

#4 STABILISE RENT INCREASES

A mechanism to cap unfair rent increases.

THE PROBLEM

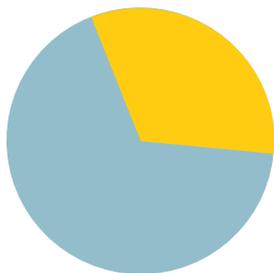
Rents in WA have been going up much faster than average wages, and the number of affordable rentals available for people on low income are declining^[1]. The rental market has been through extraordinary boom periods with very high rent increases, particularly in regional areas like Port Hedland and Karratha.

Many people rent due to necessity and some people choose to rent, however the level of concern about unexpected or exorbitant rent rises is very high across the board. Unreasonable rent increases can force tenants to leave their homes to find more affordable premises, which can be very disruptive and stressful.

The shortfall of public and community housing exacerbates this problem for those on lower incomes who are often forced to rent in the private market.

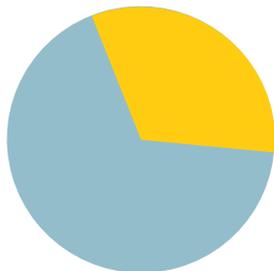
THE FACTS

Rents can be increased every six months, even if you have a current lease. If a tenant thinks the increase is unreasonable, they have to find the market data to dispute the increase.

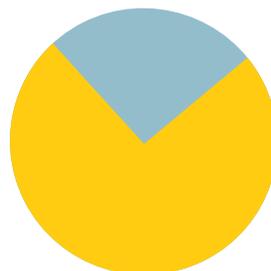


28%

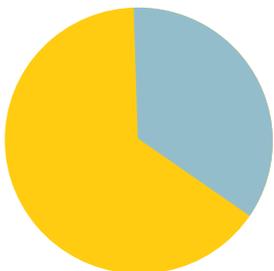
of Western Australians rent their home.^[2]



28% of those renters are currently in rental stress, paying more than 30% of their income on rent.^[3]



76% of Make Renting Fair WA survey respondents said if their rent increased by 10% they would find it "very difficult" or "difficult" in their current financial situation.



65% of respondents said they were "very concerned" or "somewhat concerned" that asking for repairs or maintenance would result in a rent increase.

"As our governments walk away from social housing, more people must fend for themselves in a market that is out of control"

- Anglicare Rental Affordability Snapshot 2019

[1] <https://thenewdaily.com.au/money/property/2019/06/03/minimum-wage-rent-cost-property/>

[2] 2016 Census

[3] http://www.shelterwa.org.au/72_000_west_australians_in_rental_stress

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“My big concern is transparency in rent increases. I am guessing that our landlord is only giving us a year's lease because he wants to raise the rent when we take another lease for next year.

Although there are limits as to how many rent increases can occur according to the type of tenancy agreement you have, there are no limits as to the value of rent increases.

In the country where we previously lived rent increases could only occur once every two years outside metro areas. And in metro areas rent increases could happen once a year but were capped at 4% per year. In all cases tenants had to be notified 90 days in advance of the increase.

I'm nervous about what level of rent increase we might encounter at the end of this fixed term lease. If I knew there was a cap then I could plan for it but without even a ball park figure I'm not sure whether the increase will be so high that we will be forced to move ... This makes me wake up with an anxious feeling most days.”

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4093

The Tenancy WA factsheet on rent increases was downloaded 4093 times in 2018.

THE SOLUTION

Renters need protection from unreasonable rent increases.

There is a range of rent control mechanisms used all over the world that should be considered for use in WA. A thorough investigation and public consultation process should be undertaken into what rent stabilisation measures will work well here in WA.

Options include:

- capping rent rises at CPI as they have done in a number of places in Europe, the UK and the USA

- requiring the landlord to justify any rent increase above CPI
- linking rent increases to average wage increases; or
- a combination of the above

We seek a conversation about how rent can be made more fair and stable in WA to ensure safe secure housing for everyone.