

# UNSETTLED

Life in Australia's private rental market



February 2017

## ABOUT THIS REPORT

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This report was jointly produced by:



Set up by consumers for consumers, CHOICE is the consumer advocate that provides Australians with information and advice, free from commercial bias. By mobilising Australia's largest and loudest consumer movement, CHOICE fights to hold industry and government accountable and achieve real change on the issues that matter most.



National Shelter is a non-government peak organisation that aims to improve housing access, affordability, appropriateness, safety and security for people on low incomes. Since 1976, National Shelter has worked towards this goal by influencing government policy and action, and by raising public awareness about housing issues.



The National Association of Tenant Organisations (NATO) is a federation of State- and Territory-based Tenants' Unions and Tenant Advice Services across Australia. NATO's membership comprises the Tenants' Union ACT, the Tenants' Union of New South Wales, Tenants Queensland, the Tenants' Union of Tasmania, the Tenants' Union of Victoria, the Tenants Advice Service (Western Australia), Shelter South Australia, and the Tenants' Advice Service, Darwin (Northern Territory).

NATO is an affiliate member of National Shelter, and is Australia's representative member of the International Union of Tenants.

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## INTRODUCTION

Australia has traditionally been a nation of home-owners. However, as the dream of the quarter-acre block dwindles, more and more of us are renting. Between 1994-5 and 2013-14 the number of Australian households that rent increased from 25.7% to 31%.<sup>1</sup> While home ownership offers many advantages, renting is not necessarily bad for consumers or society more broadly. Many advanced economies such as Germany have low levels of home ownership. However, Australia lacks many of the protections these countries afford to renters.

**31%**

of Australians  
rented in  
2013-14

Australian renters live in a unique rental market. Australia relies on small investors supported by generous tax concessions to provide nearly all of its private rental housing. Social housing

(made up of public housing provided by the states, community housing provided by not for profit companies and Indigenous community housing providers) makes up less than 4% of the housing market, down from over 5% 15 years ago.

Home ownership rates continue to decline in Australia as investors buy a greater share of the housing supply which subsequently

increases pressure on renting and lowers owner occupation. Australia now has lower rates of outright ownership than owning with a mortgage, and investors make up nearly half of our home purchases. Housing is subsidised by the federal government via tax

**48%**

of renters  
have a  
personal income of less  
than \$35,000 a year

concessions. Home owners face no capital gains tax while investors have a capital gains tax discount of 50% and are able to deduct losses incurred through maintenance and interest payments. Some renters are subsidised through Commonwealth Rent Assistance but it is estimated that owners receive an average of \$8000 per annum and investors \$4000, while renters receive \$1000.<sup>2</sup>

**50%**

of renters  
are concerned  
about being 'blacklisted' -  
making it difficult to secure  
leases in the future

These tax arrangements distort the Australian housing market, increase competition for limited supply,

inflate house prices and unfairly advantage investors over owner-occupiers and lessors over lessees. This has contributed to a shortage of affordable rental housing available to low-income households of 500,000 dwellings due to frustrated prospective owners displacing other renters from available properties.<sup>3</sup> These issues contribute significantly to Australia's rising rate of homelessness.

To better understand emerging tenant issues, CHOICE, National Shelter and the National Association of Tenant Organisations (NATO) commissioned this nationally representative survey of renters in Australia. Our survey indicates that for the increasing number of Australians who rent, housing is frequently poor quality, insecure and unaffordable. Many tenants feel they are not well catered to when searching for a new home. Some face discrimination on a range

**20%**

of renters are  
on a month-  
to-month  
'rolling' lease



of grounds. Rental properties are not always in an acceptable condition and landlords are not always responsive to requests for repairs and maintenance needs. Tenants can be reluctant to ask for repairs or complain about their housing, because they're concerned about eviction or a rent increase they can't afford.

A considerable number of tenants do move on their own terms. For those who do not, the most common reasons to leave are unaffordable rent increases, conflict with the landlord, poor maintenance or lack of repair, and sale of the property. Still others are asked to leave without a reason at all. This suggests

that tenants' concerns about raising issues or making complaints are not entirely misplaced.

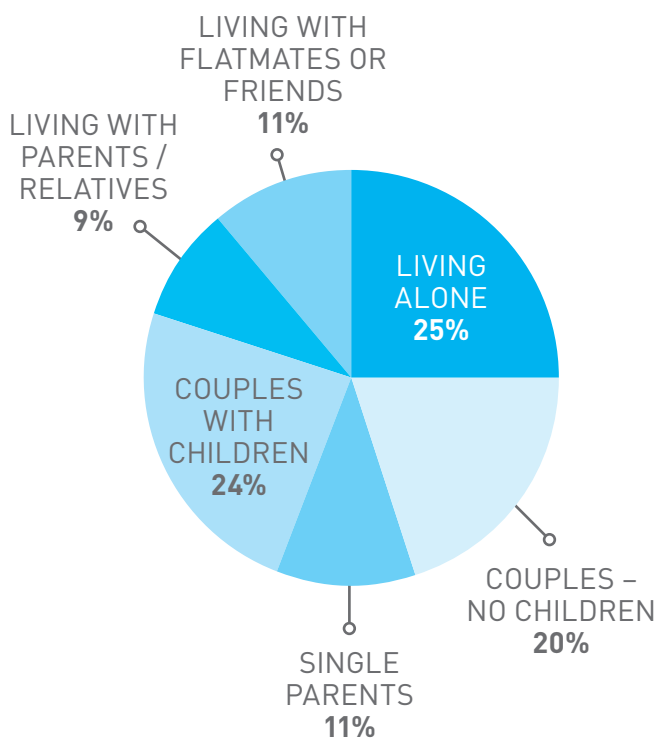
These issues will only become more pronounced as greater numbers of Australians rely on the private rental market for longer periods of time. Policymakers need to consider ways to better protect tenants' rights and ensure access to quality, stable and affordable housing for all. This means looking at ways to improve security of tenure for renters, as well as to improve affordability and amenity within the private rental market itself. These should be priority issues for all Australian governments.



## Who are the renters?

Affordability has been a major driver of the increase in the amount of Australians renting. Over the past five years alone, residential property prices in Australia have increased 23%<sup>4</sup> while growing 30% across the eight capital cities and just under 55% in Sydney.<sup>5</sup> While renters in the survey cited a number of reasons for renting such as being able to live in a preferred location (10%), because it's cheaper (8%), for the flexibility (7%) or because they simply prefer to (3%), cost was the main factor. Indeed, just over half of renters say that they rent because they can't afford to buy their own property.

### LIVING ARRANGEMENTS OF RENTERS



### KEY FACTS



35% of people are renting through a private landlord or owner; 65% of people rent through a real estate agent.



60% of renters live in a house or townhouse and 40% of renters live in an apartment.



48% of renters have a personal income of less than \$35,000.



37% of renters are under the age of 35.

Affordability issues also mean Australians are renting for longer, with 43% of renters having rented for ten years or more. Younger Australians in particular are being locked in the rental market. In fact, one in five renters under the age of 35 have already been renting for more than 10 years. Meanwhile renters aged 45-65 (65%) have spent more time in the rental market than those aged over 65 (58%).

### HOW LONG HAVE AUSTRALIANS BEEN RENTING FOR? BY AGE

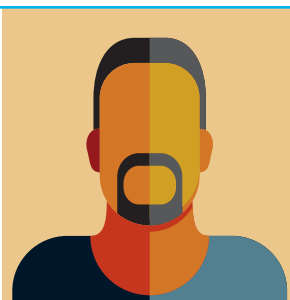


As property prices have grown faster in the cities and in certain states such as NSW, Vic and WA, more people in those areas have been entering the rental market. As a result, renters in regional areas are more likely to have been renting for over five years (79%) than those in metro areas (64%). Meanwhile more renters in WA (41%), Vic (40%) and NSW (30%), including Sydney or Melbourne (39%) specifically, have been renting for less than five years than those in Qld (24%), SA (22%) or the other states and territories (28%). This suggests that more Australians have entered the rental market only recently in Vic, WA and metro areas, notably Sydney and Melbourne.

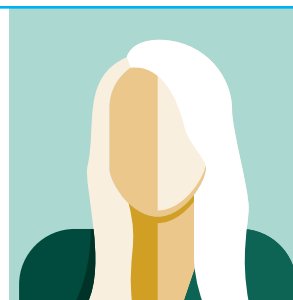


#### IN THEIR WORDS: WHY DO YOU RENT?

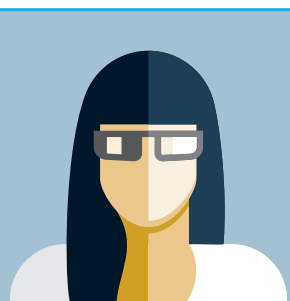
*"I would buy my own place right now if I could afford it. I would have done it many years ago, if I could have. I am currently studying in an attempt to increase my earning capacity, so that maybe one day, I can have a tiny little place of my own that a stranger won't insist on snooping through every three months."*



*"I have to live somewhere. Kids have to have a roof over their heads. I cannot buy a house or apartment close to work with current prices. We can afford a house in a remote area (struggle street, subject to flooding – yes, it is Queensland), but it would be way too much stress and effort, plus problematic school, drugs, crime etc."*



*"I like renting because I don't have the financial stress of paying off a mortgage. I am free to move to other suburbs or cities as I wish. It gives me greater flexibility and freedom. It also allows me to live alone. I wouldn't be able to afford living alone if I was living in my own property."*



*"Because we don't earn enough to save a deposit for a house, we live from week to week and constantly struggle. We have previously rented cheaper houses but they aren't comfortable to live in and we still can't save much so we have decided to pay a little extra each week for a better house so we can enjoy the house we live in."*



## How long are tenancies in Australia?

As Australia transitions from a nation of homeowners to a nation of renters our laws are yet to offer the same level of protection enjoyed in countries with low levels of homeownership. For example, in Germany leases are often indefinite while in Australia they can be as short as just six months.

Across Australia very few renters have a fixed-term lease that runs for even just two years (6%) or longer (5%). Long leases are more likely to be available for houses (7%) than apartments (2%) and provided through private arrangements directly with landlords (11%) rather than real estate agents (1%).

The majority of renters are on a fixed-term one-year lease (51%). This increases for parents with children (59%) and for people renting through a real



estate agent (63%). A fifth of renters are on a rolling or periodic lease and 11% have a fixed-term lease running for six months or less. Renters in Qld (17%) and WA (19%) are more likely to be on these short-term fixed leases while those in a shared household are more likely to be on a rolling lease (30%).

### LEASE LENGTHS IN AUSTRALIA VERSUS OTHER COUNTRIES

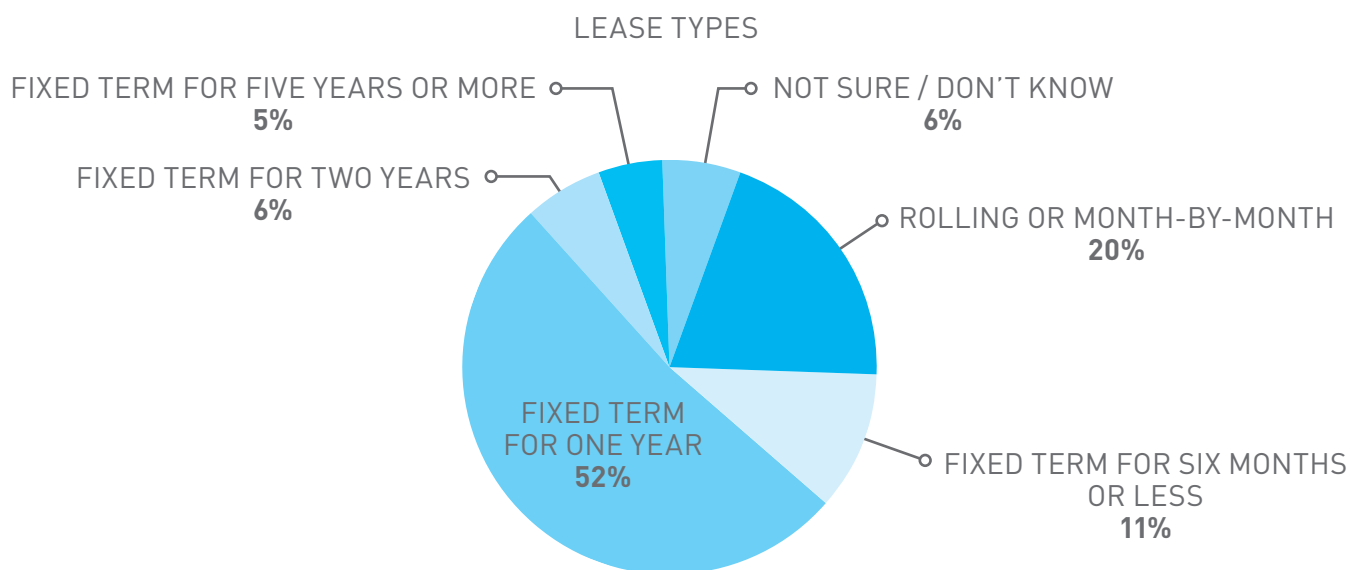
|                     | Australia  | Netherlands                                                       | Germany                                                           | Denmark                                                         | Ireland  |
|---------------------|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| Minimum fixed lease | Generally, six months or a year, but leases can be shorter.                                   | Indefinite leases are available and, even for fixed leases, it's difficult for leases to be terminated without the tenant's permission. <sup>6</sup> | Indefinite leases are available and, even for fixed leases, it's difficult for leases to be terminated without the tenant's permission. <sup>7</sup> | Indefinite leases are available and, even for fixed leases, it's difficult for leases to be terminated without the tenant's permission. <sup>8</sup> | After six months, tenants are rolled on to a secure six-year lease. <sup>9</sup>              |

### PERIODIC VERSUS FIXED-TERM LEASE

The main difference between a periodic (or continuing) lease and a fixed-term lease is the way tenancies can be brought to an end. How and when rents can be increased is also affected. Details vary across the Australian states and territories but in all jurisdictions landlords can end tenancies without grounds at the end of a fixed term, and landlords everywhere except Tasmania can end periodic leases

without grounds. Landlords can only end a fixed-term lease if the tenant does something wrong, like fail to pay rent or cause damage to the property. Because of this, long fixed-term leases are often suggested as a way to improve security of tenure for renters. However, another option for improving security of tenure is to limit the circumstances in which landlords can end tenancies.<sup>10</sup>





Short and insecure leases mean that renters move more often. Half of all renters (51%) in Australia have moved homes three times or more, including 19% of those who have been renting for less than five years and 42% of those aged under 35. Just under one in ten renters have moved homes 11 times or more.

**83%** of Australian renters have no fixed-term lease or are on a lease 12 months long or less



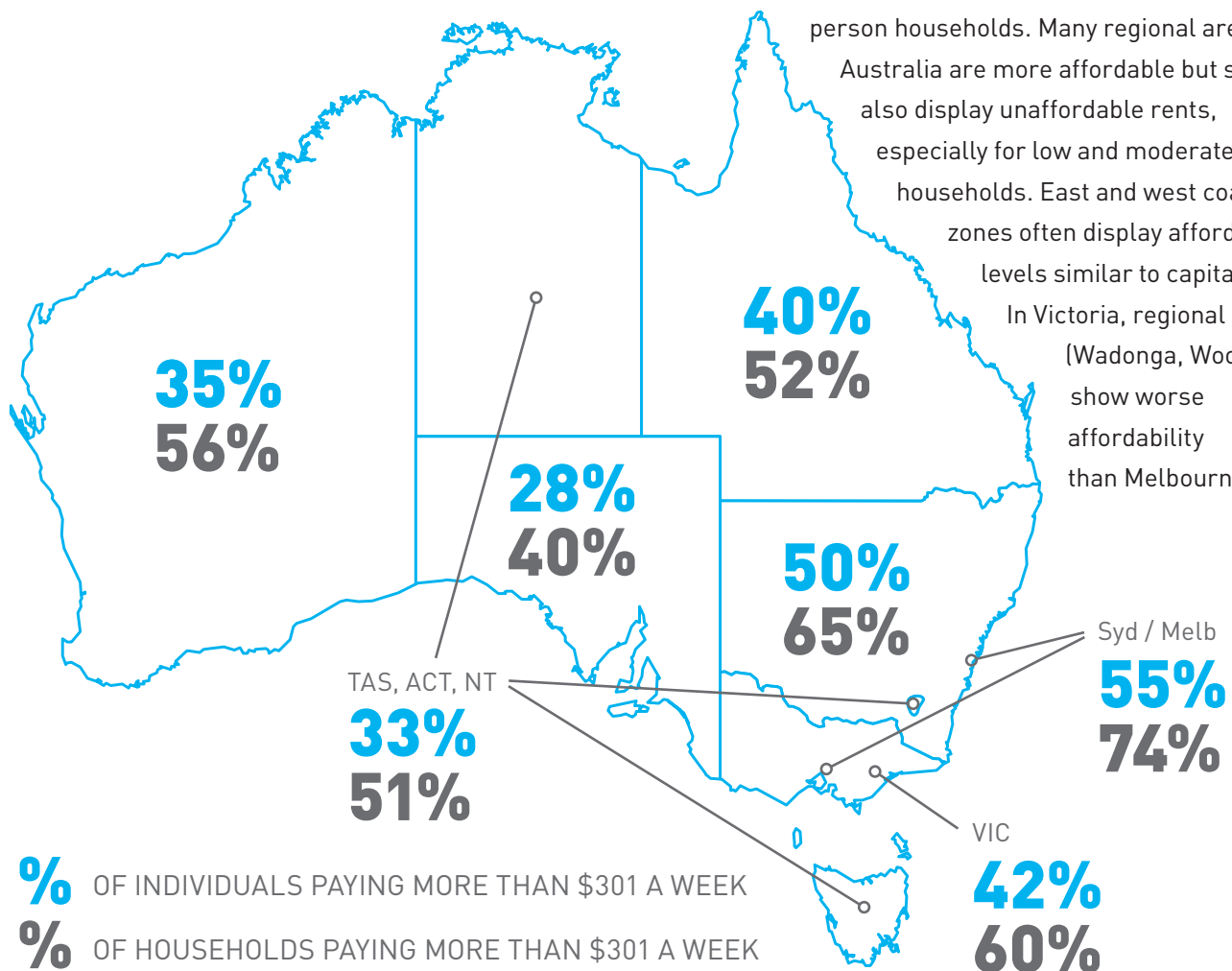
## How much is rent in Australia? Is it affordable?

Most renters personally pay between \$201 and \$400 a week (53%), with 30% of renters paying \$200 or less and 16% paying over \$400. Unsurprisingly this varies considerably based on location, income and other factors. For example, 49% of renters in metro areas personally pay more than \$301 a week in rent versus roughly a quarter in regional areas and 42% of renters overall. This rises to 55% for renters in Australia's two largest cities – Sydney and Melbourne. Meanwhile, in these cities almost three quarters of renters live in households where the total rent is more than \$301 a

week. This aligns with the Rental Affordability Index data that found the median rent in Sydney in 2016 was \$480 per week.<sup>11</sup>

The Rental Affordability Index produced by National Shelter, SGS Economics and Planning and Community Sector Banking shows that Sydney is the least affordable capital in which to rent, followed by Hobart, then Brisbane and Adelaide, then Melbourne and Perth. In most of our capitals rents are moderately unaffordable overall but for households whose incomes are in the lowest 40% virtually nothing is affordable. Low-income households may pay between 50 and 85% of their income to rent.

### PERCENTAGE OF RENTERS PAYING \$301+ IN RENT A WEEK



The index also shows that single-person households are much worse off than families or multi-person households. Many regional areas of Australia are more affordable but some also display unaffordable rents, especially for low and moderate income households. East and west coastal zones often display affordability levels similar to capitals. In Victoria, regional areas (Wadonga, Woodend) show worse affordability than Melbourne.



Rents increase with income, however younger renters are not spared higher rents, despite generally earning less. While renters under the age of 35 are the most likely to pay less than \$150 in rent a week, as one in five of them do, 40% of them still pay over \$300 a week in rent. This is less than those aged 35-44 (49%), but slightly more than those aged 45-64 (38%).

Parents living with children (62%) are much more likely to *personally* spend more than \$301 a week on rent than couples with no children (42%), singles (32%) and those living in share houses (9%). However, couples with no children (67%) and parents with children (69%) are roughly equally likely to spend more than \$301 a week *as a household*. Those renting through

a real estate (51%) are also more likely to personally pay more than \$301 a week than those renting directly through a landlord (28%).

It's no secret that rents have been increasing in recent years, but this has not impacted everyone equally. Some renters have recorded a larger increase in their rents. For example, the number of renters on no income who personally pay more than \$301 a week in rent is 9% higher today than the amount who paid this much when they first moved in. This is despite the fact that this group is more likely to be renting their current property for less than two years, when compared with people earning any income.



## Finding a place to live

Despite recent talk of an over-supply of rental properties, Australia remains a landlord's market with three quarters of renters believing that competition between applicants is fierce. As a result, prospective renters don't feel like they can ask for changes and need to simply take what is on offer (62%), and worry that they'll need to offer more money if they want to secure a place to live (55%). Renters also feel like the amount of information they are required to give for an application is excessive (60%) and unreasonable (46%). This creates concerns over privacy, with some renters (45%) fearing that their information will not be handled in accordance with the law. While renters largely agree that the application process is transparent (39%), 22% do not.

Finding the right place to live (or any place to live) can be a difficult process, with 61% of renters experiencing some issue while searching for a property over the past five years. On average, based on the most recent experience people had looking for a rental property, they had to inspect 5.4 properties. Of these, they applied for 3.1 properties before being offered a lease.

Of renters who have been involved in looking for a home during this time, more than one in five were unable to inspect a property due to inconvenient inspection times, while a similar number also found the photos or written description of the property to be dishonest. Meanwhile, 16% couldn't get in contact with the agent/landlord to arrange an inspection and 12% had experiences with inspection hours being advertised incorrectly. Even if a renter could attend an inspection, issues remain – 18% of house-hunters could not inspect a property properly because tenants were still there and 12% were unable to inspect the property due to the number of others inspecting at the same time.

Lack of information and misinformation are also issues for people looking for a rental property. One in seven rental hunters were made promises about the property that weren't delivered, while the same number were unable to contact the agent/landlord to get more information after inspecting. Meanwhile 5% were not informed about the bylaws in the apartment block and 8% found that even the rent advertised was different to what they were asked to pay. Some renters (6%) were asked to nominate the amount of rent they'd be willing to pay within a price range.



**75%**

of renters agree or strongly agree that competition amongst applicants for a rental property is fierce

**22%**

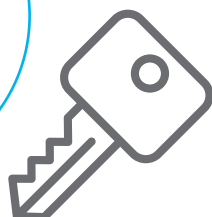
of renters disagree or strongly disagree that the process of applying for a rental property is very transparent

**55%**

of renters agree or strongly agree that they are concerned they'll have to offer extra money to secure a rental property

**61%**

of renters have had an issue while searching for a property over the past five years



**14%**

of house hunters were promised things during application that never materialised





## The state of rental properties

A sizable minority of renters (8%) are currently living in properties they regard as needing urgent repairs. This includes one in ten of those renting a house and 11% of women. People on a rolling lease are more likely to live in a property in need of urgent repairs (14%) than those on fixed-term leases. Renters in NSW (10%) and SA (12%) are more likely to report needing urgent repairs than those in Vic (6%) and NT, Tas and the ACT (2%). Meanwhile, 30% of renters report requiring non-urgent repairs to their property.

**8%** of renters are currently living in a property in need of urgent repairs. This includes:

- 10% of renters in NSW
- 12% of renters in SA
- 11% of women
- 14% of renters on a month-to-month lease
- 13% of renters on a household income of less than \$35,000

Only a quarter of renters report not having ever experienced any problem with their current property. In fact, many renters have experienced quite severe problems. For example, one in five renters have experienced leaking or flooding

while the same amount have had mould that reappears or is difficult to remove – which poses a health risk.

Security is also a major concern with 24% having problems with doors and windows not closing properly and 18% having issues with locks not working. Utilities are often an issue – 17% of renters have had electrical problems, the same amount have had problems with a key appliance included with the property not working, and 15% have had troubles with hot water.

General disrepair is also widely experienced. Over one in five renters have had peeling paint or loose tiles at their current property, 19% have had missing fly screens and 18% have had difficulty keeping the property warm or cool. 15% of people had issues heating water or getting enough hot water. Pests, however, were the most common problem for renters (27%).

Seven percent of people stated that they had other issues with the quality of the rental property. Of this group, the most common other issues reported were problems with outdoor maintenance (e.g. fences rotting, falling down, and not protecting the property) and issues with the ceilings or walls (a ceiling that is cracked or breaking, or major cracks in the walls).

| Top 10 problems experienced by renters |                                                | %   |
|----------------------------------------|------------------------------------------------|-----|
| 1                                      | Pests (cockroaches, moths, ants etc.)          | 27% |
| 2                                      | Doors or windows that don't close properly     | 24% |
| 3                                      | Peeling paint or tiles coming off              | 22% |
| 4                                      | Leaks or flooding                              | 21% |
| 5                                      | Mould that is difficult to remove or reappears | 20% |
| 6                                      | No fly screens on windows                      | 19% |
| 7                                      | It's difficult to keep property warm           | 18% |
| 8                                      | It's difficult to keep property cool           | 18% |
| 9                                      | Locks that don't work                          | 18% |
| 10                                     | A key appliance that doesn't work              | 17% |



Of those who have shared or common areas, 45% have had issues with those areas. This includes problems with maintenance such as with pests (12%), poor cleanliness (9%), shared appliances not working properly (4%), and poor upkeep generally (9%). Again, there were security issues with 12% reporting a lack of security bars on windows and doors and 6% reporting theft in common areas. Renters also reported restrictions on pets (17%), the use of personal property (6%), access to common property (4%) and on contacting the strata manager or executive committee (5%). While landlords spend \$2.4 billion annually on repairs and maintenance, it is important to consider this in the context of other costs. This expense is dwarfed in comparison to the \$21.1 billion spent on interest on loans, for instance.

#### IN THEIR WORDS: STATE OF RENTALS

*“Major plumbing issues. Plumber admitted he was close to giving up and saying the house would be condemned with the sewage not working – aka all over the yard and laundry.”*

*“Needs a new roof, so have had several leaks into the house, taking ages for them to repair.”*

*“Roof caved in from water damage, and deck boards that are so old they’re going to snap.”*



## Experiences with landlords and real estate agents

While many renters have experienced problems, not all have received adequate or prompt responses from their agent or landlord. Of all renters, just under a quarter received no response at all to their request for a repair. Meanwhile 21% had to wait over a week to even get a response about an urgent repair and 23% had to wait over a month to get a response for a non-urgent repair.

Not only are renters not getting timely responses, but they can also face adverse consequences when they speak up. 11% of renters copped a rent hike after requesting a repair and 10% said that their landlord or agent became angry after they requested a repair. Some renters have even faced eviction for making a complaint (2%), requesting a repair (2%) or for taking their complaint to a third party like a tribunal or a tenants' rights organisation (2%).

Renters also had experiences with landlords that would access the property unannounced (6%) and take photos during inspections without permission (5%). One in ten renters also reported that they had experiences with routine inspections being arranged at times that were inconvenient.

Another major problem facing renters is the prospect of being 'blacklisted' by landlords and agents, making it difficult to lease properties in the future. While only a small number of renters have reported this happening to them (3%), fear of blacklisting is widespread amongst renters. Half of all renters are concerned about being blacklisted.

The fear of blacklisting and other adverse consequences have prevented one in seven renters from making a complaint or asking for a repair. This includes over a third of renters who have previously had a dispute with a landlord or agent over bond.

**21%**

of renters waited over a week to get a response from their landlord or agent about an urgent repair

**50%**

of renters are concerned about being 'blacklisted'

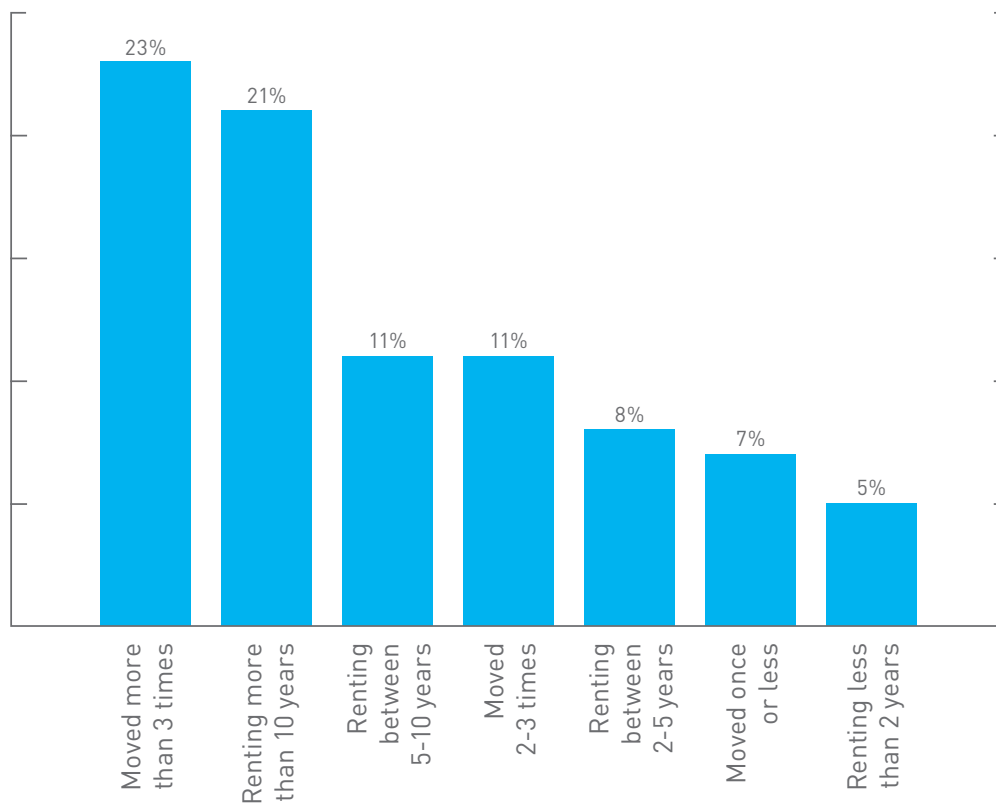
**14%**

of renters have not made a complaint or requested a repair out of fear of adverse consequences

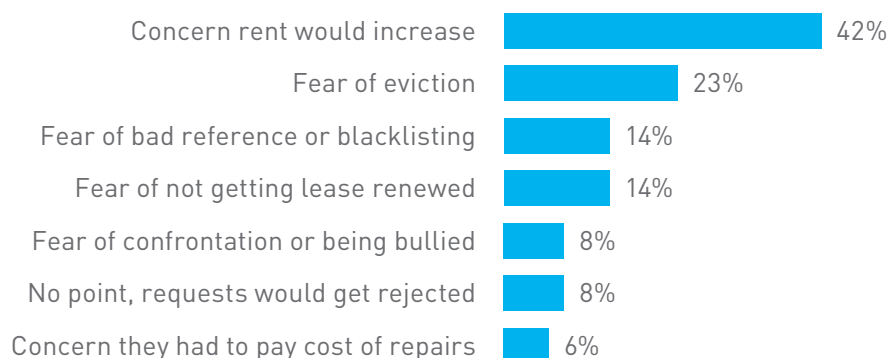




PERCENTAGE OF PEOPLE WHO HELD OFF MAKING A COMPLAINT  
GROUPED BY TENURE IN THE MARKET AND NUMBER OF RENTAL PROPERTIES  
(Renters with more experience in the rental market are less likely to complain)



WHY PEOPLE DIDN'T COMPLAIN



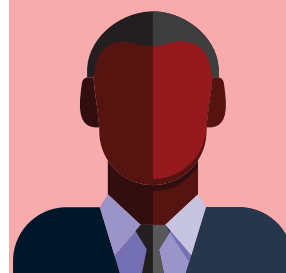


## IN THEIR WORDS: RENTER FEAR OF RETRIBUTION

*"I was once told when I signed a lease that the landlord was leaving the house as it is otherwise the rent would be put up."*



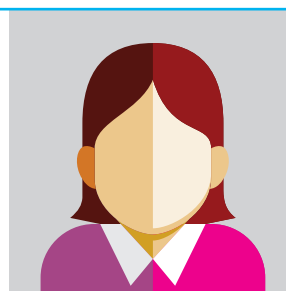
*"Friend has been yelled at over the phone when requesting maintenance for the downstairs area of the last place we were in, it was the raw sewage."*



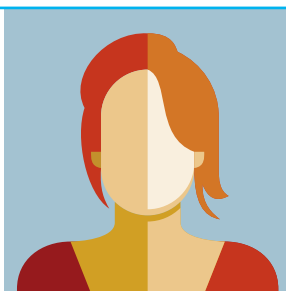
*"Did not ask to get fridge or dryer replaced as that may result in eviction."*



*"It took a year and half to repair an urgent repair (flooding water to the bedroom from balcony) after so many calls!"*



*"Fear of being kicked out later on down the track, and not working full time I don't have enough money to get another place or anywhere to go so would be homeless."*



*"[I'm] scared of bad reference for next rental application or agent getting spiteful and blacklisting me."*



*"Constantly worried that if I make a complaint we won't be offered to rent again, we would not be able to afford to move let alone afford new rent."*



The experience of renters differs depending on whether they lease directly through a landlord or through a real estate agent. Of the renters who rent through a landlord and currently need repairs to their property, 75% have raised the repair with their landlord. Eighty-four percent of people renting through a real estate agent have raised their need for a repair. People renting through an agent are much more likely to have raised the issue multiple times (62%) than those renting through a landlord (41%).

Overall about a fifth of renters received a positive response (all requested repairs have or will be carried out), regardless of renting through an agent or landlord, with 8% and 7% receiving a negative response respectively. Fourteen percent of those renting through an agent did not receive any response after raising a need for repair, while 10% of those renting through a landlord did not receive any response. And of those renting through a landlord, 64% received a mixed response (having some of the requested repairs completed, others not), compared to 56% of those renting through an agent.

## Moving out

The majority (68%) of renters who have moved out of a rental property left their last rental on their own terms, either for personal (33%) or work (18%) reasons, because they were upsizing or downsizing (12%), because they had bought a place to live (5%) or were moving to a safer neighbourhood (5%).

However, renters also left because they could not afford rent (11%) or because they wanted to avoid a rent increase (9%), due to conflicts with neighbours or flatmates (7%) as well as landlords (5%), or because the state of the property was unbearable to live in (6%). Seven percent of leases ended because the property was sold or was up for sale. Other renters were told to leave by the landlord with reason (12%), on 'no grounds' (4%), or with no reason offered at all (3%). Being asked to leave without grounds or for no reason was more common in the eastern states, particularly NSW and Qld.

Overall, 8% of all renters have been evicted 'without grounds' at least once since renting, while 9% have been evicted with no reason given at least once.

Of renters who have left a property before, most (60%) have not had any dispute with their landlord or agent; however, 26% have had a dispute over the cleanliness of the property and a fifth have had a disagreement over the bond. Renters from Qld (28%), SA (30%) and on household incomes of between \$50,001 and \$70,000 (31%) were more likely to have a dispute over the bond, while those in WA (34%), couples without children (34%) and those with household incomes of less than \$35,000 (39%) were more likely to have a dispute over cleanliness. Furthermore 8% of all renters have had disputes over the reason for ending the tenancy – with renters on month-to-month leases (15%) and those on household incomes of less than \$35,000 (14%) more likely to – and 6% have had disputes over appliances included in the property.

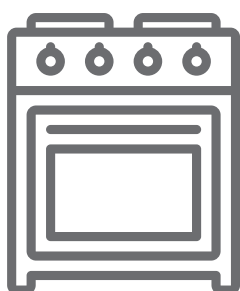


## IN THEIR WORDS: RENTER EXPERIENCES AT THE END OF A LEASE

*"I was given a notice to leave after landlord had two minor costs for maintenance. Said he would rather have no tenants."*



*"Agent sent us a letter, said the owners were moving into the house. They moved in only to later find out they re-rented the property to other people."*



*"I was given notice to leave as the owner said it wasn't worth his while to have tenants as after five years I asked for some maintenance on the house (only one hot plate worked on stove, water tank leaked, bathroom flooded every time it rained).*

*He gave me plenty of notice and got very angry when I secured a new rental property within days of getting his notice, he told me I couldn't leave now. But bad luck for him as the notice to leave said I had to be out by a certain date, I got out well before."*



*"I terminated the lease because the property required frequent repairs which the landlord was slow/reluctant to arrange."*

*"Landlord terminated lease because he did the house up and sold it. After telling us we had it for as long as we needed it."*



*"Property being sold even though there was still six months remaining on the lease."*

*"The dwelling was deemed unfit for living by the council."*





## Discrimination in the rental market

Half of all renters report having experienced some form of discrimination when looking for a rental property in the last five years. This includes discrimination for having a pet (23%), for receiving government payments (17%), on the basis of age (14%), for having young children (10%) and being a single parent (7%). Discrimination on the basis of race (6%), for needing to use a bond loan (5%), gender (5%), disability (5%) and sexuality (2%) are also experienced, though are less common.

Older renters are much less likely to report discrimination. In fact only 20% of renters over 65 reported having experienced discrimination at all. Even renters aged 45-64 were less (43%) likely to report

having felt discriminated against. Younger renters under the age of 35 were more likely to say they've been discriminated against (55%) – particularly in regard to their age (22%). Men (42%) reported less discrimination than women (56%) overall, though both were as likely to report discrimination based on gender (5%). Location also appears to have an impact, with renters in the NT, Tas and the ACT (41%) less likely to report discrimination and renters in SA (61%) much more likely to.

The impact of income on discrimination is mixed. For example households earning between \$70,001 and \$100,000 (41%) were less likely to report discrimination, while households earning between \$100,001 and \$150,000 were more likely to (55%). Fifty-seven percent of households earning less than \$35,000 said they had been discriminated against, 62% of households earning \$35,001–50,000 and 60% of households



earning \$50,001–70,000. However, the nature of the discrimination people reported experiencing varied greatly – those on low incomes were much more likely to have faced discrimination for receiving a government payment, for being a single parent, or based on their race or on their disability. Households on higher incomes were more likely to face discrimination for having young kids and having a pet. Renters who have previously had a disagreement with a landlord or agent about bond are the most likely to report discrimination (75%).

Renters who report experiencing discrimination in the rental market are more likely to require urgent repairs (12%) than those who haven't (6%). Indeed they are more likely to have poor experiences with their agent or landlord across the board when compared with other renters. They are more likely to be in need of non-urgent repairs (+9%), to wait over a week for a response to a

request for an urgent repair (+21%) and over a month for non-urgent ones (+19%). They are also more likely to face rent hikes after making their request (+10%), to face an angry landlord or agent (+16%) and to get blacklisted (+4%). Renters who report having faced discrimination are also more likely to have not made a complaint or requested a repair out of fear of adverse consequences (+13%).

Renters who have reported facing discrimination are also much more likely to have had a dispute with their landlord or agent when moving out of a rental property. Only 43% of these renters say they haven't had a dispute of any kind, versus 77% of the population that haven't faced discrimination. They are more likely to have had a dispute over the cleanliness of the property (+26%), the reason for the end of the lease (+8%) and to have had a disagreement over the bond (+19%).



## WHO IS REPORTING DISCRIMINATION?

| Who?                                                                                             | Why? Key areas of discrimination                                                                                                                                                                   | Comparison                                                                                                                                                                                                                                                                                             |
|--------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 75% of people who previously had a disagreement with their landlord or agent about the bond      | For receiving a government payment (42%), Having a pet (39%), Age (24%), Having young kids (23%), Being a single parent (18%), Needing to use a bond loan (18%), Gender (12%) and Disability (11%) | +31% more likely to face discrimination than people who haven't had a disagreement                                                                                                                                                                                                                     |
| 60% of households with income less than \$50,000 per annum                                       | For receiving a government payment (33%), Being a single parent (17%), Needing to use a bond loan (10%), Disability (9%)                                                                           | Households with incomes over \$100,000 report similar levels of discrimination but for fewer reasons – better off households are only as likely to face discrimination as low income households if they own a pet.  |
| 59% of people with personal income less than \$35,000 per annum                                  | For receiving a government payment (33%), Disability (9%), Needing to use a bond loan (8%)                       | +13% more likely to face discrimination than people with personal incomes over \$100,000                                                                                                                                                                                                               |
| 56% of women  | For having a pet (31%: +17% more than men), Having young kids (13%), Being a single parent (11%), Needing to use a bond loan (7%)                                                                  | +14% more likely to face discrimination than men                                                                                                                                                                                                                                                       |
| 55% of people under 35 years old                                                                 | Age (22%)                                                                                                                                                                                          | +14% more likely to face discrimination than those over 35                                                                                                                                                                                                                                             |
| 54% of regional renters                                                                          | Having a pet (33%), Having young kids (15%)                                                                                                                                                        | +6% more likely to face discrimination than metro renters                                                                                                                                                                                                                                              |

## How we put this report together

### Methodology

Data for this report was collected through an online survey. The data has been weighted to ensure it is representative of the Australian renting population according to the Australian Bureau of Statistics (ABS) 6523.0 – Household Income and Wealth, Australia, 2013–14 and the 2011 Census for gender split.

The survey was designed and analysed by CHOICE, National Shelter and the National Association of Tenant Organisations (NATO).

1005 respondents completed the survey in-field from 12–31 October 2016. Fieldwork was conducted by The ORU. The ORU are ISO 20252 and 26362 accredited and are full AMSRO members.

### Notes

**1** Australian Bureau of Statistics (2015), “4130.0 – Housing Occupancy and Costs, 2013–14”, Table 3

**2** <http://www.rba.gov.au/publications/confs/2011/yates.html>

**3** In 2012 the National Housing Supply Council reported a shortage of 539,000 private rental dwellings in Australia that were both affordable and available for those in the bottom 40% of the income distribution, at least two thirds in capital cities.

**4** OECD (2016), “Prices: Residential property price indices – complete database (Edition 2016/1)”, Main Economic Indicators (database).

**5** Australian Bureau of Statistics (2015), “6416.0 – Residential Property Price Indexes: Eight Capital Cities”, Table 1

**6** <https://www.government.nl/topics/housing/contents/rented-housing>

**7** [http://www.bvc.dk/SiteCollectionDocuments/Analyser/The\\_German\\_Private\\_Rented\\_Sector\\_web.pdf](http://www.bvc.dk/SiteCollectionDocuments/Analyser/The_German_Private_Rented_Sector_web.pdf)

**8** See English translation of the Danish Rent Act <http://www.fyidenmark.com/support-files/rent-act-english.pdf>

**9** See information about Part 4 tenancy at [http://www.citizensinformation.ie/en/housing/renting\\_a\\_home/types\\_of\\_tenancy.html](http://www.citizensinformation.ie/en/housing/renting_a_home/types_of_tenancy.html). Note, until 2016, the secure lease ran for four years. This was extended to six years for leases from 24 December 2016 under the Planning and Development (Housing) and Residential Tenancies Bill 2016.

**10** Tenants' Union of NSW, January 2017, ‘Submission – Long Fixed-Term Residential Tenancy Agreements in New South Wales’, available at [https://files.tenants.org.au/policy/20170116\\_LongFixedTermsTUNSW.pdf](https://files.tenants.org.au/policy/20170116_LongFixedTermsTUNSW.pdf)

**11** Rental Affordability Index (2016) <https://www.sgsep.com.au/publications/rental-affordability-index>



