



# Barriers to young people renting

## Yfoundations position paper

### The issue

Young people across NSW face huge financial barriers to renting on the private market. Rental costs are reaching record-high across the state, and vacancy rates are at historic lows. Under 25-year-olds face higher rates of unemployment, underemployment and insecure work than the rest of the population. Young people's wages fell in the decade following the Global Financial Crisis in 2008, while older Australians' wages have continued to rise – and things have only got worse during the COVID-19 pandemic.

Even when they can afford to rent privately, young people face further challenges when trying to secure a property – such as age-based discrimination and a lack of rental references. Many young renters also [report](#) that they experience a power imbalance between them and their real estate agents. These factors mean that young people are being forced to live in substandard and overcrowded dwellings and become homeless due to housing crises.

To support vulnerable young people, access the private rental market, the NSW Government has introduced a range of private rental assistance programs. A key program is Rent Choice Youth, which combines subsidies with support. Young people on low incomes can also access Commonwealth Rental Assistance, a weekly federal government rental supplement.



[Read our Rent Choice Youth factsheet](#)

The impact of these programs is unclear. [Research](#) has shown that Commonwealth Rental Assistance does not significantly reduce housing stress for many low-income private renters and that many people who [need this support are not receiving it](#). At a state level, the Rent Choice Youth program has not yet been evaluated. Early consultations indicate that the program has some promise but its reliance on the availability of affordable rental properties is problematic.

## Our asks

The Australian Government must increase Youth Allowance and Commonwealth Rental Assistance and increase eligibility for these payments to those without permanent residency.

Despite the increase in living and renting costs, the Australian Government has not increased Youth Allowance in real terms since 1994 (Michael, 2019), leaving it at a measly \$36/day. Commonwealth Rent Assistance is also insufficient to meet the needs of low-income renters, with 40% of recipients still being in rental stress after the payment (Productivity Commission, 2019). To address this, Yfoundations endorses the [Raise the Rate campaign's call](#) to increase Youth Allowance to \$65/day (with ongoing indexation to wages), and a [50% increase in Commonwealth Rent Assistance](#). We also encourage the Government to expand the eligibility criteria for these support payments to refugees and migrants, who are currently ineligible until they gain permanent residency.

The NSW Government must build at least 5,000 new social housing properties per year for the next ten years, with additional new youth-specific social housing such as Transitional Housing Plus.

Some young people, particularly those who have experienced homelessness, will require more support before they can rent in the private market. And for other young people, such as those with complex needs or certain disabilities, renting in the private market is not a sustainable option. These young people need youth-specific social housing, which will provide much-needed housing security.



[Read our Social Housing factsheet](#)

The NSW Government must invest in training for real estate agents to decrease stigma and encourage caseworkers and real estate agents to work together through a trauma-informed approach.

As young people continue to face discrimination in the private rental market, it is important that the NSW Governments invest in training programs for the real estate sector, to reduce the stigma attached to youth homelessness, such as the recently de-funded Foot in the Door Program. This will raise awareness of the challenges young people face and improve the sector's attitude and capacity to support them. These programs must encourage real estate agents and Specialist Homelessness Services to work together to find appropriate properties and support struggling tenants to prevent tenancy breakdowns.

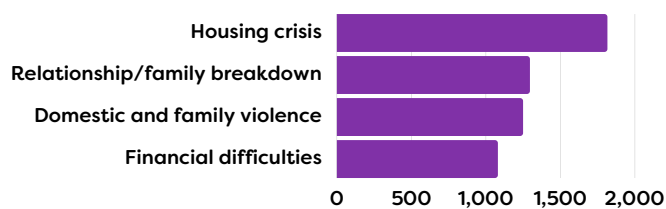
The NSW Government must commission an external evaluation of Rent Choice Youth and provide data on participant numbers, outcomes, and the length of their support period.

Although the Rent Choice Youth program has now been operational for five years, little is known about its impacts on young people and its effectiveness at diverting young people from social housing and into the private rental market. To address this, the NSW Government should commission an independent evaluation of the program and publicly release its results, as well as publish data on the number of young people who have completed the program, those who have dropped out and those who have been excluded.

The NSW Government must earmark more transitional housing properties for young people, while increasing their funding.

Young people who experience homelessness or housing instability can access housing through transitional accommodation. Community housing providers (CHP) own and manage Transitional accommodation properties whereas SHS provide the support component. Tenants receive case management and affordable housing, with the aim of building a rental history and living skills to eventually transition into the private rental market. There is currently no obligation for CHPs to allocate transitional accommodation properties to young people, and [research](#) indicates that this can be due to stigma attached to young people as tenants. Yfoundations recommends that the NSW Government earmark a higher percentage of CHP transitional accommodation for young people, in line with the demand in each area. This must also be accompanied by a funding increase for SHS to provide case support to the tenants in these properties.

## The evidence



According to AIHW data commissioned by Yfoundations, the main reason that 18 to 25-year-olds sought help from homelessness services in NSW last year was that they were experiencing a housing crisis.

The cost of rental properties in NSW is incredibly high which is made worse by the low vacancy rates. This is particularly acute in regional areas, which in the past year have seen [up to 28% price](#) increases combined with vacancy rates of [just under 1%](#). Sydney also continues to be one of the most expensive cities in Australia with a [median rent of \\$582 per week](#).



In 2017–18, [28% \(around 299,900\) of young people aged 15–24](#) in Australia lived in lower-income households experiencing housing stress and over half (55%) of 15 to 24-year-olds in Australia spent [more than 30% of their grossly weekly income on housing](#).

A [large-scale 2017 survey of Australian renters found that](#) the majority of young people (55%) had experienced housing discrimination – with the most common reason being their age (22%). Receiving government payments was also a widespread source of perceived discrimination, reported by 17% of all survey respondents.



Aboriginal and Torres Strait Islander people are also 2.3 times more likely to experience rental stress than the rest of the population.

Members of Yfoundations' Youth Homelessness Representative Council<sup>1</sup> said that in their experience, young people with disabilities either have to find disability-accessible rentals – which are rare and typically more expensive – or apply for social housing, where they face long wait times due to the lack of accessible properties. [Evidence](#) also suggests that young people with disabilities face discrimination from real estate agents and landlords.



According to [Anglicare's Rental Affordability Snapshot 2021](#), there was not a single rental property in Australia that would be affordable to young people on Youth Allowance.

<sup>1</sup> Our Youth Homelessness Representative Council (YHRC) is a group of young people (aged 18-25) who meet four times a year to discuss and take action on issues affecting children and young people at risk of or experiencing homelessness.