

MEDIA RELEASE

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Rental market leaves pensioners out in the cold in new affordability report, as COTA demands urgent action on housing

The 2019 Rental Affordability Index (RAI) reveals an untenable situation for older Australian renters, with no region in the country deemed affordable for single pensioners and affordable rents for pensioner couples available in just two states, prompting COTA Australia to call for an increase in Rent Assistance and an end to political stalling on greater investment in social housing.

The RAI shows that single Aged Pensioners living in metropolitan areas, where most one bedroom homes are located, are being forced to pay more than 50% of their income in rent, with a single Age Pensioner living in Sydney paying 88% of their income to keep a roof over their head.

Pensioner couples fare little better, with only regional Tasmania and South Australia offering some areas with acceptable rents, or 20-25% of their income.

COTA Australia Chief Executive, Ian Yates, said the housing crisis for older Australian has been long in the making.

Mr Yates said COTA has long called for a national housing strategy that will increase investment in accessible and affordable social housing homes close to transport and local communities.

He said that governments have relied on the vast majority of pensioners owning their own home and have left renters in the private market out in the cold, despite reviews back as long as 2009 showing the Commonwealth Rental Assistance is too low.

“Older renters in Australia are among the most impacted by the lack of affordable and appropriate housing because they are living on a fixed income with limited earning potential and are entirely at the mercy of market forces and rental instability,” Mr Yates said.

“Not only do older renters tend to have higher healthcare costs, they need to be close to their communities, transport and services to stay healthy and connected.

“It should be no surprise at all that homelessness among older people is climbing as rents outstrip government benefits, including Commonwealth Rent Assistance. It should never have been allowed to get to this point. The maximum Rent Assistance should be increased by 40%.”

The RAI found the rental situation for Newstart recipients was worst of all, with several greater metropolitan areas costing more than 100% of their income. People over 55 are the fastest-growing cohort on Newstart, those below retirement age but locked out of the workforce by the systemic disadvantage of age discrimination, underpinned by ageism.

“COTA has been flagging the need for a comprehensive plan across all levels of government to tackle housing availability and affordability for years,” said Mr Yates.

“This crisis stems from decades of underinvestment in social housing and failure to plan for the future.

“We now have mountains of research, reports and evidence that tell us unequivocally Australia’s affordable housing situation is untenable and unsustainable.

“With more people reaching retirement as renters, rent stress and homelessness will continue to grow. We cannot afford further inaction.”

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