

Dear Members Of The Legislative Councils Legal and Social Issues Committee,

I am writing to provide my submission on the pressing issue of the affordability rental housing crisis in Victoria. With 16 years of experience in the real estate industry, including 9 years as a residential rental provider in rural Victoria, I have observed an unprecedented housing crisis that demands immediate attention.

Since 2020, I have primarily operated in Moe, Victoria, where I have witnessed 291 residential rental providers sell their investments due to the escalating costs imposed by the Danial Andrews Labour government. Regrettably, I, too, have made the difficult decision to sell my investment property as the substantial expenses required to meet extraordinary minimum standards would necessitate charging rents that are simply unaffordable for the residents of the Maryborough (3465) area.

Of particular concern is the situation in Moe (3825), where numerous rental providers have either sold their homes or raised rents to compensate for the costs associated with meeting the minimum standards. As an illustration, the average rent for a very old 2-bedroom, 1-bathroom home stands at \$310 per week, while family homes command an average rent of \$420 per week.

A significant portion of rental applicants in the area have annual incomes ranging from \$20,000 to \$30,000, rendering the prevailing rental prices unattainable for them. Consequently, the older and more affordable homes have been sold, renovated, and reintroduced to the market at rental rates of \$350 per week, effectively excluding this demographic from accessing suitable housing options.

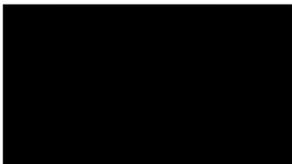
To put the issue into perspective, let's consider the recommended rent-to-income ratios. For a single person on the Single Person Pension income of \$25,292, the recommended rent affordability is 30%, which amounts to \$168 per week. Similarly, a couple of aged pensioners with an income of \$38,079.60 should spend no more than \$220 per week on rent. Unfortunately, the scarcity of affordable rental properties within these ranges has left pension earners struggling to find suitable accommodation and are homeless.

To exemplify the challenges faced by rental providers, I would like to share the situation regarding one of my properties—a lovely cottage with wood heating, a new split system, new oven and new carpet. Although it has been rewired, passes electrical and smoke alarm tests, it falls short of meeting the minimum standards in other aspects. The cost of renovating the property to comply with these standards would render it an unviable investment, as the necessary rent increase would exceed what the demographic can afford. Consequently, I have made the decision to sell the property rather than rent it out at its previous affordable rate of \$110 per week.

I trust that my firsthand experience and expertise in the real estate industry will provide valuable insights to the Legislative Councils Legal and Social Issues Committee in their investigation into the affordability of the rental housing crisis. It is crucial to understand the implications of current policies and their impact on housing affordability in Victoria with Land Tax now coming forth, I see this situation taking an even darker turn for the worse.

Thank you for considering my submission. I appreciate your dedication to addressing this urgent matter and hope that together we can find effective solutions to alleviate the affordability rental housing crisis.

Yours sincerely,



Jessica Barr