerage funds.

Some data from service providers was only available for the most recent year, other data was provided that covered a period of more than one year. This makes it difficult to build a picture of what has been happening in the region over time. Furthermore, providers do not collect information about unmet need, which makes it difficult to measure the extent (if any) of unmet need in the community.

Information was sought from the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) about the number of people receiving Commonwealth Rent Assistance and the proportion of recipients who were in rental stress (paying more than 30% of their income in rent) in each of the Local Government Areas (LGA) in the EMR.
An ad hoc data request was made to the Australian Institute of Health and Welfare (AIHW) for data about SAAP1
homelessness service provision specific to the LGAs in the EMR. This request was declined by AIHW, citing confidentiality
concerns, in particular providing data that could potentially identify service users, due to the type of data requested (unit
record data) and also because the number of service users in some LGAs was quite small and thus increased chances of
identification.

A revised request was developed in consultation with AIHW staff that was based on aggregated data with an emphasis
on information that directly related to housing in EMR LGAs. Again, confidentiality concerns were raised with elements
of this revised request and certain components were not provided. AIHW provided data from 2007, 2008 and 2009.

The inability to access de-identified unit record data or cross-tabulated data makes it difficult to draw conclusions from
the AIHW data presented in section 3.1. Furthermore, the aggregated nature of the data also doesn’t allow us to know
whether a person was present alone or with others, for example, or whether a person who presented while they were
still in private rental was also in private rental at the end of their support period. A further limitation with SAAP data is the
large amount of missing information and so not all answers are included.

The SAAP data from which the requested data was drawn is focused on accommodation and support for homeless people
and may in fact underestimate the impact of private rental stress on people accessing homelessness services. For example,
people may not be accessing these services until they have reached crisis point and have lost their rental accommodation.
The SAAP data collection tool records all reasons for seeking assistance and the main reason, but the data from AIHW only
provided the main reason for seeking assistance. So while it is common for people to have multiple reasons for seeking
assistance this is not captured in the data provided for this project, again, likely resulting in an underestimation of the
number of people accessing support for reasons that include private rental stress.

A new data collection tool has been developed to replace SAAP, the Specialist Homelessness Services (SHS) data collection
tool. One of the aims of the SHS is to provide a better picture of homelessness by including client experiences as well
as the number and type of services. Some of the difficulties experienced with accessing specific SAAP data for this project
– limited access to de-identified data or cross-tabulated data, confidentiality and the inability to access unit record data –
will likely remain under the new system. However, the SHS data collection tool will provide significantly more information
in relation to housing, including the length of time the person has been without a permanent place to live, who they were living with, type
of residence, housing tenure, and conditions of occupancy. All information will be recorded about the day the person presents
and their situation one week prior to presenting for assistance.

The final phase of data collection involved interviews with service users, service workers, real estate agents and
representatives from local councils from the EMR.

All interview participants were given a plain language information sheet about the research project (Appendix 1)
and asked to sign a consent agreement (Appendix 2). Three interview question guides were developed, for service users,
service workers and real estate agents (Appendix 3, 4 and 5). The majority of interviews were conducted in person and
some were conducted over the telephone.

16 service users were interviewed who had approached services with problems relating to private rental, including
homelessness support, financial counseling and tenancy advice and advocacy. Service providers in the EMR were
contacted by telephone and asked to provide potential interviewees for this project. Service providers were given a plain
language statement to provide to potential participants. Those who gave their verbal consent to their service provider
were contacted by telephone to organise an interview time. All service users were given a $20 thank you gift for their
participation. The names of service users have been changed to protect their privacy.

Approximately 40 individuals from homelessness support services, financial counselors, tenancy advice and advocacy
services, educational institutions and local government were interviewed for this project. The majority
of service providers were interviewed in small groups.

Although an effort was made to include individuals working in the real estate industry, only four people agreed to talk
about their perspectives. The term ‘real estate agent’ refers to both licensed real estate agents and estate agents
representatives as it generally the latter who conduct property management functions under the direction of a licensed
real estate agent.

Due to time and resource constraints, no effort was made to engage with private landlords, although they control
a significant component of the private rental market in the EMR, particularly in the outer areas.

It is important to note that the data gathered represents only a snap shot of the private rental situation in the EMR.

1.3 Structure of report

This report begins with a review of Australian literature concerning housing affordability and rental stress. This is followed
by a discussion of the current policy context regarding tenancy legislation and regulation, taxation and the private rental
market, Commonwealth and Victorian housing policy, and the role of local government.

The following section examines the private rental situation on the ground in the EMR, drawing on quantitative data from
service providers and government agencies and the interview data from research participants. This section examines how
the experience on the ground compares to the information in the literature and the impact and influence of government
policy on the experience of individuals.

The report concludes with a short discussion of the findings of this report.

2. Policy review

2.1 Housing affordability and rental stress

2.1.1 Defining and measuring housing affordability

While housing affordability and its correlate housing stress have been significant policy concerns in Australia for
decades, their definition and measurement is not simple.

This study makes use of four key concepts used to explain housing affordability. The definitions of each term have
been summarised in Table 1. While there are limitations in the use of each term, they are generally tenure neutral
and provide complementary analysis of the functioning of the home ownership and private rental market for
low income households. Significantly, each of these terms relates affordability to income in one way or another, suggesting
that affordability, while affected by housing supply, is largely a function of the distribution of income.

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Affordable housing</td>
<td>Generic term to cover any low cost housing (regardless of tenure). Defined without reference to dwelling occupants but intended to meet agreed affordability benchmarks.</td>
</tr>
<tr>
<td>Housing affordability</td>
<td>Term usually denoting the maximum amount of income which households should be expected to pay for their housing</td>
</tr>
<tr>
<td>Housing stress</td>
<td>Generic term to denote the negative impacts for households with insufficient income to secure adequate housing. It can also refer to other factors such as over-crowding and insecurity</td>
</tr>
<tr>
<td>Housing need</td>
<td>Term denoting a defined standard to which no household should fall below.</td>
</tr>
</tbody>
</table>

Source: Gabriel et al, 2005.
There has been considerable debate on how best to measure housing affordability. The differing approaches can be divided into two broad camps: ‘housing first’ measures which are based on the assumption that housing costs have the first call on the household budget, and residual or ‘housing last’ measures which reverse this assumption by identifying all other items in a household budget and calculating the amount left over to meet housing costs (Gabriel et al., 2005, Burke et al., 2007). This study will draw on both approaches showing housing costs as a proportion of income for various household types as well utilising the poverty line data produced by the Melbourne Institute of Applied Social and Economic Research.

2.1.2 Causes of affordability problems

The causes of affordability problems are complex. On the supply side, a range of factors including the structure of the Australian building and development industry, the high cost and political difficulties of development in existing urban areas and deficiencies in the planning system have contributed to a large gap between housing supply and demand. These factors mean the supply of housing is relatively fixed.

The National Housing Supply Council has found the gap between demand and supply continues to increase. The State of Supply report estimates the shortfall in housing supply nationally to June 2009 to be 178,500 and projects that the gap will increase over the next five years to 308,800 dwellings in 2014 and 640,600 by 2029. Melbourne’s housing market is particularly problematic, with 19 percent of additional demand concentrated in Melbourne (National Housing Supply Council, 2010, p132). Between 2003 and 2007 supply exceeded demand in Victoria but since 2008 the proportion of demand for housing in Victoria that is not being met has been growing. The gap between demand and supply in Victoria for 2009 was 22,700 households (National Housing Supply Council, 2010, p132).

These aggregate supply problems have significant ramifications for the private rental market. In simple terms, the constrained supply of housing for home purchase causes more households to remain in private rental for longer periods of time. This in turn effects the allocation of scarce rental stock as households with higher incomes compete with lower income households for rental accommodation. An indication of the significance of this effect on the availability of affordable rental housing can be gauged from the finding in the Housing Supply Council report that, across the nation, 70% of all private rental dwellings affordable to households with incomes below the 50th percentile were not actually available to them because they were occupied by households in higher income percentiles (National Housing Supply Council, 2010, p103).

The demand for rental housing has changed qualitatively as well as quantitatively. The housing careers of Australian households can no longer be understood as a simple progression from early adulthood through the process of family formation to retirement. These stages are traditionally associated with transitory renting, home purchase and ownership and aged care. Rather, the housing experience of households is now much more complex and varied. As family formation is delayed, working lives extend beyond retirement age and many households increasingly pass through divorce and provide care for aged relatives; households are increasingly unlikely to progress through housing tenures in a straightforward manner. These developments have been conceptualised as changing housing pathways and transitions. Beer and Faulkner (2009) provide a representation of this shown in Figure 1.

Figure 1: Changing housing careers

Industrial Australia

Post Industrial Australia

This suggests many households may experience significant and repeated changes in the tenure and type of housing they consume. Some households will spend a longer period of their lives in private rental than may have been the case in the past.

Many researchers have concluded that the key housing affordability problem lies in the private rental market rather than the home purchase market (For example: Burke et al., 2007, Harding et al., 2004, Yates, 2007, Yates and Gabriel, 2006). Research by Yates et al (2007) has found 55 percent of low income private renters or at least 600,000 households currently experience housing stress. Figure 2 below illustrates the greater burden of housing stress experienced by low income renters in comparison to home purchasers.

Figure 2: Housing stress by tenure and by household type


Modelling by Yates also indicates that the total number of households in private rental is expected to increase by 80 percent to 3.3 million in 2045. The number of lower income households in housing stress is projected to increase by 84 percent (Yates et al., 2007). As the bottom segment of the private rental market comes under increasing pressure to deliver affordable rents to low income households, the income support system and role of Commonwealth Rent Assistance (CRA) will become more important. This is particularly so given than a third of households receiving CRA currently devote more than 30 percent of their income on rent.
2.1.3 Experiencing housing affordability problems

Housing affordability problems require households to adapt to their circumstances. As housing affordability is largely a function of income, higher income households are better able to adapt to a change of financial, employment, health or familial circumstances by using their financial resources to ensure their existing housing is either retained or alternative housing of an appropriate standard is secured. Low income households are much less able to make these adaptations without serious detriment to their financial situation or general wellbeing. Adapted from Burke (2010). Table 2 below provides an overview of the adaptations households make to particular housing affordability problems and the problems associated with each of these.

Table 2: Adaptations to housing affordability problems

<table>
<thead>
<tr>
<th>Adaptation</th>
<th>Process</th>
<th>Associated problems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferment of move to independent living</td>
<td>Individuals remain at home, particularly young people.</td>
<td>Reduces personal space, creates family tensions and in some cases may precipitate family breakdown. May defer marriage and child birth plans.</td>
</tr>
<tr>
<td>Over-crowding</td>
<td>Household and individuals share a dwelling so that housing costs are spread. Affordability may be achieved but at cost of housing appropriateness.</td>
<td>Over-crowding can create health problems, particularly those of a contagious nature. Reduces personal space, creates tensions and can accentuate domestic violence and relationship breakdown.</td>
</tr>
<tr>
<td>Relocation</td>
<td>Households relocate to areas where property is more affordable.</td>
<td>Areas of higher affordability may be affordable because of lack of other amenities and resources including transport and employment. The affordability problem is substituted by employment and social isolation problems, as in many small rural towns.</td>
</tr>
<tr>
<td>Increase income</td>
<td>Households take actions legally (gain employment, seek higher paid position) or illegally (theft, drug dealing, black market activities) to obtain an income that covers housing costs.</td>
<td>The seeking of adequate paid employment (most of it legal) has been the major way of addressing affordability, and the bulk of households succeed in doing so. Whether future labour markets will enable this to be sustained for most households is an important question.</td>
</tr>
<tr>
<td>Change household arrangements</td>
<td>People form new households (partner or re-partner) and/or share housing costs or increase household income such that housing costs are more affordable.</td>
<td>Only a problem if this is a constrained decision. If so, it may create tensions and increase relationship breakdown, starting another round of housing hardship.</td>
</tr>
</tbody>
</table>

Source: Burke, 2010.

Households adapting to affordability problems are forced to make trade-offs. Burke et al (2007) found many low income renters are making trade-offs which are arguably unacceptable in an affluent society. Table 3 shows a range of trade-offs reported by low income households experiencing housing stress.

Economising on food, heating and cooling, going without health or dental care, withdrawing from children’s educational activities, selling or pawning possessions are stark indicators of the effect of housing affordability problems on the health and wellbeing of low income households. It is worth noting that the data shows low income home purchasers were much less likely than low income renters to report negative effects on their wellbeing in most categories.

Table 3: Effects of housing affordability on wellbeing by scale of affordability problem

<table>
<thead>
<tr>
<th>Rent as a percentage of income</th>
<th>Up to 29% (affordable)</th>
<th>30%-39%</th>
<th>40% and above</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low income renters (two lowest quintiles)</td>
<td>Count 129 170 403 91</td>
<td></td>
<td></td>
</tr>
<tr>
<td>My family has sometimes gone without meals</td>
<td>12.6% 20.5% 29.6% 9.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am unable to sometimes heat or cool my home</td>
<td>37.6% 43.8% 57.3% 23.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>My children have missed out on school activities such as excursions and sports</td>
<td>23.25 40.2% 42.4% 22.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>My children have had to go without adequate health and/or dental care</td>
<td>20.9% 35.1% 38.7% 18.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Likelihood of purchasing own home</td>
<td>62.6% 39.4% 27.2% N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I feel trapped in an area with poor job prospects</td>
<td>28.3% 36.8% 44.2% 30.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Approached a welfare/community/counselling agency for assistance</td>
<td>19.7% 27.9% 32.9% 5.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sold or pawned personal possessions</td>
<td>17.3% 32.1% 33.7% 8.0%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Drawing on these findings, Burke et al (2007) have proposed a typology of long-term renters:

**Strugglers:** Households who are having trouble meeting rental payments and who are suffering high levels of financial stress. Often single, lone parents and not working. Despite living in cheaper locations, they are often paying extremely high proportions of their incomes towards housing (up to 50 or 60 percent). They represent the core group of long-term renters.

**Backsliders:** Households who had either owned their own home or rented in more comfortable circumstances at earlier life stages. A crisis such as job loss, health difficulties or the loss of a partner due to death or relationship breakdown has caused them to fall out of home ownership. They need to restart their lives but often lack ‘renter knowledge’ and the skills required to negotiate the rental market.

**Pragmatists:** Households who are generally managing and who acknowledge the benefits of renting as opposed to owning. Many paying relatively high proportions of their income towards housing as a result of trade-offs made to reflect family or location choices. Such pragmatic views are often shaped by the reality of blocked home ownership aspirations; however, considerable risks are evident as they move toward retirement.

This typology of renters provides a useful means of understanding the housing transitions experienced by private renters and those presenting at homelessness services. Combined with the adaptive behaviours and outcomes discussed above, the typology of renters illustrates the importance of assessing the broader life course of households as well as assessing their housing experiences at a particular point in time.

### 2.1.4 Accessing private rental

In a very tight market, access to scarce private rental accommodation is highly competitive. Low income and disadvantaged households competing against higher income households for affordable dwellings are severely disadvantaged. Real estate agents and landlords act as gatekeepers to the private rental market through tenancy application and selection processes. Two recent studies focusing on the practices and processes of the real estate industry shed some light on the factors affecting tenants’ ability to successfully negotiate the application and selection processes that regulate access to the private rental market (Tenants Union of Victoria, 2008, Short et al., 2008).

Interviews with real estate agents show a common perception of a suitable tenant as one who they believe demonstrates an ability to pay and an ability to care for a property, thereby reducing potential risks of financial loss and management costs. Higher incomes, sound rental references and good personal presentation are key factors cited by agents in their assessment of a suitable tenant (Tenants Union of Victoria, 2008). Conversely, real estate agents identify a range of factors common to low income and disadvantaged households that are commonly regarded as risk characteristics – and thus likely to adversely affect a tenancy application. These included:

- Poor presentation
- Poor English language skills
- Poor literacy skills
- Poor rental history
- No rental history
- Poor work history
- History of public tenancy
- Reliance on bond loans or other financial assistance
- Use of Centrepay (Tenants Union of Victoria, 2008, p5)

Agents’ and landlords’ assessment and decisions are influenced by both objective and subjective factors. While ability to pay can be fairly objectively measured, tenants reliant on financial assistance or using Centrepay can find themselves sidelined in the selection process regardless of their rental payment histories. Tenants with any history of rental arrears may be listed on tenant databases and have their tenancy applications routinely rejected by agents regardless of their current financial status.

Interviews with agents revealed that evaluation of a prospective tenant’s ability to care for a property is even more open to subjective and sometimes prejudiced assessments of particular groups. While individual agents varied in their assessment of particular tenant characteristics, it was clear from agents’ responses in both studies that specific low income and marginalised groups face additional scrutiny by agents and landlords in the assessment of their private rental applications.

Groups commonly mentioned as rental risks included:

- Young people in group or shared accommodation
- Students
- Recently arrived migrants and refugees
- Aboriginal and Torres Strait Islanders
- People with physical disabilities
- People with mental illnesses
- Single parents
- People on government benefits (Tenants Union of Victoria, 2008, Short et al., 2008)

Proposals for improving access to private rental for low income and disadvantaged households include:

- Development of standardised tenancy application forms.
- Community education highlighting the responsibilities of landlords and agents to comply with anti-discrimination laws.
- Improving links between the real estate industry and housing and support services.

### 2.2 Policy Context

#### 2.2.1 Tenancy legislation and regulation

Governments influence the form and operation of the private rental market via a raft of legislation and regulation including the Residential Tenancies Act, the Building Act and Building Code of Australia and the Public Health and Wellbeing Act 2008.

**Residential Tenancies Act**

The Residential Tenancies Act 1997 (RTA) is Victoria’s primary statute regulating the private rental market and the relationship between tenants and landlords. The RTA’s regulations cover housing, caravan parks and rooming houses in Victoria.

The RTA is based on the provision of a basic set of entitlements for tenants and specifies the general duties of the parties in their relationship with one another and the use and provision of the rental property. Australian tenancy law has historically aimed to balance the interests of tenants and landlords rather than acknowledge the centrality of housing to a tenant’s life and provide strong consumer protection. As a result, contemporary tenancy law remains weighted in the favour of landlords (Seelig, 2001, Burke, 1999).

1 Centrepay is a voluntary bill-paying service that deducts an average amount from Centrelink payments and can be used for expenses such as private rent, bills or childcare.
Specifically the RTA provides:

- Minimal regulation of the contracting process, so that tenants often do not have the opportunity to consider the terms of a tenancy agreement prior to signing and providing the first month’s rent in advance and bond.
- Specific process and timelines for the collection and lodgement of bonds with the Residential Tenancies Bond Authority.
- Limits on the frequency of rent increases to no more than once in a six month period with the provision of 60 days notice.
- Specific process and timelines for the conduct of repairs and an obligation on landlords to provide the property in a reasonably clean condition and maintain in good repair.
- Restrictions on the right of a landlord to enter the rented premises.
- Specific processes and timelines for the termination of tenancies and the vacating of possession by the landlord.
- This includes notice periods ranging from 1-4 days for rent arrears to 1-2 days for no specified reason.

The RTA contains a range of shortcomings which directly impact on the affordability and appropriateness of rental housing, including:

- No regulation of the value of rent levels and rent increases; a control that is commonly included in tenancy legislation in the USA and Western Europe.
- Limited security of occupancy and limited protection against retaliatory eviction due to the ability of a landlord to issue a 120 day notice to vacate for ‘no reason’.
- No mandatory minimum dwelling standards.

Rent setting has a direct relationship with affordability. Landlords are required to provide 60 days written notice of a rent increase and rent increases may not occur more often than once every six months. Tenants may challenge rent increases on the grounds they are excessive at VCAT. If the Tribunal decides that the rent increase is excessive, it can order that the rent not be increased or that it be increased by a lesser amount. It can also set a period of time (up to 1.2 months) in which the landlord is not allowed to increase the rent. However, the Tribunal is not empowered to consider the tenant’s capacity to pay an increased rent and will make orders limiting the rent increase only if the proposed increase would make the rent significantly higher than that for similar properties in the area.

Evidence from Consumer Affairs data and tenant advocacy organisations suggests a significant degree of disparity in residential tenancies (Consumer Affairs Victoria, 2010, Tenants Union of Victoria, 2010).2

2.2.2 Taxation and the private rental market

Taxation policy is a significant influence on housing, predominately in the form of indirect housing assistance. The taxation of housing influences the scale and type of investment in the private rental market.

Private rental investment is treated as an investment asset. Landlords pay income tax on rental income (after interest and operating costs) and on realised capital gains (at a 50 percent discount on their marginal tax rate). They are also able to deduct the costs associated with earning rental income from other income (known as negative gearing). No significant tax exemptions are provided to tenants.1

Negative gearing and the capital gains tax discount provide a tax shelter effect, thus providing strong incentives to invest and to accumulate savings in housing. Beyond this primary incentive however, investment decisions are distorted by the asymmetrical taxation treatment of capital gains versus rental income. Investors pay lower taxes on capital gains than if they receive an equivalent sum in rental income. There are therefore strong incentives for high income investors to invest in high value property which is likely to yield the greatest capital return and less incentive to invest in low value properties where they are unlikely to realise the capital gains (Yates, 2009). Institutional and corporate investors do not receive any favourable treatment for investing in rental housing, further reducing potential investment in affordable housing.

The scale of these perverse (for affordability) incentives is staggering. In 2007-08 nearly 1.2 million taxpayers are landlords taking advantage of negative gearing representing 69.4 percent of housing investors claiming a loss on rental investment (Australian Taxation Office, 2010, p14-15). Importantly, this has done little to increase the supply of housing as the vast majority of landlords purchase established rather than newly constructed properties, with 92 percent of all borrowing by residential property investors in the past ten years dedicated to the purchase of established dwellings (Elsake, 25 May 2011).

2.2.3 Commonwealth and Victorian housing policy

Over the past twenty years there has been a substantial shift in the form and objectives of housing assistance in Australia. While the current Commonwealth Government has made significant investment in social housing, housing assistance is no longer focused on assisting low income households through the direct provision of housing. Governments now rely on the private rental market to accommodate low income households.

An enduring feature of housing assistance in Australia has been an emphasis on supporting home ownership, including direct financial assistance to first home purchasers and the preferential taxation treatment of residential property. The resulting high home ownership rate of nearly 70 percent of households has resulted in a lack of policy focus on the rental housing system.

National Affordable Housing Agreement

The National Affordable Housing Agreement (NAHA) is an ongoing agreement between Commonwealth and State governments that aims to ensure that all Australian have access to affordable, safe and sustainable housing that contributes to social and economic participation.

Commencing on January 1 2007, the agreement will provide $5.2 billion worth of housing assistance to low and middle income Australians in the first five years (FaHCSIA, 2009).

The Agreement outlines the contribution of all levels of government to the following outcomes:

- people who are homeless or at risk of homelessness achieve sustainable housing and social inclusion;
- people are able to rent housing that meets their needs;
- people can purchase affordable housing;
- people have access to housing through an efficient and responsive housing market;
- Indigenous people have improved housing amenity and reduced overcrowding, particularly in remote areas and discrete communities (COAG, 2009).

Social Housing

The social housing system has two components: public housing provided by the Office of Housing and community housing provided by a range of small not for profit organisations.

The public housing sector has been subject to reduced funding for the past three decades. Atkinson and Jacobs identify two key markers of the decline of public housing in Australia as:

- the overall scale of the sector, in relative and absolute terms, has declined significantly, thus compromising the ability of the sector to cope with problems of housing need and social vulnerability.
- the social composition of the stock is now firmly comprised of low income households. This itself is, in part, a function of the first condition, as fewer houses combined with targeted allocations policies will produce this result (Atkinson and Jacobs, 2008).

1 CAY receives approximately 200,000 tenancy related enquiries each year. TUV assists 20,000 Victorian tenants and residents a year.

2 This occurs in an average annual subsidy of about $7,000 per household. However these are inequitably distributed between tenants, equating to $8,000 per owner occupier household per year, more than $4,000 per investor household and just over $1,000 to renters. Sources: Treasury (2010) (Appendix C); Yates (2009); Yates (2009); and Wood et al., (2009).
In Victoria, the Office of Housing runs at an operational deficit and stock additions have been virtually stagnant until recently (Hall and Berry, 2004). As Figure 3 illustrates, Victoria currently has the smallest market share for public housing in the Commonwealth. The Victorian social housing system is small and fragmented, with limited influence on the operation of the private rental market.

**Figure 3: Public housing as a percentage of total dwellings**

Source: Atkinson and Jacobs, 2008.

Public housing has become increasingly residualised in Victoria, with the tenant composition reflecting a strong concentration of disadvantaged households. The Office of Housing currently operates a segmented waiting list which provides priority for households with indications of high need and disadvantage. At June 2009 there was a public housing waiting list of 39,940 applications. Significantly, only 3,751 allocations were made in the year 2008-09 while 12,542 new applications were received (Department of Human Services, 2010). As a result of this scarcity, allocations are targeted to those in the greatest need so the vast majority of allocations are made to those with ‘complex needs’. The tenant profile of public housing is now typified by low work force participation and the presence of additional needs such as disabilities, mental health and chronic homelessness. This concentration of disadvantage is an inevitable and direct consequence of the underinvestment.

**Community housing**

Affordable Housing Associations and a range of small community housing providers provide secure and affordable housing on a similar basis to public housing. The scale of community housing remains limited, with under eight thousand properties in Victoria.

Community housing providers have much greater discretion than the Office of Housing in their decisions to allocate housing and apply a more generous income test than does public housing. Rents are also generally capped at 30 percent of market rent. Community housing and apply a more generous income test than does public housing. Rents are also generally capped at 30 percent of market rent. Community housing properties in Victoria provide priority for households with indications of high need and disadvantage. At June 2009 there was a public housing waiting list of 39,940 applications. Significantly, only 3,751 allocations were made in the year 2008-09 while 12,542 new applications were received (Department of Human Services, 2010). As a result of this scarcity, allocations are targeted to those in the greatest need so the vast majority of allocations are made to those with ‘complex needs’. The tenant profile of public housing is now typified by low work force participation and the presence of additional needs such as disabilities, mental health and chronic homelessness. This concentration of disadvantage is an inevitable and direct consequence of the underinvestment.

Three of the nine registered housing associations in Victoria provide housing in the EMR.

Common Equity Housing can house 277 people in the EMR, with one new development in the EMR which will provide a further 80 dwellings. Allocations for these dwellings were done in partnership with EACH Community Health with approximately 80 percent of the tenants selected currently living in private rental.

Supported Housing Ltd. caters to single people and families with disabilities, with 91 percent of households having a person with a disability. Three new developments in the EMR will provide 52 new dwellings.

Community Housing Limited has 318 tenancies in the EMR with 91 new dwellings planned. A number of CHL properties are under nomination rights.

**National Rental Affordability Scheme**

The National Rental Affordability Scheme (NRAS) provides joint funding for the provision of rental properties at 80 percent of market rents. NRAS provides investors, either private or not for profit, with a minimum $5000 annual incentive for a ten year period for each dwelling. The objectives of NRAS are to reduce disadvantage and social isolation. The eligibility criteria for NRAS properties effectively targets key workers in private rental rather than specifically targeting those households in greatest need (FaHCSIA, 2010a). The scheme is intended to deliver approximately sixty thousand new properties by June 2012.

While NRAS will contribute an important new stream of affordable rental properties, the scheme does not enjoy bipartisan political support and funding beyond the establishment phase of 50,000 dwellings by 2012 remains uncertain. Victoria has been allocated 5,506 NRAS properties of which approximately 1,300 will be located in the EMR (Department of Sustainability, Environment, Water, Population and Communities, 2011).

**2.2.4 Demand side programs**

The Commonwealth and Victorian governments provide a number of demand side programs aimed at alleviating private rental stress and tackling homelessness. Obviously, there is a degree of overlap between these programs, with some individuals who are homeless accessing private rental assistance programs.

The Victorian Government provides two private rental assistance programs that are intended to assist recipients maintain or secure private rental accommodation.

The Bond Loan Scheme provides interest free loans to low income households to assist them pay residential tenancy bonds. An applicant or their landlord is provided with a cheque to lodge the bond with the Residential Tenancies Bond Authority. Eligibility for loans are limited to properties where the rent is no more than 55 percent of the recipients gross weekly income. Recipients must meet both an income test and an asset test. In 2008-09 nearly nine thousand households were assisted under the scheme with the average bond loan being $740. This suggests the bond loan scheme is relatively under utilised by low income households. Bond loan data specific to the EMR was not accessible.

The Housing Establishment Fund (HEF) is jointly funded by both Victorian and Commonwealth Governments through the NAHA. Transitional Housing Management (THM) and homelessness support agencies access HEF to assist clients to access crisis accommodation, access or maintain private rental housing or cover the cost of moving or storing household goods. Importantly, HEF money can be used to pay for rent arrears. Income and asset tests apply in the same manner as other forms of state housing assistance. In 2008-09, 130 agencies were provided with a combined total of $85,500 million to assist 39,500 households. Bond loan data specific to the EMR was not accessible.

HEF is distributed across the region on the basis of approximately 70 percent preventative and 30 percent crisis accommodation. Preventative HEF, which assists people to maintain and access private rental is managed and distributed by two agencies.

A review of the program was initiated by the previous State government with the aim of refocusing it more tightly on the program’s initial drive of helping people stay in private rental. The review highlighted a number of issues, including inconsistent approaches on the part of agencies in collecting data about the program.

**Commonwealth rent assistance**

The major form of rental housing assistance provided by the Commonwealth Government is Commonwealth Rent Assistance (CRA). CRA is an income supplement paid to recipients of government income support in recognition of the increased costs of securing housing in the private rental market. The objective of CRA is to contribute to improved affordability. The Government currently spends more than $2.5 billion annually on rent assistance (Productivity

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1 The income limit is the same as that used for public housing, while the following asset limits also apply:

- $1,900 for households requiring one or two bedroom properties.
- $2,110 for households requiring three or more bedroom properties.
Commission, 2011). CRA is added onto the pension, allowance or benefit of eligible income support recipients who rent in the private rental market. CRA is paid at 75 cents for every dollar of rent paid above a specified threshold until the maximum rate is reached. The maximum rate varies according to the individual’s situation. For example, the rent threshold for a single person with no children is $100.80 per fortnight and the maximum fortnightly payment for a single person with no children is $113.40 (FaHCSIA, 2010d).

Recent research commissioned by the TUV indicates rent assistance payments have universally lagged behind increasing rents in all capital cities and now covers a smaller proportion of rent than in 1995 (Colic-Piesker et al., 2010). Figure 4 illustrates the relationship between CRA and capital city median weekly rents. At a national level, the median weekly rent (adjusted for inflation) has risen by 41 percent from $164 in 1995 to $232 in 2010. This means the cost of rental housing has increased by 41 percent more than the general cost of living. In Melbourne, median weekly rent has risen 44 percent from $150 to $216. These figures reflect the long term rise in housing prices. Maximum rates of CRA however, have remained virtually constant in real terms over this period.

Figure 5 shows the maximum CRA rate as a proportion of median weekly rent for Melbourne from 1995 to 2009. This effectively illustrates whether CRA has kept pace with increasing rents. The data shows again that CRA has not kept pace with increasing rents and is making a progressively smaller contribution to alleviating housing stress for CRA recipients. It is therefore unsurprising that more than thirty percent of CRA recipients remain in housing stress (AIHW, 2011).

Figure 6 and 7 show the number of CRA recipients and the proportion of CRA recipients in rental stress for each of the EMR LGAs as at June 2010. All LGAs show more than 35% of CRA recipients in rental stress, with Boroondara recording the highest levels with 56.4% of CRA recipients in rental stress.

![Figure 6: Total Commonwealth Rent Assistance recipients by EMR LGA (June 2010)](image)

![Figure 7: Proportion of EMR CRA recipients in rental stress (June 2010)](image)
Homelessness programs

The Victorian Government provides emergency accommodation and funding and coordination of the homelessness service system.

A range of programs have been developed as a response to homelessness, with the vast majority delivered by the community sector. These programs are all aimed at assisting those who have become homeless or are at risk of becoming homeless, many of whom experience homelessness as a result of an inability to sustain tenancies in the private rental market.

The Homelessness Support Program4 (HSP) assists people who are homeless or at imminent risk of homelessness through the provision of support and accommodation services including supported accommodation, advocacy, links to services such as health, education and employment and outreach support.

The Transitional Housing Management Program (THM) funds 15 community sector organisations to provide short to medium term housing for people who are experiencing homelessness and need support to secure more long term housing (Office of Housing, 2010). The program also provides tenancy administration for transitional and crisis accommodation providers.

Victoria currently has 235 temporary crisis accommodation units managed by community sector organisations. These units are highly concentrated in Melbourne’s inner city with almost all of them contained in high density facilities providing 24 hour support services. Crisis accommodation is targeted toward homeless young people, single people, families and women and children experiencing family violence.

Private Rental Brokerage (PRB) is a generic name given to a range of direct services designed to assist low income households gain and maintain private rental accommodation. They are mainly delivered through homelessness services, although other specialist services provide private rental brokerage programs for specific groups, such as newly arrived migrants or women who have experienced domestic violence. PRB services require participants to be assessed as ready for the program. This includes having sufficient income to pay rent.

PRB services include:

- Advice and skills development to become ‘private rental ready’ such as budgeting, presentation, communication, etc.
- Funds to assist with the costs of establishment of a tenancy, including bond, furniture, white goods, etc.
- Time limited funds to assist with the payment of rent.
- Assistance to develop independent living skills.
- Information about tenancy rights and responsibilities.
- Time limited support in the form of an outreach worker to support the individual in their rental.

A key feature of many PRB schemes is direct assistance and outreach on behalf of clients with members of the real estate industry, either to get people into private rental or to ensure any problems are dealt with before the tenancy becomes unsustainable.

There are a number of PRB programs operating in the EMR. Data from one PRB program assisting young people (15 to 29 years) in the LGAs of Yarra Ranges, Knox and Maroondah showed that the most common users of the service were aged between 20-24 years and clients from all age groups were more likely to be female. More than three quarters of support periods provided were longer than 4 weeks. More than half were longer than 13 weeks.

These figures give an indication of the length of time it takes for clients to secure private rental (Data covers 1 July 2007 – 5 November 2010, supplied by PRB provider.)

In 2011 the Victorian Government released the Victorian Homelessness Action Plan 2011-2015. The Action plan focused on three key areas which are to:

- Support innovative approaches to homelessness
- Investigate models that focus specifically on early intervention and prevention
- Better target resources when and where they are most needed and where they will make the biggest difference.

In the action plan, the government establishes the ambitious task of rebuilding the homelessness service system so that those who experience homelessness get the assistance and support they need, when and where they need it. To this end the government has established a Ministerial Advisory Council on Homelessness and a cross-government advisory committee. The government has also tendered homelessness innovation Action Projects to test new approaches in different settings. The successful bidders had not been announced at the time of publication.

The Victorian Government has also committed to developing a strategic framework for the social housing system which is expected to be developed in 2012.

General information and referral services

A number of services in the EMR, in addition to homelessness Entry Points, provide information and referral on private rental related matters over the phone or face-to-face.

Consumer Affairs Victoria (CAV) has an office in the EMR and funds a number of programs to vulnerable and disadvantaged consumers and tenants, including a phone information service. CAV also refers vulnerable and disadvantaged consumers and tenants to services that provide more hands on support and advocacy.

The Tenants Union of Victoria (TTU) provides tenancy information and legal advice. They do not have an office in the region and initial contact with them is usually by phone.

Other groups that play an important role in providing information and advice are universities and local councils. Financial counselors play a vital role, both in terms of providing advice on tenancy matters and referring individuals to services that can assist them maintain tenancies.

2.2.5 Local government and housing

Federal and state governments are responsible for the funding and delivery of housing assistance. The role of local government in housing has been limited to supporting, promoting and facilitating the development of new housing – both social housing and new private housing – and engaging in community development and direct social service provision for low income people living in marginal forms of housing such as caravan parks and rooming houses. Additionally local councils serve as regulators of the private rental housing via their administration of the Building Act and Building Code of Australia and the Public Health and Wellbeing Act 2008 (See also Gurran, 2003a, Gurran, 2003b).

Councils in the EMR have adopted the following strategic housing policy documents:

- City of Boroondara Social Housing Policy 2008-2011
- City of Knox Housing Statement 2007
- City of Manningham Affordable Housing Policy and Action Plan 2010-2020 (Draft under consideration by Council)
- City of Monash Housing Strategy 2004
- City of Whittlesea Housing Study 2003
- Shire of Yarra Ranges Housing Strategy 2009
- The City of Maroondah has not developed any housing policy documents to date.

Issues relating to the private rental market are outside the ambit of nearly all of the strategies adopted by councils in the EMR. Several strategies acknowledge the vital role of the private rental market, but no specific strategic actions are specified. Particularly noteworthy was the commitment of the City of Boroondara to encouraging good management of private rooming houses.
The omission of issues concerning the private rental market is unsurprising due to several factors. Local government confronts a lack of clear policy on the retention of affordable private rental housing from the higher levels of government. There is also some legal uncertainty around using local planning policy mechanisms to expedite the delivery of social housing.

Secondly, local government must balance a range of competing interests and relationships which impact on housing outcomes. Statutory planning is often controversial, particularly in relation to suburban infill and brownfield development. This dynamic generally favours constituencies which are articulate and well organised. Interestingly, none of the strategy documents demonstrated that specific consultation was targeted toward key actors in the private rental market including private developers, landlords, estate agents or private tenants in the development or implementation of housing strategies.

Given this challenging and often contested policy environment, strong and consistent leadership at the local level is crucial to achieving improved outcomes in the private rental market (Garan, 2003). Affordable Housing Steering Committee (2002). Such shade may help ensure councils are able to leverage funding from higher levels of government and develop partnerships with government and other stakeholders. Such logic appears to have informed the establishment of the Eastern Affordable Housing Alliance by the EMR councils to advocate for a greater investment in affordable housing across the region.

2.3 Policy review conclusion

This section has identified a typology to illuminate the distinct household types experiencing rental stress, the transitions they make through the housing system and the adaptations they make to the experience of rental stress. It has also provided an overview of policy and legislation that influence the private rental market and the experience of tenants as well as an investigation of existing service providers and housing stock.

This review has informed the following research questions which will be illuminated in the following sections:

- What is the current situation in the EMR in relation to private rental and how has it changed over the last five years?
- Which groups are experiencing rental stress or are excluded from the private rental market, and what are the particular problems and barriers they experience?
- How do those in rental stress or excluded from the private rental market adapt and cope?
- What formal and informal supports exist specifically to help people in private rental stress or those excluded from the private rental market? How effective are these and what are the gaps in service provision?
- What is the interaction with the service system and the individuals and families in it with members of the private real estate industry? What role does it play and where are the points of intersection and divergence between these two sectors?
- What can be done to change the situation to the benefit of those currently experiencing affordability problems and stress in the private rental market?

5. The private rental situation in the EMR – the experience on the ground

This section explores the issues raised in earlier sections of this report in relation to private rental affordability through the experience of low income renters, those seeking access to the rental market, and individuals in the service system interacting with them.

This study modeled the experiences of four low income household types renting in the EMR based on income and median rent data from the March quarters of 2007 and 2011. The analysis below is based on the methodology used in the TUV Rental Affordability Bulletin, which compares household incomes to median rents according to property type. This enables a calculation of how much household income is expended on rent at the median level and variations over the period. This draws on two well recognised standards:

- 30% of Total Income: For low income households (defined as being in the lowest 40 percent of income distribution), spending 30 percent or more of household income on rent is considered an indicator of housing stress.
- After Housing Poverty Line (AHPL): Poverty lines are income levels derived for various household types, against which poverty can be measured. Simply, if a household’s income is less than the poverty line applicable to it, then that household is considered to be in poverty. The AHPL refers to a poverty line with housing costs removed. The figures below show how far above or below the poverty line a household is after paying rent at the median level in dollar terms.

The income levels used for each of the household types includes any eligible Commonwealth Rent Assistance and Family Tax Benefit payments. Rent data is provided by the Office of Housing based on bond lodgement data held by the Residential Tenancy Bond Authority.

The overall picture shows affordability and housing stress at critical levels for all three household types across the region.

Single sharer on Newstart

Single renters on Newstart sharing a two-bedroom flat have been faced with unaffordable rents for a half-share in a two-bedroom flat across all municipalities over the 2007 to 2011 period. Singles on income support sharing accommodation receive a lower Rent Assistance payment than singles renting alone.

In the March quarter of 2007 the most affordable municipalities for single renters sharing a two-bedroom flat were Yarra Ranges and Knox where the median rent would have consumed 41 percent of their income support payments. The most expensive municipalities for this household type were Boroondara (68 percent of income) and Manningham, Monash and Whitehorse where median rents represented around 60 percent of income support payments.

All municipalities saw significant rises in median rents and consequent increases in housing stress for this household type over the period 2007 to 2011. The greatest increase in the percentage of income paid in rent by single sharers renting in Knox with a rise from 41 to 55 percent of income required to pay a half-share of the median rent for a two-bedroom flat. Figures for the March quarter 2011 showed that the percentage of income consumed by the median rent for this household type ranged from 50 percent in Yarra Ranges to nearly 70 percent in Boroondara.

Single renters sharing accommodation are in significant housing stress across the region. After paying a half-share of the median rent for a two-bedroom flat, single sharers are left between $80 and $130 below the poverty line depending on where they are living in the region.

Single on Aged Pension

In all municipalities, median rents for a one-bedroom flat have been at unaffordable levels for single renters living on the aged pension for the period 2007 to 2011. More generous increases in pension payment levels over this period compared to other income support payments mean that levels of housing stress for aged pensioners have either remained steady or improved across the region.

In the March quarter of 2007 the most affordable municipalities for aged pensioners renting alone were Knox where the median rent for a one-bedroom flat would have consumed 43 percent of income and Yarra Ranges where the median rent was just under half of household income. The most expensive municipalities for single renters were Manningham, Monash and Whitehorse followed by Boroondara where the percentage of income required to pay the median rent on a one-bedroom flat ranged from 60 to nearly 80 percent.

While median rents for one bedroom flats increased in all municipalities over the period 2007 to 2011, increases in pension payments over the period have provided a buffer against rising levels of housing stress for aged pensioners. In Monash, Maroondah and Whitehorse where rent increases for one bedroom flats over the period were relatively small, affordability for single renters actually improved. This improvement in affordability still leaves aged pensioners in significant housing stress with the median rent consuming 44 percent of income in Maroondah, 56 percent in Whitehorse and 63 percent in Monash. Affordability levels remained steady over the period in Yarra Ranges and Boroondara with the greatest increases in housing stress levels for this household type showing up in the municipalities of Knox and Manningham.

Looking at income left after paying for housing, 2011 figures show aged pensioners living below the poverty line in most municipalities with the exception of Maroondah where housing costs leave aged pensioners $18 above the poverty line and Yarra Ranges where aged pensioners are sitting on the poverty line after paying for rent. While aged pensioners have fared better over the period than other low income households, median rents remain at unaffordable levels for aged pensioners across the region.

Sole parent with one child

Sole parents with one child renting a two bedroom flat at the median rent have been faced with unaffordable median rents across the region over the period 2007 to 2011. In 2007, the most affordable municipalities for a sole parent renting a two bedroom dwelling were Knox, Maroondah and Yarra Ranges where the median rent would have consumed just under half (46 percent) of household income. Manningham and Boroondara were the most expensive municipalities where a sole parent would need to pay between 60 and 65 percent of their income for an average two bedroom dwelling.

All municipalities saw a drop in affordability for this household type over the period 2007 to 2011. Sole parents in Knox have experienced the greatest increase in levels of housing stress over the period with a rise from 46 to 60 percent of income required to pay for an average two bedroom dwelling. Manningham showed the smallest increase with a rise from 61 to 67 percent of income paid in rent. The distribution of rental affordability across the region remained much the same over the period. Figures for the March quarter 2011 showed Yarra Ranges and Maroondah were the most affordable municipalities for this household type consuming around 55 percent of the income of a sole parent with one child.

The most expensive municipalities for this household type were Boroondara (73 percent) and Manningham (67 percent).

Rental housing stress is clearly a common experience for sole parents across the EMR. After paying the median rent on a two bedroom dwelling sole parents living on Centrelink income with one child are left with an income more than $100 below the poverty line regardless of which municipality they are renting in.

Couple with 2 children on minimum wage

A couple with two children renting an average three bedroom house and living on a single income at the minimum wage have experienced moderate to severe housing stress over the 2007 to 2011 period. In the March quarter of 2007, renting an average three bedroom house in the Yarra Ranges, Maroondah or Knox would have put this household type on the cusp of housing affordability with median rents consuming around 30 percent of household income. The least affordable municipality for this household type was Boroondara where half the household income was required to pay the median rent for a three bedroom property.

While housing stress levels have increased over the period for this household type, the increase in median rents in relation to income has been more moderate than for other household types in this study. The greatest increases over the period were in Boroondara where the percentage of income paid in rent for a three bedroom house rose from 50 to 62 percent and Maroondah which saw a rise from 31 to 40 percent of income paid in rent for this household type. Low income families in the Yara Ranges also experienced a significant rise in levels of housing stress with the percentage of income consumed by rent for an average three bedroom house moving from 30 to 38 percent.

Like other low income households in the region, couples with children are left with incomes significantly below the poverty line after paying for a rental property of a reasonable size and in a reasonable condition.

3.1 SAAP services and private rental stress in the EMR

The following section explores how private rental stress is experienced in each EMR LGA using SAAP data about individual support periods. As outlined in the methodology, an ad hoc data request for SAAP data was made to the AIHW for this project. Data was made available from 2007 to 2009. The following analysis largely uses data from 2009.

SAAP data collection records all reasons for seeking assistance11, but for the purposes of this project the majority of data obtained from AIHW only relates to those support periods where the main reason for seeking assistance was related to accommodation due to other reasons that people seek assistance, such as family violence, are not examined in detail.

The definition of accommodation-related reasons selected for this analysis is outlined in Table 4.

Table 4: Definitions of main reasons for seeking assistance

<table>
<thead>
<tr>
<th>Reason</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent too high (Financial)</td>
<td>Should be selected if the client doesn’t have the financial resources to meet rental commitments.</td>
</tr>
<tr>
<td>Other financial difficulty (Financial)</td>
<td>Should be selected if the client was homeless or sought assistance because he/she had insufficient money to pay for accommodation, food, bills or other essentials.</td>
</tr>
<tr>
<td>Overcrowding issues (Accommodation)</td>
<td>Should be selected if the client was homeless or sought assistance as a result of household stress from an overcrowded living situation.</td>
</tr>
<tr>
<td>Eviction/asked to leave (Accommodation)</td>
<td>Should be selected if the client was formally evicted from his/her previous accommodation arrangement (for example, by a landlord or public housing official) or if the client was asked to leave their previous accommodation (for example, if the client was asked to leave by flatmates).</td>
</tr>
<tr>
<td>Emergency accommodation ended (Accommodation)</td>
<td>Should be selected if the client was required to leave the emergency accommodation (including SAAP accommodation) at which s/he was previously staying.</td>
</tr>
<tr>
<td>Previous accommodation ended (Accommodation)</td>
<td>Should be selected if the client’s previous accommodation was no longer available (for example, the breakup of a group home).</td>
</tr>
</tbody>
</table>

Source: AIHW, 2008B.

Table 5 shows the three most common reasons for seeking assistance in each LGA as a percentage of total support periods in 2009. For example, 19.9% of support periods in Knox had the main reason for seeking assistance as ‘relationship/family breakdown’.

Of the 26 listed reasons for seeking assistance on the SAAP NDCA Client Form, the top three reasons in each LGA are spread across only seven categories. Three of these relate directly to accommodation (as defined for this project, highlighted in grey in table) – ‘other financial difficulty’, ‘eviction/asked to leave’ and ‘previous accommodation ended’.

The most common reason for seeking assistance related to accommodation in both Knox (eviction/asked to leave, 21.5%) and Yarra Ranges (previous accommodation ended, 24.8%) is ‘other financial difficulty’.

Table 5: Most common reasons for seeking assistance in each LGA as a percentage of total support periods in 2009 (rounded)

<table>
<thead>
<tr>
<th>LGA</th>
<th>Previous accommodation ended (Accommodation)</th>
<th>Other financial difficulty (Financial)</th>
<th>Eviction/asked to leave (Accommodation)</th>
<th>Overcrowding issues (Accommodation)</th>
<th>Employment (Financial)</th>
<th>Relocation (Financial)</th>
<th>Relationship/family breakdown</th>
<th>Other reasons</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knox</td>
<td>24.8%</td>
<td>21.5%</td>
<td>11.3%</td>
<td>7.6%</td>
<td>8.2%</td>
<td>9.0%</td>
<td>1.4%</td>
<td>0.1%</td>
<td>67.1%</td>
</tr>
<tr>
<td>Maroondah</td>
<td>36.7%</td>
<td>21.5%</td>
<td>7.6%</td>
<td>0.1%</td>
<td>8.2%</td>
<td>6.7%</td>
<td>1.4%</td>
<td>0.1%</td>
<td>67.1%</td>
</tr>
<tr>
<td>Whitehorse</td>
<td>30.6%</td>
<td>21.5%</td>
<td>7.6%</td>
<td>0.1%</td>
<td>8.2%</td>
<td>6.7%</td>
<td>1.4%</td>
<td>0.1%</td>
<td>67.1%</td>
</tr>
<tr>
<td>Manningham</td>
<td>30.6%</td>
<td>21.5%</td>
<td>7.6%</td>
<td>0.1%</td>
<td>8.2%</td>
<td>6.7%</td>
<td>1.4%</td>
<td>0.1%</td>
<td>67.1%</td>
</tr>
<tr>
<td>Yarra Ranges</td>
<td>30.6%</td>
<td>21.5%</td>
<td>7.6%</td>
<td>0.1%</td>
<td>8.2%</td>
<td>6.7%</td>
<td>1.4%</td>
<td>0.1%</td>
<td>67.1%</td>
</tr>
</tbody>
</table>

11 The SAAP data collection tool specifies the presenting reasons for seeking assistance. There is a list of 26 options which are broken down into five categories of interpersonal relationships, financial, accommodation, health and other reasons. The Support Data Collector’s Manual (Australian Institute of Health and Welfare, 2008B) provides definitions of each of these 26 options.

12 The SAAP data collection tool specifies reasons for seeking assistance into five categories of support. For the purposes of this project, seven reasons that relate to accommodation are drawn from the ‘accommodation’ and ‘financial’ category as these were considered to be most relevant to private rental housing stress. 

Yarra Ranges shows a sharp increase in support required for accommodation-related reasons, from 28% in 2007 to 45.9% in 2008 (to 46.4% in 2009). A steady increase is evident in Whitehorse (12.7% in 2007 to 24.1% in 2009) and Maroondah (23.8% in 2007 to 37.8% in 2009). All but Monash and Knox rose in 2009 above 2007 levels.

Figure 9: % of support periods where main reason for seeking assistance related to accommodation

Figure 9 shows support periods in 2009 where private rental was the form of tenure before and after support periods in all EMR LGAs (the graph does not show the number of missing or do not know responses). Given the aggregated nature of the data it is not possible to know whether this means the same people are in private rental before and after support. In Yarra Ranges 48.3% of support periods were provided to people living in private rental, and in Maroondah almost 40%.

Private rental was a more common tenure type before a support periods than after in all LGAs except Monash and Whitehorse.

Figure 10 shows support periods in 2009 where private rental was the form of tenure before and after support periods in all EMR LGAs (the graph does not show the number of missing or do not know responses). Given the aggregated nature of the data it is not possible to know whether this means the same people are in private rental before and after support.

In Yarra Ranges 48.3% of support periods were provided to people living in private rental, and in Maroondah almost 40%. In contrast, less than 20% of support periods in Boroondara were provided to people living in private rental:

Private rental was a more common tenure type before a support periods than after in all LGAs except Monash and Whitehorse.

Figure 10: Type of tenure before and after support periods - private rental (2009)
The differences between tenure before and after support periods across LGAs can be significant, as demonstrated by the comparison below between Boroondara and Yarra Ranges. This is a comparison between the two LGAs with the lowest and highest number of support periods where tenure type before and after support was private rental, respectively. (Appendix 6 shows the tenure type before and after support periods for the remaining EMR LGAs).

Figure 11 shows tenure immediately before and after support periods in Boroondara in 2009. Community housing rental (23.9%), public housing rental (25.1%), and private rental (19.6%) were the most common tenure types prior to seeking assistance.

Community housing rental (11% increase) and public housing (8% increase) both increased as a proportion of tenure types after assistance. There was an 8% decrease in SAAP/CAP crisis short term accommodation, a 7% decrease in no tenure, and a 6% decrease in private rental as tenure types after assistance.

Figure 12 shows the tenure type immediately before and after support periods in Yarra Ranges in 2009. Compared with Boroondara a much larger proportion of support periods were assisting those in private rental (48% compared with 20%).

In Yarra Ranges there is a 19% increase in SAAP/CAP crisis short term accommodation after a support period.

There is also a significantly smaller proportion of support periods where community housing rental is the tenure type, both before (5%) and after (2%) in the Yarra Ranges.

In contrast to Boroondara (2%), 18.1% were boarding prior to seeking assistance in Yarra Ranges. Furthermore, 9.7% of support periods concerned people who were ‘purchasing/purchased own home’, compared with 0% in Boroondara.

This brief comparison between two EMR LGAs highlights the importance of exploring and understanding local variations in demand and support needs as this can allow the development of more targeted programs and solutions.
3.2 The experience of service users, service workers and other stakeholders in the EMR

The following section will seek to flesh out the issues raised in previous sections in relation to private rental affordability through the experience of low income renters, those seeking access to the rental market and individuals in the service system interacting with them.

In particular, the interview data will be used to shed light on the following questions:

- How has the private rental market changed in the EMR?
- Who is having trouble maintaining and accessing private rental?
- What are some adaptation strategies used by those in private rental?
- What supports exist for those excluded or having difficulty maintaining a private rental?
- What is the role of the Real Estate industry?
- What is the role of local councils?

3.2.1 How has the private rental market changed in the EMR?

The vast majority of interview data indicates that the private rental market in the EMR has worsened dramatically in the previous five years. The factors driving this, described in one interview as a ‘perfect storm’ of factors, are not dissimilar to those affecting the rental market in other parts of metropolitan, and for that matter, non-metropolitan Melbourne. This supports the evidence outlined in part one and two of this report of a declining private rental market.

The key drivers identified in the interview data are worsening affordability, record low vacancy rates and suitability of accommodation. A major contributing factor faced by some individuals and families was a marginal position in relation to the labour market.

Affordability

Declining affordability was cited by virtually all those interviewed as the number one issue facing renters and potential renters in the EMR. Although the pressures arising from this are particularly pronounced for low income families, as the interview data makes clear they are also a factor for those on higher incomes as well.

Increasing rental costs and tight housing supply are so interrelated that it is virtually impossible to talk about one without the other. Nonetheless it is a useful exercise to try and make some comments specifically in relation to affordability.

Interview data backed up the information presented in the previous sections of this report, that the majority of those on low incomes are paying well in excess of 30 percent of their total income, the benchmark of housing affordability, on rent. Financial counselors interviewed as part of this project reported seeing people paying up to 70 percent of their income in rent.

“It’s a lot harder when you’re on your own, the price of rentals around here is not, you’d be lucky to get a two bedroom unit for that price and with three kids, it’s not a viable option.”

Linda, older female in transitional housing

“There’s much less cheaper stock coming on in the outer east – it does not turnover. So what you are going to get for under $200 a week is a shed or a boarding house.”

Housing worker

“Real estate agents look at usually, 35% of clients’ income as their affordability for private rental, even though in some cases we have seen clients in the real estate market get above that, which is strange because there’s no way they can afford that.”

Housing worker

Interview data suggested that not only are rents increasing, but that increases are occurring with greater frequency. The Residential Tenancies Act 1997 (RTA) regulates the timing of rent increases to twice annually but does not regulate the amount by which they can be increased. It is standard practice for real estate agents to review rent every six months in order to keep properties in line with the market rate, usually by looking at the web to see what similar properties are getting at other agencies.

“We found [costs] were going through the ceiling, I’d be doing rent reviews every six months and I’d be looking at it and thinking, okay, we suggested it could be three hundred dollars a week, that that would be where it sits in the market at the moment. Then within six months I’m suggesting it is going to be $320. Now that’s a huge hike. Years gone by you’d be suggesting rent increases of $5 a week, now the increase is minimum of ten to keep it in the same price bracket. Of course the owners need the extra money too because of higher interest rates, it is our duty of care to the owner to keep it in the market.”

Real estate agent

“We are being paid by the landlord so we have to get them the best money we can. Sometimes I am gobsmacked at the amount of money these properties are returning but that’s what they are getting on the market, that’s what the market is indicating they are worth.”

Real estate agent

For renters on a low or fixed income, uncertainty about future housing costs creates stress and makes it difficult to budget.

“It is a big jump from paying say, a 100, 110 or 120 to paying two hundred. Because it means there is no money over. Now I do get the Commonwealth Rental Allowance, which is $113 a fortnight. But it is still a lot of money and I’m not saving anything, and that worries me a bit. Occasionally I might put $20 into a little savings account I’ve got, but then I usually find I’ve got to take it out and buy something, when something happens. Now if that refrigerator packs up, I don’t know what I’m going to do. No, you are really living on a sort of hand to mouth existence.”

Joanne, older female renter

“If rent increases, there’s no CPI increase. It’s just ‘yeah let’s whack it up $20 bucks’. I mean I don’t know anything else that increases by that much over 12 months. There just has to be some sort of margin for people to predict and work within like, okay the rent’s this much I reckon it should go up about this much. But there’s just nothing, it’s a blank slate. And it’s supposed to have something to do with market rates. But I don’t think rents ever drop when the market does.”

Micaela, former renter, now in social housing

Although there is not the space to explore this issue in detail, it is worth emphasising the strong correlation coming out of the interview data between poor housing outcomes or exclusion from the private rental market and poor or marginal employment.

Real estate agents confirmed that job security is a major issue they consider as part of the process of considering who to rent to.

“And it’s not even so much if they’ve only been in a job two months, because someone may have come from employment from eight years prior and changed. But job security is a big one, for landlords wanting to know the job’s secure and they’ve got steady income.”

Real estate agent
Issues related to marginal and casual employment, such as job insecurity and fluctuating income can have a big impact on a person's ability to maintain housing. Difficulties with budgeting to cover living expenses week by week, let alone saving are already a daily challenge for those in marginal employment. These pressures can be compounded when the cost of basic needs rises, such as a rent increase, especially when the amount and timing of this rise cannot be predicted. As the following quotes suggest, the question of what is affordable can very quickly change for someone in marginal employment.

"Another big issue is under-employment or precarious employment. People who are working casually, because they've got this huge rent commitment and all of a sudden their work gets cut by a day a week or because of being casual they don't get notice [if they get let off] and it's just an up and down battle because you can't save money to pay your rent by the due date when you're getting $300 one week and $200 the next. It is really problematic for people because there is no stability in employment."

Financial counselor

"If you're a waged couple, even if it's a relatively middle-income couple, you can probably access home purchase for the time that your union is stable. If you are a single person who is waged, particularly if you are in casual employment then that will no longer guarantee you affordability in the private market in the way that it did in the past. The issue is a combination of things, like low wages, casualised employment arrangements, etc. Income adequacy is not just something that affects statutory income holders. It's also about income adequacy for people in the casual workforce."

Housing worker

For one participant, the inadequacy of an apprenticeship wage, despite its regularity and consistency, meant that private rental was not an affordable housing option.

"As a first year apprentice I was on $220 a week, so take $150 out of $220 and there's no chance of accessing private rental."  
John, young male

Vacancy rates

Low vacancy rates are the key factor behind declining private rental affordability. These have been below three percent over the last five years across metropolitan Melbourne and show very little sign of easing. While vacancy rates are lower nearer to the CBD, even in middle and outer ring suburbs they have been hovering at under two percent for the last five to six years.

Some of the interview data suggested that stock had always been limited in the EMR due to the particular demographics of this region, i.e., there is a higher proportion of people who tend to buy and live in the region and there is a concentration of higher income households in some locations. The rental market is segmented, as different income groups generally tend to compete at different price points. The phenomena of higher income households trading down and capturing more affordable properties means the bottom end of the market is highly competitive. The interview data confirms the findings, by the National Housing Supply Council that of the 1.4 million private rental properties considered affordable to lower income households, over three quarters were occupied by higher income households (National Housing Supply Council 2010).

"It's what we call an unbalanced market. The number of vacancies is not enough to meet the number of people going around. This means that there are people who are experiencing difficulty getting rentals that would not have in the past just because the landlord is choosing between available tenants they will choose one over others and there are those who will miss out.

Look, we've not seen any serious signs of an easing. It vacillates around and you can make an argument that it is slightly better than it was a year ago, but we don't see any signs of it changing. Unfortunately, it has been particularly worse in the outer suburbs for the last year or so."

Real estate agent

While there are obviously many reasons for this shortfall, one that emerged strongly from the interview data is the impact of gentrification in the inner and now middle ring suburbs. This was particularly emphasised by council staff working in the housing area.

The subdivision of old owner-occupier blocks, and the upgrading and renovation of other stock, often with the intention of selling or moving in, has had the impact of taking properties off the market, hence driving up rents. Interview data also indicated that gentrification has had the impact of increasing evictions, as owners renovate to sell or occupy.

It has also impacted on the availability of more marginal forms of rental tenure which nonetheless have played important role in meeting supply, such as supported residential services (SRS) and traditional boarding and rooming houses. These have been reported to be in decline across the EMR, particular in inner areas. While a large house that used to accommodate 40 people is renovated into a luxurious house for one family, the resulting pressure on the rental market is obvious.

The clearest evidence of the rental supply problem in the EMR has been the expansion of unregistered and sub-standard rooming housing that has filled the gap left by the reduction in traditional SRSs and boarding houses.

Several interviews conducted as part of this study identified a trend in which companies and private individuals buy houses across the EMR with a view to changing them into rooming houses. Others reported instances of private individuals putting up sheds in their back yards and converting garages, with a view to renting them out.

These cater to the growing number of overseas students attending higher education institutions in the EMR and these rooming houses are often the only option for many low income renters.

While councils report that some of these rooming houses are run by people who are unaware or do not understand their obligations under relevant legislation, it is obvious that others are blatant and knowingly flouting rules.

There has been some action in regards to problems with rooming houses across Victoria, including a 2009 campaign, ‘Call this a home’ that called for the introduction of minimum standards, licensing and greater penalties for non-compliance. Following on from the Rooming House Standards Taskforce set up in 2009, the current state government recently proposed new standards to improve the safety and security of rooming house tenants.13

Interview data indicated that Whitehorse and Monash have the most significant problem with unregistered and sub-standard rooming houses. Efforts to deal with the unregistered sector have been hampered by the fact that different councils take different approaches with regard to enforcement of standards. Their situation is also complicated by interactions between different parts of council and the rules and regulations that cover them, such as planning, building and health which all have different interpretations and different standards and different triggers.

There were concerns raised in some interviews as to whether the increase in rooming houses was partly being driven by some housing and homelessness services that refer clients to them.

Caravan parks are the other marginal tenure reported to be under threat in the EMR, mainly in the Yarra Ranges. Interview data revealed that caravan parks are now discouraging certain types of long stay lease tenants, including referrals from Entry Points. Homelessness services report owners feel they are not equipped to deal with the issues these tenants bring, especially if they are concentrated in a small area.

"They are happy to have you as a long stay resident if you are just an old person with limited means. But in terms of taking referrals from agencies for people with complex needs. Nah, a lot of caravan parks are moving away from that."

Housing worker

This further reduces low cost housing options in the EMR.

Suitability of accommodation

Not only is there insufficient stock, but much of the stock that is available is not suitable. Much of the stock at the lower end of the spectrum is not large enough for low income families, while new housing is often not designed for ageing and disabled people. The mismatch between housing types and demand was particularly emphasised by council staff. There is also the issue of the substandard nature of much of the accommodation.

“We’ve done some research putting together a target for affordable housing. We’ve looked at what rental properties are out there and what you might get for your money. Anything that’s moderately affordable is quite steadily capped. But we don’t see that we have an immediate role in dealing with that in a regulatory sense.”

Council worker

There is clearly a concern about the provision of suitable and affordable accommodation at a local council level, yet this sits alongside a sense that their hands are tied and the actions they can take to successfully address issues of affordability are limited. (The roles and actions of councils are discussed in section 3.2.6).

Issues raised by renters interviewed as part of the study include old fittings and poor energy efficiency, resulting in high utility bills.

“There are plenty of rental properties on the market. It depends on what you need and what you can compromise with. Some houses were in quite bad condition... not safe for families or babies but some students who live in groups can live in those sorts of properties. I was looking for a good sized home in good condition as well.”

Tracey, female renter

3.2.2 Who is having trouble maintaining and accessing private rental?

“We’ve always had issues of low income people maintaining their tenancies because you only need one disaster and then their whole lives come tumbling down because there is no fat in their finances. I think we are finding more people falling into that category in comparison to market rental because market rents have been going up over the past few years. We have more students and they find it difficult to maintain their tenancies because the moment they stick their head up and say hang on you are not doing the right thing they start getting threats... or you know, you won’t find another place, and the vacancy rate has dramatically dropped over the last few years and social housing waiting lists have increased dramatically.”

Housing worker

There was a general consensus in the interview data that homelessness and housing support services are now dealing with a much broader cross section of people than previously.

The data also highlighted doubts, raised in other studies (Jacobs et al, June 2004) around the historical role of the private rental market as the first stage of a housing career that culminates in owner occupancy.

Those excluded from private rental

“You are getting a wide range of people, most on low incomes. They are on benefits. Many have significant mental health problems.”

Housing worker

Obviously, there exists a group that have traditionally found it difficult to access private rental; many of whom regularly present at Entry Point services. Often these people exhibit multiple and complex problems, including drug and alcohol abuse, mental health problems, interactions with law enforcement agencies and child protection services, etc.

Many service workers interviewed for this project indicated that they felt this group was unlikely to be able to get or sustain private rental in the current circumstances, no matter what their agencies did to assist them. This is because their problems are so long term and entrenched that they have not got the skills or attitudes to do what is necessary to successfully access and maintain private rental. In addition, this group is often far more likely to have been blacklisted as a result of real or perceived private rental related problems in the past. This group now faces increased private rental costs and a more limited range of accommodation options as a result of more limited crisis and transitional accommodation options, reduced access to public housing and greater pressure on the lower end of the private rental market.

Others identified in the interview data as frequently being excluded from private rental were students, young people, and new migrants.

Real estate agents interviewed as part of this project reported being suspicious having students as tenants because, as the agents saw it, young people fall into rental areas easily because they have difficulties budgeting and managing money. This concern was also raised by a service worker from a youth refuge.

“A lot of them [young people] don’t make it, they might get into a private room and we often say, you can’t really afford to do this, and they say ‘well, I’m sick of being in a refuge’, which is fair enough. We’ve got a whole lot of different rules we have to have because of the young people that are here. But they go into a rental and they’ll miss a payment because they might’ve spent the money on something else, alcohol, partying or something else, and so they miss a payment and they’re struggling after that. As soon as they miss one they’ve gotta pay a little more the next week, and then, eventually, it falls down and they get kicked out.”

Housing worker

The increasing emphasis by real estate agents and landlords on having a stable and positive private rental history also means that problems experienced early on in private rental may significantly complicate the disadvantage faced by the individual concerned at a later date.

“The trouble with real estate agents or ads in the paper [is that] the young person turns up and there’s 50 people there applying for the same unit or house, and they’ve got a full time job, they’ve got rental histories. These young people don’t have a rental history and more often don’t have a full time job, so always down the bottom of the ladder.”

Housing worker

As discussed earlier inadequate income is a significant barrier to obtaining suitable housing.

“The only thing that was holding me back from private rental was the money that I was getting from Centrelink just wasn’t enough, especially cause you get paid fortnightly and lots of people want rent weekly.”

Peter, young male

The difficulties experienced by young people interacting with the private rental market have often been viewed as a temporary or transitional phase on the way to a more stable housing career. While this appears to still be the case, pressure on the lower end of the private rental market, combined with blockages in transitional housing services for those who do experience problems is making the situation much more difficult for some.

“Students have a bad name. Real estate agents don’t necessarily want to take them. They would prefer someone who is working.”

Housing worker

One option for those young people who are students is services provided by universities and TAFE. These institutions, of which there are a large number in the EPF, provide a range of housing and accommodation services, including property databases, the majority of which are offered by owner occupiers/private landlords who have a property or, as is more commonly the case, a spare room in an existing household they wish to rent out.

For the most part, workers at these housing services do not have the time to assess or vet each of these properties offered on their database. These services provide limited assistance to students in terms of identifying suitable properties, making appointments to view these and liaising with landlords. They also provide some support to students having trouble in an existing rental property, such as referring them to appropriate support agencies like the TUV or CAV.
One group who the data indicated found it particularly difficult were international students, particularly mature aged students who may have brought their families with them. Universities offer a more intensive service for overseas students who need assistance to understand rental agreements, and what their legal rights and obligations are as a renter.

“Ironically international students are a target group who need to be better engaged with the community. International students pass through the area. It’s not just students at Monash University. There’s Deakin and Holmesglen and there are students who attend some of the institutes in the city who will still live in Clayton because it’s conveniently, culturally suitable.”

Council worker

“They come here without realistic expectations and this is a massive problem. An international family come in, husband and wife and three children and they are looking for a one or two bedroom house because that’s the most they can afford. They have very little funds with them.”

Housing worker

Overseas students may often be first time renters and hence have no private rental history. Services, such as homelessness services, will often not help them because they are not permanent residents. Interview data also raised some suggestions that some real estate agents prefer tenants who speak English.

A specific subset who experience significant problems in relation to accessing private rental are recently arrived migrants, arriving in the EMR in increasing numbers, the majority of whom are young. For young migrants, difficulties are compounded.

“ar lot of people come here as singles, and for a single person who is not working it’s really hard to, and without a rental history, it’s almost impossible to rent them a house, especially younger people like a young man. To rent on their own it’s, you know, no landlord or real estate agents will pick them up; it’s very hard. It’s the same with ladies as well, single ladies. So usually those people, with those people we have to apply to 40 houses, 50 houses, until they get one. It’s really hard.”

Housing worker

Those struggling to access or maintain private rental

“I would suggest, one dotone, it is Mr and Mrs average who have problems.”

Housing worker

“We are seeing people we would have never seen a few years ago, people who cannot afford the rent because of the cost. Also people who cannot maintain a mortgage but who cannot get rental because they have never had a rental history.”

Housing worker

In addition to those traditionally excluded from private rental, interview data suggested there is an emerging group who did not previously have problems accessing the housing market who now are, or who are finding it harder to maintain their existing rental. These groups do not easily fit into clearly defined categories, such as ‘pragmatists’, ‘backsliders’ and strugglers (Burke et al., 2007), but move between these groups or simultaneously exhibit characteristics from one or more of them.

In interviews, many housing workers talked about a “new wave” of clients appearing at their services. Others termed them “a new demographic”. Staff from homelessness and housing services reported this group has increased post the global financial crisis. This includes those who may have had a long term rental, even a mortgage, lost it due to deteriorating health or financial circumstances and cannot get back into the market.

As a result, not only did homelessness service staff report feeling that they are busier, their work is more complicated because many of this ‘new wave’ of clients do not qualify for crisis or temporary accommodation options. This is either because they do not meet income means tests or do not have complex issues. Their only problem, at the beginning at least, is a lack of affordable housing.

“What are people who are just a fraction above the threshold and they are not entitled to anything, so they get no concessions, nothing even though their income is just a fraction above that of someone on a Centrelink benefit.”

Financial counselor

“We also get calls via intake from families who are renting who say we are in rental but the rent is too high. The best thing we can do is advise them to stay there, don’t leave because although this is hard, you really don’t want to have to come into the homelessness cycle, just talk to your real estate agent. You might not hear from them again, you just hope they cut down in some other area.”

Housing worker

In terms of outcomes for this group, homelessness services report they will sometimes find something, often at a standard far below which they previously would have considered taking. Quite a few people turn up once or twice for advice and are never heard from again.

Several service users reported trouble accessing the private rental market, even though they had a rental history and had only been out of the market for a few years. Previously, they would have found another rental and not bothered to come to a homelessness service. Their perception was that all you had to do ten to fifteen years ago was turn to a real estate agent, look at the property and choose whether or not to take it. This is not the case now.

“Coming up with bond and first month’s rent has been just really hard. And the thing is you can end up being stuck in this place between the haves and the have-nots. So you’re working, you’re earning a wage, you’re only just keeping your head above water and you can’t apply for any government assistance for bond and stuff like that.”

Housing worker

“This is what I mean about being stuck between the haves and the have-nots. These are people who are on benefits or low income who can apply for assistance and then are people who are sort of middle-range who have a lot of expenses, for other things - and I don’t have credit cards or anything like that - and I find it really hard to come up with $3000 odd dollars for bond and first month’s rent. Every time we’ve had to move we’ve had to ask family to help us do that.”

Housing worker

“Last year I got assistance from a community agency that helped me pay some of my rental arrears. That was at a time when I was only working casually so I was lucky that I was eligible to apply for that... I wouldn’t even try to get help from them now when I’m working full time.”

Gina, older female renter

The experience of this person indicates that eligibility for supports such as the Bond Loan Scheme may exclude households on relatively low incomes which are slightly above the threshold. Additionally it may suggest that a lack of awareness of specific eligibility criteria poses somewhat of a barrier to eligible households.

Not surprisingly, interviews with the real estate industry revealed a different perception of many of these problems, including the perception that an increasing number of tenants are miscalculating the costs of living.

“They do think they are discriminated against because they’re a single mum, but they are applying for the wrong type of property, purely based on income. That is what it boils down to purely and simply, income. Attitude is important as well. Come in here and start abusing everybody, you ain’t going to get a property.”

Real estate agent

“A lot of people come in and the rent for a week is two thirds of their weekly wage. They’re not looking at living within their means. People want more than they can afford these days.

“They’re not saying ‘well I’ve got this and I’m happy to live in a one bedroom, clean, tidy, but no, I want the three-bedroom ducted heating double garage’. And then they can’t understand why they don’t get rentals. They are trying to rent beyond their means. We have to work out that if you are trying to rent a property that’s two thirds of your weekly income, you can’t afford to live the rest of your way. So the first thing that goes is people’s rent goes. Because they want their food, they need their petrol.”

Real estate agent
This latter view is echoed in some of the other interviews.

“There’s a growing problem of people with massive mortgages who lose their jobs and suddenly they lose their house. I guess it comes back to affordability. High costs means higher mortgages which means more people in mortgage stress, more people vulnerable, more people who can lose their houses. All of that puts more pressure on the private rental market and every other level of houses out there.”

Council worker

Another major sub-group of renters commonly referred to by service providers in interview data as struggling are older people. Many older renters have been in stable rental accommodation for extended periods of time; thirty years in the case of one older renter mentioned in the interview data. The two most common problems cited in the data are increasing evictions, so the owner can renovate or sell the property, and rising rents, with one service provider reporting that it regularly sees older people paying an average of 50 to 70 percent of their income in rent.

Service providers report that once out of private rental, it is often impossible for an older person to get back into the market, no matter how good their rental history. This is due to a range of issues, most often affordability for someone on a fixed income, but also their inability to compete against young professionals. Some of the interview data also claimed there is a bias against older people on the part of some real estate agents in the region.

Interview data from homelessness service staff confirmed they are seeing increasing numbers of older people turn up at homelessness Entry Points. The issues touched on in the data relating to this group are the lack of clear support and referral pathways, with traditional homelessness services unable to help older people, even those facing the threat of eviction, until they are homeless. Suitable accommodation options for older people who are unable to access or maintain private rental are limited. Emergency or temporary accommodation options for older people such as SRSs and boarding houses are no longer so numerous or are full of mainly young people, many of them with complex problems. Independent living units are another accommodation option used by older people. This leaves social and public housing as the only accommodation options, neither of which offers a rapid response. These options may require them moving out of the municipality they may have lived in for a long time, cutting them off from social networks and other supports.

While the link between poor private rental outcomes and tenous labour market attachment cuts across age and gender lines, it can be particularly serious for older women with low skills who have not accumulated significant savings or superannuation.

“I think it’s the same as employment. It’s very difficult for women once they get past a certain age. People think you’re going to be trouble. They might be right, I don’t know. I’m very outspoken. I might be trouble. I haven’t looked in the private rental market since I’ve been back. Mainly because I took one look at the rent and decided it was just a waste of time. Private rental is outside the means of people who are on fixed incomes. And there is not a lot of it, which is the big problem. And I don’t know what the answer is, but I think it’s very good that the government has allocated money to help homeless people. Except that I’m not sure that they know exactly what homeless people means. And I think they, what they mean by homeless people is what you and I probably think they mean, is people who are living on the street with mental health issues, and what have you.”

Joanne, older female renter

Interview data from clients and service workers alike indicates a strong perception that in the current market, it is single women with children and older people who experience the most serious problems. This boils down to being viewed by the real estate industry as being high risk tenants.

One agency that works specifically with women reported constantly seeing women who have trouble getting rental:

“Women come in for private rental assistance telling me they’ve had to put in application after application because they have children on their own and they are on a pension and it’s impacting on them getting the property (because) they sort of go last on the list.”

Housing worker

Women who have been in a long-term relationship which has recently ended may lack a detailed rental history, even though they may have had a mortgage with their ex-partner, which demonstrates capacity to pay housing costs. Or someone may have continually broken their lease because an ex-partner has tracked them down. Problems can also arise if the woman has been joint tenant with an ex-partner who has moved out of the property, the house is still in both names, she is staying there and cannot afford to pay all the rent and he is refusing to pay any of it.

These potential scenarios were cited in interviews and can act to limit the opportunities for single women with children to successfully access and maintain private rental.

Social and health impacts of rental stress

Interview data strongly suggested negative impacts on health and wellbeing from being in a position of significant and prolonged rental stress.

Foremost, there are health impacts from going without.

“They skimp on so many other things so they can pay their rent and their health suffers because they skimp on medication and because they do not heat their houses because they cannot afford the utility to heat them.”

Financial counselor

Pressures also arise for parents trying to maintain consistency in their children’s schooling which puts greater pressure on other areas of life.

In the case of older renters interviewed as part of the project, in addition to the financial ramifications of falling into rent arrears, there was the embarrassment and shame of it becoming public and having to go to VCAT (Victorian Civil and Administrative Tribunal).

“My whole life was exposed, depression, anxiety and my financial problems.”

She continued.

“It’s [the house] was very difficult to find. It took 20 applications to get that house. The rent was way too much for us... but we just were desperate. And that’s what I feel is happening to a lot of people unfortunatley because it’s just so hard to get anything some people end up paying a lot more than they can afford because they’re desperate.

I’ve asked at one point, because we were getting so many knock backs for properties, I asked my mother if she could go and apply for a property in her name which I know is illegal and it didn’t end up happening because – I mean I don’t have a good relationship with my mum anyway – but I was just so desperate at the time that I said can you help us because I just don’t seem to be able to secure anything.

You look at any means possible sometimes. There’s nothing more sickening - and sickening in every part of your life, and I mean even your health - than not having a base. Not knowing whether or not in a month or two you’re going to have a roof over your head. If you’re risking eviction not knowing where you’re going to get the money from to pay your rent, where you’re going to live if you get kicked out. It’s sickening.

Being at risk of eviction - it’s made my anxiety worse, I’ve had my dose increased of anti-depressants, because of the stress it’s caused me. It’s caused me a lot of embarrassment as well. It’s made me feel physically ill, mentally ill. Everybody would be the same. Once your base is under threat, your home... I mean renting anyway you’re in somebody else’s house you don’t know whether you’re going to be able to stay...”

Gina, older female renter

Considerable stress also arises for those in rental but engaged in some sort of conflict with their real estate agent.
Interview data also highlighted the impact of significant periods of unsuccessfully looking for rental accommodation. Those on the receiving end of repeated knock backs from real estate agents described the experience as “demoralizing” and “dispiriting.”

Tracey, female renter

Interview data provided some interesting insights into how people adapt when faced with difficulties accessing or maintaining private rental.

In addition to supporting some of the adaptation strategies proposed by Burke (2010) and discussed in Table 2, the interviews uncovered additional adaptation strategies, such as avoidance, doing without and putting up with sub-standard accommodation.

Relocation as an adaptation strategy was a commonly cited response to private rental stress in the interviews. For some, the simple answer to the challenge of affordability was to move to where accommodation is less expensive, either to outer suburban or regional areas.

“I just go anywhere, that’s the good thing. I just pretty much have travelled like from heaps of places. I just go anywhere and make new mates everywhere.”

John, young male

For others, such as women escaping an abusive partner or someone trying to keep a family together or be nearer to their children, moving is not a choice but a necessity. The choice to move is not easy for everyone, especially people who have community and social connections that they want to maintain. It is particularly difficult for older people or people with family connections and children in one area.

Another dilemma arises with the fact that moving further away from schools, employment and support networks to save money on rent means increasing costs in other areas, such as petrol or public transport in order to get around. Some of the interview data also supported the importance of deciding not to move, and thus putting up with high rent or poor accommodation, because the location was near to support networks. Rent may be cheaper elsewhere if it means not having supports and thus being isolated, it may not be worth it.

“They [the homelessness service] wanted to put me in a place way up in the sticks and I said I can’t go there, it’s too far from my daughter.”

Linda, young female in transitional housing

Others may move as a result of a referral from a homelessness agency. One interviewee, a single woman in her mid-fifties, described moving many times in the last ten years in response to her housing situation, from stable rental, then after she became sick, moving between rooming houses and other tenuous forms of accommodation. During this time, she sent her daughter to live with her ex-partner.

“Over the last couple of years I’ve been in about 20-30 places. Some of them I’ve only been in a couple of days. One place I stayed in just one day. It was absolutely horrific… full of drug addicts. I didn’t want my daughter to be around that so her father has had her for the last couple of years. I never wanted to take her into that environment. She has never even come to visit. I used to go and take her out. I wouldn’t have her there. It was awful. It used to break our hearts. But I think I was a better mother for taking that.”

Susan, older woman

Indeed, some of the decisions and patterns of movement recorded in interview data appear bizarre, until underlying motivations, such as the desire to keep a family together, are factored in. This is particularly so when parents base their housing decisions on the educational needs of their children.
The most commonly cited reason to move or not move was parent’s attempts to maintain a child in education.

“When we moved from Moorooduc to Droydon we didn’t move school because I didn’t want to disrupt my son’s education. It takes us about 3 hours to get there and back again by bus and it’s probably only about a 15 or 20 minutes by car...because in the morning it takes us about an hour to get to school and then we’ve got to wait half an hour for the bus and then we’ve got to go to the Chirnside shopping centre and wait another half an hour for the next bus to come.”

Petra, young woman

Another renter who had moved several times in the last ten years justified her decision to pay over $1500 a month for a three bedroom house in the EMR, occasionally falling into rent arrears because of it. Thus:

“The kids have stayed in the same schools though. I’ve managed to move within an area. That hasn’t always been easy because where the kids go to school is quite pricey so I go further out.”

Linda, young female in transitional housing

Another woman interviewed, who has three kids and at the time was in transitional accommodation after receiving a notice to vacate her rental, justified her decision to stay in the EMR along the following lines:

“My boys are at school and I don’t want them to have to change. They are in grade three and six and they’ve been to about four or five schools already, with him being in grade six too, I’d rather keep him there. He’s going to be changing schools next year anyway. So I have been able to keep them at school while living in a hotel.”

Gina, older female renter

Burke refers to both legal and illegal means of increasing income as an adaptation strategy to maintain housing. One interviewee talked about the strategy he used to deal with the inaccessibility of a Centrelink income to meet his housing and other living costs.

“You have to do like criminal stuff to get money.”

John, young male

Some service workers talked about the risks faced by women leaving a situation of family violence, where returning to the relationship was the only way they could obtain accommodation.

“Some stay in the relationship, stay in the house. I know of one who’s just gone back unfortunately. Because there was nothing available. Some will go into shared or inappropriate shared accommodation. They may be forced to do that.”

Housing worker

In addition to the similarities with Burke’s adaptation strategies outlined above, interviews revealed three further strategies, doing without, avoidance, and putting up with sub-standard accommodation.

The strategy most commonly cited in interviews was doing without. This was particularly cited in relation to older renters and others on fixed incomes that pay a large percentage of what they receive on rent.

“They [older people] pay their rent before they buy food or pay medical bills.”

Housing worker

“They won’t heat their house in winter to avoid having to pay the energy bills.”

Housing worker

“Spend less on food. I think that’s mostly where they cut back. I would say that, women I know that have been successful in maintaining a rental usually they’re either working part-time, some are working full-time. And those who aren’t working just cut back on everything. And I would say they would, for the successful ones they would probably have some sort of budget that is quite tight, really tight. And I would also say that they know how to access services. Probably, we don’t all have a wealth of knowledge about what’s available to us but for some people they just have that ability to tap into appropriate services.”

Housing worker

Doing without includes developing an understanding of how to navigate services for children’s needs, medical problems and supplementing tight household budgets, such as food, parcel and grants from utility companies.

Other strategies mentioned included borrowing money from relatives, going into debt and paying rent off multiple credit cards.

“We’ve borrowed money off my partner’s mother several times to pay for rent. And she’s helped us with other things when we’ve had to pay rent and not been able to pay for other things.”

Micaela, former renter, now in social housing

“AFTER paying rent and buying groceries and paying for bills and that...there are definitely things that they [the kids] do without. Even sometimes buying a new pair of shoes for them is hard. Ten years ago it was so much easier. I never had so much trouble back then.”

Petra, young female

Renters also downsize their possessions in order to attain housing that is affordable.

“I got rid of a lot of stuff. I downsized before I came down here. I downsized again since I moved in. And I still have stuff in boxes...To me this place would be ideal for men who come in with a television set and a few changes of shorts, pants and what have you, and a car, and both your uncle. But for women who accumulate things, like pictures, books, and all the rest, I’d really like, I don’t feel it’s my home.”

Joanne, older female renter

Interview data suggested that for an increasing number of people, particularly young people and those with incomplete or poor rental histories, the most viable option in terms of securing immediate accommodation is to completely avoid interaction with the formal real estate industry.

Many young people stay with friends and families, often moving as much as every month or so. Others secure properties using unmonitored websites such as Gum Tree, a free local classified service that includes accommodation listings, and No Agent. Interview data revealed that many overseas students arrange accommodation over the internet before they arrive in Australia, which housing services try and discourage because it opens them up to scams. The other option is rooming houses which have increased significantly in the EMR over the last few years, particularly catering to the overseas student market.

Some interviewees talked about turning a blind eye to problems with their accommodation. This strategy was motivated by a concern that complaining could result in being asked to leave, or simply indication of an acceptance that the poor standard of accommodation is the best they can expect.

“You just have to put up with some things. It’s not worth chasing up every problem because there’s a risk they [the real estate agent] won’t like you for it. So every place we’ve rented...the stove hasn’t worked very well and the fences have been croppy but you don’t complain about those things because you want to keep a good relationship with the agents.”

Micaela, former renter, now in social housing

“I had great difficulty with the landlord. Nothing would get fixed. I had a leaking roof for four years. It ended up splitting into a big crack and it looked like the ceiling would fall down. I didn’t have a working heater for five months.”

Petra, young female

3.2.4 The effectiveness of supports for those excluded or having difficulty maintaining private rental

Interviews with service users and workers, including those working in homelessness services, indicated that the crisis accommodation and case management services funded by the Commonwealth and State government National Affordable Housing Agreement often provide only a minimal response to people in housing crisis.
Although the context within which these tensions occur is well known, it is worth briefly restating the key issues involved.

The interviews reveal three major issues that impact on the effectiveness of support services.

Firstly, there is not enough affordable housing. This issue was raised by service users, service workers, real estate agents and council workers.

Secondly, the rules and service targets for service provision can be very restrictive and at times can limit the effectiveness of assistance provided.

Thirdly, there is a lack of proactive services that are available to work with people before they are in crisis. Connected to this issue is the observed gap in accessible and available advocacy services.

Lack of affordable housing has contributed to the breaking down of traditional pathways out of homelessness. This includes the lack of affordable private rental properties, a public housing waiting list that hovers at around 40,000 and the as yet unfulfilled promise of social housing, which is not coming online soon enough or in large enough numbers to meet demand, combined with a backlog of need throughout the crisis and transitional housing system there are simply not enough houses.

“There’s just no homes. It’s ridiculous, we’re working as a housing service, as a housing support worker and there are no houses. All you can do is work on the other issues as much as you can.”

Housing worker

“It’s every area of housing. That’s the problem. The Office of Housing is so slow. There’s social housing, there’s a little bit more hope at the moment there might be something. The private rental seems to be impossible, there’s no transitional.”

Housing worker

“Sometimes a lot of our clients that we refer to homelessness services they don’t have accommodation, transitional or even shared or even a rooming house, it is very limited. We have a lot of trouble with our clients who are homeless, in reality you can’t find them a house in two nights. So if they are homeless, if they have somewhere to stay for a bit longer time, like rooming houses or placing them in a motel is not the best solution for our clients because finding a house is not a one night thing, especially in these suburbs.”

Housing worker

High levels of demand for services, coupled with tight, time-based target funding, means that services today are limited in the flexibility they can offer clients. Some interviewees also spoke specifically about the positive and negative elements of particular programs.

Homelessness services are funded to deliver services through the achievement of time-based service targets, with an average length of service for each support period of two hours per week for 13 weeks each. This is often not enough time to help many people and the support often ends while the client is still in need of ongoing assistance, for example around the time that the family or individual is relocating to longer-term accommodation. This funding occurs at a rate far lower than what it actually costs to provide.

“The 13 weeks support is a rationing device that has become so deeply embedded in the sector, we all collectively now find it very difficult to sit back and say ‘why are we doing this, what’s the point?’”

Housing worker

In reverse to the consistent underfunding of services has been the growing expectation on the part of Commonwealth and State governments that homelessness organisations will provide additional services, such as working with mainstream service providers, assistance with public and social housing applications and, increasingly, liaising with real estate agents and clients to help them become ‘private rental ready’.

A key concern arising from the interview data is the way in which homelessness services are unable, due to resource and other constraints, to provide assistance unless the individual or family in question is on the very verge of homelessness. For those in private rental, the tenancy literally has to be in crisis before homelessness services will intervene, by which time it is often too late to save it.

“The dilemma there [with homelessness services] is that quite often, and I have referred women to housing services, they will say to me ‘well, she’s not homeless yet’ cause that’s their priority, it is their criteria.”

Housing worker

Other problems raised in the interview data were inappropriate referrals, including people who have been placed in substandard or dangerous accommodation and felt they have been abandoned or that no long-term plan has been communicated to them. Some clients reported feeling frustrated or bewildered by the constant change in support workers.

“They put me in a place once with about six or seven bedrooms and I was the only female and they were mostly drug addicts. I stayed one night. I just could not do it. There were men knocking on my door. I wasn’t even game to have a shower. There was supposed to be a bed in the room but there was no furniture whatsoever in the room.

I think the main problem was there wasn’t the housing around for them to help you. They would just get you a room and that was basically it … it’s either that or the street.

I just wish they’d look at you a bit more, that you’re female, take your age into consideration when they’re placing you. They don’t think about it when they place you – who they’re going to place you with. It would be a great thing if they just came around and checked out some of the places and who is living there. That would be a big thing.

I have stuff in storage. When I get a place I’ll be able to get my stuff out again. It’s no good getting your stuff out when you’re going into these rooming houses.

One place I had to get a camp stretcher to sleep on because there was nothing to sleep on. I was referred to that place through housing people – can’t remember the name. A couple of times I went and stayed in a motel - which I can’t afford - but it was better than being in those places.

I don’t think the people who referred me had been there at all. They’re not really very helpful with your particular needs. It was surprising for my age and my particular circumstances to be going into houses like that with those sort of people.

They should look at you and say, well you’re a bit older, that sort of housing wouldn’t suit you. But I guess they just don’t have the housing. You get no help. You have to ring the places yourself. They say well here’s the list [of rooming houses] and you just ring anybody on the list. And you have no idea what they’re going to be like.

One place they put me in in Malvern. It was this double storey place. And I didn’t realise you weren’t paying for a room on your own. There were four other people in the room. You don’t know who you’re sharing with. I was shocked. I thought if I was paying for a room - at least I’d get a room by myself. The door was not locked and people would come in and out all the time. There’s no security whatsoever. One place was $150 a week just for a bed and a shared room with 4 other people.

Some of the other places; one was $180 a week but you did get your own room and you shared the kitchen. You don’t usually have a lounge room because they use all the rooms for bedrooms to fit more people in. The people who run these places – all they want to do is get the bucks in. They just want to fill the rooms. They’re not going to give you a single room if they can get two beds into it.”

Susan, older woman

Another issue is the way in which individuals interacting with homelessness services must deal with constantly changing service workers.

“You get attached to a worker and have to leave them. They pass you on and on. It’s not hard but it’s annoying. You get settled in somewhere and they pass you onto someone else.”

Faye, young female in transitional housing
Another client, a male, who moved to the EMR from the country where he had been successfully renting, was referred to a rooming house after unsuccessfully applying for rental properties. At the time of interviewing he had been living in a motel room for two months with his 15 year-old daughter while his two other children lived with his ex-partner. Asked if he felt safe when living in the rooming house, he said:

“In comparison to what? Heavens, I reckon it’d be safer, because you could be a hundred miles back from enemy lines, with guys with big guns, whereas there [the rooming house] you gotta actually deal with it.”

Paul, homeless male

Although the interview data underlined the usefulness of the HEF program, it raised a number of concerns with the design, including renters only being entitled to access HEF for areas when they are more than two weeks behind in the rent and if the individual in question’s rent is no more than 55% of their income.

The Bond Loan program, although viewed as a useful initiative, was criticised for the inability to transfer bond assistance when a person moves to a new property, creating a lag time between getting their bond back and being able to use the scheme to apply for another property.

While there is not a great deal of formal research into the effectiveness or otherwise of PRB programs, a number of service workers claim they were highly successful.

Problems with CBA have been well publicised (Cali-Martker et al, 2010) and were echoed in the interviews carried out as part of this research project. These mainly revolve around the financial assistance provided to low income renters not keeping pace with increasing rents. This has significantly diminished its real value over time.

A greater need for information and advocacy

Both TUV and CAV provide services for those seeking information about tenancy matters. Interview data indicated that for some people, it was difficult to access TUV services because of the high demand for the telephone advice service and requirement to make an in-person trip to Fitzroy. There are also a range of other ‘informal’ services - churches, emergency relief, material aid agencies, GP's, health clinics - where people source information and advice about tenancy matters.

Interview data indicated that while information and referral were important functions, the real gap in service delivery is on the ground advocacy to assist people maintain a tenancy.

A number of organisations in the EMR will do some advocacy on behalf of their clients, including financial counseling services and university housing services.

CAV provides limited advocacy services, including conciliating disputes on behalf of tenants and representation at VCAT, but will refer more difficult cases to the TUV who provide a more wide ranging advocacy service.

“...probably do not refer a lot to the Tenants Union these days because of the waiting times. People ring us back and say, ‘I have been on hold for so long.’ Often, if they are tenants, they are moving around a lot they may not have a land line and they run their lives on the mobile phone, pay for a $30 phone card a month and they cannot afford to be on hold.

If the person actually navigates the system and gets to speak to someone on the phone and if they think this is someone who needs assistance, then they will invite them to go to Fitzroy. They have lost them. The only way they can be assessed to get into the advocate program is for them to come to the Fitzroy office and to then drop-in service.”

Housing worker

Most of the services discussed in the interview data were considered inappropriate for older people. They do not have the resources to visit an older person in their home or help an older person work through the storage, legal and other issues arising out of an accommodation change or homelessness.

One service mentioned as being effective is Assistance with Care and Housing for the Aged (ACHA), an outreach program that works with older people who are at risk of losing their private rental or are facing eviction. ACHA workers are also adept at liaising with the relevant components of the aged care system such as Home and Community Care, Community Connections and the Royal District Nursing Service.

“We will only refer an older person to a SAAP service when we are right at that twelfth hour of them about to be evicted and homeless. Often they won’t take referrals from us and the person will have to ring themselves. We don’t use them because they do not actually respond, they will not outreach to them. They won’t go out to them. When you have got someone who is really traumatized, who is about to become homeless, the SAAP services need to be following their own processes rather than any advocacy. Or, if they do get a response it is just as likely to be putting them in a hotel for a night.”

Housing worker

3.2.5 What is the role of the real estate industry?

Interview data highlights a strong disconnect between the aims and functions of the not for profit homelessness and housing sector and the real estate industry.

While this may not be surprising, it is worth exploring in greater detail given the implied policy position of the Commonwealth and State government that the private rental market is the solution to the housing problems experienced by many in the community. This is demonstrated through the significant reduction of investment in public housing in recent years and the current popularity of programs focusing on assisting individuals to become ‘private rental ready’.

The disconnect works on many levels.

Many service workers are confused, angry and frustrated at what they view as the gate-keeping role played by real estate agents and reported numerous instances where they felt discriminated against or barred from renting for unfair reasons.

While some service workers reported little interaction with the real estate industry, and prefer to bypass agents in order to work directly with landlords, the majority felt under pressure to build relationships with agents to secure housing outcomes for their clients. While some reported success in dealing with the real estate industry, others, particularly those working with significantly disadvantaged clients, saw little gain from their efforts.

Interview data provided many examples of real estate agents contacting homelessness organisations to ask for help with tenants experiencing difficulty. While this is nearly always an implicit recognition on the part of the real estate industry of the expertise of homelessness workers, the motives for initiating it appear to be mixed. For some agents initiating contact stems from a genuine desire to assist their tenants to maintain their rental. Other reports suggest agents appear only to be interested in enlisting the assistance of homelessness workers to help evict a tenant and are not prepared to moderate their procedures or take the tenant’s circumstances into consideration.

“Remember once I went out to speak to a real estate [agent] who was like ‘Oh, the job you do is fantastic, I want to talk to you more’, but when I went out to speak to him about you, you know, maybe if we’ve got women we could refer them over this way, he’s like ‘oh, well, the dilemma is we need to…’ and all of a sudden it was a totally different picture. If there is a couple with no children working we’ll take them over a single woman with children.”

Housing worker

Obviously, real estate agents bring their own perspective to the picture. While we are able to make some observations in relation to this, the study was prevented from delving into the perspective of real estate agents, due to the small number who accepted our request to interview them.

Many service workers and their clients display a reasonably sophisticated understanding of the mechanics of the private rental market and the pressures operating on the agents who oversee it. Expressed in its simplest form, most workers understand agents are there to service landlords and agents are interested in prospective tenants’ history or special needs only in so far as it relates to their ability to pay the rent required on time and look after the property.
“For real estate agents it is about minimising risk and maximising income. It is a private landlords market, it’s a business, they don’t care who they house, they just want the client to be able to pay the rent and maintain the property. As well as someone who can communicate well with the property manager and make their job easier. The problem is as well that there is a lot of turnover of property managers.”

Homelessness worker

“We operate in two very different worlds. They don’t really want to take on families who are supported, or who need support, and they have such a choice available to them, they don’t need to take our families.”

Homelessness worker

“You can’t blame real estate agents for getting the best for their customer, that’s what their job is. There needs to be an alternative that those that don’t meet the [financial] standard that RE agents are expecting.”

Housing support worker

These perspectives co-exist with a long list of grievances about the role and behaviour of real estate agents. A 2008 research paper by the TUV recommended addressing the disconnect between the real estate industry and housing services using two strategies: written materials setting out key criteria for optimising client chances of submitting a successful tenancy application; and information about the specific application of anti-discrimination legislation to the issue of accessing private rental accommodation. This second strategy would mean housing services were better placed to assist clients in pursing complaints (either formally or informally), particularly using the representative complaints process which allows an organisation to lodge a complaint on behalf of an individual or a group of people (Tenants Union of Victoria, 2008).

The disconnection between sectors is most clear when talking about why people cannot get a rental property. The interviews demonstrated that many renters and potential renters feel discriminated against because of their ethnicity, because they are single mothers and/or because they are on Centrelink benefits and receiving the A Newstart Allowance.

There was evidence that some landlords were quite explicit in their discrimination. Gina, older female renter

“Sometimes I think it’s because of the children. Some people just don’t want that many children in their house. The other reasons I’ve thought is because my income isn’t high enough.

I did think also that I may have been blacklisted. It could only have been for paying late, never for damage or anything like that. The only issue I’ve ever had is for being in arrears.”

The responses of agents would appear to both confirm and refute these complaints. Some of the agents interviewed disagreed with claims of discrimination, arguing that decisions are based on the income of prospective tenants.

“There is no bias against single mums. The reason that they are not getting the property is because they cannot afford it.”

Real estate agent

This response from a real estate agent confirms ethnicity is a factor that is sometimes present in decision making.

“If it is a nice new property, I would not let to the Sudanese because they are heavy handed. If it was an older property, I would put them in. Someone who’s got cooking smells you wouldn’t put them in a brand new property because it will run the diapera. We might not put them into that particular property that they want but we would direct them into something that was more suitable. It is about trying to get everyone into the right little slots.”

Real estate agent

What really effects letting practices?

Apart from the obvious issue of the availability of stock, what factors really impact on letting practices?

The legal responsibilities of agents, rental history, income versus ability to pay and the ‘X’ factor all play a role in the decision making process. Although the last factor is clearly the most subjective, all components have some degree of blurring or confusion attached to them.

“Invariably, they [real estate agents] will pick the one that will take the best care of the property, you would have thought best rental history, the best ability to keep paying, when there is a shortage of homes the people with more marginal cases are likely to miss out.”

Real estate agent

“As long as you’ve got 20 people turning up for inspections, as long as you’ve got an under-supply [of housing] and competition for that, then low income households will always miss out.”

Housing worker

“Real estate agents don’t want to know someone’s domestic violence background, they go on appearances and whether or not they think the person can afford it, plus rental history.”

Homelessness worker

Estate agents and agent’s representatives are required to be licensed to operate and a condition of this license is to demonstrate a professional understanding of the relevant laws regulating the industry. Relevant laws include the Estate Agents Act 1980, the Residential Tenancies Act 1997, the Equal Opportunity Act 2010 and the Privacy Act 1988. The Real Estate Institute of Victoria also has a code of conduct and requires its members to engage in professional development training.

Despite this, ‘blurred’, ‘undefined’ and ‘idiosyncratic’ were all terms used in interview data to describe agents’ letting practices.

Agents’ responses to TUV’s 2008 research paper indicated that their knowledge of their legal responsibilities to tenants varied. This was also apparent in some interviews for this project, where responses from property managers indicated that many believed (erroneously) that their responsibility to avoid discrimination was diminished or removed by handing the final decision regardless who leases the property over to the landlord (Tenants Union of Victoria, 2008).
Interview data suggest letting decisions can be displayed as the following equation:

**Rental history + income versus cost/ability to pay + 'X factor'**

The most commonly cited issue was ability to pay, and hence, stability of income. However, even here opinions differed.

> "we will not allow the rent to be any more than one third of their income. That comes from just wanting to put someone in a property and that is not acceptable. Because you are allowing them to get in there, fail, develop a bad rental history, and we are not doing the right thing by our owner because they are going into rent arrears. Our job is to make sure we get the best tenant at the best price that may not mean someone who will pay the highest rate."

**Real estate agent**

Perhaps the clearest indicator of the subjective nature of some letting decisions is the mixed response coming out of the interview data on real estate agent’s reactions to finding out a potential renter is on a benefit or receiving assistance from a homelessness or similar service. The agents interviewed as part of this study claimed not to be concerned if a potential renter was on Centrelink benefits or was receiving financial or other assistance.

> "If they are getting assistance it makes it much easier for us. You know they have the support."

**Real estate agent**

While some homelessness workers concurred, others reported instances where this had resulted in a rental offer being retracted.

> "Real estate agents have two views. They don’t care where the money comes from, so in one way they are happy that the money is coming, but there is a perception on the other hand that if you need support you are a bit of a liability and a financial risk and complication for the real estate agent."

**Housing worker**

As has previously been mentioned, rental history is a crucial determinant.

> "If you’ve defaulted a lot in the past, you’ve trashed a house... and they [renters] don’t understand those implications."

**Real estate agent**

Undertaking a database check on a potential renter is not seen as an optional duty on the part of a real estate agent. It’s something landlords expect agents to do. Until the introduction of new provisions governing the use of tenancy databases into the RTA in 2011, there has been no restriction on the process or content of listings on databases. This has resulted in inaccurate, unfair or out of date listings posing a barrier to accessing rental properties for listed tenants. Private landlords do not have access to these databases, which is why real estate agents have two views. They don’t care where the money comes from, so in one way they are happy that the money is coming, but there is a perception on the other hand that if you need support you are a bit of a liability and a financial risk and complication for the real estate agent.”

**Housing worker**

The prevalent use of databases means that many potential renters feel that they have no choice but to lie given the tight rental market. One former renter who had lost her private rental due to health problems and was trying to move back into the market described this:

> "I’m going to have to tell a few lies, I might just blot out the last couple of years and say I rented through my daughter’s father. If I have to say I’ve been in 100 somewhere places, they are not going to look at me. I’d have no chance."

**Susan, older female**

The ‘X-factor’ referred to above can refer to any number of issues and behaviours that impact real estate agent’s letting decisions. Some of the additional issues mentioned by real estate agents as guiding their decision-making included:

- Whether a potential renter appeared ‘reliable’
- The way potential renters look in terms of clothing and hygiene
- Whether a potential renter filled out the application form properly
- The attitude displayed by potential renters
- The number of children accompanying the potential renter and how they behave at the inspection

> “Sometimes, someone with six children might want to apply for a two-bedroom unit. Well, it’s the wear and tear on the property."

**Real estate agent**

Other influences

Interview data confirmed a number of other influences on letting practices.

The way that viewing times are structured can be a barrier for some, particularly for single women with children who don’t have access to or cannot afford after-hours childcare. This means they have to take their kids to inspections, which can further limit their chances.

For potential renters being assisted by a service, additional problems arise from the fact that a lot of property viewings are on weekends or after hours and staff are only funded to work 9am-5pm.

> “We don’t want to delay our clients. Most of the property inspections are on Saturdays and they all come on Mondays with applications. Like some families they might be eight with four adults in the family, so they need to fill out all the forms, the ID’s and it takes a long time. For a single person, it’s quick. But it is really time wasting but we don’t want to delay our clients. On the other hand we can’t put it aside and do it later because it might be too late and our clients are competing with other applicants as well. So this is a problem for them."

**Housing worker**

The REIV have run courses to help people deal with ‘challenging’ clients, usually a request of government or Consumer Affairs and will work with agencies who want to talk to REIV about particular issues relating to disadvantaged communities in their geographical area.

Social awareness on the part of real estate agents and a focus on client wellbeing is only a very small part of the training as property managers. As a result most agents do not have the skills or aptitude to deal with the special needs of some potential renters or those that may be having difficulty maintaining their rental, a situation echoed by those agents interviewed as part of this study.

Some key roles in agencies, such as the receptionist, will not be trained in this at all. Also, while staff in larger agencies will usually work in teams, agents in smaller agencies, prevalent in much of the outer east, will often work on their own. Many agents are not aware of the support services available in their area.

Workloads are another issue identified by agents and their peak body. Although the REIV does not keep data on how many rental properties would be managed by a single agent, interview data claimed it could be as many as 300 in a large service.

Similarly, there is no publicly available data on agent turnover, although interview data speculates it is high. There is also a shortage of well-trained property agents because it is not viewed as being as glamorous as the auctioneer on the weekend or as lucrative as sales.

All these factors have implications for letting practices.
I know that our prop managers generally feel under pressure and generally feel that they do not have enough time to look after all the properties in the way that they would like to because they have so much to do.”

Real estate agent

The role of landlords

The role of the landlord is another factor on which there is disagreement. While some interview data downplayed their role in letting decisions, others said they were central.

“The other problem is sometimes with the landlords. Sometimes the landlords are very picky and very choosy and a bit fussy with their tenants and how they are looking after their properties. So it’s sometimes up to the landlord as well.”

Housing worker

“The problem with real estate agents is that they’re working for the landlord, they are not working for the tenant. That’s the crux of the matter. So you can say that a real estate agent should be working harder to sustain housing, but if they don’t see that as being in the best interests of the landlord then that’s going to be a problem.”

Housing worker

One interesting feature of the interview data was the clear perception that landlords are putting greater pressure on real estate agents. The main reason given for this is the changing composition of owners to ‘mum and dad’ investors because they have a relationship with the existing tenant. Others pointed to the difficulty of educating landlords.

“Yah, there’s a younger generation coming through where I think in the past it used to be a lot of people in their 50s and 60s, whereas now it’s a lot of people in their 30s and 40s, trying to get ahead. But they have to count every dollar, and be sensible about what they do. Cause it’s very hard for them, they’re running two mortgages and a bit fussy with their tenants and how they are looking after their properties. So it’s sometimes up to the landlord as well.”

Real estate agent

“Yeah, there’s a younger generation coming through where I think in the past it used to be a lot of people in their 50s and 60s, whereas now it’s a lot of people in their 30s and 40s, trying to get ahead. But they have to count every dollar, and be sensible about what they do. Cause it’s very hard for them, they’re running two mortgages that are short, on one income. So they’re very selective on; they’re not willing to risk chance. That’s probably the biggest thing.”

Real estate agent

While service workers were keen to stress that agents still have a great deal of power as a result of deciding which potential renters will be put forward for the landlord’s consideration, the indications from the agents interviewed was that this is shifting.

“I don’t think that a lot of people realise that when they’re at openings a lot of times the owner is there, they’re interested to see how the opening’s going, how many people go through, and their presentation.”

Real estate agent

“So where a lot of people think us as the agents choose, we don’t, we don’t know about other agencies, but us, it’s the landlord”

Real estate agent

Running counter to this commentary, some service workers said that rather than deal with real estate agents they preferred to deal with landlords directly. Some interview data indicated they are easier to negotiate with, often because they have a relationship with the existing tenant. Others pointed to the difficulty of educating landlords.

“Dealing with a private landlord is challenging because they see it as it’s my property, it’s what I like, I own it and if I don’t like the way the tenants are doing it, I’ll just evict them. It can be quite challenging to educate them that they actually have got a process they need to follow.”

Housing worker

No private landlords were interviewed for this project. However, research commissioned by the TUV has found an increasing tendency for agents to decline to manage lower-end properties resulting in a growing proportion of lower-end properties managed by private landlords directly (Tenants Union of Victoria 2008).

The EMR overall has similar proportions of real estate and private landlord managed properties to the Melbourne metropolitan average but Boroondara has a higher than average proportion of real estate managed properties (70%) and Yarra Ranges has a higher than average proportion of landlord managed properties (30%), while a private landlord may be a skilled and diligent manager, there is ample evidence to show private landlords can be less aware of their legal obligations and less able to resolve disputes.

3.2.6 The role of local councils

This study interviewed council staff, including personnel from social planning, community development, environment, health promotion and strategic planning, in four councils: Knox, Yara Ranges, Monash and Boroondara.

Despite their size and significance as service providers, housing affordability has received limited attention from local governments in the EMR until recently. All those interviewed agreed it was an issue they needed to tackle.

At the same time, they argued that there was little they could do to influence the private rental market and most reported very little interaction with landlords or the real estate industry.

“It’s a dilemma for council. … we can do our strategic planning. can we guide the market place as to how we would like the areas developed but the fact is that there’s an issue about cost effectiveness and consumer driven market places and we still have developers wanting to develop in the same way that they have in the past decade. But that sort of development is not going to take us into the next phase.

We’ve been working on a target for affordable housing in Knox. In developing that target we have taken into account the private rental we have but we don’t have any direct strategy at this point to develop or enhance that. It’s a tricky area. We do have some ideas around social housing but in terms of the private rental market it’s really just been left to the market.”

Knox Council

“Rental affordability has just fallen away particularly over the last few years. The word crisis has been used… there is a housing crisis particularly in the Yarra Valley but at the moment I think Council doesn’t see it so much as their problem, when I say Council, I mean the Councillors. At the same time I think the crisis has to grow a bit more for people to take it more seriously. Councillors need to be hearing personal stories more about the fact that people can’t find anywhere to live or homelessness figures growing for there to be more pressure for things to change.

We do have an affordable housing strategy but it’s mainly an advocacy strategy. We see ourselves as advocates and brokers so trying to bring groups together to try and address some of the issues.

I don’t think we do have anything that tries to promote private rental accommodation. We’re not really even providing any incentives for people to do medium density housing. We’re not providing exemptions or dispensation on car parking or heights or anything like that.”

Shire of Yarra Ranges

“We can’t require anyone to build something and put it on the market at a particular rent. … we don’t control that.

We can require developers to incorporate a certain percentage of affordable dwellings in their developments. But again it’s reactive to people wanting to do so.”

Monash Council
One area where councils did see a definite role for regulation was rooming houses. Interview data showed clear agreement that properly managed rooming houses play an important role.

“Rooming houses have a place. If they’re managed properly [they] can be quite safe and reasonable. Rooming houses do provide an option, if they weren’t there it would be a bigger problem. At the moment there are no alternatives in a lot of cases other than to use a rooming house.”

Baroondara Council

Actions being taken by local councils

The most common housing-related actions on the part of councils related to their roles as advocates and partners, including:

- Developing affordable housing plans.
- Establishing affordable housing reference groups, individually and jointly through the Eastern Affordable Housing Alliance to lobby government.
- Building links with government service providers and services in their region.
- Information sharing.
- Public education to counter negative community attitudes about the impact of social housing developments.

Councils reported only minor efforts to use surplus land to build stock, either by granting or leasing it to registered housing bodies or trying to ensure there are affordable housing components of private developments taking place on council land.

Some were in the process of identifying vacant or surplus land in their municipality, particularly crown land.

Some council staff interviewed identified the supply of land close to services as the biggest problem and said that this was mainly dependent on the political will of elected council representatives and state government.

The absence of inclusionary zoning requiring private developers to incorporate a proportion of public or community housing into new developments, was identified as another barrier.

For the exception of one council, interview data revealed no interaction and very little awareness on the part of councils in the EMR of the National Rental Affordability Scheme. One council reported having had developers approaching them asking for a dispensation or support but they have been very reluctant to go down that path.

4. Research Implications

The broader Australian housing policy environment is characterised by uncertainty and flux: uncertainty about the future of the NRAS beyond the construction of the initial 50,000 properties, the continuing debate about the pros and cons of a ‘big Australia’ conducted as the population continues to grow, and a decreasing willingness of governments to commit to the ongoing provision and development of public housing.

Those who will be directly impacted by the outcomes of these policy debates and decisions have spoken in this report. They have suggested a range of solutions, big and small, showing that by implementing a range of strategies from a range of fronts it is possible to break the links between private rental stress and homelessness.

More housing stock

Not surprisingly, the universal response from the interview data to the question of what can be done to improve the private rental situation in the EMR was more housing stock.

“There is really one solution, more homes. Why have you seen the growth of unregulated, dodgy rooming houses in the past couple of years? Because the conditions within our housing market have created it. If there was an adequate supply of low cost accommodation, then those people would have no ability to charge over inflated prices for poorer accommodation.”

Real estate agent

“It’s hard to go past more stock, because otherwise you are just shuffling the deck chairs. You can change priorities but it is not going to create a single new house.”

Homelessness worker

Obviously different supply solutions will help the different categories of people experiencing difficulties in the private rental market that have been identified in this study.

Additional private rental stock would assist the ‘new wave’ of struggling renters identified in this report, those who could cope relatively easily in the private rental market, ie, are more or less ‘private rental ready’, but who are having problems accessing accommodation.

Different supply solutions are required for those individuals and families who are simply not able to access the private rental market as it is currently configured. This includes those who have complex and multiple needs, some young people, students and migrants, and a growing number of older renters.

The issue of increased housing stock almost immediately moves into the vexed debate about what changes are needed at the macro level in terms of improved tax settings and changes, to planning systems, to give just two examples. Connected to this was the debate about the various responsibilities of the different tiers of government. These are two issues that this research does not have the space to address adequately.

It also raised important questions around the adequacy of the data that we currently have on which to plan a supply response. This includes national level data and data collected locally by homelessness and other services. The implementation of the Specialist Homelessness Services data collection instrument will hopefully lead to improvements in some of these areas.

Increased access to advice and information

The interview data identifies the need to better support those struggling in the private rental market and stabilise tenancies that may be at risk before they break down. Help is particularly needed by those in the early stages of experiencing difficulties maintaining their private rental.

The REIV have run courses to help people deal with ‘challenging’ clients, usually a request of government or Consumer Affairs and will work with agencies who want to talk to REIV about particular issues relating to disadvantaged communities in their geographical area.
As we have seen from this study, a tenancy has to be on the verge of almost complete break down before many services in the EMR will intervene, by which time it is often too late. “It’s unsalvageable once they have been to VCAT and got their eviction notice. In my personal opinion, there is always a chance to salvage a tenancy before you get to VCAT, even if you have received the notice to vacate, there is room to negotiate and say ok, if you’ve fallen behind in your rent did you know you can get some rental assistance. I think people have lost some accessible services that they can get quicker.”

People need to understand that it’s not just when they receive a notice to vacate. One thing that we do not know is how many people have just up and left their tenancy because they have received a notice to vacate? How they just read that and gone. well, that’s it, we’ve got to move out? This is just perpetuating the cycle of being out of housing, then they have to try and get emergency crisis accommodation, then they’ve got this bad tenancy record so the next time they apply for housing; if it’s through an estate agent, they are going to go ‘oh, I see, so you were evicted, you left’ so they are at the bottom of the list to be a desirable tenant.”

Housing worker

If we are locked into private rental as the solution to house people, then maybe there needs to be more work done on making that housing affordable, things like rent assistance, is it keeping pace? What is the percentage of people’s income that is going towards rent? People are paying 50%, probably more times than not.”

Housing worker

Although there are services providing tenancy information and advice, there are none which are expressly funded to target assistance at stabilising at-risk tenancies. While the TUV does provide individual advocacy and outreach to rooming house and caravan park residents, these services receive limited funding and struggle to meet demand. It is important to ensure that information about homelessness and housing services is far more widely and easily available. One solution in the interview data included providing information about local homelessness and housing advocacy services in written form provided to people at the start of their tenancy, with clear instructions on what services to call if you fall into areas. Another suggestion was for agents to include the telephone number of a homelessness or housing advocacy agency on any notice to vacate.

While these steps are necessary, they will remain of little substantial long-term value unless homelessness support agencies are funded and equipped to provide a more comprehensive service to those in housing stress. The research is unclear on the question of whether training for real estate agents in how to deal with those who are homeless or in rental stress is a solution. As one real estate agent put it, this would not work because it would be an individual rather than a holistic system-wide response. Housing advocates also voiced suspicion and concern about the possibility of getting swamped with requests for assistance and claimed such a move would further transfer responsibility away from real estate agents for their actions.

One conclusion emphasised in the research is that what is often needed to prevent tenancies breaking down is not just access to more information, but follow up and advocacy, including bodies on the ground. The need to invest in generalist tenancy support workers was raised by several services workers interviewed as part of this study.

There are a number of possible models for how this could work, including elements of the old Follow Up program which saw staff based in homelessness Entry Points whose job was to, in part, advocate with agents on behalf of tenants who were struggling with the rent, and negotiate alternative outcomes to eviction. These people were also well placed to respond about the possibility of getting swamped with requests for assistance and claimed such a move would further transfer responsibility away from real estate agents for their actions.

Another model mentioned in the data was the old Consumer Tenancy Support Model which operated in the region out of organisations such as Citizen’s Advice Bureau. The workers attached to this program provided phone and face-to-face advice on tenancy related issues and worked with real estate agents and other agencies to assist tenants experiencing difficulty.

Even with increased investment in specialist tenancy workers, a number of additional barriers stand in the way to providing more effective support to renters. One, which has already been mentioned, is the increasing role of landlords. Another is how to intervene while at the same time respecting a tenant’s privacy. Agents are not housing workers. And tenants are, for obvious reasons, often keen to hide any problems for fear it will count against them.

“People need to understand that it’s not just when they receive a notice to vacate. One thing that we do not know is how many people have just up and left their tenancy because they have received a notice to vacate? How they just read that and gone. well, that’s it, we’ve got to move out? This is just perpetuating the cycle of being out of housing, then they have to try and get emergency crisis accommodation, then they’ve got this bad tenancy record so the next time they apply for housing; if it’s through an estate agent, they are going to go ‘oh, I see, so you were evicted, you left’ so they are at the bottom of the list to be a desirable tenant.”

Housing worker

If we are locked into private rental as the solution to house people, then maybe there needs to be more work done on making that housing affordable, things like rent assistance, is it keeping pace? What is the percentage of people’s income that is going towards rent? People are paying 50%, probably more times than not.”

Housing worker

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Helping people access the market

The suite of approaches broadly identified under the heading of private rental brokerage (PRB) has emerged as a key government response to those experiencing difficulty accessing the private rental market. The interview data gathered as part of this research acknowledges the usefulness of these approaches, given that real estate agents are the first point of contact by the homeless and their advocates.

PRB schemes are clearly not meant as a supply solution. There are also a number of methodological issues relating to data collection and disentangling the impacts of particular PRB initiatives from what may have happened in terms of market outcomes.

“We can help our clients to present well, but unfortunately you can’t dress up their finances.”

Homelessness worker

In this respect, the notion of PRB programs providing education for real estate agents to better understand the needs of those having difficulty accessing the private rental market was called into question.

“We invested a heap of effort in educating real estate agents. It was completely pointless… It doesn’t work because property management is largely done in the industry by under trained, unskilled young people who move around a lot and have too much expectation on them. It’s run on tight margins, they manage too many properties.”

Housing worker

This comment echoes a recent article in the REIV’s journal, The Estate Agent, which noted concerns about the adequacy of training for property managers, commenting that this area of real estate work suffers from “a high workload, rapid turnover of staff and a perception that it’s just a stepping stone to sales. Recommendations for improved training for property managers included a focus on the skills needed “to manage 400 tenants and landlords, knowledge of the Act, lease negotiation, conflict resolution, time management, prioritising and communication” (REIV, 2011).

“The truth of it is you can educate them until the cows come home. The bottom line is [when] confronted with two applications, rich couple X, poor person Y, no shit they will choose rich couple X and no amount of telling them about discrimination in the law and not using negative stereotypes will make any difference.”

Housing worker

“It [training] all helps a little bit, but what it doesn’t get over is the fundamental factor that the landlord [is] going to choose at the end who gets the property and they are going to choose on a range of factors, and unfortunately, someone who has a rental history that is not as good as somebody elses, you know, or a worse ability to pay, is not as likely to get the same property as someone who has a good history. Ultimately, the property manager is looking after the property on behalf of the landlord and the landlord will make their own decision.”

Real estate agent

Interview data also pointed to numerous instances where PRB proved successful in getting people into rental properties and helping to sustain these. Several factors emerged from the interview data as being likely to contribute to the success of PRB.

In particular, it was seen as working well with people who already have some of the basic attributes associated with private rental readiness, including the recently homeless who require only minimal additional supports.

Real estate agents interviewed as part of this study suggested it works well where there is money to fund the time of real estate agents to engage with PRB.

It also works well with, for want of a better term, community spirited agents who are already predisposed to assisting those experiencing difficulty accessing private rental. This appears particularly to be the case when there is regular direct, face-to-face contact between homelessness service workers who are undertaking the PRB initiative and the real estate agent in question.

“If you can communicate to the agent what’s happened and we can communicate to the owner and give them an answer, that makes the situation a lot better instead of the agent saying to the owner, ‘I’ve got no idea, they’re not returning my phone calls.’ It just compiles the situation.”

Real estate agent

In recognition of this, PRB programs are increasingly moving towards more assertive models with an emphasis on direct liaison with real estate agents.

Reflecting the relative power imbalance between tenants and agents, it appears to work most clearly when service workers are helping real estate agents to do their job.

“We offer them [agents] a service, help, with our clients who are renting through them. So we introduced a free real estate interpreting service last year, a pilot program, but real estate agents are really busy. It’s on the telephone as well, so they won’t call, they don’t have time to call the interpreting service and talk to the interpreter. Once they know that we help their tenants who are our clients they would rather call us or email us or contact us on their behalf. I say this is my client, if you have any communication issues just call us and we will talk to them.”

Housing worker

Linked to this, the interview data highlights the value of someone, whether it is a service worker or an advocate, whose job it is to get an outcome for the individual or family concerned. This includes being in regular contact and helping to navigate the service system. This appears to be particularly successful when the support worker concerned has the ability to help out in a range of areas, for example, filling out social or public housing applications or brokering relationships with real estate agents, and access to flexible brokerage funds.

PRB programs are prefaced on providing assistance with intermittent/short term periods of difficulty, whereas the difficulty faced by some in the rental market may be of a much more fundamental nature. These programs can also present a one dimensional view of the problems experienced by many in the private rental market. This can individualise issues which may have their cause in broader issues, such as fragmented, inappropriate or non-existent referral pathways.
References


REIV 2011. The Estate Agent. Melbourne: REIV.


Appendices

Appendix 1: Plain language information form

Research Project: Private Rental Stress in the Eastern Metropolitan Region

Greetings,

My name is Andrew Nette and I am a researcher at Wesley Mission Victoria. Along with the Tenants Union of Victoria, we are undertaking a study of the private rental situation in the Eastern Metropolitan Region (EMR) of Melbourne.

The project will examine:

• The dynamics of the private rental market in the EMR and how this is impacting on housing availability, rental stress and the ability of people to access and sustain private rentals.

• The opportunities for service delivery and advocacy related to improving the situation of people facing difficulties with private rental.

As part of this project we are interviewing people working in areas relating to the private rental situation in the EMR, including homelessness services workers, etc. We will also interview individuals who have approached homelessness or other related services to request assistance around private rental related issues.

The interview will take between 30 minutes and an hour and we can meet at a time and place that suits you. All information that you give us will be treated in complete confidence and your name and any other information that can be used to identify you will be removed or changed when we report our findings.

There are no other risks if you participate in this research.

It is envisaged that the written report will be finalised and publicly available by the end of March 2011. It is also envisaged that the researchers will hold a half-day meeting of key staff and stakeholders in the EMR to present the findings from the research and discuss recommendations.

Participants who want to take part will be asked to sign consent forms indicating that they have understood the project and are willing to take part. Service users will also be offered a gift of $20 as a means of thanking them for contributing their time and expertise to the project.

Please read this sheet carefully and be confident that you understand its contents before deciding whether to participate. If you have any questions about the project, please ask the researcher who will interview you.

If you decide to speak to us you can change your mind later and we will withdraw any information you gave us.

Yours sincerely,

Andrew Nette
Researcher
Wesley Mission Victoria

For further information about the project contact Andrew Nette,
Wesley Mission Victoria on 9662 2355 or anette@wesley.org.au

Appendix 2: Consent form

Consent form for persons participating in the research project:
Private rental stress in the Eastern Metropolitan Region

1. I have received a statement explaining the project.
2. I consent to participate in the above project.
3. I authorise the researcher to interview me or administer a questionnaire.
4. I give my permission to be audio taped  0 Yes  0 No
5. I acknowledge that:
   a) Having read the Plain Language Statement, I agree to the general purpose, methods and demands of the study.
   b) I have been informed that I am free to withdraw from the project at any time and to withdraw any unprocessed data previously supplied.
   c) The privacy of the personal information I provide will be safeguarded and only disclosed where I have consented to the disclosure or as required by law.

Participant’s Consent

| Name: ___________________________ | Date: ___________________________ |
| (Participant)                     |

| Name: ___________________________ | Date: ___________________________ |
| (Witness to signature)            |

For further information about the project contact Andrew Nette,
Wesley Mission Victoria on 9662 2355 or anette@wesley.org.au
Appendix 3: Question guides for interviews with service users

1. Details about the client/renter
   - Gender
   - Age
   - Ethnic background
   - If a family, how many are there?

2. Housing/accommodation history
   - What is their current rental/accommodation situation (including stability, price, etc.)?
   - Can you tell me a bit about your housing history (where you have lived, for how long, rent, reasons for leaving, any issues during tenancy, etc.)?

3. For those in private rental
   - What are the most significant issues facing you in terms of maintaining your private rental (i.e., cost, standards, duration of lease, etc.)?
   - What strategies do you use to maintain your private rental? Are there any broader impacts on you or your family from these (i.e., health, education, etc.)?

4. For those seeking/excluded from private rental
   - What are the main barriers you have found to securing private rental?
   - What reasons do real estate agents give you when you have been unsuccessful?

5. What networks and referral organisations are you in touch with to assist you with your situation?

6. What skills/resources/assistance do you need that you feel you don’t have to get rental?

Appendix 4: Question guides for interviews with service workers

1. Your organisation
   - What involvement do you and your organisation have in the private rental situation in the EMR?

2. The private rental situation in the EMR
   - What, if any, changes have you observed in the private rental market in the EMR and generally over the last five years?
   - What are the characteristics of people who are having problems maintaining or accessing private rental? Are they different from the past? If so, how?

3. Adaptation strategies for those in rental
   - What are the most significant issues facing those people struggling to maintain an existing private rental or facing the possibility of losing that rental?
   - What do people do to maintain their rental? What are the common successful and unsuccessful strategies you have seen?

4. Issues facing those seeking entry/re-entry into the private rental market
   - What are the major factors that make it difficult for people to enter/re-enter the private rental market (lack of skills, affordability/availability, poor practices/discrimination, etc.)?
   - Where do these people live while they are trying to secure private rental? Is public/social housing an option?

5. Assistance – formal
   - What support programs, services and networks exist for people who are experiencing problems maintaining a private rental?
   - What support programs, services and networks exist for people who are having difficulty accessing private rental (i.e., SAAP services, private rental brokerage)?
   - What are the gaps and problems with these services?
   - What unofficial networks/supports do people use when they are having problems sustaining or accessing private rental?

6. The real estate industry
   - Do you or your service have any interaction with real estate agents and/or private landlords? If so, what factors impact on your relationship with them?
   - Have you found estate agents/landlords presenting barriers to your clients maintaining or accessing private rental? If so, can you detail these for me?
   - Are people worried about accessing help with accessing/maintaining private rental because of the perception that it will cause problems or open them up to discrimination?
Appendix 5: Question guides for interviews with real estate agents

1. The private rental situation in the EMR
   - What, if any, changes have you observed in the private rental market in the EMR and generally over the last five years?
   - What are the characteristics of people who are having problems maintaining or accessing private rental. Are they different from the past? If so, how?

2. What decisions you make regarding who to rent to
   - What factors do you take into consideration when deciding who to rent a property to?

3. Issues facing those seeking entry/re-entry into the private rental market
   - What are the major factors that make it difficult for people to enter the private rental market?
   - Are there any particular groups who have more difficulty accessing private rental than others, i.e., students, older people? If so, why?

4. Assistance to those experiencing difficulty accessing or maintaining private rental
   - Are you aware of any support services – formal or informal – for people who are experiencing problems maintaining a private rental?
   - If so, do you or your agency have any links to these services, refer people to them, etc. How did you find out about these services?
   - Would you be more or less willing to rent to someone if you knew they were accessing financial assistance from a support agency or homelessness service? If so, why?

5. What can be done for those experiencing difficulties accessing or maintaining private rental?
   - In your experience, what skills or resources do people who may be excluded from private rental need to be private rental ready?
   - What could/should be done for those experiencing difficulties maintaining private rental (this can be at the legal, policy, legislative or on the level of broader advocacy initiatives)?

6. Skills and assistance for real estate agents/landlords
   - What would help you and other real estate agents/landlords assist people who are having difficulty accessing or maintaining private rental?

7. Other issues/comments
Appendix 6: Tenure type before and after support periods for the remaining EMR LGAs

(Manningham is not included as there was no data about tenure)

Tenure immediately before and after support periods - Knox (2009)

Knox - Tenure before support period (2006)

Knox - Tenure after support period (2009)

Tenure immediately before and after support periods - Maroondah (2009)

Maroondah - Tenure before support period (2006)

Maroondah - Tenure after support period (2006)
Tenure immediately before and after support periods – Whitehorse (2009)

Whitehorse - Tenure immediately before support period (2009)

- 10% SAAP/CAP crisis short term accommodation
- 8% SAAP/CAP medium long term accommodation
- 3% Other SAAP/CAP funded accommodation
- 2% Institutional setting
- 2% Improvised dwelling/sleeping rough
- 2% Other (no tenure)
- 0% Purchasing/purchased own home
- 0% Private rental
- 0% Public housing rental
- 0% Community housing rental
- 4% Rent-free accommodation
- 7% Boarding

Whitehorse - Tenure immediately after support period (2009)

- 28% SAAP/CAP crisis short term accommodation
- 17% SAAP/CAP medium long term accommodation
- 10% Other SAAP/CAP funded accommodation
- 6% Institutional setting
- 4% Improvised dwelling/sleeping rough
- 3% Other (no tenure)
- 0% Purchasing/purchased own home
- 2% Private rental
- 0% Public housing rental
- 0% Community housing rental
- 7% Rent-free accommodation
- 40% Boarding

Tenure immediately before and after support periods – Monash (2009)

Monash - Tenure immediately before support period (2009)

- 14% SAAP/CAP crisis short term accommodation
- 10% SAAP/CAP medium long term accommodation
- 8% Other SAAP/CAP funded accommodation
- 3% Institutional setting
- 3% Improvised dwelling/sleeping rough
- 2% Other (no tenure)
- 0% Purchasing/purchased own home
- 40% Private rental
- 28% Public housing rental
- 12% Community housing rental
- 7% Rent-free accommodation
- 7% Boarding

Monash - Tenure immediately after support period (2009)

- 10% SAAP/CAP crisis short term accommodation
- 8% SAAP/CAP medium long term accommodation
- 3% Other SAAP/CAP funded accommodation
- 2% Institutional setting
- 2% Improvised dwelling/sleeping rough
- 2% Other (no tenure)
- 32% Purchasing/purchased own home
- 13% Private rental
- 4% Public housing rental
- 2% Community housing rental
- 14% Rent-free accommodation
- 17% Boarding
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