

DISRUPTED

The consumer experience of renting in Australia



CHOICE

 national
shelter

 nato

2018

This report was jointly produced by:

CHOICE

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



national
shelter

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.



nato

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 Tenants Queensland, the Tenants' Union ACT, the Tenants' Union of New South Wales, the Tenants' Union of Tasmania, Tenants Victoria, Tenancy WA, Darwin Community Legal Service - Tenants' Advice Service (NT) and Shelter South Australia. NATO is an affiliate member of National Shelter, and several NATO organisations are members of the International Union of Tenants.

With special acknowledgments:

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INTRODUCTION

We all need a home we can count on. It's very difficult to raise a family, go to work, be part of our local communities or maintain our health and wellbeing without a good place to call home. Across the nation, more and more people are renting their homes. There are now over 2.6 million households in Australia who rent. These Australians are raising families. They are sending their children to local schools. They are growing old and retiring.

Disrupted – the second report commissioned by CHOICE, National Shelter, and The National Association of Tenant Organisations (NATO) – delves into the issues facing Australians who rent. It reveals three problems that people who rent are facing across the nation, with many:

- living in poor quality homes afraid to request repairs;
- on insecure tenancies; and
- struggling with rental affordability and cost of living pressures.

Renting in Australia is not a one-size-fits-all experience. The experience of families who rent with children is very different to that of women over 55 who rent their homes. This is again different from the experience of a 20-year-old entering the private rental market for the first time. This report highlights the unique lived experiences of different demographics across Australia.

However, across every demographic, Australians who rent are putting up with homes that are in desperate need of repairs. Over half of all people who rent are living in homes that currently need repairs. In some cases, they are left in situations that are simply unsafe.

People who rent are more than twice as likely to be 'finding it difficult' to get by on their present income as non-renters.¹

Despite this, people who rent are often holding back requests for repairs. At best, they fear that requests will be ignored or delayed indefinitely.

At worst, people who rent fear requests will either result in an increase in rent or an eviction. Nearly half (44%) of Australians who rent are concerned that a request for repairs could result in an eviction. This fear of negative repercussions creates significant stress for people, deterring them from asking for repairs or requesting improvements to their home.

Australians are increasingly renting on insecure tenancies that fail to provide certainty and peace of mind. 9 out of 10 people who rent (88%) are on contracts of a year or less, which means they are not certain of where they will be living in 12 months' time. Around 3 in 10 Australians (29%) are living on periodic agreements or 'rolling' contracts.

An insecure housing market also means that people renting homes are constantly on the move. 2 in 5 Australians who rent (40%) think they will not be living in the same home in 12 months' time.

This report focuses on the impacts on Australians who rent who have to constantly move home. Renters tell us that moving homes is an expensive, time-consuming and emotionally taxing endeavour. The stress of moving is particularly evident for families. Families with school children have to factor in a number of considerations: will I be able to find another family

Almost
7 in 10 (68%)
Australians who rent are concerned that a request for repairs could mean a rent rise.

Nearly
1 in 10
(8%) think they will be forced to move in the next 12 months.²

home in the same local school catchment?

Will I be able to find a home that is close to local services such as my doctor or place of worship? Will I still be able to live close to my friends and family, so I can have that support network?

29% of people who rent are on a periodic agreement or 'rolling lease'.

83% of people who rent express concern about the stress caused by the effort needed to move.

The financial burden of moving also takes a toll on Australians who rent. They are often forced to pay for a number of additional expenses such as

removalists, cleaners, time off work, paying double rent to secure a new home before their existing lease ends, and paying two concurrent bonds. This places further financial strain on these households. For Australians who rent, the fear of being evicted does not come

just with anxiety and stress, but also a serious financial impact.

47% of Australians who rent paid for a removalist the last time they moved homes.

Many Australians who rent are also living in a precarious financial position. More than 2 in 5 of all Australians who rent (43%) are finding it difficult to get by on their current income, compared with 21% of non-renters. This financial fragility, when combined with a fear of rental increases as a repercussion for requesting repairs, means that many people who rent are more likely to be silent and accept a problem with their home than run the risk of further straining their finances.

As a consumer experience, Australians expect and deserve better. Imagine paying tens of thousands of dollars a year for an important product, only to find that there is a greater than 50% chance there are problems with it – and compound that with being unable to request a remedy for fear of negative repercussions. It is evident that the system is broken.

The Australian Consumer Law creates guarantees that automatically protect Australian consumers and give them the rights they expect. The law is applied consistently across the country, providing certainty for businesses and consumers alike. Consumers know that if they have a problem with something they buy, then they have the right to a repair, refund, or replacement. But the private rental market is not functioning in this way. Australians who rent are living in homes that are in desperate need of repairs, and unlike in any other market for consumer goods, they are unable to assert their rights to a remedy because they fear eviction or an unreasonable hike in rent.

Renting doesn't have to be this way. It's time we modernise tenancy laws across Australia to better support Australians who rent.



SPOTLIGHT: AUSTRALIAN WOMEN OVER 55 WHO RENT



48% are living alone, compared with **22%** of the rest of the population



66% have previously owned a residential home and no longer own it, compared with **27%** of other renters

Are almost three times more likely to be renting due to 'other personal or financial circumstances' than other people who rent



66% of women over 55 would find a rent increase of 10% very difficult or difficult to afford, compared with 39% of the rest of the population



"I've rented all my life and I'm 62. I can't afford to buy, being on a disability pension. I long to be settled somewhere. [My] current landlord has ignored my maintenance requests for 4 months now. He won't spend money unless it's an absolute emergency and then only when threatened. One landlord... put in an illegal flue over the stove that did not let fumes escape to outdoors. When I said I was going to Consumer Affairs I was threatened with and got a notice to leave without reason."
Debra 62, VIC, single.

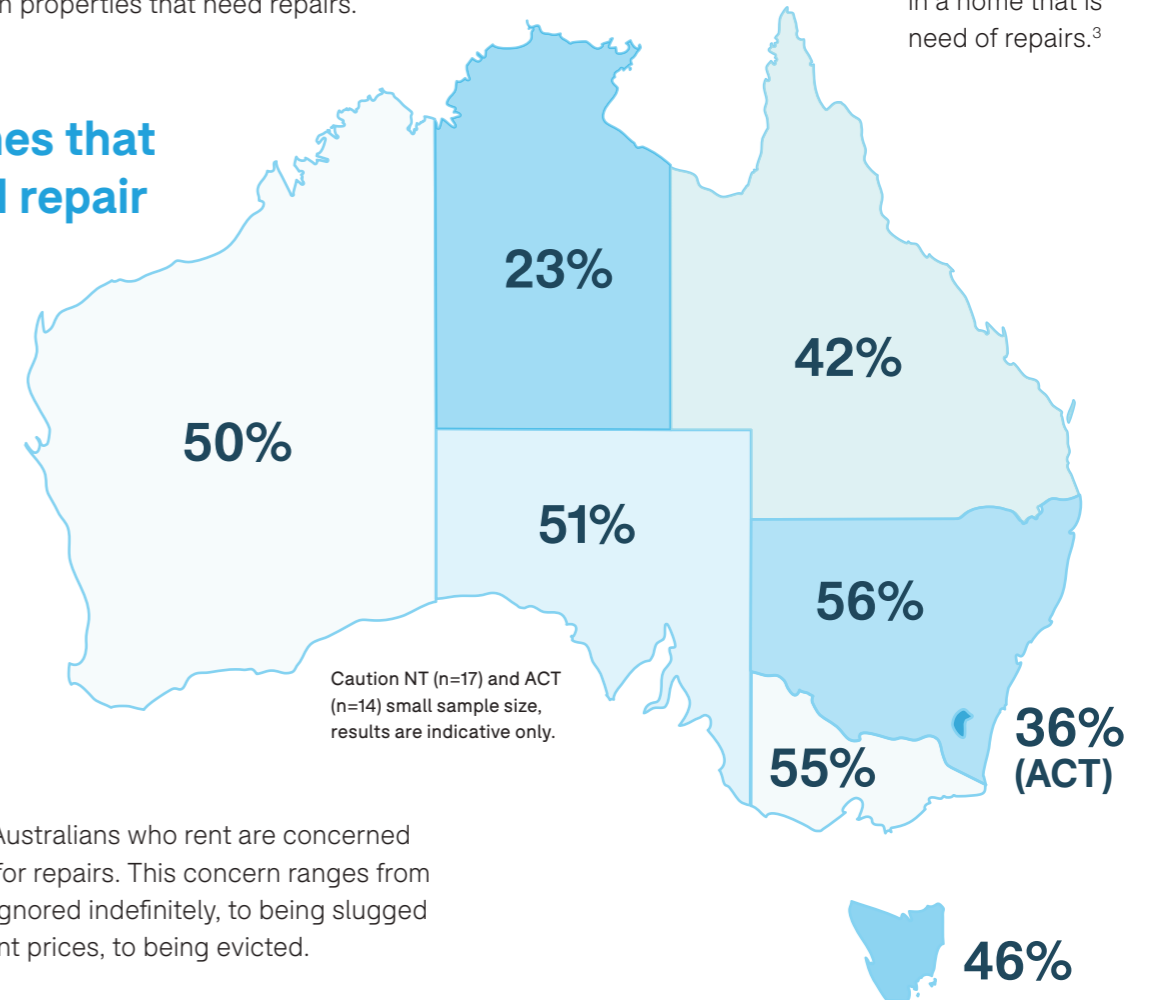
1. QUALITY

Across Australia, people who rent are reporting that their homes need repairs. New South Wales and Victoria – states with the largest population of people renting – report the highest numbers of people living in properties that need repairs.



51% of people who rent are currently living in a home that is need of repairs.³

Homes that need repair



Despite this, Australians who rent are concerned about asking for repairs. This concern ranges from simply being ignored indefinitely, to being slugged with higher rent prices, to being evicted.

How concerned would you be about the following, if you were to make a request for repairs from your landlord?



69%

are concerned that the request would be delayed an unreasonable length of time



68%

are concerned that the request could mean a rent rise



64%

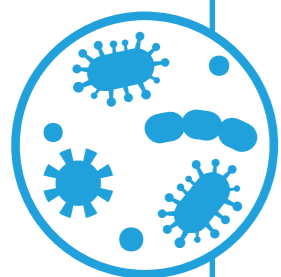
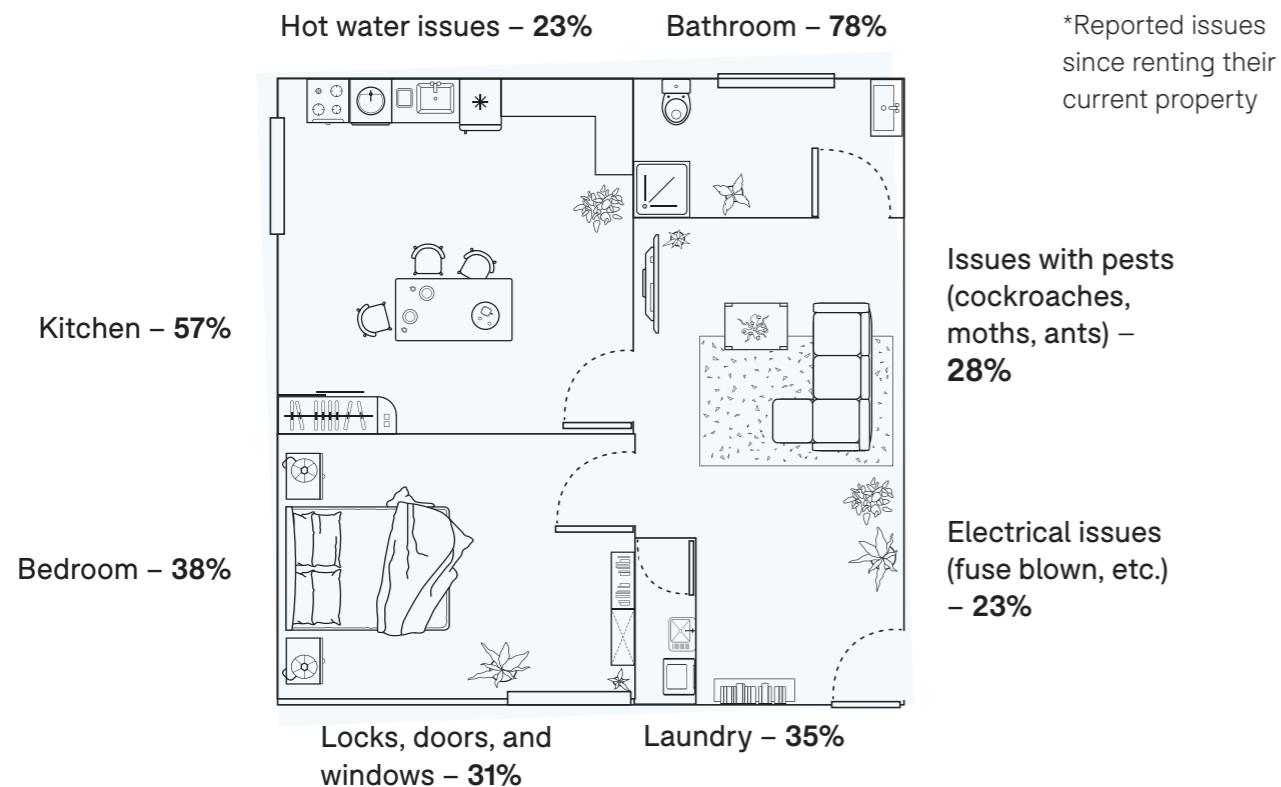
are concerned that the request would go ignored indefinitely



44%

are concerned that the request could get them evicted

QUALITY ISSUES FOR AUSTRALIANS WHO RENT – WHAT PARTS OF THE HOME HAVE NEEDED REPAIR?



1/3 of all Australians who rent (33%) have experienced problems with mould in their bathroom. Mould that is difficult to remove or that reappears remains a constant issue for people who rent across Australia. NSW has the highest reported incidence of mould, with **35%** of all people who rent reporting mould in their bathrooms and **20%** reporting mould in their bedrooms.

Another commonly reported issue is difficulty in keeping a home cool or warm, with almost 3 in 10 people who rent (28%) reporting problems with this. Victoria has the highest proportion of renters who experience problems regulating temperature, with 36% of people who rent reporting problems. One survey respondent shared that her house is:

“Draughty, unbearably cold in winter (both adults have moved their beds into lounge room for warmth) and ridiculously hot in summer.” Jenny, VIC, 38.

The inability to keep a home at an appropriate temperature also has financial impacts through higher energy bills. Almost 4 in 5 Australians who rent (78%) are concerned about the cost of their electricity bills.³ They are often forced to decide whether to pay higher electricity bills and have their home an appropriate temperature, or live in often unsatisfactory conditions.

SPOTLIGHT: AUSTRALIAN FAMILIES WITH CHILDREN



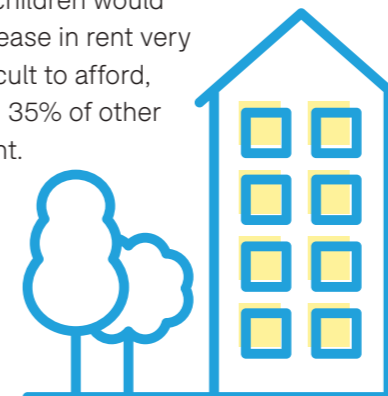
56% expressed concern the last time they moved homes about the “distance from a local school catchment, or increased distances from my child(ren)’s school”



Across every room in the house, Australian families with children report they have experienced more repair issues:

Room	Families with children	Other people who rent
Bathroom	82%	76%
Kitchen	65%	52%
Laundry	41%	32%
Bedroom	44%	35%

Almost half (49%) of all people who rent with children would find a 10% increase in rent very difficult or difficult to afford, compared with 35% of other people who rent.



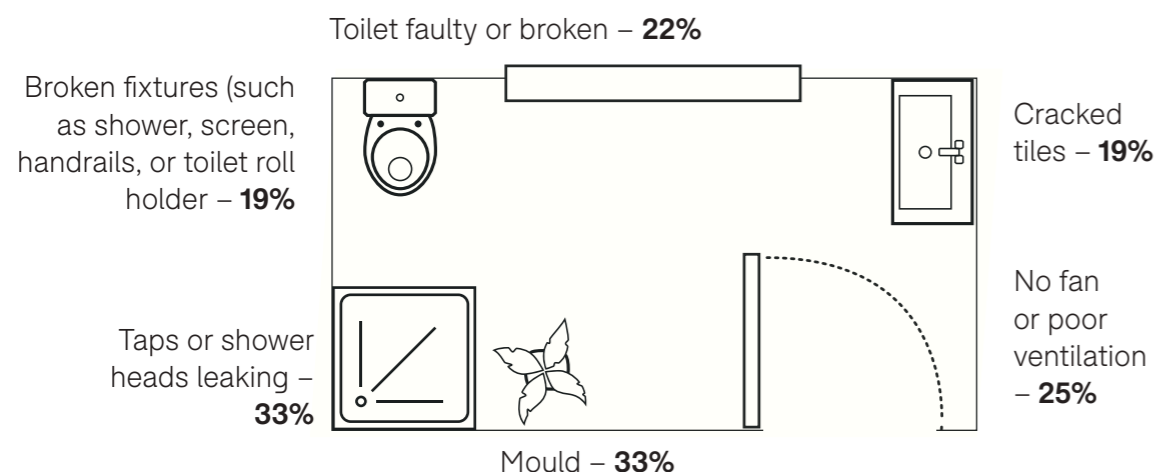
Mould remains a serious issue for families with children. Almost **2 in 5** (39%) have reported issues with mould in the bathroom, compared with 29% of other people who rent.

“[The landlord]...ended up not renewing the lease due to our repair requests stating that they needed the house empty to do the vast amount of repairs after all the neglect they’d given us. Two weeks later they had new tenants in and there was no way they could have done all the repairs in that small amount of time.”
Marc, TAS, father of three children.



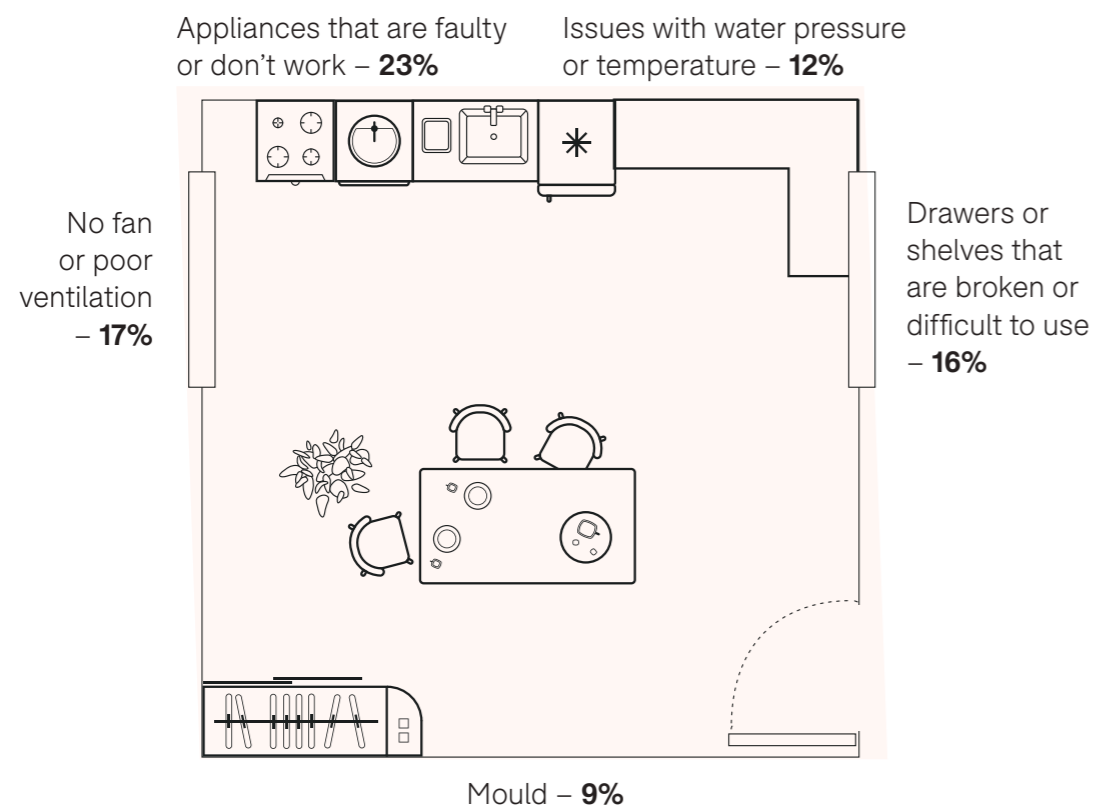
A SNAPSHOT OF THE BATHROOM

Australians who rent report the bathroom as the most problematic room in their home.



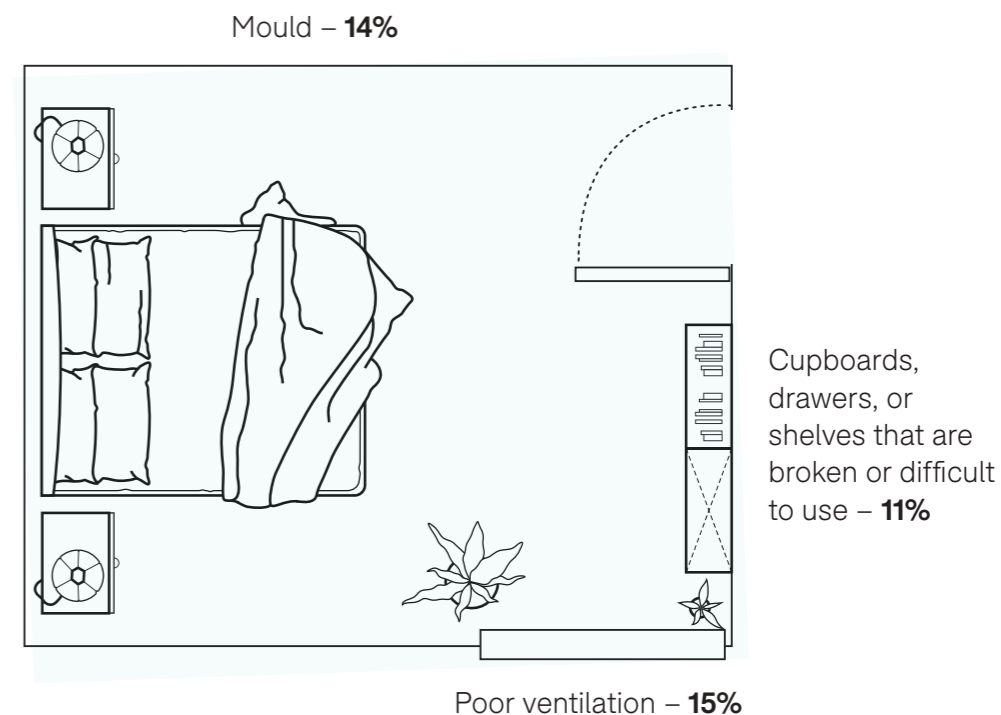
*Reported issues in their bathroom since renting their current property

A SNAPSHOT OF THE KITCHEN:



*Reported issues in the kitchen since renting their current home

A SNAPSHOT OF THE BEDROOM:



* Reported issues with their bedroom since renting their current property

One survey respondent shared the challenge he had with not being allowed to pursue basic modifications to his bedroom:

“Not allowed to hang my own curtains so it isn't dark enough for me to sleep in the day when I'm on night shift.” Gregory, QLD, 36.

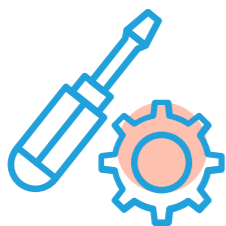
This issue of lack of autonomy is commonplace across the nation, with almost a quarter (23%) of all Australians

who rent having experienced issues with restrictions on how they want to use their home, including making minor alterations. This becomes an issue of grave safety when people who rent are not allowed to secure furniture or televisions to their wall.

According to Product Safety Australia, since 2001, at least 22 children under the age of nine have died in Australia from toppling furniture and televisions.⁴ One tragic example of this was when a 22-month-old toddler in Western Australia died when an unsecured chest of drawers crushed him. It was unsecured because the landlord had refused to let the toddler's mother secure the chest of drawers to the wall.⁵

SPOTLIGHT: LONG-TERM RENTERS IN AUSTRALIA:

For many Australians, renting is a long-term housing option. 6 in 10 people who rent (60%) have been renting for 10 or more years.



Across the following issues, long-term renters experience more problems in their current home than those who are newer to the private rental market.

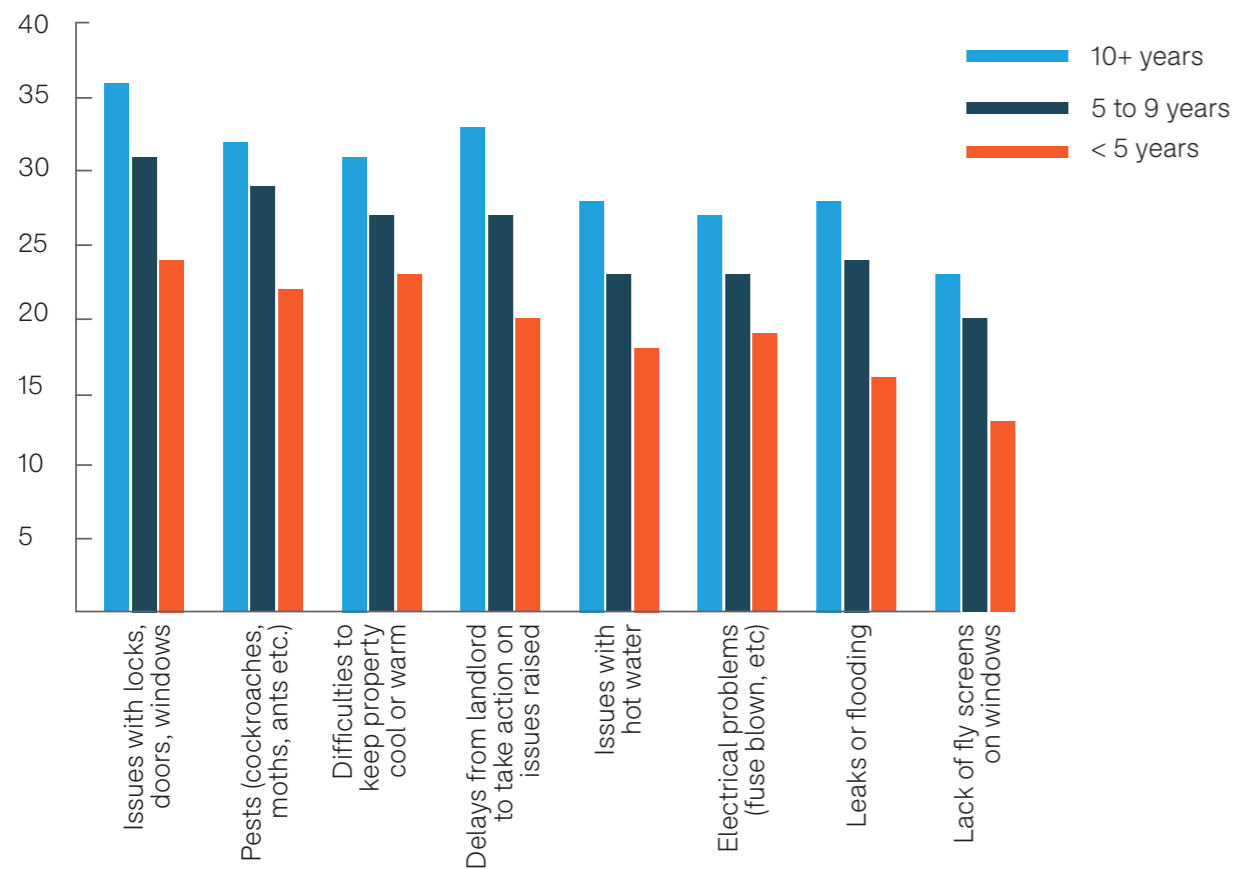


55% of long-term renters have moved properties five times or more.

36% of long-term renters are living on month-to-month leases, compared with 21% of Australian who have been renting for less than five years

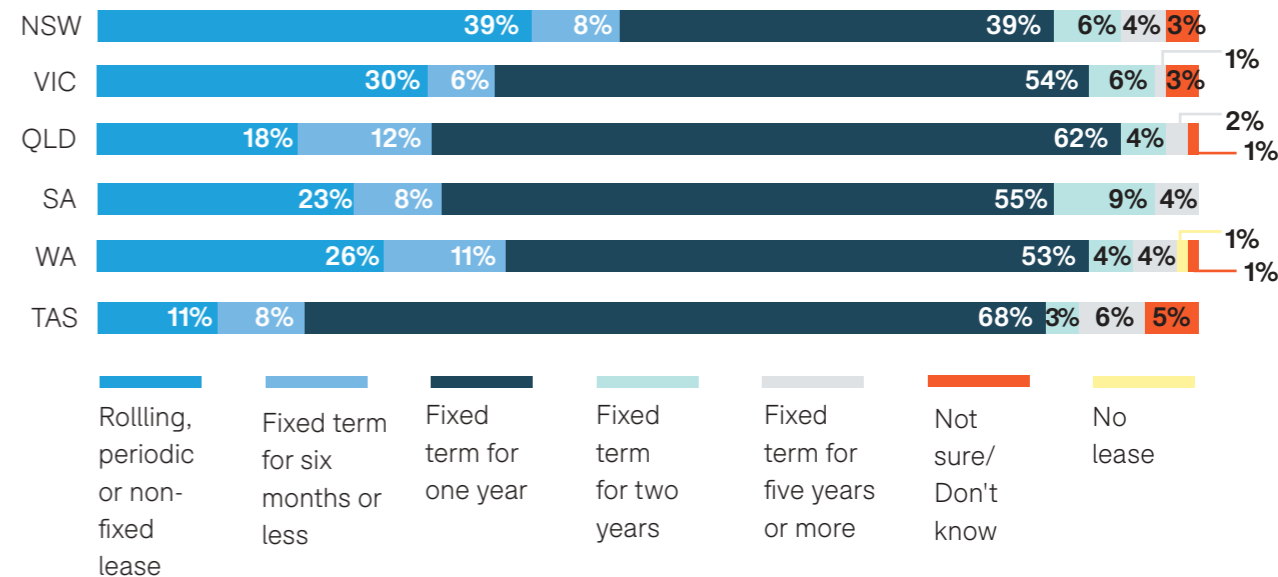


Since renting your current property have you experienced any of the following issues?



2. STABILITY

What is the type and duration of renters' current rental agreement?



Across the nation, people who rent are living on insecure tenancies. Almost **9 in 10** Australians who rent (88%) are on leases of a year or less, and are not certain of where they will be living in a year's time. This impacts a person's ability to feel part of the local community and establish roots.



MOVING HOMES

Moving homes is a highly stressful and expensive experience for Australians who rent. More than 4 in 5 people who rent (83%) express concern about the 'stress caused by the effort needed to move' when last moving rental properties.

57% of people who rent experienced concern about commute times and distances to their place of work/study when last moving properties.

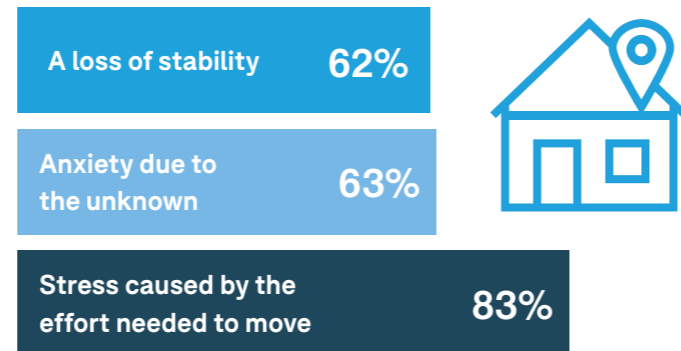
Moving homes often means moving away from familiar support networks and local services. A majority (53%) of Australians who rent express concern about finding new local services when last moving rental properties. This included having to find a new family doctor, a new place of worship, and new community groups.

Practical considerations, such as distance from local public transport services, are things renters have to think about when moving properties. One survey respondent shared her concern about moving homes:

"[A] strong concern because I don't drive, and [the] new place was all I could afford, but had serious reduction in public transport options." Wendy, 54, QLD, living alone.

Another concern for Australians who rent is how to maintain access to local support networks. Half of all people who rent (53%) expressed concern about the 'distance from family, friends, support network' when last moving. 52% of renters expressed concern about moving away from existing social and community groups. This distance from local community groups and family structures can be isolating.

Concern experienced when last moving rental properties



The toll of moving home is particularly taxing on families with children. A majority of families with children who rent (56%) expressed concern about the 'distance from a local school catchment, or an increased distance from my child(ren)'s school.'

A survey respondent, who moved homes within the suburb, shared her experience of the emotional toll it took on her:

"We moved within the same suburb, but it was literally the most stressful time of my life! The house I was renting was put on the market for sale when I first found out I was pregnant. During my entire pregnancy I had to compete with groups of 20-30 people applying for the same properties at that time due to living close by the RAAF base. The house sold the week after I gave birth, so I had to move house after a caesarean and my baby being in the NICU for a week, when she was just 2 weeks old, into a house I hadn't seen yet (mum had to go to the inspections and apply on my behalf)" Shiloh, 39, single parent living with children

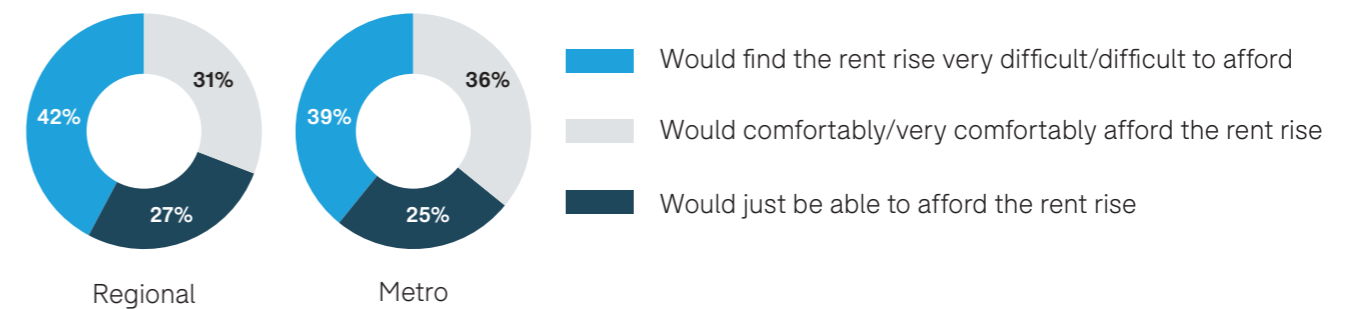
SPOTLIGHT: RENTING IN REGIONAL AUSTRALIA

People who rent in regional areas face many similar challenges with their urban counterparts. A majority of people (51%) who rent in regional Australia have rented for 10 or more years:

Proportion of people who have rented 10 or more years



Thinking about current financial position, if your rent were to increase 10%, which of the following best applies?



Have you ever had a landlord end a tenancy 'without grounds'?



Metro Australians
10%



Regional Australians
9%

State of repairs - living in homes that are in need of repairs



Metro Australians
51%



Regional Australians
49%

Renters in regional Australia report repair issues with their current home at similar rates to people who rent in metropolitan regions:

Repair issue:	Metro Australia	Regional Australia
Doors, locks and windows	30%	32%
Pests	27%	29%
Difficulties keeping home cool or warm	29%	24%
Issues with hot water	24%	22%
Electrical problems	23%	24%

THE FINANCIAL COST OF MOVING PROPERTIES

The last time Australians who rent moved homes:



54% paid to have mail redirected



46% had to pay to clean, repair, or remove something from their old home



47% paid for a removalist



33% had to take time off work



45% had to pay a fee to disconnect or reconnect electricity, gas, phone, or internet

"Moved cities in January. Spent a lot of money, time and effort on the new house. Told owner was selling after relationship breakup, and had 60 days to find another place. Didn't sleep at all that night. I don't drive and had just got a job close by and learnt the bus routes. Worried that we wouldn't find another affordable property that would suit all of us, have fences, allow the dog etc. Worried about having to organise and pay for transfer of utilities again and carpet/flea treatment etc. No savings left after first move and only working a few hours a week. Worried about physically moving all our gear - again." Jillian, 48, QLD, single parent living with children.



24% had to pay rent on their old home in order to secure their current home.

PERIODIC AGREEMENTS: RENTING ON EDGE

A periodic agreement occurs when a fixed-term lease expires and the contract converts to a rolling contract. Rolling leases can place Australians who rent on edge, leaving them in insecure positions.

29% of Australians who rent are living on a rolling lease

A closer look: periodic agreements in Australia



39% of people who rent in NSW are on a rolling lease



36% of long-term renters (10+ years renting) in Australia are on a rolling lease



Less than **1 in 10** Australians who rent (9%) are on a lease longer than a year

Ending unfair evictions

An eviction occurs when a person who rents is forced to leave their home at the landlord's instigation. Across every state and territory in Australia, people renting can be evicted without grounds. Renters can be evicted at any time for something as reasonable

as complaining about repairs, or simply for no reason at all. The following state and territories can evict Australians who rent for unspecified reasons with the following notice periods:

State/Territory:	Notice periods for no grounds evictions for periodic agreements	Notice periods for no grounds evictions at the end of fixed term contract
NSW	90 days' notice	30 days' notice
QLD	2 months' notice	2 months' notice
VIC***	120 days' notice	90 days (for contracts more than 6 months) 60 days (for contracts less than 6 months)
SA	90 days' notice	28 days' notice
WA	60 days' notice	30 days' notice
TAS	Not permitted	42 days' notice
ACT	26 weeks' notice	26 weeks' notice
NT	42 days' notice	14 days' notice

*** Victoria has passed legislation which comes into effect in 2020. Once effective, this law will limit the use of no-grounds eviction to the end of the first fixed term only.

10% of Australians who rent have received one or more 'without grounds' formal eviction letter(s).

8% have been evicted one or more times without being given an explanation or reason.

The fear of eviction looms large over Australians who rent. With the population of people who rent growing at 2.6 million households, and with 1 in 10 people who rent being evicted without grounds at least once, this is a widespread problem.

Australians who rent are less likely to assert their enshrined consumer protections for fear of being evicted for no reason. More than 2 in 5 people who rent (44%) are concerned that requesting repairs could get them evicted. As the Victorian Government recently acknowledged, "the landlord's ability... to terminate a periodic tenancy for no specified reason can

compromise tenant's willingness to assert their rights for fear of receiving a retaliatory eviction notice."⁶

What's the solution?

Recent research by AHURI has found that the "foremost approach to assuring tenants' security is to allow landlords to terminate on prescribed grounds only."⁷

Banning no-grounds eviction across Australia would provide more secure housing for Australians who rent. Let's ensure Australians who rent have the security they need to create homes, build lives and raise families.

SPOTLIGHT: RENTING WITH A DISABILITY

Australians with a disability who rent are presented with additional challenges and barriers in the private rental market.⁸



Almost six in ten (58%) had to pay for removalists when last moving properties, compared with 46% of the for rest of those who rent

16% have been served with a 'without grounds' eviction, compared with 9% for rest of those who rent



They are almost 2.5 times more likely to experience issues with home inspections from their landlord than other people who rent



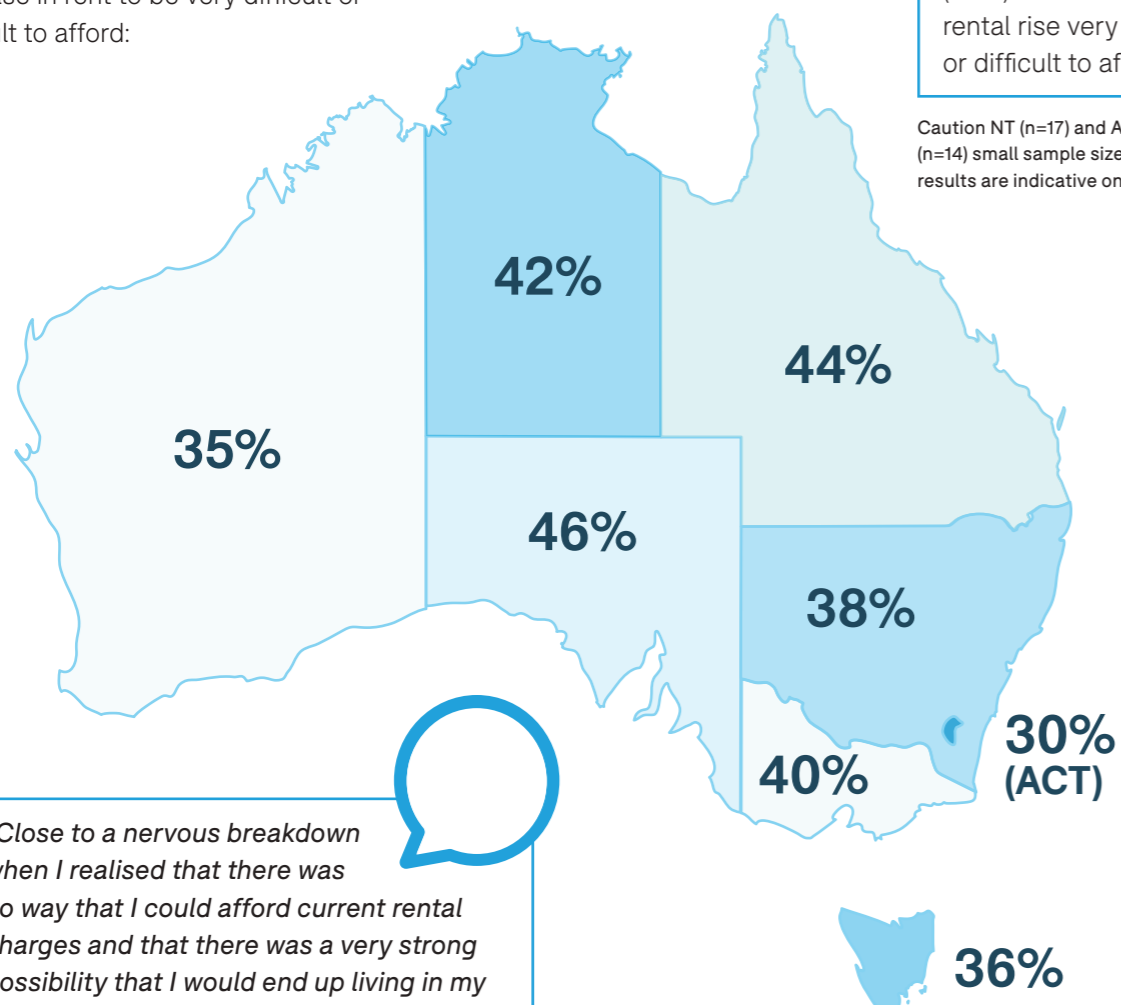
92% expressed a concern about the 'stress caused by the effort needed to move' in their last move, compared with 82% for rest of those who rent

"Currently I have a hole in my bathroom ceiling where rain gets in when it rains hard that hasn't been repaired for 6 years. The ceiling is mouldy, which they say is my responsibility. I complained of a hot water system leak, which they left until the floor swelled and the tiles broke and the cupboards softened. I had to stay at a friend's for 2 months while they repaired the kitchen.

At a previous flat, termite damage was unrepaired for over a year, and then the rent was raised. **When I complained I was evicted with 6 weeks notice.**" Thomas, 51, NSW, on a disability support pension.

3. AFFORDABILITY

The percentage of people in each state and territory who would find a 10% increase in rent to be very difficult or difficult to afford:



Two in every five Australians who rent (40%) would find a 10% rental rise very difficult or difficult to afford.

Caution NT (n=17) and ACT (n=14) small sample size, results are indicative only.

“Close to a nervous breakdown when I realised that there was no way that I could afford current rental charges and that there was a very strong possibility that I would end up living in my car given that public housing waiting lists at the time were in the order of 18 months.”
Sandy, 59, TAS, single.

Many Australians who rent are in a precarious financial position. This is particularly pertinent with families with children, where half of all families (49%) would find a rent rise difficult or very difficult to afford. Very few Australians who rent are living comfortably financially – only 12% would very comfortably afford a 10% increase in rent today.



62% of people who rent express a concern about the cost of their rent.⁹

COST OF LIVING PRESSURES:

Renters are feeling the squeeze with cost of living pressures. Over 2 in 5 Australians who rent (43%) are finding it difficult to get by on their current income.¹⁰ Less than 1 in 5 (18%) are living comfortably on their current income.

People renting across Australia are finding it difficult to keep on top of everyday household expenses. Electricity ranks as the greatest concern for people who rent, with 78% concerned about the price of electricity.¹¹

How concerned are you about the current costs of each of the following household expenses?¹²



How worried are you about the following:



Movement from home ownership into renting

Nearly 3 in 10 Australians who rent (28%) have previously owned property and moved back into the private rental market. Renting is not necessarily a stepping stone to home ownership, but a housing option available and used at every stage of an Australian's life.


This movement from home ownership to renting is most prevalent with older Australians. Almost two thirds (65%) of people who rent at 55 years or above have previously owned property and no longer own it.

Research in Australia has found that the transition from home ownership to renting is often due to 'critical life events'.¹³ These critical life events include divorce, loss of a partner, unemployment, serious illness or injury.




28% of Australians who rent have previously owned a home that they lived in or previously owned an investment property, but no longer own it.


SPOTLIGHT: UNDER 25 AND RENTING:




78% express a concern that a request for repairs would be delayed an unreasonable length of time, compared with 68% for rest of those who rent



65% expressed concern about the distance from family, friends, and support network caused by moving, compared with 52% of the rest of those who rent



"Our home is falling to bits - there is paint peeling everywhere, our locks don't work, and the plumbing is almost completely broken. We've just given up asking our landlord for repairs. It's futile. He either ignores it or gets someone to do the cheapest job possible. We really feel part of the local community. It's better to put up with a home that's falling to bits than being asked to leave." Henry, 23, NSW.



Over 1 in 5 (22%) are not signatories on the lease, compared with 12% of the rest of those who rent

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 quotas sourced from the ABS 6523.0 - Household Income and Wealth, 2013–14, 3218.0 - Regional Population Growth, Australia, 2016–17 and the 2016 Census for gender split. The survey was designed and analysed by CHOICE, National Shelter and the National Association of Tenant Organisations (NATO).

1,547 respondents completed the survey in-field from 10th–31st July 2018. Fieldwork was conducted by the ORU. The ORU is ISO 20252 and 26362 accredited and are full AMSRO members.

Supplementary research was drawn from: CHOICE Consumer Pulse March 2018

CHOICE Consumer Pulse March 2018 is based on a survey of 1,067 Australian households. Quotas were applied for representations in each age group as well as genders and location to ensure coverage in each state and territory across metropolitan and regional areas. Fieldwork was conducted from 16th to 26th of March 2018.

NOTES

1 CHOICE Consumer Pulse, March 2018

2 CHOICE Consumer Pulse, March 2018

3 CHOICE Consumer Pulse, March 2018

4 Product Safety Australia 2018, 'Toppling furniture: lessons from toddler's tragic death', <https://www.productsafety.gov.au/news/toppling-furniture-lessons-from-toddler-s-tragic-death>

5 Nicolas Perpetch 2017, 'Perth toddler Reef Kite's death under chest of drawers examined in coronial inquiry', ABC News, www.abc.net.au/news/2017-10-23/inquest-into-death-of-wa-toddler-reef-kite/9077256

6 Rent Fair Victoria, 2017, 'Rental security', <https://www.vic.gov.au/rentfair/rental-security.html>

7 AHURI 2018, 'How does Australia compare when it comes to security of

tenure for renters', <https://www.ahuri.edu.au/policy/ahuri-briefs/how-does-australia-compare-when-it-comes-to-security-of-tenure-for-renters>

8 Wiesel, I. and Habibis, D. (2015) NDIS, housing assistance and choice and control for people with disability, AHURI Final Report 258, Australian Housing and Urban Research Institute, Melbourne

9 CHOICE Consumer Pulse, March 2018

10 CHOICE Consumer Pulse, March 2018

11 CHOICE Consumer Pulse, March 2018

12 CHOICE Consumer Pulse, March 2018

13 Stone, W., Sharam, A., Wiesel, I., Ralston, L., Markkanen, S., James, A. (2015) Accessing and sustaining private rental tenancies: critical life events, housing shocks and insurances, AHURI Final Report No. 259.



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