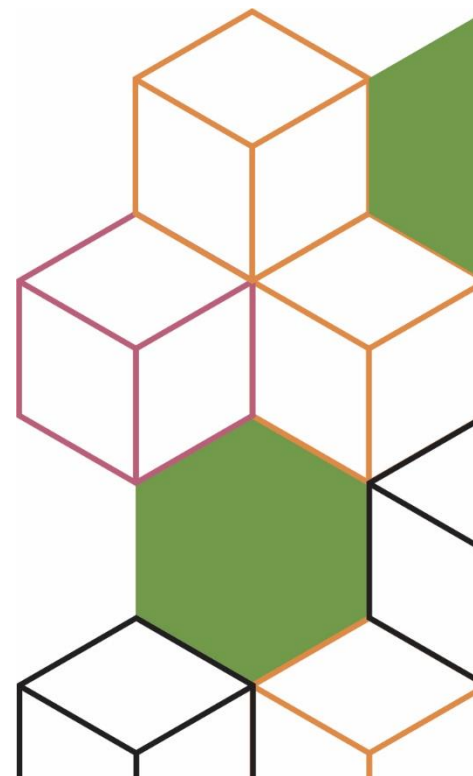


August
2023

Graduate Student
Association

**Submission to the
inquiry into the
worsening rental
crisis in Australia**



Introduction

The University of Melbourne Graduate Student Association (GSA) welcomes the opportunity to make a submission to the inquiry into the worsening rental crisis in Australia.

GSA is the independent representative organisation for all graduate coursework and research students at the University of Melbourne. We are led by 8 GSA Board members and 10 Representative Council members who are all elected University of Melbourne graduate students. On behalf of over 29,000 constituents, we represent graduate student interests to the University and wider community, provide student engagement events, activities, and information to the graduate student community, and support 150 affiliated graduate student groups.

GSA's vision is for inclusive, empowered graduate student communities that achieve meaningful and holistic university experiences. Our objectives are to achieve and support representation, academic support, transition to work, engaged and healthy communities, and organisational sustainability.

Executive summary

In July 2023 GSA conducted a survey on University of Melbourne postgraduate students' experiences of renting in Australia. Over 430 responses were received outlining the challenges faced by this cohort and the impacts the worsening rental crisis has had on their lives. The most significant issue reported by postgraduate students was a lack of affordability and rising rental prices (reported by approximately 80% of survey respondents). This was coupled with a high demand for – and a decreased supply of – appropriate rental properties.

Postgraduate students face limits on their ability to earn an adequate income while undertaking their studies. Financial instability experienced during this time places them at a greater risk of being rejected by landlords in rental applications and, in some cases, can lead to homelessness. Navigating the rental market is challenging in itself for postgraduate students with no rental history.

The worsening rental crisis, in addition to the rising cost of living, is contributing to postgraduate students' financial instability. In turn, many postgraduate students have reported impacts to their physical and mental health, as well as educational outcomes. Some have even reported being at risk of homelessness.

Recommendations

- Raise the Research Training Program (RTP) stipend rate to match the inflation rate.
- Increase the rates of government income support payments in line with the rising cost of living (including Rent Assistance).
- Ensure homelessness support services are adequately resourced to manage increased service use.
- Develop an education program for real estate agents addressing bias against race, visa status, lack of rental history and parent/carer status.

GSA's survey

In July 2023 GSA conducted a survey on University of Melbourne (UoM) postgraduate students' experiences of renting in Australia. We received 433 responses with the majority being from current renters (91%, 396 responses). Some respondents had rented in the past (4%, 19 responses). 4% of respondents also reported they had considered renting but faced too many barriers (19 responses).

The majority of responses were from research students (62%, 267 responses) and 38% were from coursework students (166 responses). Responses were received from students in all faculties, with the majority being from Engineering and Information Technology (33%, 142 responses). 80% of responses received were from international students (347 responses) while 20% were from domestic students (86 responses).

Challenges affecting postgraduate student renters

Affordability and availability of rental accommodation in Victoria

Renting in Victoria is increasingly challenging due to both the increase in median rent prices and the decrease in available rental properties. In March 2023 the median rent in both metropolitan Melbourne and regional Victoria increased by \$20, rising to \$480 per week and \$420 per week, respectively.¹ Melbourne has also experienced the greatest annual decrease in rental listings of all Australian capital cities, down 46.7% annually.²

This reflects what UoM postgraduate students have been experiencing. When asked to describe the challenges they faced when renting/seeking rental accommodation, approximately 80% of survey respondents reported a lack of affordability and rising rental prices (348 responses).

"I hardly find the private apartment that... have a private room under 300 AUD/week, including [student] accommodation that I think [is] too hard for student to afford. I prefer to live far from campus because it is more affordable, even the condition of the house is not good enough"

– Coursework student

"Very difficult to rent, and once you get a place, the agency/landlord raises the price by 60%, so it's not only getting a place but also remaining there. Lots of other renters (competition) offer the agents to pay more per week to get selected (under the table), so it doesn't matter if you are a good tenant, in the end, it is how much you are willing to pay above the requested rent price. I remember some years back, it wasn't this hard"

– Research student

¹ Homes Victoria, *Homes Victoria Rental Report: March quarter 2023* (Melbourne: State Government of Victoria, 2023), 6, <https://www.dffh.vic.gov.au/rental-report-march-quarter-2023-word>.

² "Vacancy rates: May 2023," Domain, published June 2023, <https://www.domain.com.au/research/vacancy-rates-may-2023-1216380/>.

"... I moved into my apartment hoping I could stay put for the 3-4 years that I complete my PhD. Instead I will potentially need to move each year, which is not only disruptive, but also costly... my landlord wanted to increase my rent by 33%. Luckily I was able to negotiate it down to a 22% increase, but even that was way beyond my imagination..."

– Research student

Approximately 25% of survey respondents reported a high demand for – and a decreased supply of – appropriate rental properties.

"... In Jan 2022, I applied for 96 properties. I was ready to pay 12 month rent in advance. It took me 3 months to find a below par unit"

– Research student

"... When I tried to find my current accommodation early 2022, every time I went to an inspection, there was always at least 10 other people in that session only. Too competitive"

– Research student

"The rental price has skyrocketed for at least up to 40% from last year. I rented my place at the beginning of this year but started looking for a place to live from 2 months earlier. Every unit with reasonable price had around 50 groups of people waiting for the inspection. Luckily I successfully rented this place, but it was truly horrible period looking and competing for a place to live"

– Coursework student

Many postgraduate student renters expressed a preference for accommodation close to the University of Melbourne. This was understood to enable students' engagement with their studies. By living closer to campus students can also limit their spending on public transport. This is particularly important for Victorian postgraduate students as they remain the only postgraduate students in Australia ineligible for student transport concessions.

"...My experiments last ~16 hours, but getting home safely late at night as a young woman can be challenging and/or expensive, so living nearby is important to me"

– Research student

"...When I was first looking for rentals...we had to look further out from the city and involved compromises. I [take] just under [an] hour to commute to uni and so, if I can avoid coming in I will. While I would prefer to be closer to uni and more involved, it isn't practical due to time and financial constraints..."

– Research student

"...As PhD students with limited financial resources, the rising rental costs can put a strain on our budgets. Many of us are now moving to areas further away from the university due to the inflated prices near campus. While such locations might offer more affordable options, they often come with longer commutes and increased transportation expenses"

– Research student

"its hard finding a decent accommodation at an affordable price near the university. The places that are affordable are either very rundown or are so far that it would be impossible to travel that far on a regular basis from the uni (especially because i have evening classes)..."

– Coursework student

Given that the University's Parkville campus is located near the Melbourne CBD, renting in nearby areas can be prohibitively expensive. Although student accommodation options are designed to suit students' specific needs, some respondents noted that these options were often more expensive than private rentals.

"...Student accommodations... are absolutely unthinkable in terms of price. They ask for over \$500 weekly for tiny rooms with shared kitchen, which is even more than on the rental market. This does not reflect the fact that students have less (not more!) money available [than] professionals"

– Research student

Student accommodation options were also found to be unsuitable for students living with their partners and children.

"...It takes quite a bit of time to travel to and from the University--a two hour meeting on campus can easily take four hours out of my day. I am a single parent and carer and cannot afford the time or expenditure, and because I have a family I cannot utilise student/on-campus accommodation"

– Research student

"...The current student housing options by the university are not affordable and do not consider families at all, so are not an option for those with families"

– Research student

Postgraduate students' financial circumstances

A lack of adequate income can impact an individual's ability to rent. A Victorian State Government inquiry into homelessness in Victoria reported that 45% of people accessing homelessness services were not in the workforce, while 40% were unemployed. Of the 15% of people who were employed, 67% were undertaking

part-time work.³ Since postgraduate students have a lower capacity to earn a living through full-time work, this can place them at a higher risk of experiencing homelessness.

In fact, several survey respondents reported their student status – and real or perceived lack of stable income – being viewed less favourably by potential landlords. This was also true for postgraduate research students with Research Training Program (RTP) scholarships, despite these students being supported with a stipend.

“The terribly low stipend impacts how competitive you are a prospective tenant, I have experienced many non-successful applications and the only thing holding me back would be income”

– Research student

“Rental agents still view me as a student so I am not competitive as a renter, which makes it very difficult to be competitive for the current renting market. Because I am on a stipend, the increasing rental price also limits the kind of rental/ location that is suitable for my needs”

– Research student

With the cost of living increasing, postgraduate students reported having to balance already expensive rents with the increasing cost of everyday necessities.

“The living allowance provided by my scholarship can barely cover the rent of an apartment near the campus. I spent almost 60% of the allowance in rent”

– Research student

“...Up to now, the rental price has been extremely high. Not just the rent but also food, transport, electricity and internet bills; the prices are increasing. Thus, I found it difficult to match my living costs with my scholarship”

– Research student

“As a graduate student on a stipend, it has been impossible to find a rental that doesn't cost nearly half of our payment. When you factor in bills, groceries and any other costs (for example, I have a number of pre-existing medical conditions that require regular treatment), it's basically impossible to afford to live without at least having a secondary source of income”

– Research student

³ Legal and Social Issues Committee, *Inquiry into homelessness in Victoria: Final report* (Melbourne: State Government of Victoria, 2021), 56, <https://new.parliament.vic.gov.au/4a00ae/contentassets/0c6d61c7d86d4971bf50c2573cb534b2/inquiry-into-homelessness-in-victoria---final-report.pdf>

Navigating the rental market as a postgraduate student

Entering the rental market can be challenging for those new to renting, including postgraduate students who are young people and/or newly arrived in Australia. Many survey respondents reported being at a disadvantage when applying for rental accommodation due to their lack of rental history and other supporting documents. Some students also reported facing racial discrimination in the rental application process.

"As a domestic student who is also a first time renter (I had been living abroad for 10 years before returning to Australia for my postgrad) and without income, none of my rental applications went through. Despite having the means to pay rent (I have substantial savings) and even offering to pay upfront, no landlord accepted me because I didn't have rental history or employment. The odds were stacked against me..."

– Coursework student

"...the renting process involves giving detailed, individualised references which is extremely difficult to gather if you are an international student and do not know anyone here other than your supervisor"

– Research student

"Because international students do not have local rental experience in Melbourne, many landlords prioritise people with stable jobs and local rental experience when screening tenants, so in most cases international students are unable to rent an apartment at a reasonable local price, and have to choose a high-priced...agent"

– Coursework student

"... Another issue [when looking for accommodation] was most people ask for pay slips and renting history. As an international student these are hard to provide, as i have only ever worked in my native country before and have absolutely no renting history"

– Coursework student

"...It is difficult to find referrals, especially for international students who have just arrived in Australia. If you don't have the experience of renting a house in Australia, you won't be able to get a landlord's recommendation..."

– Coursework student

"When I came for my masters degree in 2019, the main issue with the real estate agents was rental history, even the letter given to us from the university was not acknowledged. Then when I tried getting a house with individual house owners, once they see that my skin colour, they will come up with an excuse not to rent the house to me..."

– Research student

Some survey respondents also reported encountering rent bidding, poorly maintained properties, refusals to return deposits and inaccurate information in rental listings.

"...Given the lack of availability, rent is up and rent bidding drives it even further. Scarcity also now means that agents and landlords care even less about maintenance, much of which is outsourced to companies who then outsource the actual work. When a visiting electrician noticed a fault while making repairs it took a further 3 weeks for that extra repair to be attended to"

– Research student

"The room I rented in a house for first semester the landlord attempted to not give me back my deposit. I had to speak to an attorney regarding the matter and the whole process was extremely stressful. Then after I moved I had to pay my next landlord four months rent and a deposit in advance [in order] to secure the apartment"

– Coursework student

"I tried two different accommodations and had been disappointed with being assigned a new apartment not the one I have seen first time. Most student accommodation allow you to pay for a general apartment type and when you check in, you find another apartment"

– Coursework student

While some survey respondents sought legal support, others noted that the lack of adequate income and alternative options for housing prevented them from reporting inappropriate behaviour.

"...Had to take my rental provider to VCAT to enforce a court order to repair black mould and broken amenities on my lease (e.g., broken AC) after 4 months of inaction. Constant gaslighting into claiming tenants (incl. me) dont know the law and that they are right with a 'where else are you going to go' attitude. VCAT ruled completely in my favour, but without punitive punishments/fines to them, they will continue to exploit tenants"

– Research student

"Scared to upset landlord or real estate agents in case they kick us out and we have to find somewhere else at the moment, so we just don't raise any problems with the house and live with it all"

– Research student

"...It was very distressing to have a 12 month lease renewal offered and then withdrawn - it feels like a level of security has been taken from me. I'm scared to ask for maintenance for the property in fear I will be evicted"

– Research student

The impacts of the worsening rental crisis

Impacts to health and academic outcomes

The worsening rental crisis has led to varying, and often interconnected, impacts on postgraduate students' lives. Many survey respondents expressed that the financial instability and housing uncertainty they experienced when renting/trying to rent affected their mental health and wellbeing. Poor conditions in rental properties were also reported to have adverse impacts on physical and mental health. Some postgraduate students noted that the income available to them after paying for rent was not sufficient to buy fresh food and undertake recreational activities.

Applying for rental properties and moving were also reported to be time consuming activities for many survey respondents. This would leave less time for study commitments and research. Taken together, this lack of time and the stresses of navigating a competitive rental market can negatively impact postgraduate students' educational outcomes.

"The challenges were stressful, time consuming, and costly. Actually, I now have a chronic medical condition caused by mould in the bathroom vent that the property manager refused to address. That medical condition affects my ability to work and earn income. My quality of life is significantly lower. I am far behind on my phd as a result"

– Research student

"I have to live far away from campus, over 110 kilometres away, in my family home, and commute to class and my desk space at uni, which is extremely draining"

– Research student

"Just general stress and limiting ability to enjoy life. I have to think lots before spending any money because of my financial inflexibility. This means less socializing and more spending time at home. A PhD can feel isolating enough without being unable to go socialize because of the associated costs"

– Research student

"I think its fair to say I am pretty traumatised by my experiences dealing with the rental market. Whenever I hear about the worsening housing crisis I am deeply saddened and anxious about what my future will be like. Generally, when I was at the height of my housing search, I would spend several hours in a day, across the week, just going to inspections. This was time away from working on my PhD. I also have to take on extra work to make ends meet. And I am worried I won't finish my PhD on time"

– Research student

"...it does have a big impact, especially when you are moving in between places (when the rent increases too much and you can't afford it), so I ended up moving to cheaper places, and even lived in a living room for about 6 months (infested with cockroaches) the landlord was very rude and kept pushing bills for us to pay (not tenant responsibilities) and coming into the apartment full of women without announcing his visit, so I felt very unsafe and vulnerable during those months until I managed to move out. Either you move to a cheaper place with a bad landlord/agency or live in an expensive place and cut on food. It does ultimately affect your sleep, work and study capabilities..."

– Research student

"It's been very stressful, they already raised the rent last year (less than 12 months ago) and then tried to increase it again last month. It's only because I have the skills to look into what my rights are that I was able to stop this from happening, but I expect the rent will go up as soon as the 12 months are over... So now I have to look for a place I can afford that's close to my daughter's school and somehow move 12 years worth of life while working casually and trying to write the methodology chapter of my PhD thesis"

– Research student

"...I had to result to renting from [a] private student property owner which was very expensive. Also, there was no provision for students with children which made it even more stressful for me. This was one of the reasons why I had to leave my daughter back in my home country..."

– Research student

Homelessness and future prospects

We have received numerous troubling reports of postgraduate students' being at risk of homelessness. The limited availability of affordable housing has led to some survey respondents staying in hotels and short-term rentals. Some respondents also opted to move in with family and delay living independently. Future independence – through home ownership – was also understood to be impacted by postgraduate student renters' inability to save money long-term.

"I am living in a hotel now. I just tried to find an apartment in last few days"

– Coursework student

"...I know that I have much less of an emergency fund in case of any medical events etc. I am currently not able to save any money meaning that I've put on hold the idea of holidays, buying a house etc."

– Research student

"I don't have friends or family in Melbourne. For a month and a half, I had to jump from one [short-term rental] to the next, every week. I was at a very real risk of being homeless. I could not study properly for the first part of the semester. It took a huge toll on my mental health as I was constantly stressed about my future"

– Coursework student

"My long term lease was cancelled this year because the owners decided to sell. The rental market in Melbourne is bananas right now and I can't afford to rent and eat on the stipend alone. I've moved back in with family interstate, which is allowing me to save money but is not ideal for my PhD"

– Research student

"I have been in the same rental for several years...Earlier this year a cracked waste pipe under the back of the house is causing an external wall to collapse... [my landlord] has decided not to fix the damage and will sell the house instead, but there is no timeline so I am stuck in housing purgatory waiting. I have a chronic illness so it is difficult for me to move and our (sharehouse) rent will double. I am also a casual worker and a full time PhD student so it will be difficult to be competitive in a tight rental market. I have had to pause my PhD today (perhaps indefinitely) and scramble to take on more casual work because I just cannot afford to keep a roof over my head while studying. I am in my mid-30s, highly skilled, but because of disability and precarity I will probably be homeless by February"

– Research student

"My first weeks here was a bit chaotic due to finding rental property, as [I] need to study while at the same time hopping from one place to another (from [short-term rental], to apartment hotel). My toddler couldn't be registered in daycare since we didn't have a [fixed] area to live for the next two years. [This] also affected my study in the beginning (it's so hard to concentrate when you have several issues unsolved)"

– Coursework student

"I cannot afford renting and have to live with our parents. I have to take my daughter with me to travel 3 hours daily between our house and the university. It is a physical and mental burden for my young child and me"

– Research student

Recommendations

- Raise the Research Training Program (RTP) stipend rate to match the inflation rate.
- Increase the rates of government income support payments in line with the rising cost of living (including Rent Assistance).
- Ensure homelessness support services are adequately resourced to manage increased service use.
- Develop an education program for real estate agents addressing bias against race, visa status, lack of rental history and parent/carer status.

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