



PRIVATE RENTAL CRISIS SNAPSHOT

SOUTH AUSTRALIAN
HOUSING AND
HOMELESSNESS SECTOR

**Lived Experience
Engagement Service**

REPORT 1 • MARCH 2021



FINDINGS

Feedback from people with lived experience of housing issues in South Australia at the start of 2021 are categorised into these four areas of concern.

Availability

Of the 44 engagement activity respondents, 64% were looking for a private rental property. However, as highlighted in the RentRight SA data, several respondents were also part of a **new demographic** who were **at risk of homelessness due to low housing stock**.

Affordability

With Adelaide ranked the second least affordable city in Australia for renters⁶, it is no surprise both RentRight SA enquiries and engagement activity respondents reported **high levels of financial hardship**. Analysis of the statistics from RentRight SA private rental enquiries using identified themes revealed 20% were in hardship/ housing stress.

Property Condition

Concern regarding the condition of private rentals, **lack of maintenance, security and safety concerns** were highlighted in the RentRight SA identified themed data set. 41% reported unsuitable property conditions with unattended maintenance issues and 8% reported safety concerns with their tenancy.

Moratorium on Residential Tenancy Evictions

When asked about the impact of the Moratorium, most respondents were not aware of it and those who knew about it, reported it **had not been of any help**. The unique nature of this response reflects the need for stronger enforcement of government directives in the housing sector.

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RECOMMENDATIONS

Engagement activity respondents were asked to provide recommendations on what would help alleviate some of the rental stress, homelessness and housing sector gridlock they experienced.

1

Improved access to housing and homelessness information and services.

2

Provide longer leases for rental stability.

3

Increase the number of and use of, 'Authorised' people under the Housing Improvement Act 2016.

4

Rental subsidies to support households with reduced income compared to the rental market price.

5

Provide a range of viable solutions for people to manage rental debts acquired because of rent deferral during the Moratorium.

6

Increase the availability of affordable housing stock.

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PRIVATE RENTAL CRISIS

The first quarter of 2021 has seen a disproportionate increase in the number of people experiencing some form of housing crisis particularly within the private rental market. This has been covered widely in the media, as well as academic analysis and insights from peak bodies, universities, and advocate groups^{1a-d}. Although lack of housing stock is not a new phenomenon, it has been exacerbated by the COVID-19 pandemic leaving the private rental market in high demand.

With Government imposed moratoriums on residential tenancy evictions, the COVID-19 Payment Supplement and Job Keeper allowances coming to an end, South Australians who have managed to sustain their private rental properties are being forced into homelessness making this an issue that demands immediate attention.

This brief report merges the **lived experience of people in housing stress** (households or persons that spends more than 30% of gross income on housing costs)² collected from a focus group, individual interviews, survey responses, and the RentRight SA data set (January to March 2021), **to inform possible responses at preventing an influx of a new cohort of people** entering into homelessness due to a lack of housing stock.

The report is relevant to the SAHA's strategic focus of "reducing the risk of homelessness through preventative measures"³ and to "understand who our

customers are, their needs and wants, and incorporate this understanding into the design and delivery of services..."⁴.

Lived experience quotes from RentRight SA engagement activity respondents are highlighted throughout the report.

What is Lived Experience?

Lived Experience refers to having first-hand experience of a particular circumstance or issue. The word "lived" differentiates from others who may have experience of working closely to these issues, but have not personally lived through the situation themselves.

Acknowledgements

The Lived Experience Engagement Team of RentRight SA wishes to express their sincere appreciation for the knowledge, insights and time provided by engagement activity respondents.

Disclaimer

The opinions expressed in this document are of people who have current lived experience in the private rental market and are not necessarily those of RentRight SA, a service delivered by SYC with funding from the SA Housing Authority (SAHA). This document is designed to provide information that assists the SAHA and the housing and homelessness sector to understand the needs of those using the services over the development and implementation of the 2020-2030 housing reforms. The information provided in this report can be utilised to better respond, reflect, plan, design and develop how lived experience will be embedded in the reform.



THE ISSUE

The demand for private rental properties in Adelaide is at an all-time high with public records indicating vacancy rate in Adelaide is the lowest it has been in over a decade. Compared to 0.8% vacancy rate in March 2020, vacancy rates in Adelaide dropped to 0.6% in March 2021⁵ demonstrating there are more people looking to rent compared to the numbers of properties available.

For housing availability to be on a decline during a global pandemic puts significant pressure on the housing sector – there are supply issues of homes for purchase and homes for rent. Factors driving this trend include home owners wanting to move back into their rental investment property and not renewing/extending current tenancy agreements, home owners wanting to sell their property (rental or owner occupier) to capitalise on the current “seller’s market”, households experiencing financial hardship/insecurity due to COVID-19 and/or needing to liquify assets or to downsize, people wanting to move to SA from interstate or overseas as well as those wishing to stay on in SA – a bucking of the trend, particularly amongst professionals, of moving interstate and overseas for perceived greater career opportunities.

RentRight SA’s enquiry data showed an increase in the amount of private rental enquiries over the January to March 2021 period. Of the 2,449 calls received, 1,970 or 80% were related to private rental.

RentRight SA has experienced an increasing proportion of enquiries related to Eviction/Homeless/Emergency Accommodation. In January 2021, only 33 enquiries or 4% had this as the primary presenting reason. In March 2021 this had doubled to 71 (8%). Eviction/Homeless/Emergency Accommodation has also become the most common secondary reasons for contacting RentRight SA i.e. they are mainly calling about their bond and they are worried about becoming homeless. In January 2021, Eviction/Homeless/Emergency Accommodation was the third most common secondary reason (18 enquiries or 11% of secondary reasons) and in March it more than doubled (40 enquiries or 22% of secondary reasons). This also coincided with a growing proportion of people identified as ‘at risk of homelessness’, increasing from 13% of enquiries in January (98) to 21% in March (184).

Based on these trends and statistics, the RentRight SA Lived Experience Engagement Service conducted some engagement activities (survey, focus group and individual interviews), to understand and illustrate the experiences of private renters in housing stress. The below is the findings from those activities.

Of the 2,449 calls received during Jan – March 2021, 1,970 or 80% related to private rental

FINDINGS

Of the 2,449 enquiries RentRight SA received over the January to March 2021 timeframe, 80% were related to private rentals. Of these private rental enquiries, 559 calls were identified as specific to one of the following main enquiry themes: housing availability, housing affordability and property condition. These echoed the responses of engagement activity respondents. Of those 559 calls:

- 29% had come to the end of their lease and could not find another property.
- 20% reported experiencing some form of hardship/housing stress relating to their tenancy.

Availability

Of the 44 engagement activity respondents, 64% were looking for a private rental property. However, as highlighted in the RentRight SA data, several respondents were also part of a new demographic who were at risk of homelessness due to low housing stock:

“We don’t know what’s wrong. We have money, income and references but have not been successful (in finding another rental)”.

Numerous respondents reported to having gone to “*well over 50 viewings*” and still not able to secure a rental property “*we have applied for an excess of 50 houses and not been successful*”.

Due to this, several were no longer applying for rentals, having become resigned to the fact that they would be homeless because “*lots and lots of people turn up and we can tell we don’t have a chance*”.

Affordability

With Adelaide ranked the second least affordable city in Australia for renters⁶, it is no surprise both RentRight SA enquiries and engagement activity respondents reported high levels of financial hardship. Analysis of the statistics from RentRight SA private rental enquiries using identified themes revealed 20% were in hardship/housing stress. Engagement activity respondents were on average paying 42% of their income in rent, the highest being 80%. For example:

“My current lease expires 31st March and I’m already paying more than half of my income on rent. My friends and I are willing to pay more if the landlord will renew the lease.”

While another respondent commented that:

“I was looking to rent another property when the current lease expired. I searched for weeks due to the 28 days’ notice given. I could not find anything. I offered the landlord \$40 more and lease was renewed.”

Respondents were on average paying 42% of their income in rent, with the highest being 80%.

Property Condition

Concern regarding the condition of private rentals, lack of maintenance, security and safety concerns were highlighted in the RentRight SA identified themed data set. 41% reported unsuitable property conditions with unattended maintenance issues and 8% reported safety concerns with their tenancy.

Engagement activity respondents described:

- taking **“bad houses because there is no available option”**
- moving to areas outside of their support networks due to lack of alternative options: **“I moved to a regional town in Port Augusta. The house was derelict, but I was desperate”**
- not complaining about the property condition for fear of eviction: **“we don’t hassle the landlord to fix it up as we might get thrown out”**
- leaving their existing rentals due to maintenance issues and thus becoming homeless: **“I am very upset the unit is a dump and it’s not safe and still they put up rent. No hot water to shower area is not fixed it’s been over 6 months now... I am moving out it is too dangerous now.”**

Moratorium on Residential Tenancy Evictions

When asked about the impact of the Moratorium, most respondents were not aware of it and those who knew about it, reported it had not been of any help. The unique nature of this response reflects the need for stronger enforcement of government directives in the housing sector.

One respondent explained that:

“I was impacted by the pandemic, but the Moratorium does not have any effect if you can still pay rent but cannot afford it”.

Respondents expressed huge concern on the lack of clarity around the Moratorium and what to expect. Some respondents thought the Moratorium was “*lip service*” because “*you still have to pay the full rent later*”.

The COVID-19 pandemic has changed the view of housing from a place of dwelling to a place of work, school, recreation and isolation. To better reflect these new perspectives, a directive that will provide security for people after the eviction Moratorium ends needs to be implemented.

IMPACT

When asked what looking for a rental in the current market is like, engagement activity respondents described ongoing impacts to their wellbeing and overall health, education and finances. Many spoke of the despair and helplessness of facing imminent homelessness or being homeless as a result of the rental crisis.

For example:

“We haven’t been able to find a house. The stress is having a lot of impact on my health which is exacerbated by this situation. The rejection thing is getting very hard...”

“I think about handing myself into the police, so I have a roof over my head and a room”

“I am doing everything I can. I am very afraid we will end up in a car which will mean we both will end up in hospital as you can’t keep insulin cold if you live in a car.”

Other respondents dropped out of education as a result of being unable to access basic housing needs describing the situation as *“too hard to study due to overcrowding”*, *“too far to travel to education”*; or that *“the quality of internet services where I live does not support needs for online learning.”*

The reality for one respondent was that after they provided this insight, they returned to the domestic violence situation they had been escaping from:

“I am looking in [suburb name] only as I am heavily dependent on social supports in the area as I'm not too good mentally. I have just escaped from DV. I haven't applied for anything yet. I haven't looked for house for over 20 years I am scared to really. I don't know what to do. Sort of given up really.”

Many engagement activity respondents commented on not knowing where to go to access housing supports.

What this means for the housing and homelessness sector

In describing the various types of housing and stages of housing support, the housing continuum is a concept used to identify the type of housing options available to people. The aftermath of an increased demand for private rentals that are not available, affordable, or suitable causes a gridlock in movement whereby people in private rentals who otherwise would be able to find and afford rental properties, are now being forced into homelessness.

The social housing sector is already under pressure to meet the needs of people in crisis, low income earners, and those on social welfare. Nearly 20,000 people were on the SA public housing waitlist as at 2019⁷. An influx of private renters who, in the normal course of events could afford private rental will drastically increase, creating a huge impact on housing and demand for homelessness support services. This is a new rental crisis cohort that has not previously existed to this magnitude.

Social Housing is funded to provide housing to eligible households who cannot afford full market rent. This means households who can afford rent but cannot obtain a private rental property due to availability, are on the brink of crisis and will ultimately be forced into homelessness.

The housing and homelessness sector is already saturated with people struggling to resolve their “houselessness” and homelessness. The social housing waitlist is significant, further frustrating efforts to obtain a housing pathway. Adding the ‘rental crisis cohort’ to the current gridlock will create a loop of private renters forced into homelessness and thus creating more stress on an already pressured system.



RECOMMENDATIONS

Increased income support payment, emergency tenancy protection, and eviction Moratoriums across SA will all cease at the end of May 2021. The SA government announced at the beginning of the COVID-19 pandemic that rental subsidies were put in place to help keep people in their homes, but most landlords chose rent deferral over rent reduction.

People who have already exhausted their options including cashing in their superannuation and savings have now come to the realisation that come May 2021, they will be in a far worse situation than they were before COVID-19.

Emerging in our community and at the precipice (if not already) of entering the homelessness sector is a new demographic, comprising:

- People with mounting rental debts after having to defer payments and now unable to afford rent, and
- People who will be forced into homelessness due to the lack of housing stock across the rental market.

Engagement activity respondents were asked to provide recommendations on what would help alleviate some of the rental stress, homelessness and housing sector gridlock.

Respondents proposed the following recommendations:

1. Improved access to housing and homelessness information and services.

People in private rental properties should be provided with relevant information on support services at the first sign of tenancy issues and well before the end of a tenancy.

2. Provide longer leases for rental stability.

Review legislative or policy mechanisms or tax incentives that would provide greater security of tenure for people in the rental market.

3. Increase the number of and use of, 'Authorised' people under the Housing Improvement Act 2016.

Carry out inspections at point of rental rather than relying on renters to report. This will ensure private renters sign lease agreements to houses that are in suitable conditions.

4. Rental subsidies to support households with reduced income compared to the rental market price.

This can be done by financing affordable rental housing, arranging financial support between housing providers and the government or establishing a build to rent market.

5. Provide a range of viable solutions for people to manage rental debts acquired because of rent deferral during the Moratorium.

This addresses the expected rise in debts created by the Moratorium.

6. Increase the availability of affordable housing stock

by developing specific housing solutions and supportive legislation that reflects the aspirations of very low-income households.

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Photos from Unsplash

Appendix 1: Engagement activity questions

Survey questions

1. Have you recently looked for rental housing?
2. How many housing inspections have you attended?
3. What is the current scene like when you go to view a property?
4. What percentage of your income goes on rent?
5. Will there be any impact on the Moratorium ending for you?

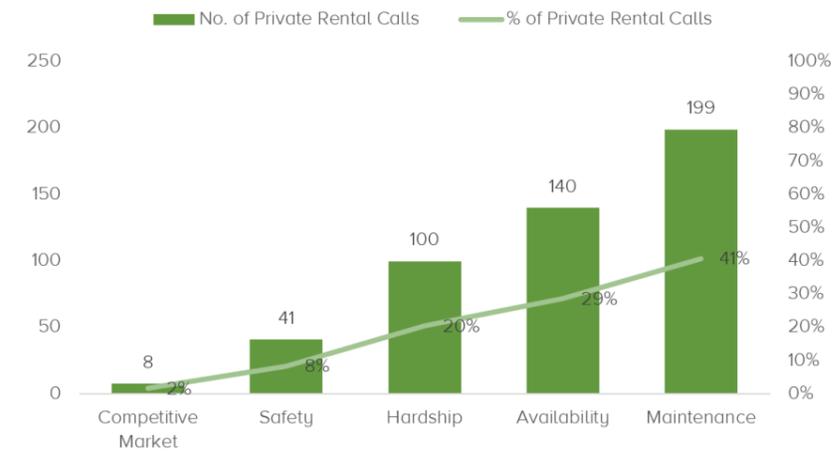
Focus Group/Individual Interview questions

1. What financial stress or hardship are you experiencing due to rental crisis?
2. With the current shortage in private rentals, what other housing options are available to people?
3. What solutions do you propose to address the current rental crisis?

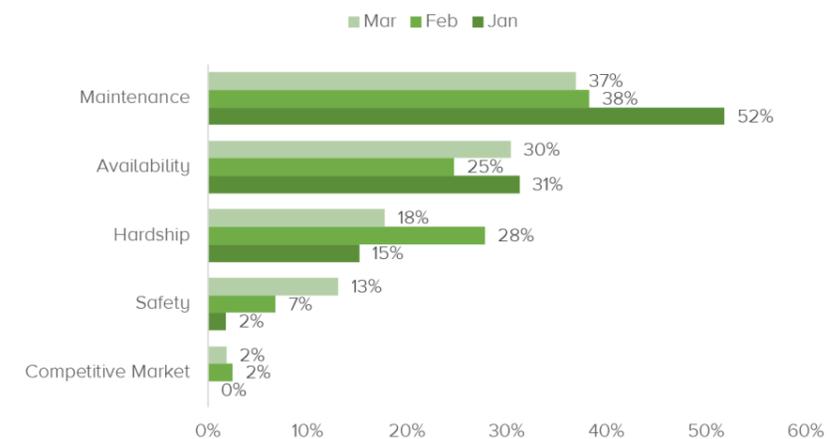
Appendix 2: RentRight SA Data Analysis

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|---|-------|
| Total Calls (Jan – March 2021) | 2,449 |
| Total Private Rental Related Calls | 1,970 |
| Total Social Housing Related Calls | 366 |
| Other | 113 |
| Total Private Rental Related calls with identified Themes | 559 |

Identified Private Rental Calls by Themes



Monthly Comparison of Identified Private Rental Calls by Themes





Contact us

✉ livedexperience@syc.net.au

☎ 08 8405 8500

🌐 www.syc.net.au/experience

