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Research confirms poor missing out on affordable rentals

Research released today by the Australian Housing and Urban Research Institute has found the low income households are struggling to compete in Australia’s overheated private rental market.

The study analysed the cost and amount of rental housing between 2001 and 2006. Entitled *Australia’s private rental market: the supply of, and demand for, affordable dwellings* found:

- There was a net shortage of 87,000 affordable properties available to those on very low and low incomes in 2006, partly because many cheaper homes are occupied by wealthier households.
- Only 21 per cent of very low income private renter households pay an affordable rent while 19 per cent pay a severely unaffordable rent
- 80 per cent of 268,000 private renter households with *very low* incomes (less than \$22,000 a year) miss out on affordable rental accommodation
- 87 percent of private renter households with *very low* incomes in Melbourne miss out on affordable rental accommodation

The full research is available at www.ahuri.edu.au/publications/download/50502_fr

“Most low income households are paying rents which are unaffordable. These problems are exacerbated by higher income households trading down in the market and crowding out lower income households. Low income households simply cannot compete with those on higher incomes for the limited number of rental properties” said Toby Archer, Tenants Union policy worker.

“Tenants basically can’t compete unless they are earning well above the minimum wage. Rent will consume more than thirty percent of household income for many households, forcing them to cut back on necessities such as healthy food and healthcare.”

“Housing is the basis for economic and social participation. However affordable rental properties simply are not available to low income households due to a lack of supply and intense competition” said Mr Archer.