



# **Policy Brief: Addressing the rental crisis for young people in NSW**

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Developed by MYAN NSW with the support of For-Purpose Evaluations.



## Addressing the rental crisis for young people in NSW

**The rental crisis is significantly impacting people across NSW. In between the scarcity of available rental properties, the surge in rent prices and the mounting pressure to financially support their families, young people are advocating for affordable and accessible housing.**

**We've spoken to young people about their experiences renting in Sydney. This policy brief shares our perspective on how the rental crisis is affecting young people, including culturally diverse young people studying at university.**

**What is the rental crisis? Access to secure and affordable housing is a persistent issue in Australia, and young renters are especially affected.**

**The rental market is increasingly expensive and competitive.**

There is increased competition for rental properties in Sydney, driving up rental prices. There is a recognised shortage of rental properties in Sydney.<sup>1</sup> The rental vacancy rate in Sydney was at a record low of 1% in January 2023 and is expected to tighten further for the foreseeable future.<sup>2</sup> The young people we spoke to had experienced unreasonable rental hikes over the past year. Rental prices in Sydney have surged by 11.7% over the past 12 months, with unit rentals spiking by 19.1%.<sup>3</sup>

**For young people, these pressures mean that it is extremely difficult to find affordable housing in the private rental market.**

There are higher rates of underemployment and job insecurity among young people. Young people are also disproportionately affected by an increasingly casualised workforce.<sup>4</sup> Young people told us that they and many of their peers who are studying do not receive financial support from government or family members. They emphasised that their income is affected when they have to go on placement or undertake an internship as part of their study.

This means that it is more difficult for young people to find an affordable rental property. Less than 1% of rentals on the market in NSW are affordable for those on minimum wage, and virtually none (0.1%) are affordable for those on Youth Allowance.<sup>5</sup>

*"I must complete 1,000 hours of mandatory placement. It's 5 days a week with no pay. I asked a university advisor for advice on balancing the cost-of-living pressures and was told to 'start saving!'" – Layla, 22 years*

*"My friend and their housemates were couch surfing for 3 months. They moved because they couldn't afford the rent increase. They couldn't find suitable accommodation, at a semi-affordable price and kept getting rejected as tenants." – Adam, 22 years*

**These issues particularly affect young people from diverse cultural communities.**

Young people from diverse cultural communities are more likely to face barriers to economic participation than other young people.<sup>6</sup> For example, international students experience additional barriers to securing work, with many full-time jobs denied due to visa status and the 20 hour per week employment cap.

**Young migrants are at higher risk for homelessness than other young people.**

The Australian Bureau of Statistics (ABS) has estimated that 15% of the homeless population in Australia are migrants who arrived in the past five years, more than three times the group's representation in the general community.<sup>7</sup> This figure is likely to be higher for young people as it does not include couch-surfing.<sup>8</sup> Young people from refugee backgrounds are 6-10 times more likely to be at risk of homelessness than are Australian-born young people.<sup>9</sup>

*"I was denied an interview for many full-time jobs due to my visa status. I have difficulty planning for the future, and have feelings of uncertainty." – Bibek, 25 years*

## **What is the impact of the rental crisis for young people?**

### **Young people struggle to find safe, quality and affordable housing and are at risk of living in substandard accommodation.**

The challenges of finding an affordable rental property leave young people exposed to substandard living situations. International students are particularly vulnerable to exploitation, especially when they do not have a formal tenancy agreement.<sup>10</sup> The young people we spoke to reflected on stories in the media and from their friends, of young people who have had to resort to unlawful and abusive living situations such as living in a tent or in a short stay share house.<sup>11</sup>

*"Friends have had to live in dodgy homes, which led to unhealthy living conditions – they've had pneumonia from broken walls and a lack of insulation." – Adam, 22 years*

Even when young people can afford to rent privately, they may struggle to be accepted for a tenancy, due to their age and minimal rental history.<sup>12</sup> Young people feel pressure to offer more than the advertised rent to secure a property.

*"Rental viewings are crowded and busy. I'm always conscious that a rent bid is likely. I am a Chinese Australian citizen, a casual worker with chronic fatigue disability and I am queer. The advertised rent is unreliable, you usually require more to secure the rental." – Lucy, 25 years*

### **Housing insecurity and unaffordability has negative impacts on young people's study, health and financial stability.**

The negative psychological and physical health impacts of housing insecurity and homelessness are widely acknowledged.<sup>13</sup> Young renters spoke about their increased anxiety and mental distress as a result of unstable housing.

*"We have had difficulty establishing a rental history. [My partner and I] are both university students receiving Centrelink payments. We worry about never saving enough for a house deposit and that we will be lifetime renters." – Houda, 24 years*

Young people told us about the impacts of needing to prioritise paid work to pay their rent with increasing costs of living. Young people had deferred courses, decreased their study load and failed subjects. Some young people skipped meals or necessary medical appointments to save money.

*"I had less hours to study as I was prioritising part-time work and I failed a unit as a result." – Bibek, 25 years*

*"I have often skipped health check-ups and visits when I'm sick in order to save money." – Carly, 25 years*

*"My health insurance, phone & internet bills all increased at once. I had out of pocket surgery costs, and I had pressure to financially support siblings & family." – Rithi, 25 years*

Economically vulnerable people tend to move more frequently, and often each move perpetuates the cycle of disadvantage.<sup>14</sup> Young people interviewed described the costs of housing insecurity, such as moving costs, storage, and expensive short-term sublets. Others described increased transport costs due to moving further out of the city.

*“I was unable to find new housing. I moved between two short term sublets and couch surfed. I moved 3 times in 3 months and had to pay for storage during that time.” – Lucy, 25 years*

*“My daily travel costs more because I live 21km further from work.” – Houda, 24 years*

### **Young renters are unsure about their tenancy rights, leaving them at risk of unfair treatment.**

Due to barriers such as access to services, language barriers and difficulties navigating a complex housing system, young people are often unaware of their tenancy rights.<sup>15</sup> For example, negotiating reasonable rental increases and with landlords. This barrier is more significant for migrants due to a lack of support networks in their host country.<sup>16</sup>

*“I moved apartments twice in six months due to landlords selling the property. Landlords are not honouring tenancy agreements. There is pressure on migrants who might not know their rights or who to go to for help.” – Jess, 20 years*

#### **Sam's Story**

*“I have experienced many hardships throughout this current rental crisis that have had significant impacts on my mental and physical health, my university studies, and my connections with friends and family. I am a fourth-year university student studying a Bachelor of Science Education and currently living in a four-bedroom share house. Over the duration of my degree, I have lived away from my family home in order to complete my studies. I've had no financial support from government.*

*I constantly struggle to cover my rent, bills, and day to day living expenses while trying to uphold a credit average at university and seeking part time employment in order to get by. I often find myself prioritising my part time job over university to survive the week and pay the bills. I often get to the end of the week with less than a hundred dollars left over, and it goes into a safekeeping account for when larger bills are due.*

*I have always wanted to seek mental health services, however the price has deterred me from reaching out and getting support and I often say “my mental health can wait until I graduate”. The constant stress of “can I afford this?” or “if I buy this, I will have to sacrifice food or medicine” has impacted me to the point where I have considered dropping out of my degree to work and save up to study.*

*My degree requires me to do 18 weeks of placement over the four years of study which is unpaid work. During placement I ate one to two meals a day and said no to socialising with friends as I simply can't afford it. There is a massive shortage of teachers in NSW however I have struggled to receive the qualifications due to not qualifying for financial support.”*

## What do we think could help?

### **1. Expand current youth housing and homelessness strategies to include the unique and unmet needs of young people from cultural communities.**

Young people's experience of housing affordability and security differs from the general population. We face unique challenges that require specific solutions. The current rental crisis disempowers young people and has long-term impacts on our wellbeing and contribution to society. We need to expand current youth housing strategies to better address the unmet needs of young people from refugee and migrant communities specifically.

### **2. Consult young people with lived experience.**

Young people need to be part of the solution. The young people we spoke to felt excluded from the community's conversations about housing. Young people are eager to share their ideas, identify solutions and advocate for housing justice.

### **3. Improve tenants' rights and share this information with young people.**

Young people need more protection in the private rental market. Legislative protections like limiting rent increases could help to make housing more affordable.

Young people struggle to be accepted for a tenancy, because of their age and minimal rental history. Real estate agents and landlords could be provided guidelines on how to assess applicants with limited rental history.

Tenancy rights are complex and sometimes difficult for young people to understand. A specific awareness campaign to educate young people from refugee and migrant communities on their tenancy rights, and where to go for support, may help to improve their rental experiences.

Importantly, this information needs to be accessible for cultural communities, such as language translations or partnering with community groups.



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We would also like to thank the young renters who shared their experiences with us.

## About MYAN NSW and the Youth Advisor Hub

We are a state-wide multicultural youth specialist service. We work to provide support and expertise to ensure young people from multicultural communities are able to build the skills, knowledge and networks they need to be active participants in Australian society. We work with young people as partners and support them to identify their strengths, needs and advocate for solutions.

The Youth Advisor Hub supports young people from refugee and migrant communities to build knowledge, skills, and confidence to create positive social change. Our Youth Advisors amplify the voices of young people to decision makers. The program provides young people with opportunities to grow their networks and build new skills.

## About For-Purpose Evaluations

For-Purpose Evaluations is a consultancy business supporting for-purpose organisations around the world to create and implement social impact measurement, evaluation and learning frameworks. We balance a robust academic approach with a pragmatic understanding of what it is really like to provide high quality supportive programs to people and communities with complex needs.

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## Notes

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