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Low-income renters suffer as 'rent down' phenomenon creates fierce competition

Skyrocketing property prices have led to a surge in the number of Victorians entering the rental market, creating fierce competition and increased discrimination against tenants on low incomes, a new report shows.

[*Unsettled: Life in Australia's private rental market*](#) surveyed over 1,000 Australian renters and found that 40% of Victorian tenants were relatively new to renting (having rented for less than five years) compared to states such as South Australia and Queensland, where just 22% and 24% of tenants had been renting for less than five years.

The report, prepared by CHOICE, National Shelter and National Association of Tenants Organisations, also found that Victorian tenants are more likely to be paying higher rents than in any other state (except NSW) with 60% of households in Victoria paying more than \$301 per week, compared to 46% of households nationally.

The Council to Homeless Persons (CHP) says the report is worrying, but that it simply echoes what they've long been saying; that Australia's broken housing system is slowly shutting out the vulnerable and the poor and driving up homelessness.

"Aspiring homeowners locked out of buying often 'rent down' in properties that might otherwise be available for people on low incomes. This creates a domino effect, with those on the lowest of incomes pushed out of private rental into rooming houses and caravan parks, or worse, onto the street," said Kate Colvin, Acting CEO, CHP.

"Last year Victorian homelessness services had 35,000 renters come to them for help because they were struggling to keep up with the rent, or unable to find a rental they could afford," she said.

The report also indicated high levels of discrimination against renters based on income. People earning less than \$35,000 p.a. were most likely to report discrimination in the rental market, and being a Centrelink recipient was a further factor for discrimination.

"Many people on Centrelink incomes are overlooked by real estate agents because of the stigma attached to welfare, and because so many people are competing for the same properties," she said.

Three-quarters of renters surveyed believe that competition between applicants is "fierce", and 55% felt that they would have to offer extra money to secure a rental property.

"It's our homelessness agencies that bear the burden of a broken rental market, as 100 renters a day stream through their doors needing help," said Ms Colvin.

"The most useful action the Federal Government could take is to directly invest in public and community housing, so people on low incomes can get into a home they can afford. Reducing the \$11 billion annually spent on tax breaks for investors and property speculators would also help, by making home ownership more accessible for middle income earners, freeing up rental properties for those on low incomes," said Ms Colvin.

Full report available at: choice.com.au/rentreport

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