

MAKE RENTING FAIR

WA RENTERS SURVEY 2023 THE IMPACT OF RENT INCREASES FOR WA RENTERS

May 2023

EMBARGOED TO 8 MAY 2023



Make Renting Fair

The [Make Renting Fair Alliance](#) is a broad and passionate coalition of renters, landlords and community groups. We are working together for secure, affordable and healthy homes for more than 700,000 West Australian renters.

With 21 member organisations and growing, including six peak bodies, collectively representing over 570 member organisations who provide services to over 500,000 Western Australians; multiple organisations providing homelessness and housing services, emergency relief, financial counselling, and legal (tenancy) services to over 158,000 clients; and the United Workers Union who represent over 18,000 individual members working in care based and essential worker industries, the majority of whom are renting.

The state government is currently considering a review of the Residential Tenancies Act WA that includes a suite of reforms that are understood to improve safety, security and fairness within the statutory framework for renting in WA. The first tranche of these reforms include the removal of “no reason” terminations except at the end of a first fixed term tenancy, allowing pets and minor modifications to properties as standard, and limiting rent increases to once per year.

These sensible reforms will bring WA into line with Victoria, Queensland and Tasmania which have already made similar changes. The New South Wales government has pledged to remove no reason evictions for periodic tenancies and the ACT intends to remove “no reason” evictions entirely. The Make Renting Fair Alliance previously released preliminary finds on the impact of “no reason” evictions for WA renters in October last year (available [here](#)).

This report presents findings on the impact of uncontrolled rent increases to WA renters.

According to the latest CoreLogic figures for March 2023, rents in Perth rose 12.8% over the previous 12 months, the largest increase of any capital city, with the average cost to rent a house in Perth now at a record \$582 per week.

Over the last three years, SQM data shows rents rose by 43 per cent across the Perth Metropolitan area, and much higher in regions such as the Pilbara (74 per cent) and the South West (54 per cent)¹.

According to REIWA data, in just three years since the COVID-19 pandemic, median house rent has increased by \$190 per week, from \$360 in October 2019 to \$550 in April 2023.

These increases are unfair, and unsustainable.

¹ Rents and Vacancy rates: SQM Research Weekly Rents by Postcode
<https://sqmresearch.com.au/weekly-rents.php?mode=p&postcode=6025&t=1>

WA is falling behind other states

WA is lagging behind other jurisdictions on rules governing rent increases.

In fact, Western Australian renters have the second weakest protections from unfair rent increases in the country, narrowly beating the Northern Territory for the worst spot.

This is because in WA:

- Rents can be raised every six months, even on a fixed term lease
- There is no limit on the amount rent can be increased; and
- Landlords only need to provide 60 days' notice to increase the rent

What do the reforms propose?

Under the first tranche of proposed reforms, it is expected that rent increases would be restricted to once per year. **While the Make Renting Fair alliance supports this change**, there is little point limiting rent increases to once a year if there is no limit to the amount rent can be increased. In most other states rents can only be increased once a year, and tenants are given significantly more notice.

We understand that mechanisms to stabilise rent, such as rent caps, will be examined as part of the second tranche of reforms. However this might not happen for at least 6-12 months, and renters are in extreme stress now, with no end in sight to spiralling rents.

The Make Renting Fair alliance believe the evidence in this report provides a compelling case for the introduction of a rent stabilisation mechanism, similar to that used in the ACT², as soon as possible.

The good news

The good news is there are examples in other jurisdictions where sensible changes have been made to protect renters from unfair and unsustainable rent inflation.

To start with, almost all other jurisdictions enjoy significantly longer notice periods for rent increases than WA, and in Victoria, NSW, the ACT, South Australia and Tasmania, rent increases are already limited to once every 12 months, with Queensland announcing in March they too would be limiting rent increases to once every year.

In addition, forms of rent stabilisation have been introduced effectively in other jurisdictions and provide evidence-based examples of successful reform.

Specifically,

² <https://makerentingfairwa.org.au/the-current-laws>

- The best protections exist in the **ACT**, where rent can only increase every 12 months for tenants on fixed or rolling leases, with eight weeks' notice, and details of any rent increase need to have been included in fixed-term agreements. Rent increases are limited - or capped - and must be tied to the Consumer Price Index. The most landlords can increase rent is by the rate of inflation for Canberra rentals, plus 10 percent. For larger increases, which a tenant does not agree to, a landlord must apply to the tribunal.³
- In **NSW** rent can only be increased once in a 12-month period after a minimum 60 days written notice during an ongoing lease or fixed-term lease of two years or more. Rent cannot be increased during fixed-term leases of less than two years without an agreement at the start that sets out the amount of the increase or method of calculating it. Unclear statements, such as "in line with the market" or "by the rate of inflation" cannot be used. If a tenant believes a rent increase is excessive, they can challenge it at the tribunal within 30 days of receiving the notice.⁴
- In **Queensland**, rents for periodic leases can be increased every six months with two months' written notice, but in March it was announced the government would seek to limit rent increases to once per year. Rent cannot be increased during a fixed-term unless the amount, or how it will be worked out, is stated in the agreement. Tenants can challenge a rent increase through dispute resolution at the Residential Tenancies Authority. If it is not resolved, tenants can go to the Queensland Civil and Administrative Tribunal.⁵

Overview of Survey

The **Make Renting Fair Renters Survey**, which is still in the field, had more than 352 respondents as of 3rd May 2023. 30% of survey respondents have been renting more than 20 years. 51% were living with or had someone in the household experiencing disability.

This report provides findings relating to renters' experiences of rent increases in the last twelve months.

The survey is [online here](#).

Findings

FINDING ONE: 60% of respondents had experienced at least one rent increase in the last year.

Since the end of the COVID emergency period, while rental vacancy rates have remained at record lows across WA, the cost of renting has continued to dramatically increase to record levels.

Specifically,

³ <https://www.smh.com.au/property/news/what-are-your-rights-as-a-renter-in-australia-20230228-p5co7a.html>

⁴ <https://www.smh.com.au/property/news/what-are-your-rights-as-a-renter-in-australia-20230228-p5co7a.html>

⁵ <https://www.smh.com.au/property/news/what-are-your-rights-as-a-renter-in-australia-20230228-p5co7a.html>

- 43% experienced one rent increase in the last 12 months,
- 14% advised their rent had increased twice or more, and
- 3% advised rent had increased more than two times

Q18 In your current rental home, has your rent increased in the last 12 months?

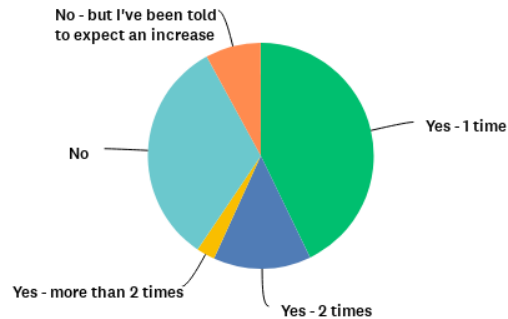


Fig 1: In your current rental home, has your rent increased in the last 12 months? (Q18)

FINDING TWO: Most rents increased by \$21-\$75 per week

While wages have remained stagnant, survey respondents report that rapidly increasing rents place an additional burden on families already struggling with a cost of living crisis.

The majority of respondents (48%) had a rent increase of between \$21 – \$75 per week. But almost two in ten (19%) of respondents had a rent increase of between \$76-\$200 a week. Specifically:

- 34% advised their rent had gone up between \$21 - \$50 per week
- 13% advised their rent had gone up between \$51 - \$75 per week
- 10% said that their rent increase had been between \$76-\$100 per week
- 7% said their rent increased by \$101-\$200
- 2% experienced a rent increase of \$200

For this question respondents were also asked how they found the increase, and only 8% reported it was comfortable or very comfortable.

Q19 How much did the total weekly rent increase in the last 12 months?

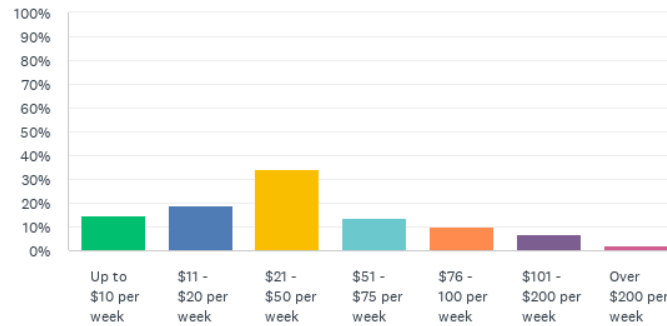


Fig 2: How much did the total weekly rent increase in the last 12 months? (Q19)

Stories from renters on increases to rents

*“ We got an email in early July 2022 advising our rent would be **increased by \$200 per week, to \$670pw** for six months or 12 months at \$650 with a mid-year market review. Even though our house is a five bedroom home the lease specifies no more than three people may live here. We had to let the real estate agent know we could not renew at this cost. Then the Real Estate company advised the owner “graciously” offered to reduce the increase to \$550 per week instead - but with a mid-year review included, which would increase the rent by another 15%. We had to accept this due to the minimal availabilities for rentals in our area. I went to 30 other inspections but just gave up. As expected, the rent increased again and we’re now paying \$575pw and it’s highly likely it’ll be increased again to above \$600 in next six months. We’ve got no ability to negotiate anymore. No power. No chips left. I’m a student with two jobs and I just can’t take this anymore. My rent is now 60% of my income.”*
A renting couple in North Perth.

FINDING THREE: 85% of renters would struggle with another rent increase

The survey showed that many respondents were already financially stressed by their rent, and many of our survey respondents described experiencing anxiety as a result of a recent rent increase.

When asked about the impact of rents predicted to go up a further 10% in the next 12 months, we found 85% would find this difficult to manage.

Specifically,

- 52% would find this very difficult and 33% would find this difficult to manage
- Just 12% would find this manageable.

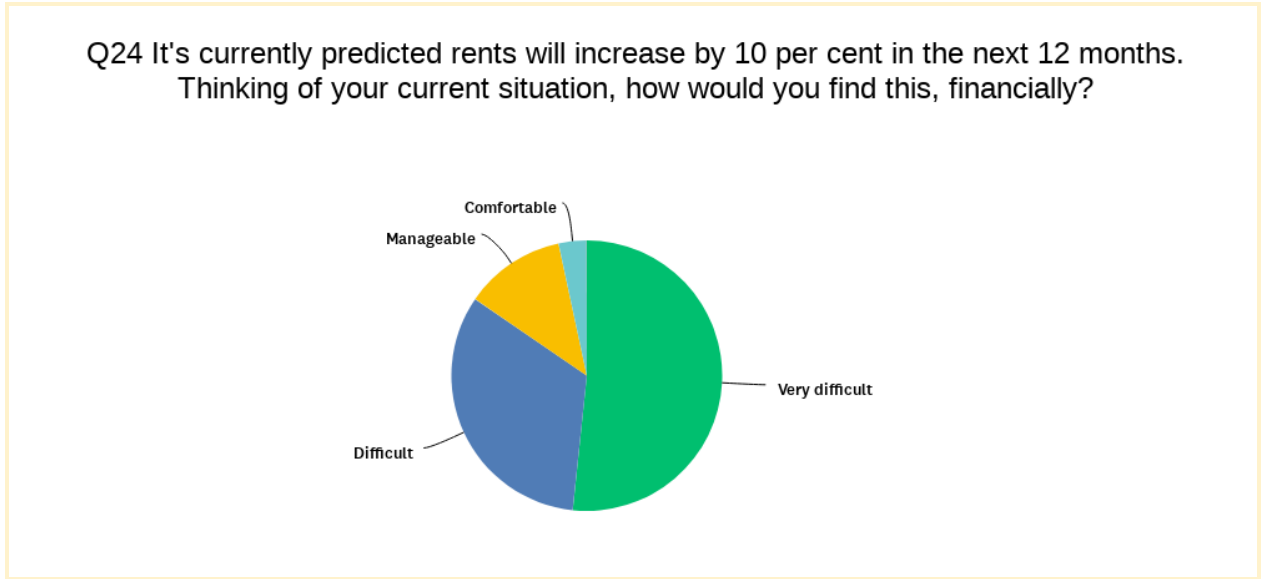


Fig 3: It's currently predicted rents will increase by 10 per cent in the next 12 months. Thinking of your current situation, how would you find this, financially? (Q24)

FINDING FOUR: Renters feel powerless to negotiate rent increases - mostly due to the fear of no reason evictions

The threat of a “no reason” eviction hangs over negotiations between tenants and landlords about unfair rent increases. Due to the record low vacancy rate and current tenancy laws permitting evictions without grounds, real estate agents and landlords can easily replace tenants, creating a significant power imbalance and pervasive insecurity for tenants.

The survey found:

- 41% tried to negotiate but were refused
- 41% didn't ask - with the most common reason being the fear of losing their lease and not being able to find another property
- 17% were able to negotiate by a moderate amount

Q20 Were you able to negotiate the amount your rent was increased?

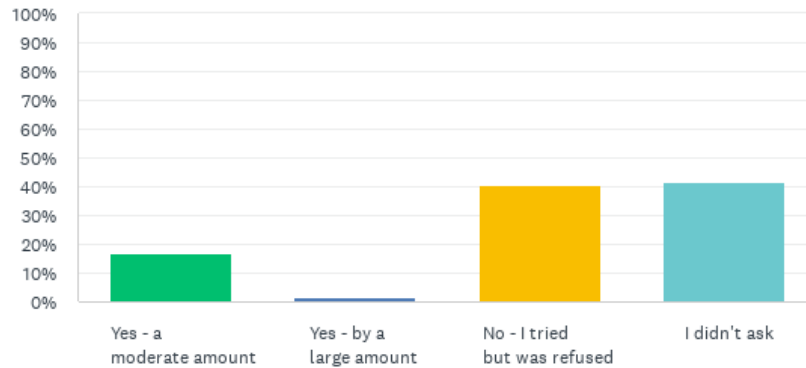


Fig 3: Were you able to negotiate the amount your rent was increased? (Q20)

The comments we received from our respondents, illustrated the fear and feeling of insecurity. We have included a sample of the responses below.

Stories from renters trying to negotiate a rent increases

"There is no point. If we didn't sign the new lease with the increase, we would have to try to find another house, there are zero rentals available in our area." 20-year renter, Busselton 6280

"I asked if they would consider not raising, or if there were any wiggle room seeing as my partner and I are good tenants and have used our own money and time to make improvements to the landscaping and the reticulation. It has been a tough and expensive few years with my partner going through chemotherapy treatment while simultaneously taking on his ageing fathers' mortgage so that he did not lose his home. There was no room for negotiation." 30yo renter, Doubleview 6005

"Too scared to ask in case she decided to kick me out." A single female renter in Yokine 6060

"We were told to deal with it or move." A renter of more than 20 years in Medina 6167

"They gave me only a week's notice of an excessive rise..... But the owner said "everyone else is doing it so why should I miss out on the extra money? And the real estate agent did nothing as that was increasing their percentage as well." A renter of more than 20 years, Scarborough 6019

"I was told if you don't like it, we have a large waiting list of other people willing to move in." 40yo renter in Baynton 6714

"Explained as meeting the market, if you don't like it, move out." 50yo renter in Beldon 6027

"When I asked for no rent increase or a smaller increase, I was told that the increase was in line with the rise in local property prices. What has that to do with anything? A house is not a farm. Rent increases should be linked to CPI and wage movements." Over 65yo renter, Carlisle 6101

FINDING FIVE: The majority of rent increases are being justified by the market, which is a self-fulfilling prophecy.

One alarming finding of the survey was that renters believe landlords and property managers are using the rental crisis as a justification for imposing rent increases.

- 65% of respondents were told that the increase in their rent was due to the "market".
- 16% of respondents were advised that the rent increase was due to an increase in costs for the Landlord.

Stories from renters on the reasons given for rent increases

"Other properties in the area were leased at higher amounts." A 50yo renter in Carlisle 6101

"We were told it was reflective of the current market." A 45 yo renter in Leederville 6007

"The market." A renter in her 60s in Denmark 6333

"Other rental prices in the area have gone up." 30yo renter. West Perth 6005

"Same as the market." A 54yo renter in Parmelia 6167

"In line with market." A 47yo female renter in Mindarie 6030

"The owner said, "Everyone else is doing it so why can't I?" 60 yo renter in Scarborough 6019

"The real estate rental manager said in a way that she expected me to be sympathetic that he wasn't covering his mortgage enough, as if that was my responsibility. The trouble is when these people buy extra houses, they artificially inflate the prices, which they can't afford to repay unless they ask way over value rent. Which continually knocks so many people out of the market and forces them to rent these dumps. They buy them then run them to the ground." More than 20 yr renter. Scarborough 6019

"They're allowed to- It was included in our lease that there would be a 6 monthly rent review and we were not in a position to negotiate any aspect of the lease. We had already been applying for

properties for 4 months (homeless for 2 months) and every property we applied for included a six-month rent review.” 30yo female renter in East Victoria Park 6101

FINDING SIX: Many renters are too scared to request maintenance for fear of rent increase.

Many survey respondents stated that they would rather do their own property maintenance or live with a problem, rather than reporting a maintenance issue, due to a fear that landlords or property managers would use the repair costs to justify increasing the rent.

In addition to fearing excessive rent increases that could lead to having to leave a property, tenants are currently too scared to ask for maintenance in case that leads to an increase in rent.

The survey found

- 62% were concerned it would mean a rent rise
- 67% were concerned the request might make the landlord less likely to renew the lease
- 40% were concerned the request could result in an eviction
- 72% report the request could be stressful

When considering whether to make a request for repairs or maintenance in your current rental, how concerned would you be about the following?

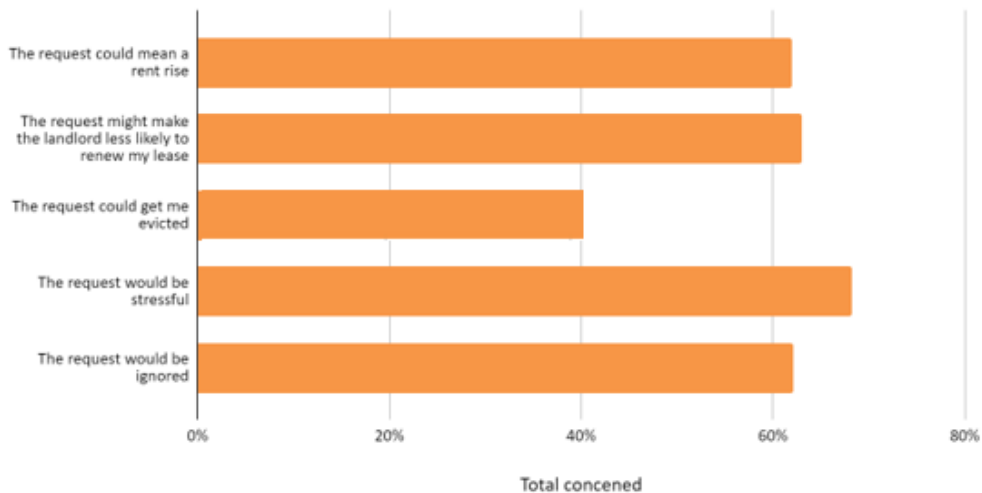


Fig 4: When considering whether to make a request for repairs or maintenance in your current rental, how concerned would you be about the following? (Q27)

Conclusion

Limiting rent increases to one increase per year is a necessary and overdue reform to stabilise a volatile rental market that is compounding household insecurity during a cost of living crisis.

While the rental vacancy rate in Perth remains at the lowest level in the country, rent increases in Perth are the highest in Australia.

Many tenants responding to this Make Renting Fair survey reported that the threat of eviction left them with no choice but to accept excessive rent increases or face homelessness.

The findings of this survey on the impact of rent increases for WA renters clearly demonstrate the need for WA to join these other jurisdictions to make renting fairer and more secure for every West Australian. **While the Make Renting Fair alliance supports this change, the evidence in this report provides a compelling case for the introduction of a rent stabilisation mechanism, similar to that used in the ACT⁶.**

⁶ <https://makerentingfairwa.org.au/the-current-laws>

FULL SUMMARY OF RESULTS

Findings from 3 May 2023 n= 352

Renter profile:

- 30% renting more than 20 years and 23% renting more than 10 years
- 66% privately renting through a real estate agent
- 51% with someone in the household experiencing disability
- Most tenants (56%) were on a 12 month fixed term lease, with (22%) on a rolling/periodic lease. Just 3% were on a fixed term 2 year lease and 2% were on a lease of five years or more.

When asked about rent increases:

- 60% had a rent increase in the last 12 months, of which 17% had two or more rent increases in the last 12 months
- 41% tried to negotiate the amount their rent was increased but were refused, and 41% didn't ask, with the most common reason being fear of losing their lease
- 85% would find it difficult or very difficult financially if rents were to increase another 10 per cent in the next twelve months, as it is currently predicted
- The most common reason provided for the rent increase provided by the landlord or agent were "the market" (65%)

Many renters are too scared to request repairs and maintenance for fear of a rent increase or eviction:

- 87% of those receiving a rent increase said it was not accompanied by any property improvements or attention to outstanding repairs
- 62% were concerned that a request for repairs or maintenance in their current rental could mean a rent rise
- 40% were concerned the request could result in an eviction
- 72% reported the request could be stressful.