



Media release – Friday 7 July 2017

## Melbourne rental affordability worst on record, driving homelessness

*New rent data shows that Melbourne’s rental affordability is the worst on record, with just 5.7% of all rentals in Melbourne affordable to someone on a low income. Today, 1-in-20 rentals in Melbourne are affordable to someone on a low income compared to five years ago when 1-in-5 were affordable, according to the latest DHHS rent report.*

“The report paints a dire picture for low people on a very low income. If you’re poor, there is virtually nowhere left to live, or you’ll be living in extreme poverty just to pay the rent,” says Jenny Smith, CEO, Council to Homeless Persons (CHP).

CHP says that the housing crisis is driving increased rates of homelessness, with 45% of clients citing housing issues as the main reason they need homelessness help, and family violence being the next main reason.

“Our housing system is failing Victorians, and the result is increased homelessness. There’s little in the private rental market for low-income households, and not enough social housing to catch people who are being pushed to the edge,” said Ms Smith.

CHP says that the solution involves both State and Federal Government, and that changes to Federal housing taxation would allow more people to buy their first home, freeing up rental properties for those on low incomes.

“Our housing taxation system favours property investors at the expense of ordinary Australians looking for a place to live,” said Ms Smith.

CHP has also been advocating for a monumental boost to public and community housing to reduce waiting lists, and give people on low incomes an alternative to unaffordable private rental.

“People pushed out of private rental need a safety net of social housing, and that safety net is totally inadequate. Currently 35,000 Victorians are waiting for public and community housing, with most expected to wait years.”

CHP is urging the State Government to better use planning mechanisms such as Inclusionary Zoning so that every new development includes minimum levels of social housing for people on low incomes.

The peak says that the State Government’s recent social housing announcements are encouraging, but that “...without leadership and action at the Federal level, States are fighting the battle with one hand tied behind their back.”

### Top reasons people seek help from homeless services (AIHW, 2015-6)

- Housing: 45%
- Family violence: 26%
- Financial Issue: 12%
- Other relationship issues: 8%
- Physical, mental health & addiction: 3%
- Other 6%

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