



Pandemic pain

Victorian renters in lockdown

August 2021

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COVID-19, lockdowns and renters

With no less than three COVID-19 lockdowns without any targeted tenancy protections, 2021 has brought a winter of discontent for Victorian renters who have lost their jobs and/or hours.

In the absence of an adequate safety net, too many tenants struggle to pay their rent as stringent public health restrictions flowing from the pandemic continue to reduce incomes, limit mobility and change daily life. Previously strong Victorian Government protections – a year-long moratorium on rent arrears-related evictions, a freeze on rent increases, a rent reduction mediation scheme and a cash grant subsidy to help landlords who agreed to reduce rents – have lapsed. The Federal Government’s JobKeeper payment and Coronavirus Supplement that topped up barely subsistence Jobseeker payments, have been terminated.

Amid the continuing pandemic, our state’s legal landscape also altered on 29 March 2021 with the commencement of the 130 amendments to the *Residential Tenancies Act 1997* – welcome legislation, but conceived long before COVID-19 disruptions. The existential challenge is that despite the pursuit of ‘COVID normal’ policy settings the pandemic clearly has not finished with us. Meanwhile the chronic effects in an already stressed housing system linger on.

A limited COVID-19 Disaster Payment for workers adversely affected by a public health order is now available as a general income support measure. However, this recent payment does not adequately protect renters who have lost income and are exposed to the risk of eviction as well as a new, heightened threat of the Delta variant.

Renters’ experiences of lockdowns

To investigate renters’ lockdown experiences, immediately after the fifth lockdown ended Tenants Victoria conducted a snapshot survey of renters from 28 July to 3 August. Within 48 hours of the conclusion of this survey, Victoria entered a sixth lockdown.

Tenants Victoria asked renters about their financial experience of the 12-day lockdown 5 in July 2021¹. Of 684 respondents, 69% reported that they had been financially impacted by lockdown 5 and less than one third of renter respondents were unaffected. While our respondents came from throughout Victoria, the overwhelming majority (81%) lived in Melbourne².

Our snapshot survey found:

- The average financial loss per day was \$108 per renter
- 69% of the overall respondents said they had been financially impacted by the lockdown
- Just over half of the overall respondents in the snapshot survey said the lockdown had affected their ability to pay rent
- Participants in the survey came from 61 of Victoria’s 79 local government areas (LGAs)

¹ The majority of our respondents were contacted by SMS.

² 81% of respondents who provided a postcode.

The map below, and the corresponding data table below it, show the LGAs with the most respondents to our survey where half or more said lockdown 5 affected their ability to pay rent.

Map: LGAs where more respondents said lockdown affected ability to pay rent

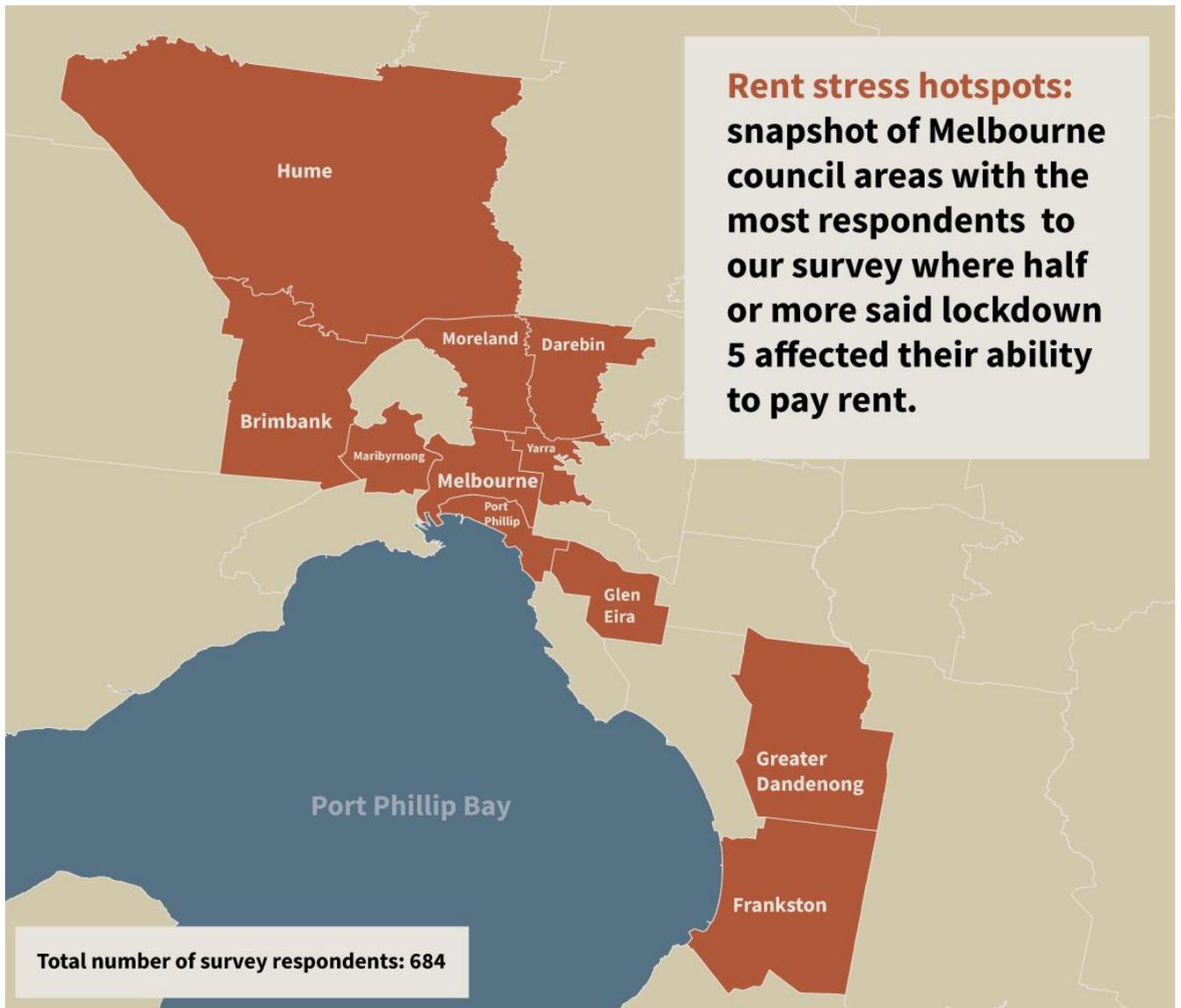


Figure 1: LGAs with most respondents to our survey where half or more said lockdown 5 affected their ability to pay rent

Data table: LGAs where more respondents said lockdown affected ability to pay rent

	Yes (%)	No (%)
Greater Dandenong City Council	67%	33%
Yarra City Council	65%	35%
Hume City Council	63%	38%
Frankston City Council	62%	38%
Moreland City Council	57%	43%
Melbourne City Council	56%	44%
Brimbank City Council	55%	45%
Maribyrnong City Council	54%	46%
Glen Eira City Council	53%	47%
Port Phillip City Council	50%	50%
Darebin City Council	49%	51%

Table 1: LGAs with most respondents to our survey where half or more said lockdown 5 affected their ability to pay rent

The table below shows that a significant proportion of both our Melbourne and regional respondents faced a loss due to this lockdown.

Number of respondents by region across Victoria

Region	Economic loss reported	No economic loss	Respondents Total
Northern Metropolitan	133	44	177
Southern Metropolitan	85	38	123
Eastern Metropolitan	56	28	84
South-Eastern Metropolitan	55	22	77
Western Metropolitan	52	29	81
Eastern Victoria	32	21	53
Northern Victoria	26	15	41
Western Victoria	24	10	34
No postcode/area given	9	5	14
Total	472	212	684

Table 2: Number of respondents by region

What it means for renters – in their own voices

Tenants Victoria invited respondents to our snapshot survey to share their experiences. The survey asked renters to share their COVID-19 rental story, and in particular whether previous lockdowns in Victoria had affected their ability to pay rent. The answers we received paint a striking picture of pandemic pain across our state.

Cumulative financial impact

Renters reported significant financial impacts from lockdown 5 – however the cumulative effect of the pandemic was also a key driver for their financial insecurity.

First lockdown I lost my job, second, I lost clients and jobs while self-employed, third, I lost income due to not being able to work, fourth personal business financially bankrupt, fifth lost casual wage.

I lost my job in the fourth lockdown (marketing and drafting assistant) just got a new job a week before the 5th lockdown (sales and interiors consultant) but they were not able to give me shifts during the lockdown ... This has impacted my ability to be accepted for a lease and I'm currently struggling to find a permanent living arrangement.

I am currently unemployed. Each lockdown constrains my ability to gain employment. Last year towards the end of the year I asked for a rent reduction. My landlord said, 'No the house is too heavily geared.' I'm now left paying \$900 in rent receiving \$1200 in job seeker payments ... Each lockdown sends me closer to despair. I've had to sell as much of my property as I can to make ends meet. I don't know what will happen when I'm completely out of savings because I know subsidised housing isn't readily available but I'm not going to be able to afford this rent for long.

More impact on people who can't work from home

Those renters whose jobs were flexible and were able to work from home generally reported less financial impact. It was a different lockdown story for those who had no choice but to leave their homes to work.

My flat mate and I both lost work as swim instructors during the lockdown.

I'm a flight attendant so aviation is hit hard every time. We only earn a liveable wage when we fly with allowances. So lockdown cancels lots of flights which in turn keeps us at home.

Not being allowed to go busking has a considerable impact on my income.

Husband working in music industry, his work stopped early 2020 and he was unable to get any government assistance and industry didn't have JobKeeper. We went down to one part-time wage for a family of 3.

I work in hospitality, so I live week to week on casual rates. Employers aren't inclined to sign staff onto part time/full time contracts due to the current uncertain conditions. Every lockdown has caused serious financial burdens for me ... Quite a few times I've maxed out my credit just to get through.

It was very difficult at times and a bad time to have started a new business that revolves around photography, since we weren't allowed human contact and without masks, so there goes 18 months of nothing. However, with all the stories I have heard, I still think I'm one of the lucky ones.

Uncertainty and relying on family

Some reported that the shorter lockdown was easier, but the uncertainty of their situation was hard to bear. Many relied on family to make it through.

All lockdowns have affected myself and my partner being able to pay rent bills and feed ourselves. My family held a fund-raiser for us in New Zealand the first lock down, and since then we have just struggled through.

Lockdowns have drained me of all financial resources available to me. Each lockdown I get further and further behind on rent and other essential bills, despite working harder and more hours as a sole trader when we reopen, and I can recommence my work. My rent was a week behind from the lockdown prior to this one and now I am even further behind, 3 weeks. After last year's long lockdown in Victoria, the worst part is not knowing how long it will last as the bills mount up and the scarce funds you had set aside for bills, go towards food and dwindle. My agent and landlord have been great and agreed to a payment plan I put forward yesterday to repay my rental arrears, when I knew I could restart work today. However, I have a high-level anxiety about the very real potential of future lockdowns and getting even further behind on my financial commitments.

Had to wait five weeks for payment as I was not on the books, living on one meal a day and no money for car registration. I was terminated after I paid back rent.

Previous lockdowns have impacted my ability to pay rent with an unsympathetic landlord. I'm lucky to have a supportive family otherwise my children and I would be homeless.

Lockdown number 4 was harder for me, as a sole trader in an industry that couldn't return to work when restrictions were eased. (Dance industry). Number 4 was longer, with no financial support available to sole traders. I had quite a few financial obligations (single parent who lives from pay to pay). My parents paid my rent for me (for the first time in my life as a woman in her mid-40s). I was lucky that they were in a position to help me.

Nowhere to turn

Many renters reported that they had depleted their savings, or already accessed their superannuation, so that when another lockdown occurred, they were less able to manage. In addition, the end of JobKeeper payments, and the limitations placed on later emergency payments, meant there was no clear avenue to seek help.

Unable to go find work. Watching my money. Not buying food to pay rent.

Work for myself as a cleaner and no visitors allowed to homes has (financially) killed me ... I am not making it through on lockdowns.

I have used all my savings. There is nothing left for rent.

Since the start of COVID-19 I have lost jobs over and over again, every time there was a lockdown. Financial assistance at the beginning was OK through Jobseeker and the rental grant via Vic housing. The more lock downs I lost my work and the government assistance was over ... I ended up not being able to pay my rent.

Role of landlords and real estate agents

Attitudes of landlords and real estate agents towards renters have again been highlighted as a key factor in renters' ability to manage their situation. Some renters even reported that the landlord chose this time to increase rent. Others have worked to avoid any adverse financial effects.

Being in repeated lockdowns basically forced us to move as the place we had been living in wasn't fit to work and live in 22-23 hours a day. In the new place we noticed our landlord had added a note (after we'd signed the lease): 'If you lose income due to COVID lockdowns, or lose your job, we cannot negotiate rent down to help you with your circumstances.' Fortunately, that hasn't been the position we've been in, but it seemed like a total s... (*expletive*) thing to add.

I am a single mother and was only just making ends meet before COVID. My daughter had to move in as she lost her job due to COVID. My bills went up straight away, and my budget was no longer budgetable. I tried to apply for the rent relief scheme a number of times, and in the end gave up ... I was issued with a notice to vacate even though I stayed in constant contact with the estate agency. I began an official complaint against the principal of the agency as his manner was very abusive. He even came to my house without prior arrangement. I have never had a notice to vacate before: it was incredibly stressful. Uniting Care were extremely helpful but said that the principal agent was known to have been abusive to other tenants. I can't get work in [regional city] and am now forced to move back to Melbourne to have a better chance of being employed.

I'm a sports coach who relies on indoor facilities, so the 2020 lockdowns resulted in 43 weeks of income being at 10%. The stress of making rent even after negotiating lower rent took a major toll on my mental and physical health. My landlords decided to sell so I was forced to move during lockdown, which caused severe distress both mentally and financially. I was unable to inspect future homes. My car died and I had no money to fix it. I was lucky to find a place where I was able to negotiate lower rent for repainting the unit. I did everything for the move by myself due to the limitations in lockdown. Thankfully my new landlords have offered me a further year, which relieves a lot of my stress. However, my business is pretty much run into the ground, and I am retraining so that I find a job that will continue through further lockdowns.

My landlord has used every possible tactic to bully me into paying the full rent and paying for repairs that are not my responsibility. I'm trying to avoid threat of eviction because I know I can't move elsewhere.

We've been threatened with eviction recently as we just aren't keeping up. They've now raised the rent by \$217 a month making it even more impossible.

I was stood down during the first lockdown and my landlord wouldn't give me a reduced rent, so I was unable to apply for the rental relief grant. I had to repay the missing rent when I left the property this year. My main reason for leaving was because they weren't understanding at all.

One renter reported an extreme example of estate agent behaviour.

Our 2-person household wage dropped well below 50% during 2020 – almost made us homeless, with no support from the real estate agents or 1 of our 2 landlords, no rent reduction and no vital information passed on. Between June 2020 and June 2021, we have had the agents turn up unexpectedly at our home, asking us when we were handing the keys in as it was our vacate date. They had issued us with a 'no reason vacate notice' back in Feb 2020 wanting us out in June 2020. If they had done their job properly/professionally or at all, they would have known about the eviction moratorium. I informed them of our rights and the changes made by the government via email, but did not receive a reply, phone call, an apology or reason. However, I did receive over 150 emails and similar number of phone calls about rent arrears between April and Nov 2020. This was pretty much daily 5 days a week!!! In Nov 2020 they took us to VCAT, which obviously went in our favour, then they did it again in April 2021, again this went in our favour! From Feb '20 until Aug '21 (18 months) the real estate company has appointed 6 different agents (on average a different agent every 3 months) as our property managers, making communication almost impossible as we had no idea who to talk to and neither did their receptionist!

Health problems

Unfortunately, lockdown effects are not limited to monetary problems. Some renters report that lockdown has had health effects on them or their families.

The lockdown last year created a lot of stress for us. My partner suffers from epilepsy. This stress led to increased seizures, which meant time off work, which meant more stress, which meant more seizures and so on and so forth. We've had to move house where the rent is cheaper so we're not as reliant on two incomes.

Because of the continuing uncertainty and stress around the future and ongoing stability, my mental health has declined significantly throughout the last 18 months, which has in turn affected me financially. I've been able to stay working with the same employer, however it's a highly casualised industry and as a migrant, I've had almost zero safety net during COVID.

Victorian Civil and Administrative Tribunal (VCAT)

A further issue has been the inability to have matters adjudicated at VCAT, with renters out of pocket for bond and compensation.

I still don't have my bond back from my previous rental because of a rental reduction dispute.

Continuing insecurity

Overall, renters have become more fearful and insecure as many didn't consider they have control over their lives.

During the lockdowns in 2020 I was on a 12-month lease where my daughter and I have lived for 5 years. I lost my job due to COVID. I was able to negotiate a rental reduction for both of 2020 lockdowns with the help of Consumer Affairs. I was also then eligible for the rent relief grants which I gratefully received. When my lease was due for renewal, my landlord and/or property manager refused to allow me to sign another 12-month lease. They said that due to my lack of full time work they aren't prepared to offer a fixed term rental agreement. I believe that this is also partly because they don't want to be obliged to offer a reduction in the event of future lockdowns. Since May 2021 I have been on a month-to-month arrangement. This has put an enormous amount of pressure on me because each time Melbourne goes into lockdown my casual work ceases. I am stressed, anxious and afraid that if I am late with any rental payments the property manager will issue a notice to vacate and I wouldn't have the security of a lease to protect us.

I have 4 weeks to get me and my kids out and to try 🙏 and get a place ... we have been evicted.

I have had to rely on my savings to pay my rent because as a sole trader I'm not eligible for job keeper payments. I am 49, have no income and do not own a home. I only have \$30,000 superannuation. I will end up homeless when I retire.

Conclusion

Renters under intense pressure

Although the COVID-19 tenancy protections and enhanced income support ended in March 2021, the pandemic persists. Tenants Victoria, along with others in the housing sector, is deeply concerned that a whole new class of 'vulnerable Victorians' will be spawned by COVID-19.

The impact on many Victorian renters of the pandemic is ongoing and cumulative. Many affected renters indicated that they do not have sufficient legal and financial supports to stay safely housed at a time when we are told to stay at home. The struggling renters are those who often can't work from home – people who have been stood down from their jobs or lost paid hours when swathes of ordinarily productive sectors like hospitality, retail, wellness and leisure and arts and entertainment are required to slow down or literally shut up shop.

As recounted by the renters in this survey, many now face a perfect storm of cumulative COVID-related rental debts and rolling public-health lockdowns and restrictions that continue to cause loss of working hours and income. In the absence of more targeted relief measures, these lead to debt for rental arrears and potential evictions.

Currently, none of the patchwork of federal and state supports are directly targeted at residential renters: many renters are falling through the cracks, with legacy COVID arrears plus the growing impact of lockdowns and COVID restrictions resulting in rising housing insecurity and risk of homelessness.

It has, truly, been a winter of discontent for too many Victorian renters.

Mitigating lockdowns: ideas for an enhanced safety net

The Victoria Government should consider these measures to provide a safety net for Victorian renters who are hardest hit by the consequences of the rolling lockdowns.

- All evictions during any COVID-19 lockdown should be suspended
- Introduce rent relief grants that support both renters and landlords
- Give renters facing financial hardship due to COVID-19 access to rent reductions and rental debt reductions for rental arrears accrued since an eviction moratorium
- Renters have access to a dispute resolution service to resolve any issues for rental arrears related to COVID-19
- Any payment plan struck for pandemic rental arrears should be ‘reasonable and proportionate’ to the renter’s circumstances
- COVID-19 rental arrears accrued during any eviction moratorium period cannot form the basis of a notice to vacate issued for rental arrears
- Ensure that COVID-19 rental arrears accrued during any eviction moratorium period cannot form the basis of a compensation order against a renter
- Waive land tax for landlords who provide rent reductions and rental debt reductions for renters

About Tenants Victoria

Tenants Victoria is the peak body for the state’s renters, who number more than 2 million people. Our vision is for a safe, secure and affordable home for every Victorian renter in a fair housing system. For many renting is a permanent situation rather than a transition from the family home to home ownership. We believe all renters should be able to afford a home that allows them to live full lives and contribute to their communities.

Founded in the 1970s by renters, we aim to empower all renters and make sure their voices are heard in our advocacy. We work in partnership with other community legal centres and housing sector organisations, and strategically with government to inform policy development and enhance service delivery.

Our services include information, legal representation and advice, financial counselling, and outreach. We aim to make the housing system fairer in several ways We advocate for practices and attitudes that respect renting and for policies and laws that support the rights of renters. We increase the skills of the community workers who assist renters. We provide information that encourages rental providers and real estate agents to act responsibly.