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Rent squeeze continues for low wage tenants

The Tenants Union of Victoria Private Rental Affordability Bulletin released today confirms that the rental squeeze continues for low income tenants.

“Australia’s rental market remains tough for tenants on low incomes. They face serious cost of living pressures if they are not earning well above the minimum wage” said Tenants Union Policy Worker Toby Archer.

While rent levels appear to have been stabilising in most capital city markets over the past year, low income households continue to face unaffordable rents in all capital city rental markets.

Sydney, Canberra and Darwin remain the least affordable cities for low income renters with median rents over the 30 per cent affordability threshold for all household types modelled. Hobart and Adelaide continue to provide the most affordable rental markets for low income households, but even in these cities median rents remain well over the affordability threshold for most low income households.

Median rent levels in all capital city markets remain acutely unaffordable for students, jobseekers, single parents and aged pensioners. These household types are forced to adapt to the market. Typical adaptive strategies include renting lower quality properties below the median rent, sharing accommodation which can lead to overcrowded and insecure living conditions and moving into areas of marginal tenure such as rooming houses, boarding houses and caravan parks.

“Housing is the basis for economic and social participation. However, the rental market simply isn’t providing affordable housing for most low income household types in the locations which provide work and life opportunities.

“The Federal Government needs to take direct action to help struggling tenants. Approximately 1.2 million households receive Commonwealth Rent Assistance. Increasing the maximum payment by 30 percent will provide immediate relief to nearly three quarters of those households” said Mr Archer.