

Policy Note

Covid-19 and older people in housing stress

June 12, 2020

To friends of Housing for the Aged Action Group

Housing for the Aged Action Group (HAAG) would like to bring to your attention the difficult choice facing older people during the Covid-19 pandemic.

According to both service and survey data from HAAG in late April and May the lives of older people experiencing rental stress are becoming even more precarious. We know they already make up the fastest growing segment of the social housing and private rental market. In Victoria there are more than 28,000 households of people aged over 65 who are in severe housing stress.

The experiences of these people are unique and varied; but many relied on precarious lifelines that have been disrupted by Covid-19. We also know that people over 65 are at greater risk of more serious illness with Covid-19.

We've spoken to 102 Victorians aged between 55 and 85 years old about the impact of Covid-19 on their housing, 18 of whom came to our housing support service with Covid-19 related housing issues. These people are living across private rental, public and community housing, retirement housing, or are experiencing homelessness. More than a third are feeling less secure, and a quarter expect paying rent to become harder.

This note provides some guidance for which areas of policy require urgent action with the goal of preventing more people from experiencing housing stress and homelessness as a result of Covid-19.

This response, outlined in more detail below, is as follows:

- **Support and protections for people living in rental stress need to be extended to aged and disability pensioners**
- **Older renters and retirement housing residents need protection from eviction**
- **Long-term safe and affordable housing needs to be urgently provided for older people at risk of, and experiencing, homelessness**

We appreciate your time in considering these policy changes.

Kind regards,

Fiona York,
Executive Officer
Housing for the Aged Action Group

1. CONTEXT

1.1 Covid-19

The Covid-19 pandemic is impacting the lives of Australians on many levels. Many businesses have closed, social distancing is the norm, and people are staying at home where possible.

While older people have been widely recognised as particularly vulnerable to the medical effects of the pandemic, and although older people make up the fastest growing segments of the private rental and social housing markets, older tenants and older people's housing needs have not been well served by the government's emergency rental laws and other support measures. The routine poverty and housing stress faced by aged and disability pensioners, for example, has been eclipsed by measures to protect workers who have lost income due to Covid-19 (such as the Federal Government's Jobseeker and the State Government's rent reduction scheme).

In conversations with HAAG many older renters spoke of how Covid-19 has disrupted their lives.

- Older renters have struggled to negotiate rent reductions, a problem exacerbated by a focus on online communications and online access to the state government's dispute resolution services, excluding those without good online access.
- Retirement village residents who have lost income due to Covid-19 are unable to access state government's schemes to help negotiate rent reductions, and there have been no changes to protect them against eviction.
- The 'hidden homeless', those who couch surf with friends and family or house sit but have no home of their own, are left without safe accommodation as people social distance and self-isolate.
- The older renters who are share housing because they cannot afford a home of their own find self-isolation difficult and presents them with greater risk of falling ill

Older people need better access to safe and affordable housing and Covid-19 has only made that need more urgent.

1.2 Survey and Service Data

In late April and early May HAAG conducted a survey of older renters, seeking to better understand their rapidly changing experiences in the face of Covid-19. Responses were received from 84 people, aged between 50 and 85 years old, mainly in Victoria. An additional 18 people came to HAAG's housing support service with Covid-19 related issues, and 9 people identified Covid-19 related issues through our aged care service navigator welfare checks.

Where people were living:

Survey Respondents

- 35% private rental
- 24% public and community housing

- 16% retirement housing
- 8% people experiencing homelessness or living in emergency accommodation

Housing support Clients

- 61% private rental
- 11% public and community housing
- 22% experiencing homelessness or living in emergency accommodation

What survey respondents said are they having issues with:

- Paying rent – 13% say it has gotten harder, 24% likely to get harder
- Sense of security – 35% feel less secure
- Paying the bills – 15% say it has already gotten harder, and 25% likely to get harder
- Getting repairs done – 18% say it gotten harder, 12% likely to get harder

Additionally, on average 60% of respondents living in caravan and rental parks, retirement villages or independent living units report it is harder to access services normally included in their rent.

1.3 Testimony

Both in the survey responses and as told to our service providers, older people living in rental stress spoke of experiencing the impact of Covid-19 in a number of different ways. Individually they present a distressing picture of what limited access to secure housing looks like. Collectively they represent a powerful argument for policy intervention. Here are some of their stories, anonymised to protect their privacy.

Lily, 71-years-old: Lily is currently living in a poor-quality rental property with mould and damp. This situation is compromising her health, as she has chronic disease and a compromised immune system. Covid-19 has made it difficult to move and she has little money. She has used what little money she does have for hotel stay to provide some respite after a reaction to the mould in her home.

Anthony, 66-years-old: Anthony is living in a private rental that he was able to afford while living with his partner, but a relationship breakdown has left him unable to pay the rent, as he relies on a disability support pension following a serious accident. with just a single government pension. He was able to negotiate lower rent with his landlord in response to Covid-19, but the expectation is that this is paid back in full when the temporary rental protections are removed.

Shelley, 68-years-old: When Covid-19 hit and disrupted the economy, Shelley lost her job as a cleaner and is now homeless. She is currently couch surfing with family.

Terry, 74-years-old: Like Shelley, Terry lost his part time job when Covid-19 hit. He is relying on the aged pension and can no longer afford rent or his medication. He unsuccessfully tried to contact Consumer Affairs Victoria to enquire about rent relief.

Jenny, 56-years-old: “I have been on a periodic tenancy for 18 months and could be given notice at any time. I have been looking at other rentals but it's hard to find anything affordable that is not rundown and in need of painting or repairs. Also now with the virus there are less places advertised as it seems people are not moving.”

Sharon, 63-years-old: “I've been housesitting in order to keep a roof over my head but with the cancellation of travel all those opportunities evaporated overnight.”

2. POLICY INTERVENTIONS

Urgent policy action is required to address the scenarios outlined below and improve the lives of many.

2.1 Rent reductions and additional support

Support and protections for people living in rental stress need to be extended to aged and disability pensioners

- A pensioner who is in rental stress due to low income and high rents will not be eligible to seek a rent reduction, and their landlord will not be incentivised to offer a reduction as they will be ineligible for any associated land tax relief.
- Retirement village residents are entirely unprotected by the emergency rental laws passed in response to the Covid-19 pandemic.
- Consumer Affairs Victoria have registered thousands of rent reduction agreements without any real scrutiny or assurance that the agreements benefit tenants overall.
- Landlords and agents continue to request unnecessary and intrusive personal financial information, refuse to negotiate in good faith, and seek to enter into agreements to defer rather than reduce rent and leaving them in substantial debt.
- Tenants (and tenant advocacy organisations) are insufficiently resourced to negotiate effectively and to assert their rights in any mediation or hearing around these issues.

2.2 Evictions

Older renters and retirement housing residents need protection from eviction

- The State Government has failed to deliver the promised eviction moratorium, instead introducing modest limitations on eviction powers and passing the buck to VCAT to determine which evictions are ‘reasonable and proportionate’.
- VCAT is directed to determine whether a given eviction is reasonable and proportionate without regard to public health concerns, focusing on individual impacts at a time when the capacity for social distancing should be a key concern in all housing matters.

- The emergency rental laws also effectively introduce new grounds for eviction for breaches of contract terms.
- Residents of caravan parks may no longer be eligible for compensation in the event of a park closure, due to the delay to amendments to the Residential Tenancies Act

2.3 Housing

Long-term safe and affordable housing needs to be urgently provided for older people at risk of, and experiencing, homelessness

- Older people are increasingly vulnerable to homelessness, with people aged 55-74 the fastest growing cohort of people who are homeless, and many more at risk of homelessness who are currently living in unaffordable and insecure private rental
- Older people who are couch surfing and house sitting will not be visible in homeless counts, and therefore fall largely outside the homelessness system who is currently providing support to “rough sleepers” through brokering short-term accommodation

3. CONTACT

Fiona York

Executive Officer

Housing for the Aged Action Group

Fiona.york@oldertenants.org.au

M: 0449 554 142 Ph: 03 9654 7389