**EMBARGOED**

**Rising rents require urgent government action - The Rent is Too High media release**

Victoria’s state election looms while tenants are squeezed by booming rents and stagnant wages. RAHU is calling on the state government to:

* Enact rent caps, tying the rent price index to below median wage index
* Legislate rent increase notices to a maximum of once in 12 months, tied to Consumer Price Index
* Regulate the real estate industry by legislating an independent Residential Tenancies Ombudsman
* Incentivise stability and affordability of rentals by ending ‘no grounds’ evictions and provide State funded incentives for long term leases of 5 years or more
* Double the funding of the Big Housing Build for new Public Housing builds

A third of Australians are renters and that number is growing. Renting is no longer a step on the way to homeownership. It is how many Australians will live for their entire lives. Renters need protection from profiteering landlords, who are enabled and encouraged by State and Federal policy that turns homes into investments and profits.

‘Rental stress’ - defined by the ABS as 30% of household income spent on housing costs - has become the norm[[1]](#footnote-0). Currently, the average renting household pays 30% or more of their weekly earnings to keep a roof over their heads[[2]](#footnote-1). Rental stress has become the default and is only getting worse.

According to current projections, rents will increase nationwide by over 10% this year alone[[3]](#footnote-2), and the trend is growing, as landlords pass the cost of rising interest rates to tenants. Rents across all states have risen by up to five times the rate of wage growth[[4]](#footnote-3). With wages stagnant since 2019[[5]](#footnote-4), renters are the least equipped to wear the cost of rising interest rates. In many situations, renters are forgoing medicine and food in order to pay rent.[[6]](#footnote-5)

Very few mechanisms exist for renters to fight rental increases. Consumer Law provides debt relief and consumer protections for almost all other essential services, whereas renting is an exception. The Residential Tenancy Act provides lengthy protections for landlords to act on rental arrears and rent increases[[7]](#footnote-6). However, rent increases are very rarely challenged or overturned, as the recourse available to renters is systemically toothless and extremely difficult to navigate. Consumer Affairs treats tenants and landlords as having equal incentive in their contracts, however this could not be further from the truth. In reality, people need homes to survive and landlords exploit this urgent need for profits.

Renters need protection. Federal and State governments must act so that renting is affordable now and in the future. This requires disenctivising rental profiteering; creating mechanisms to keep rents affordable by tying them to median wages; and bringing rental protections in line with other existing consumer protections. Without government action, the costs of the housing crisis will otherwise continue to be paid by those with the least to spare. Housing is essential for health, safety and prosperity. We demand the government take action to ensure this urgent need is accessible to all.

**Quotes attributable to:**

“My rent is already increasing by 20% just after my lease expires, so I’m assuming they did this because they plan on upping it even more. The problem is I can’t afford to move because I haven’t got savings, but I can’t afford to stay and be paying too much a week.

* Russell, CBD Melbourne Renter, RAHU

“A rent increase notice must specify the method by which a rent increase is to be calculated. Agents and landlords are sending rent increase notices to our members that aren’t compliant with the Act”

* Wayne Dean, Renter’s Rights Support Team, RAHU

“Renter’s demand better protections than those offered by Consumer Affairs. We demand an independent rental ombudsman, which would actually enforce these protections. Legislation is only as good as its enforcement and the current system for enforcing rental protections is inadequate.”

* Ellise Bourne, Media & Communications Officer, RAHU

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*The Renters And Housing Union (VIC) is a member-run Union of renters and people in precarious housing, formed out of the rent strike as a response to the COVID19 crisis. We collectively organise for the right to safe and secure housing through self-advocacy, education, and frontline eviction defence.*

**Find out more and join RAHU** [**https://rahu.org.au/**](https://rahu.org.au/aboutus/)

[media@rahu.org.au](mailto:media@rahu.org.au) | [Facebook](https://www.facebook.com/rentersandhousingunion) | [Instagram](https://www.instagram.com/rahunionvic) | [Twitter](https://twitter.com/rahunionvic)

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4. *Rental surge red zones revealed as nation marks homelessness week* - Everybody’s Home Rental Data Report, August 2022

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6. *Roofs For Ransom - COVID19 Survey* - RAHU Annual Report, 2022

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