



Roofs for Ransom

COVID19 Rental Survey

Preliminary Report



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Background

'COVID-19 may end up being this generation's Great Depression. The determinants of health, and how they are distributed, should be our guiding measure of a successful Australia as we rebuild from COVID-19'¹ - [Friel & Demaio, 2020](#)

Since COVID-19 began to impact Australia in mid-March 2020, over 950,000 more people in Australia have continued to face unemployment², underemployment, and the challenges to rebuilding financial security post-COVID19.

Renters make up 30% of Australia's population, yet constitute the lower 40% of incomes nationally³. The COVID19 crisis has disproportionately affected low income households and exacerbated pre-existing insecurity including Australia's continued housing crisis.

The economic impacts of the COVID-19 crisis will continue for decades to come, yet economic support measures are being wound back, including rental moratoriums, set to coincide with the cuts to government COVID income supplement payments.

End of Eviction Moratorium

The special measures introduced by the Victorian and Federal Governments in response to the pandemic will soon come to an end. In Victoria this will mean the reintroduction of rent increases and the end of a moratorium on evictions and the introduction of changed and new grounds for the issuing of Notices to Vacate. The ability to defer rent will end and those deferred rents will come due.

At the same time, JobSeeker and JobKeeper entitlements will end. With unemployment at 6.4% and underemployment at 8.5%⁴, this will mean the cutting of basic income to people already in rental stress. These cuts will compound existing high levels of rental debt. Coupled with the end of the eviction moratorium, possession orders will likely exceed 2018-19 levels, as a larger number of more precarious renters face a greater likelihood of rental arrears and consequent eviction.

Purpose of this report

RAHU sought to understand how the economic fallout from COVID19 might be impacting pre-existing conditions of housing stress and unaffordability. The survey gathered data about the systemic socio-economic burdens on low income renters in private tenancies and impacts on health and wellbeing especially for vulnerable groups in high housing stress.

The purpose of this report is to share the findings of the survey in order to demonstrate how pre-existing conditions of housing stress have been exacerbated by the impacts of COVID19, and to contribute to public conversation and urgent policy change.

Executive Summary

Recommendations

- Urgent requirement for Federal and State governments to implement measures to waive rental debts accrued over the COVID19 pandemic
 - The Victorian Government to legislate a waiver for rental debt including arrears and deferred rental payments accrued from March 2020 - April 2021 for all Victorians in rental stress
- For rental debt, arrears and deferred rental payments to be understood by agents within responsible and ethical debt collection practises
- Victorian Government to provide accessible information to renters in hardship that they may be judgment proof from rental debts
- Possession Orders and Evictions must be banned for renters in financial hardship including those served through Notice to Vacate for any grounds including failure to comply with obligations such as rent⁵
- Victorian Government must extend until September 2021:
 - Residential Tenancies Dispute Settlement rent reduction scheme
 - the ban on rental increases for all Victorian residential tenancies
- Increase the rate of JobSeeker payment to COVID19 Support payment levels, in order to lift welfare support payments to above the Henderson poverty line



Key findings

Renters in private tenancies are being forced to choose between the cost of shelter and other needs such as food and healthcare including medication.

A significant proportion of renters have 'self evicted' as a result of rental stress brought about by the impacts of COVID19

Renters have compounded vulnerabilities and fewer safety nets placing them at higher risk of homelessness

The survey shows that:

- 48% of respondents were in debt of some kind, not including HECS debt.
- 41.6% or 55 respondents answered yes to rent related stress affecting their wellbeing, out of these respondents, a further 7.58% specifically named mental health, depression, anxiety or stress.
- 26% of respondents have had to move out due to rental stress due to COVID19
- 34% of respondents stated that they struggled to buy food.
- 37% answered that they struggled to pay for healthcare costs including medication
- 10% of renters surveyed are currently in known rental debt, with a further 2% responding 'maybe'

The study

The survey was initiated and undertaken by The Renters And Housing Union (RAHU).

RAHU is a member-run Union of renters and people in precarious housing, formed through the Rentstrike as a response to COVID19. The Union collectively organises for the right to safe and secure housing through self-advocacy, education, and frontline eviction defence.

Its priorities include collecting and sharing information so as to better represent and support those for whom it advocates.

RAHU instigated the survey in January 2021 and it was distributed to listed members and others through social media. In three months, (January 15th-March 15th 2021), 132 people responded to the online survey.

The survey was made up of 19 closed and open questions that sought basic demographic details, information about rental experience, debt and further comments about related experiences.

Respondents

By location

Of the 132 respondents, 78% (103) lived in Victoria. 13 respondents came from NSW, 9 from Queensland, 3 from WA and 2 from ACT.

By Age

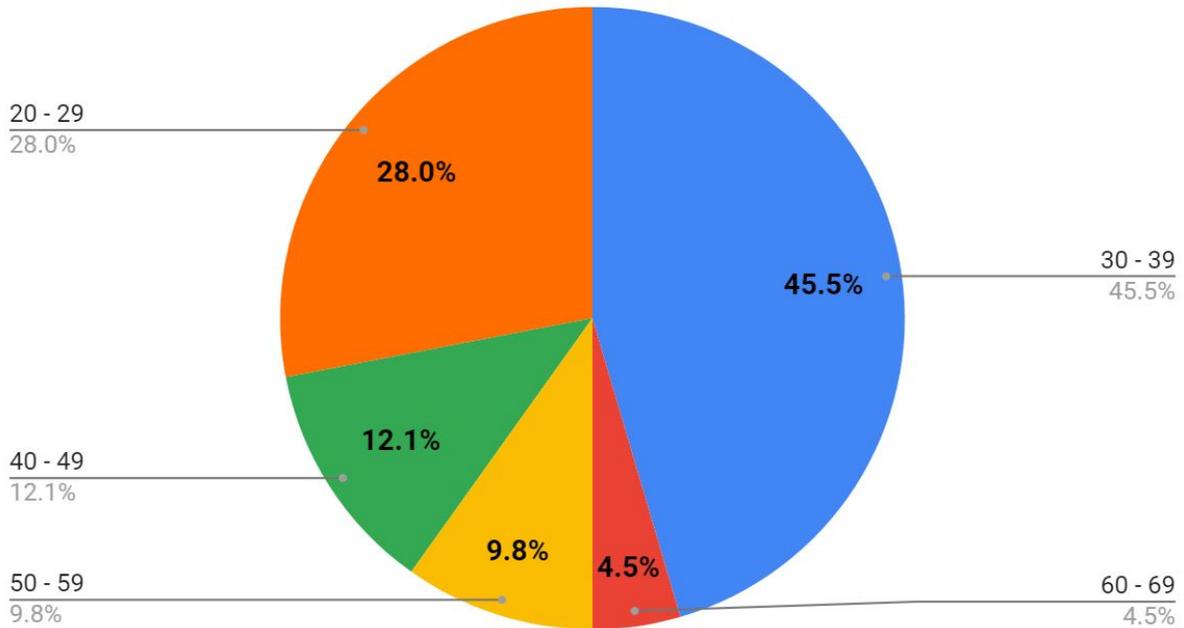
Respondents fell into the following age groups

20 -29	30-39	40- 49	50 -59	60 - 69
37	60	16	13	6

Of these respondents, 21.9% stated they had dependents.



Respondents by Age



Of these respondents, 21.9% stated they had dependents.

By gender

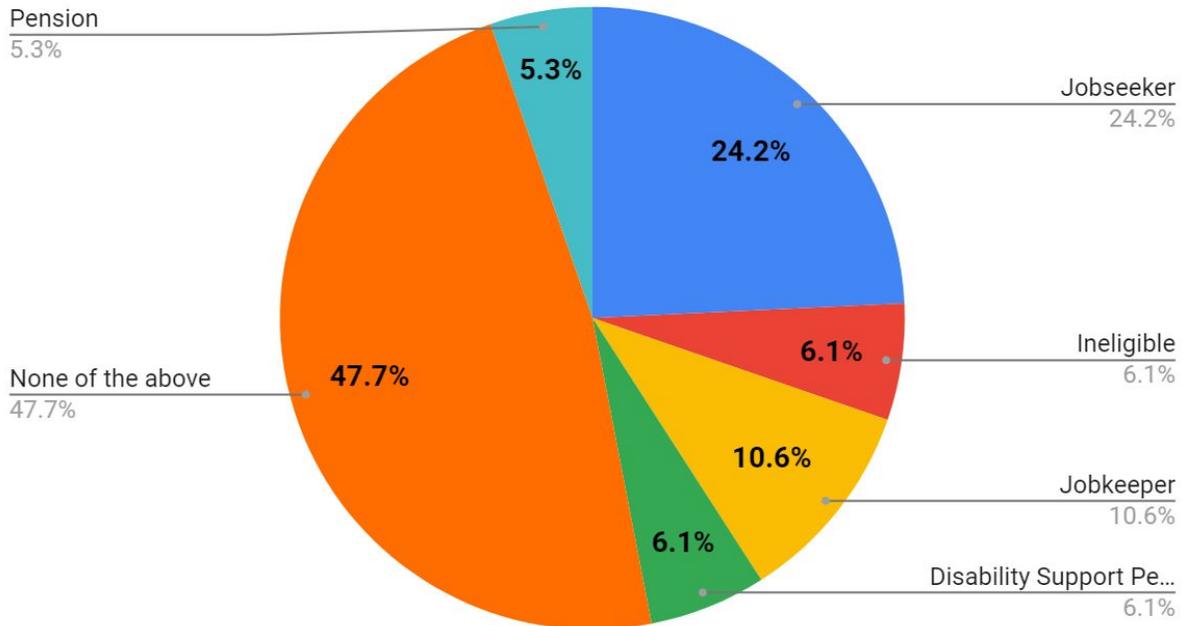
Respondents fell into the following genders

Female	Male	Non-binary	Preferred not to state / did not recognise these categories
74	41	14	3

By Government Support Payments

- 46.2% of respondents (61) are on some form of support payment:

Respondents by Support Payment



Of note: 12% of respondents have dependent/s and are also on a support payment⁶

Specifically in relation to Jobseeker and Jobkeeper, which are the payments to be reduced, the following figures are relevant.

Percentage of respondents on Jobkeeper and Jobseeker

20 -29	30-39	40 -49	50 -59	60 -69
33%	33%	33%	53.8%	33%



Findings

Financial hardship

“When JobSeeker is cut again in March I fear it will coincide with current estate agent raising rent, meaning we will have to move again”

“Landlords did not wish to negotiate in good faith and expected me to go into debt.”

A significant proportion of renters reported that they were experiencing financial hardship, with many stating that they were forced to prioritise paying rent over buying food or essential medications and healthcare.

The survey found that:

- 34% of respondents stating that they struggled to buy food
- 37% that they struggled to pay for healthcare costs including medication.
- 18% of respondents needed extra time to pay their rent.
- 40.1% of respondents struggled to pay for utility bills including gas, electricity
- 28% of respondents struggled to pay for phone or internet bills

A total of 46.2% of all respondents stated that they were in some kind of debt, not including HECS debt. This is a further indication of significant financial hardship, showing that many renters are facing the need to fund necessities through debt. As the debt burden grows, this exacerbates the financial hardship.

A total of 16% or 21 respondents had accessed their superannuation during the COVID19 period. This further demonstrates the experience of financial hardship and will compound disadvantage into the future.

“Although I’m possibly eligible for a rent reduction, my real estate agent would make the process of applying more stressful than the financial burden.”

Rental Debt

Rental debt occurs where a landlord has agreed to defer rent payments to a later date. This may result in a rental debt. While only a small number of respondents reported they were in rental debt, the size of debt is substantial. Of those who reported they had a rental debt, 8% (11 respondents) reported the amount of their debt, which ranged from \$720 to \$9,000. The total rental debt reported by these 11 respondents was \$36,480.00.

“I make sure my rent is paid above all else”

Rental Insecurity and Displacement

Displacement occurs when a person is forced to move from their home under conditions not of their choosing. Also called ‘self-eviction’ displacement occurs as a result of rental stress, deferred rents, arrears or debts; inability to receive a rent reduction; coercion and harassment by landlords and real estate agents. This is often compounded by socio-economic factors such as mental stress and exhaustion from managing rental stress; co-tenant and lateral residential stress; and the risk or experience of family or domestic violence. To escape this pressure and harassment, renters often choose under these constrained pressures to ‘voluntarily’ leave their homes when they otherwise would stay.

The survey found that a quarter of renters, 26%, needed to move out or felt pressured to move during the COVID19 period. The main reason reported was rental stress, as well as mounting debt and that their rental was being sold during lockdown. The survey found that:

- 11% (14 respondents) had been issued a notice to vacate
- 5% (7 respondents) had to move in with their family
- 15% (20 respondents) felt pressured by their landlord or agent to move out

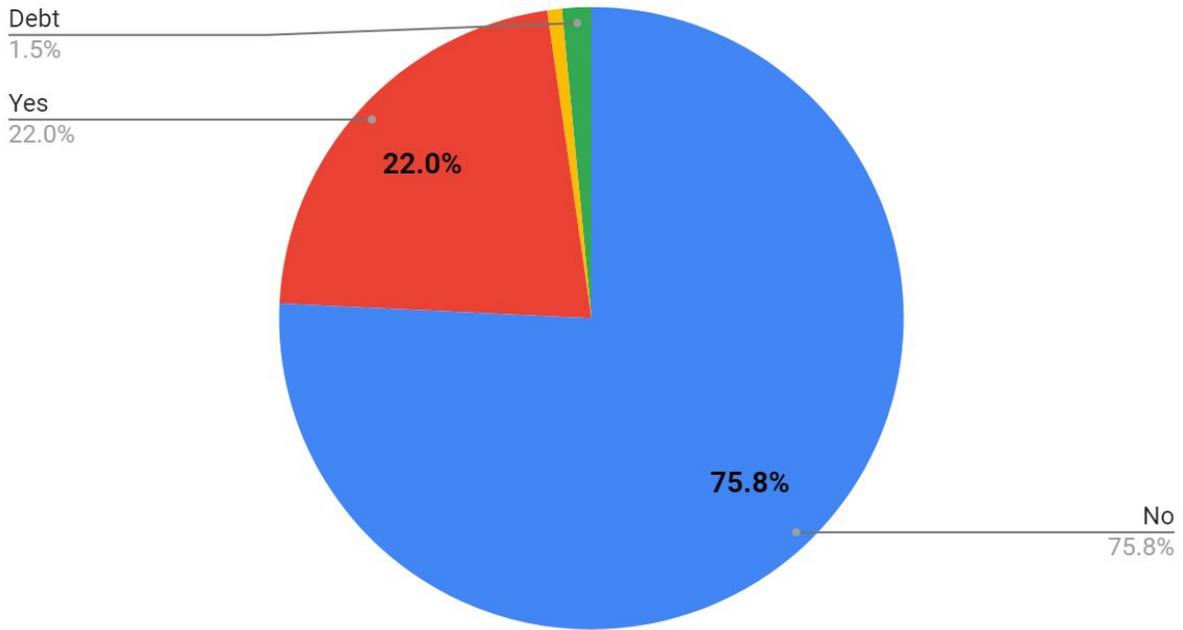
“My dad has had to move in with me because of rent stress.”

“I was stressing about rent when my housemate moved out”

“I'd like to take a 6 or 12 month lease now to get some stability, but we don't yet have the financial security.”



Have you had to move due to rental-related stress?



Health and Wellbeing Impacts

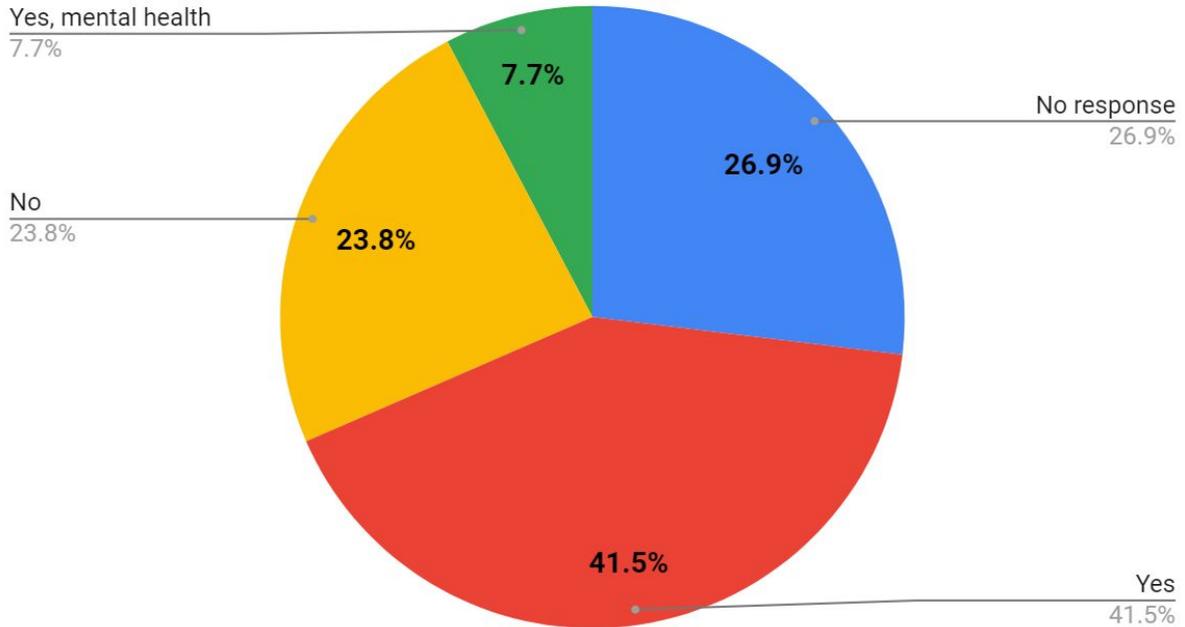
A very high proportion of people, 41.5% of respondents said that rental stress is affecting their health and wellbeing.

Further to this, several respondents stated that their mental health had suffered due to stress related to inability to pay for food, access health care needed and the overall stress of not knowing if they could afford to pay rent and the consequences of an inability to do so.

“I’ve had very intense anxiety flare ups and have started medication due to financial stress and inability to afford rent. It’s making it incredibly difficult to find work as I have panic attacks at least a few times a week.”

“I’m literally gutted and anxiety is so bad I’m a nervous wreck”

Has rental-related stress affected your wellbeing?



Comments from Respondents

“The rental and financial stress has impacted my mental illness, increasing the severity. This has led to difficulty finding and maintaining employment. Vicious cycle”

‘I have never been more stressed and unsettled and scared’

“Insecure housing, potential homelessness with a teenage daughter is a constant threat and stress. Sometimes I feel genuine despair.”

“My son (who has a disability) lives with me... I’m concerned, as are a lot of women my age, about how I will be able to pay this kind of rent as I get older. I’m barely managing now, with a permanent part time job, how will we be able to survive being on an aged pension”



My partner was made redundant and our landlord sold the house we were living in due to their own financial issues. We now live an hour out of the city we lived in for more affordable rent on one income.

Having to live off my income alone has been so stressful, and my partner has had a mental crisis at the start of the pandemic. We've been to the emergency room twice due to the financial stress they were under and their declining mental health. My Pop died in the first round of restrictions, which was terrible.

My dad had a massive heart attack and emergency heart surgery (spending two weeks in the ICU) where only one family member could visit for an hour at a time. That almost ruined me.

Financially, we barely make it week to week and I'm holding it together for my partner. I'm beyond stressed due to COVID and the impact on my family.

Further Resources / Quotes

*'People who were already poor, unemployed or underemployed, with high levels of existing debt, suffering homelessness, or facing existing difficulties with access to health and social services, and people with disabilities, were likely to be further marginalised by increased vulnerability to both physical and mental illness.'*²

*'COVID-19 may end up being this generation's Great Depression. The determinants of health, and how they are distributed, should be our guiding measure of a successful Australia as we rebuild from COVID-19'*² - [Friel & Demaio, 2020](#)

Definitions:

Self Eviction

Renters can face pressure to move out or 'self-evict' due to socio-economic factors; mental stress and exhaustion due to rental stress; co-tenant and lateral residential stress; risk of or experience of family or domestic violence; and coercion and harassment by landlords and real estate agents. To escape this pressure and harassment, renters often choose under these constrained pressures to 'voluntarily' leave their homes when they don't want to.

Homelessness

Peer-led definition of homelessness: "Being homeless means not having a stable or safe place to live. Homelessness can include: couch surfing; sleeping outside; living or sleeping in a car; staying in a shelter, hostel or refuge; living in an abandoned house or building; staying in overcrowded housing; living in temporary accommodation"

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