

Homeowners are hit hard, and so too are renters

As the Reserve Bank lifts interest rates to their highest levels in a decade, the big losers aren't just homeowners.

Also troubled are hundreds of thousands of low-income renters who are paying more than half of their earnings just trying to keep a roof over their heads.

Across the country, rent increases are outstripping inflation by more than three percentage points. Every time the Reserve Bank jacks up rates, it is another body blow for low-income earners and people living on support payments.

Currently, some 185,000, or nearly a fifth of low-income private renters, are paying more than half of their household income in rent, according



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to the recently released Launch Housing's 2018-2022 Homeless Monitor.

Experts accept that the most anyone should pay on rent is 30 per cent of their income.

Paying more puts an intolerable burden on the family budget and is a pathway to homelessness.

Forking out that much weekly rent means families struggle to pay their bills and live their lives under the constant grind of trying to make ends meet.

Make no mistake, we are in the middle of a housing crisis that is only getting worse. It is an Australia-wide disaster affecting everyone from the unemployed through to double-income families.

Rents in parts of Sydney have increased by up to \$177 a week during the past three months alone. Over the same period, they have gone up by \$67 a week in Brisbane and in Perth by up to \$88 a week.

And as rents go through the roof, finding an affordable vacancy is like searching for the Holy Grail, with vacancies in southwest Sydney and Sutherland at 0.8 per cent.

Across Australia, we are seeing more and more families and individuals being forced out of their homes, sleeping on couches, in cars

or on the streets. This month alone, some 91,000 Australians will reach out to homelessness services, an 8 per cent jump over four years, with First Nations Australians and people affected by mental illness being the fastest-growing groups seeking help.

And, while state and federal governments have plans to generate around 9000 new social rental dwellings in 2024, this is barely enough to keep up with demand.

The facts speak for themselves: among the 46,000 private rental properties advertised for let across Australia in March this year, just 1.4 per cent were affordable to an age pensioner couple.

Having a safe, affordable, comfortable home shouldn't be too much to ask in 21st-century Australia.

Still, for many of our fellow citizens, it is a pipe dream.

And, while the situation is dire, what is welcoming is that the new Labor government has begun to re-engage with the homelessness policy challenge after years of neglect.

It has pledged a five-year program to construct 20,000 new social housing units and 10,000 affordable rental dwellings from around 2023-24.

This is a start, but there is a long way to go, and it provides minimal comfort for the thousands of families who look to Christmas, just weeks away, wondering if they will be able to meet next week's rent and what sort of holidays their kids will have.

Francis Sullivan is chair of Catholic Social Services Australia