THE IMPACT OF COVID-19 ON VICTORIAN SHARE HOUSEHOLDS

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ABOUT THE HALLMARK RESEARCH INITIATIVE FOR AFFORDABLE HOUSING

This research was conducted with funding from the Hallmark Research Initiative for Affordable Housing (HRIAH). The University of Melbourne's Hallmark Research Initiatives address significant local and global challenges that cannot be solved by one discipline alone. The HRIAH brings together researchers and partners to address the complexity of housing systems and their role in supporting or inhibiting sustainability, social justice and economic stability.

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Victorian share houses are experiencing large employment shocks, significant housing transitions, high levels of housing stress, reduced mental health and limited capacity to isolate safely. Many are already experiencing significant financial hardship, and with JobKeeper and JobSeeker payments scheduled to decrease, many more are likely to struggle in the future.

Abstract

Context: While there is emerging evidence of large spikes in housing stress, high unemployment and mental health issues across Australian households, very little is known about the unique experiences of members of share houses. Members of share houses are more likely to be young; in casual employment; at risk of homelessness; in informal, short-term and over-crowded living situations; and born overseas than the general population. These factors represent overlapping layers of vulnerability during a pandemic and require devoted research and policy attention. The data reported in this paper is based on 1052 responses to an online survey released between June 9 and June 20 2020. The survey was targeted at anyone who had lived in a share house in Victoria in 2020.

Findings: The survey found that 74% of respondents had lost their job or had their hours reduced, 47% had seen their income reduced, 50% reported that their mental health had deteriorated since the beginning of COVID-19, 39% had changed their housing arrangement, 22% could not pay their mortgage or rent on time in the last 3 months and 20% had gone without meals to afford other expenses. Significantly, 44% of respondents were in housing stress and almost a quarter reported feeling stressed by how crowded their home is. 40% of respondents attempted to renegotiate their rent and 50% were successful. Across almost all indicators, the situation is significantly worse for young people, visa-holders and people in casual employment. Significant additional vulnerability is also apparent amongst people who are indigenous, non-binary and unemployed. We find that one third of respondents have accessed Job Keeper or Job Seeker payments. These payments, along with support from family and friends, rental relief grants from the Victorian Government and the International Student Grant, have been influential in supporting households through COVID-19. However, 22% feel it is either extremely or quite unlikely they will be able to meet housing costs over the coming 6 months.

Policy implications: Given the high levels of housing and income stress identified in this cohort, the removal of Job Keeper and Job Seeker payments are likely to have significant repercussions for share households across Victoria and Australia. Overcrowding and migration patterns are likely to present long-term public health and equity concerns for policy makers. Rental rights and education need to be strengthened, particularly for visa holders and young people.

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INTRODUCTION

Across the world, countries are struggling with the 'dual crises' of COVID-19 as both a public health emergency and an economic recession. Acknowledging the impact of rising unemployment and financial disruption on households, the Federal and State Governments have implemented several policies to protect renters and homeowners. These include a 6-month moratorium on rental evictions; a process for rental reductions; land tax reductions and deferrals for homeowners; one-off rental grants to eligible households; and temporary increases to welfare payments (the Coronavirus supplement to JobSeeker) and subsidies for businesses to keep employees on their payroll (JobKeeper).

Despite these responses, there has been substantial increases in housing stress with the proportion of households not being able to pay their rent or mortgage on time doubling from 7% to 15% between April and May 2020 [1] and the number of deferred mortgages increasing to 457,600 mortgages in late June (up 50% since late April 2020)[2]. Certain groups have been more affected than others, with young people far more likely to not be able to meet housing costs, both in Australia[1] and internationally[3]. The largest falls in employment have been experienced by those aged 18-24, followed by those aged 65 and over[4]. Unsurprisingly, those working in hospitality and the arts are the most affected[5].

This paper focuses specifically on the impact of COVID-19 on members of share houses in Victoria. Even before COVID-19, this cohort experienced significantly higher levels of rental stress[6], were at higher risk of homelessness and moved house more frequently than the general population and even other low income renters[7]. Unlike low income renters in social housing, members of these households are often not in receipt of housing or income support but are undoubtedly vulnerable to housing and income shocks. The report uses the concepts of shocks, vulnerability and insurances to assess the current status of individuals living in share houses in Victoria.

This report will;

- Identify the degree to which members of share houses have experienced 'shocks,' across the domains of income, employment, mental health and housing
- Identify the individual and household attributes of vulnerability most significantly driving susceptibility to shocks
- Assess mediating factors helping households and individuals cope with and recover from shocks
- Identify potential policy levers to support share households and individuals to cope with public health and economic disasters

SURVEY DESIGN AND DISSEMINATION

The data analysed in this paper is derived from an online survey disseminated via several online channels between June 9 and June 20 2020. In total, 1052 respondents completed the survey. The survey was disseminated via the panel company Online Research Unit, returning 670 results. The remaining 382 responses were primarily derived from online Facebook ads; targeted messages in share house facebook groups in Melbourne, Bendigo, Ballarat, Castlemaine, Geelong, Shepparton, Latrobe and Mildura; and twitter and facebook messages shared by the University of Melbourne, Tenants Victoria and Victoria Legal Aid.

The sample is not representative of the broader Victorian population, because members of share houses are not representative of the broader population and tend to be younger and on lower incomes than other households. As Figure 1 demonstrates, respondents are likely to be young (82% are under 35), citizens of Australia, employed in a full-time or part-time capacity, and living in Greater Melbourne in rental tenure.

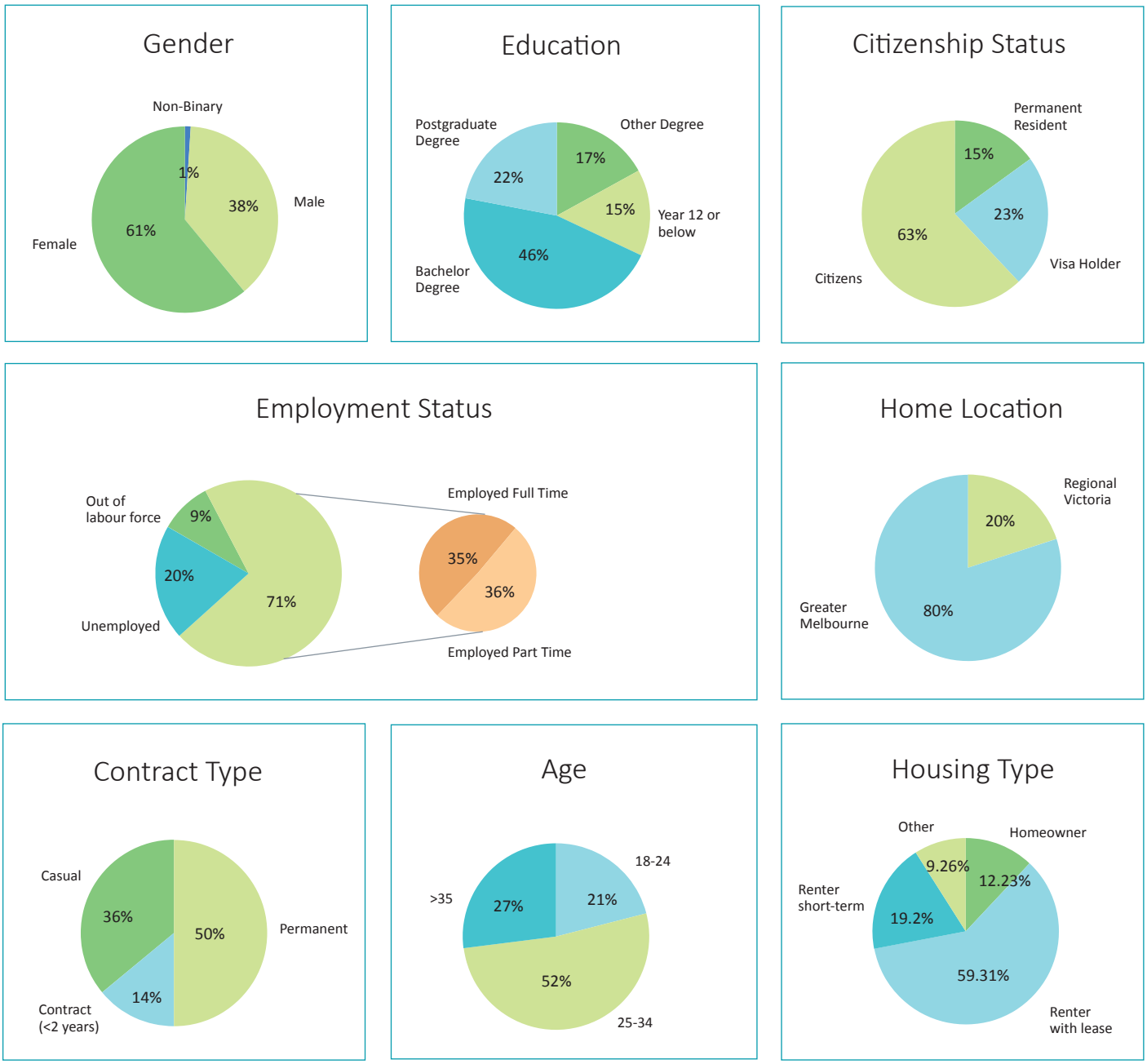

FIGURE 1: DEMOGRAPHIC BREAKDOWN OF SURVEY RESPONDENTS

COVID-19 AND SHOCKS

A shock is a sudden event or underlying condition that can impact a household's or individual's ability to function. Examples include loss of income or employment; injury or ill health; dissolution or formation of households; breaking of leases and; changes in ability to pay for necessary items. As Figure 2 demonstrates, shocks are extremely common in this group, with many respondents experiencing multiple shocks and almost 90% experiencing at least one form of shock. We found the following

74% **lost their job** or experienced a reduction in hours

68% had other changes to their work, such as **increased hours** with the same pay or a transition to working from home

50% reported **a reduction in their mental health**

47% reported that their financial situation had either **become worse or become dramatically worse** (income shock)

22% **could not pay** the rent or the mortgage on time

20% **went without meals** to afford other necessities

40% reported that it was somewhat or extremely **difficult to meet their necessary cost of living** expenses in the last 12 months

23% **pawned or sold** something to afford necessities

39% **changed their living situation**, including temporarily or permanently moving house or changing occupants in their home

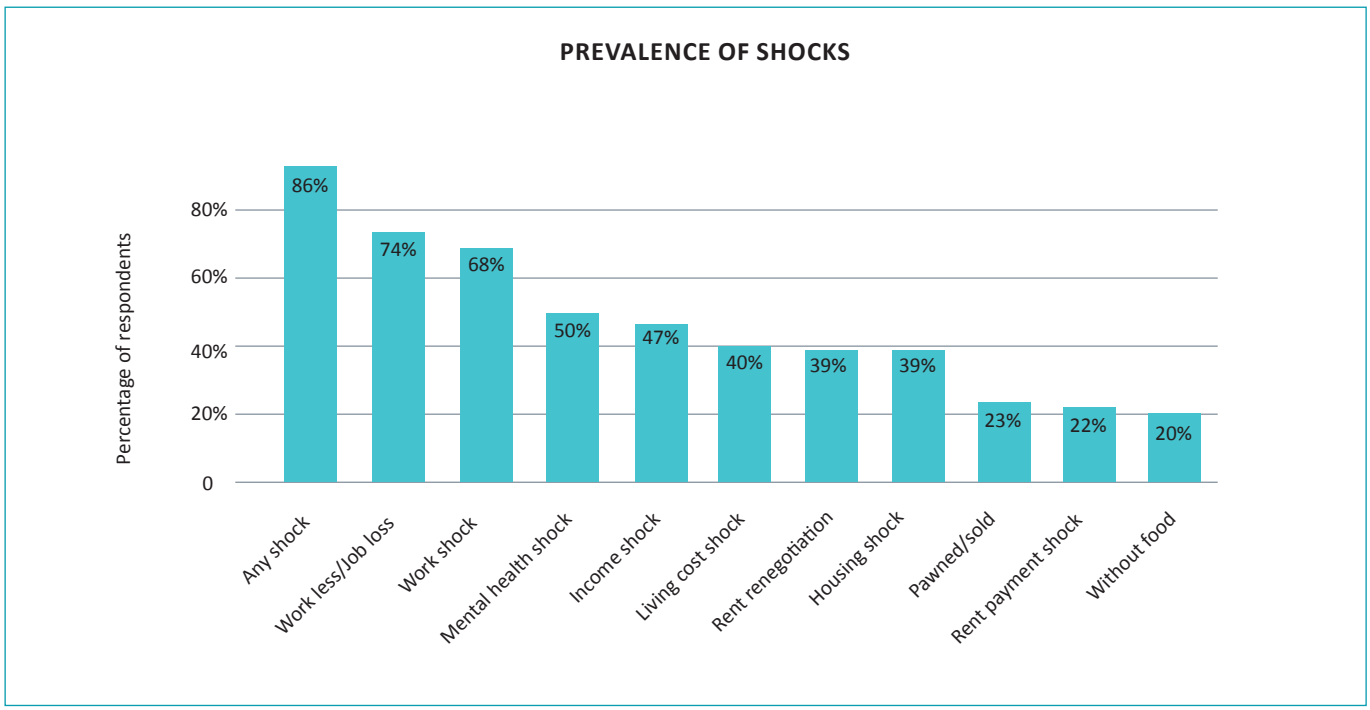

FIGURE 2: PREVALENCE OF SHOCKS

Housing Shocks

The data also reveals high levels of housing stress and housing precarity, as shown in Figure 3. Across the study;

The average weekly individual rent is $196

22% of respondents are not at all confident or not confident that they will be able to meet their housing costs over the next 6 months

26% of respondents are in housing stress (measured as respondents earning less than $60,000 per annum and spending more than 30% of their income on rent or a mortgage),

18% of respondents are in extreme housing stress (measured as respondents earning less than $60,000 per annum and spending more than 50% of their income on rent or a mortgage)

16% are living in overcrowded housing (defined here as when number of occupants is more than double the number of habitable rooms in a home[1])

19% of households either have no rental contract or have contracts of less than 6 months

35.8% are not confident or not at all confident about knowing or protecting their rights as a renter

Almost a quarter of households expressed significant stress due to their inability to control or use their home to meet their needs and to manage their risk of contracting COVID-19

The spatial arrangement of share houses has also presented challenges with almost a quarter of respondents reporting 'overcrowding stress,' explaining that they have often or sometimes felt nervous about how crowded their home is, felt concerned about their ability to effectively use their home to do the things they need to do or felt concerned about their ability to isolate safely in their home.

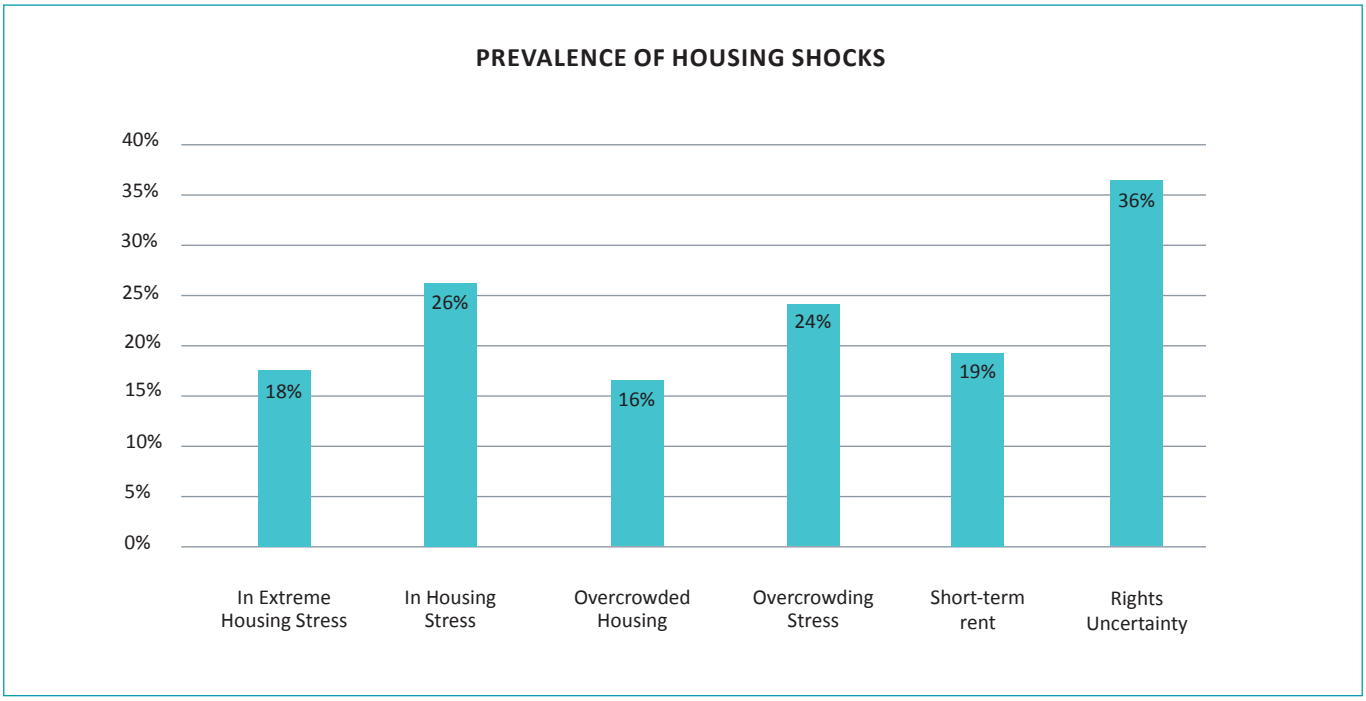

FIGURE 3: PREVALENCE OF HOUSING SHOCKS

[1] This measurement is used as a proxy for overcrowding, rather than the Standard Occupancy Guidelines often used for measuring overcrowding. To reduce the length of the survey, respondents weren't asked for the ages and relationships of other housemates and this precludes the use of the Standard Occupancy metric. For this reason, the proportion of overcrowding is likely to be underreported.

The survey also revealed significant migration patterns as households dissolved, formed and changed in response to COVID-19. For example, 39% of respondents reported a change in their living conditions since COVID-19 social isolation policies began. Of this group, 14% reported additional occupants moving in, 29% moved in with parents or a partner, 26% moved to a new share house and 21% reported occupants leaving (See Figure 4). Respondents listed a variety of reasons for these changes including desires to reduce their rental costs; managing health requirements for themselves, partners or family members; temporary share house arrangements due to University residence closures or friends finding themselves without housing options; moving for work; relationship breakdowns; housemates leaving the country before borders closed; and seeking additional housemates to split costs. Concerningly from a health perspective, several respondents expressed fear for their health when allowing multiple potential housemates to enter their home when seeking new occupants to join the lease.

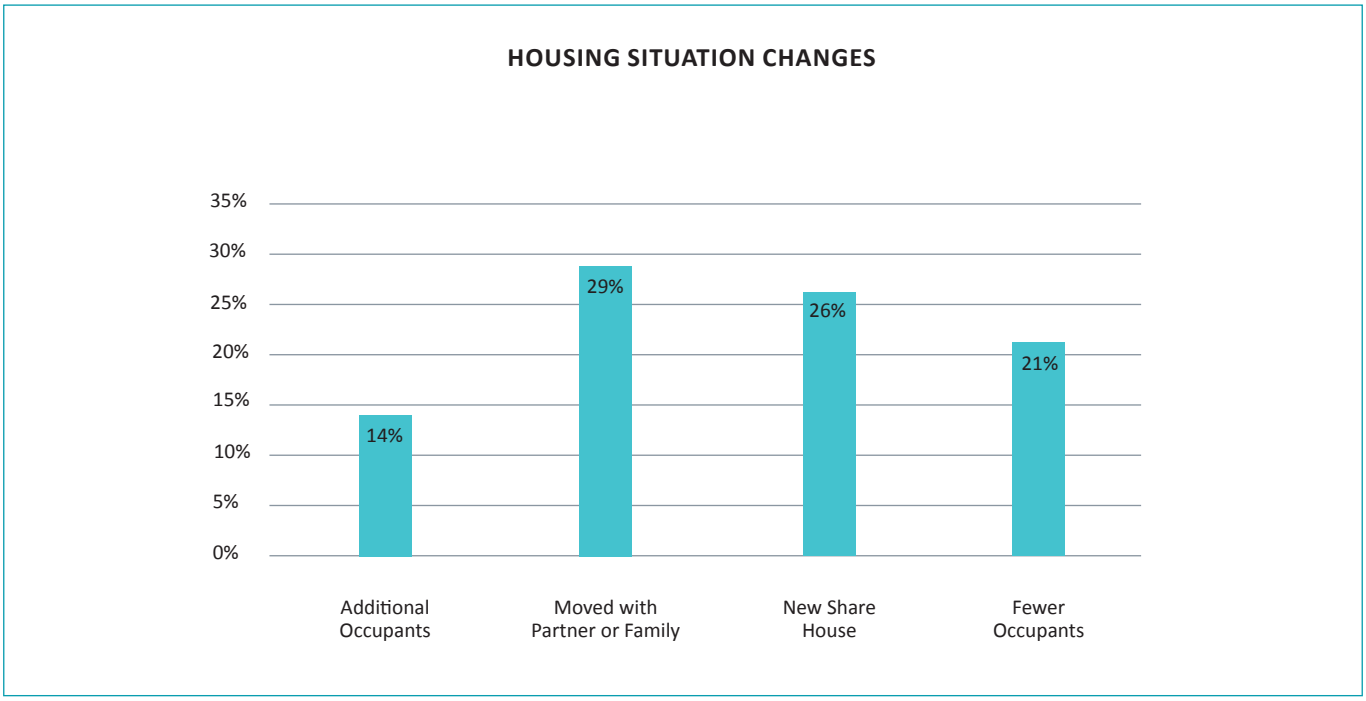

FIGURE 4: HOUSING SITUATION CHANGES

VULNERABILITY

While the majority of share house occupants responding to this survey have experienced multiple shocks in response to COVID-19, the data suggests different experiences across the cohort. As Figures 5 - 7 demonstrate, visa holders, people under 35 and those employed in casual contracts are far more likely to have seen their financial situation worsen, found it difficult to meet their necessary costs of living, experienced a loss of job or loss of hours and been unable to pay their mortgage or rent on time.

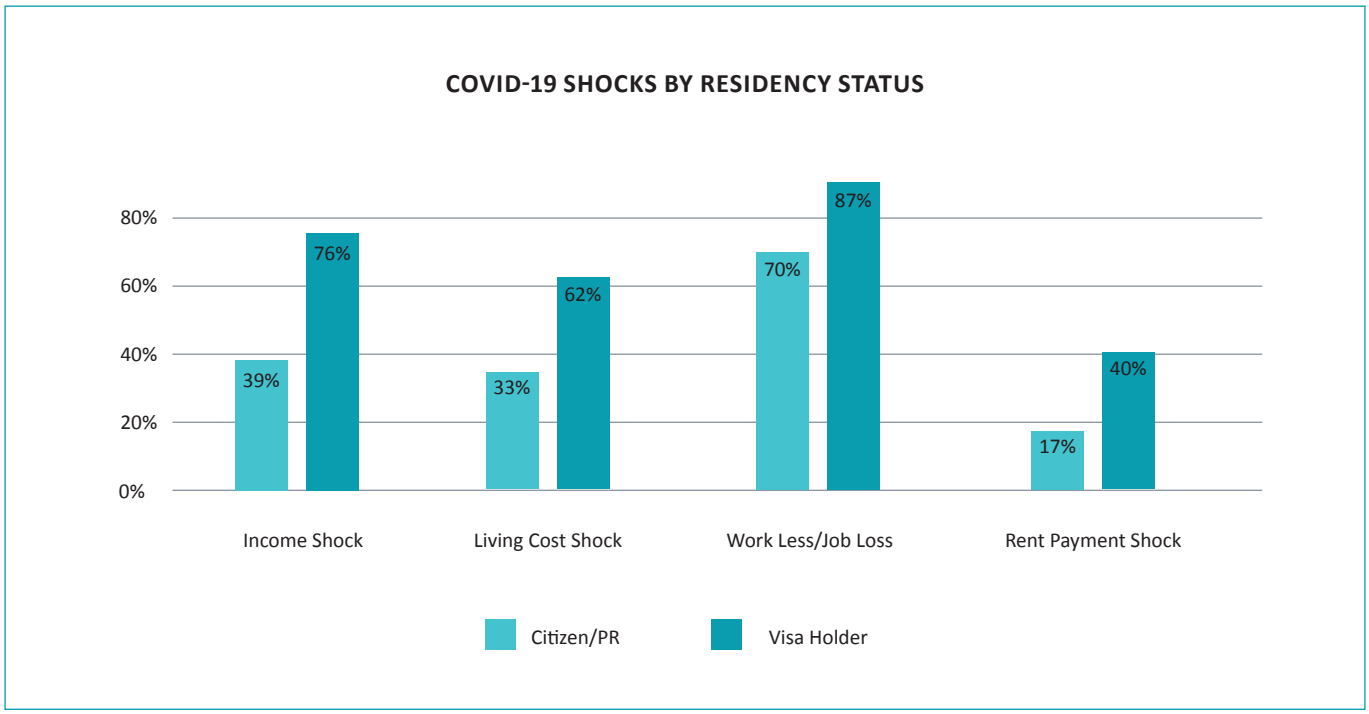

FIGURE 5: COVID-19 SHOCKS BY RESIDENCY STATUS

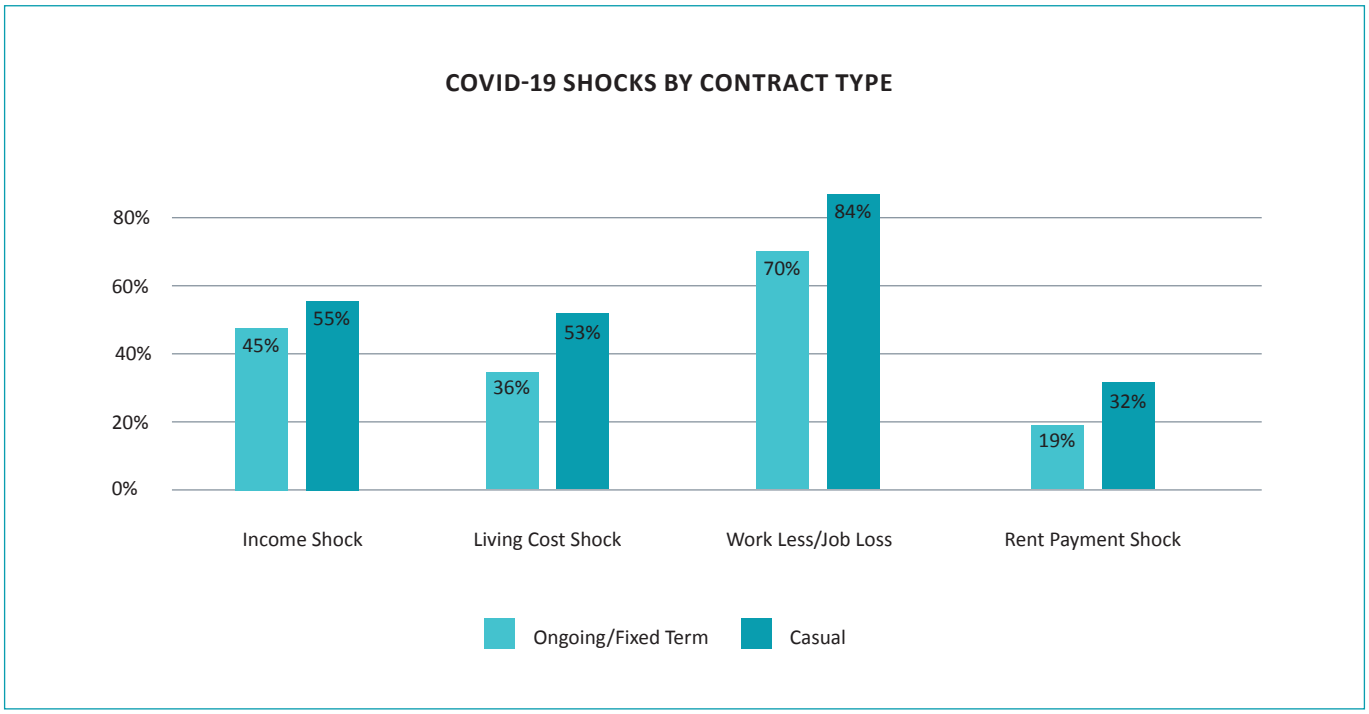

FIGURE 6: COVID-19 SHOCKS BY CONTRACT TYPE

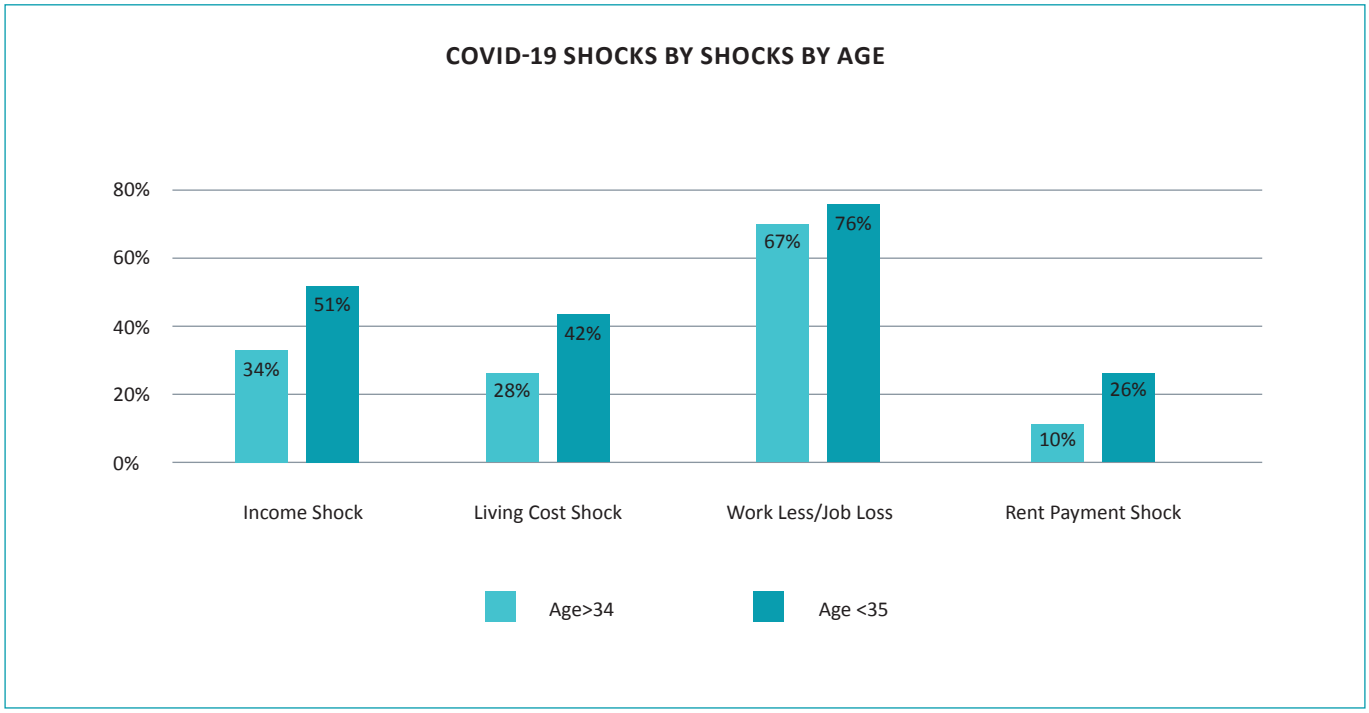

FIGURE 7: COVID-19 SHOCKS BY AGE

The study tested for characteristics of vulnerability to shocks by running a set of regressions where the outcome variable is the probability of experiencing a specific shock (or the sum of them) and the explanatory variables are individuals' characteristics, namely: gender (female/male/non binary), age, residency status (citizens/permanent residents or visa holders), work contract type (casual, fixed term, continuing) and income.

Table 1 reports the results describing the relationship between the number of shocks experienced and individuals' characteristics. Column 1 indicates that being young, a visa holder, employed with a casual contract increased the number of shocks experienced. Income acted in the opposite direction, alleviating the intensity of the shocks. Column II shows that, all other factors being held equal, respondents working part time were more likely to experience shocks than those employed on a full-time basis. Three further aspects of vulnerability are associated with COVID-19 driven shocks: being indigenous (Aboriginal or Torres Strait Islander) (col. 3), having non-binary gender (col.4); and being unemployed (col.5). In column 6 we replace income with education, since the two variables are typically strongly correlated. However, we find that education does not play a mitigating role. This differs from research conducted elsewhere that points to greater impacts among lower-educated workers[3]. Column 7 controls for savings instead of income, and column 8 for both variables: the results point to a mitigating effect of savings in both specifications, thus acting as another positive insurance mechanism. In column 9 we additionally control for postcode fixed effects, in order to account for differences associated with particular locations.[2] The research suggests that living in a suburb with lower socio-economic scores (based on ABS SEIFA mapping[8]) is not substantially related to higher levels of vulnerability to shocks. Finally, in column 10 we use the ordered logit specification. In both cases, the results are consistent with our baseline findings.

TABLE 1: CHARACTERISTICS OF THOSE AFFECTED BY MULTIPLE COVID-19 DRIVEN SHOCKS

	OLS	OLS	OLS	OLS	OLS	OLS	OLS	OLS	OLS	Ord. logit
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Young	0.787***	0.775***	0.659***	0.783***	0.796***	0.773***	0.739***	0.744***	0.653***	0.947***
	(0.155)	(0.158)	(0.157)	(0.156)	(0.151)	(0.147)	(0.134)	(0.135)	(0.208)	(0.191)
Visa holder	0.666***	0.689***		0.690***	0.635***	0.613***	0.441***	0.421***	0.526***	0.782***
	(0.132)	(0.133)		(0.134)	(0.127)	(0.134)	(0.120)	(0.123)	(0.163)	(0.143)
Income	-0.100***	-0.097***	-0.083*	-0.098***	-0.168***			-0.047	-0.125***	-0.207***
	(0.035)	(0.036)	(0.044)	(0.035)	(0.031)			(0.037)	(0.042)	(0.037)
Casual worker	0.306**		0.380**	0.304**		0.493***	0.298**	0.242*	0.329*	0.314**
	(0.141)		(0.186)	(0.143)		(0.139)	(0.124)	(0.133)	(0.179)	(0.134)
Female	-0.081	-0.08	0.076	-0.039	-0.134	-0.093	-0.077	-0.088	-0.043	-0.109
	(0.113)	(0.113)	(0.133)	(0.114)	(0.116)	(0.112)	(0.105)	(0.107)	(0.137)	(0.137)
Part time worker		0.286**								
		(0.131)								
Indigenous			1.073**							
			(0.520)							
Non-binary				1.000**						
				(0.388)						
Unemployed					0.537***					
					(0.110)					
Education						0.075**				
						(0.033)				
Savings							-0.001***	-0.001***		
							(0.000)	(0.000)		
Sector FE	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
Postcode FE	N	N	N	N	N	N	N	N	Y	N
N	989	989	620	989	989	996	998	988	989	989
R2	0.205	0.205	0.174	0.21	0.175	0.201	0.272	0.278	0.398	

Notes:

* indicates statistical significance at the 10% level,

** indicates statistical significance at the 5% level,

*** indicates statistical significance at the 1% level.

The dependent variable measures the number of COVID-19-driven shocks comprising of the sum of the following shocks: work-related shocks (working less hours/job loss); lower income, worse mental health, change in housing arrangement, financial hardship, difficulty in paying rent. Standard errors are clustered at the postcode level.

Figure 8 plots the coefficients of logit regressions, indicating individuals' characteristics associated with the probability of being affected by a single shock. It highlights that visa holders are more likely to; experience negative income shocks; struggle paying living expenses; work less hours or have lost their job and; have accessed a charity. Casual workers are associated with the likelihood of struggling to meet their costs of living and of losing work or hours. Young people and women were more likely to report a negative mental health shock and changes in housing conditions. Income is a significant mitigating factor for financial, living costs and work shocks. Unlike other studies that have found that women are disproportionately impacted by COVID-19[9], this research does not find a similar pattern. Indeed, women were less likely to experience income or work shocks than men in this cohort.

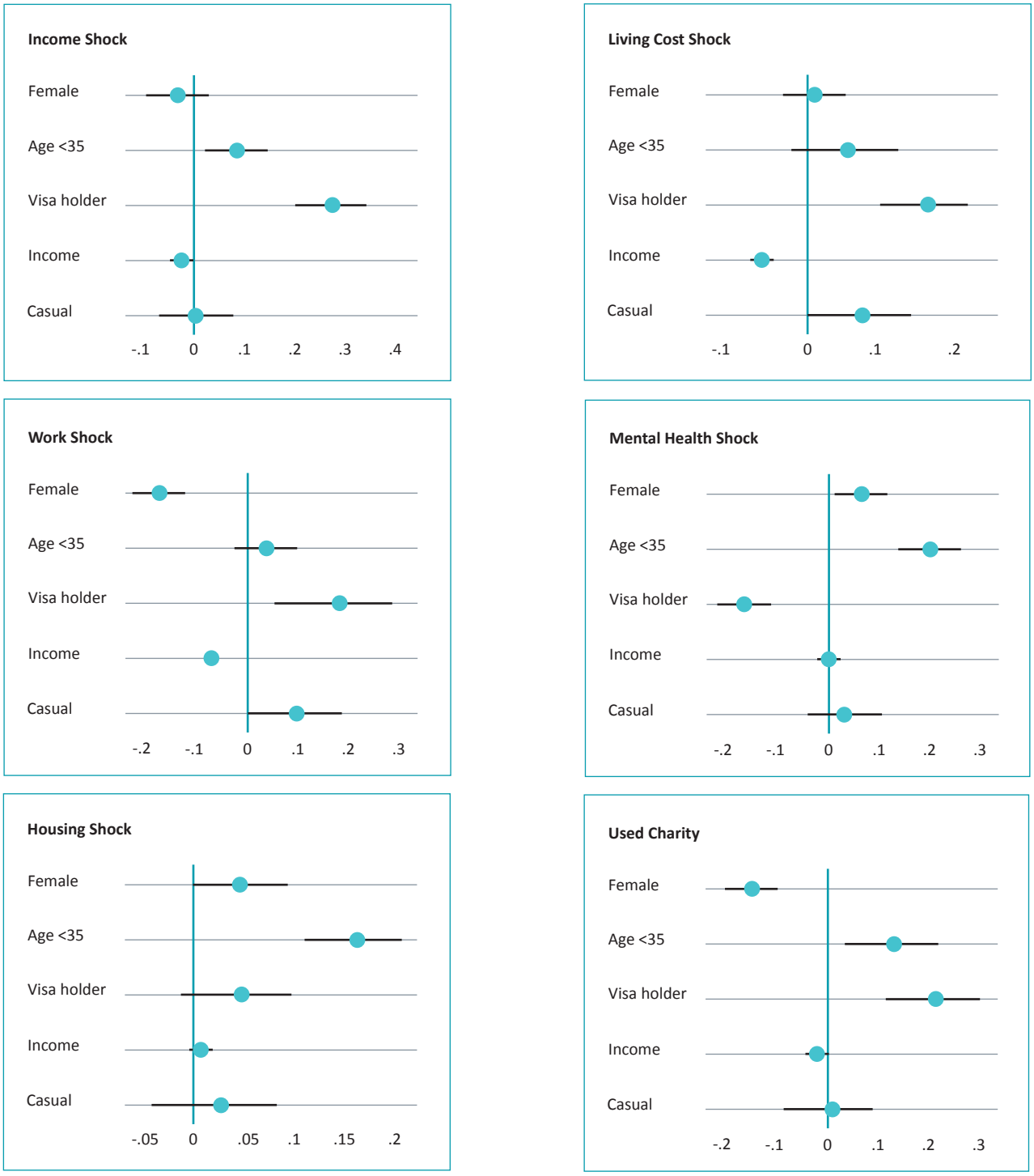

FIGURE 8: LOGIT REGRESSIONS OF IMPACT OF INDIVIDUAL CHARACTERISTICS ON LIKELIHOOD OF EXPERIENCING A SHOCK

Note: The horizontal lines indicate 10% confidence intervals.

RESILIENCE AND ACCESS TO INSURANCES

Individuals and households responding to crises have differing abilities to respond to and recover from adverse situations. The ability to cope with situations may be referred to as resilience[10] and can be improved through access to coping mechanisms[11] or insurances[12]. These insurances may be individual, related to social capital or related to external financial or practical support.

Personal Insurances

The capacity to respond to shocks like job or income loss or dissolution of a household is substantially mitigated by access to a range of personal insurances such as savings, good physical and mental health and higher-income employment[12]. These factors may create a 'buffering' effect that help individuals to respond to crises. This research reveals extremely limited individual coping mechanisms for much of this group, with almost a quarter of respondents having less than $500 in savings and the median savings level, at $650, far below the Victorian median. Across the respondents, the unemployment rate was 20%, well above the official Australian unemployment of 7.1%[13] and the Australian youth unemployment rate of 16.1%.[2] Interestingly, this cohort displays higher levels of educational attainment than the broader Victorian community, suggesting that educational attainment is not driving resilience for this group.

TABLE 2: ACCESS TO PERSONAL INSURANCES

Variable	Study Median	Victorian Comparison
Age	28	37
Weekly Income $	$ 650	$1,228[14]
Median Savings $	$ 3,750	$29,065[15]
Minimal savings (< $500)	23%	
Proportion who reported that their mental health was poor or terrible	21%	
Proportion who reported that their mental health had worsened since COVID-19	50%	
Have more debts than they can pay back or have debts that they are just managing to keep up with	36%	20%[16] [3]
Have bachelor or postgraduate degree	46%	37%[17]

Having access to personal savings is correlated with lower experience of shocks as is receiving a higher income (See Table 1: Characteristics of those affected by multiple COVID-19 driven shocks). Respondents drew on several personal resources, including 28.6% who accessed their personal savings, 11.5% who accessed their own superannuation and 2.85% who took out a personal loan. However, while these actions are likely to meet immediate needs they have implications for long-term financial security.

[1] While the differences between the survey respondents and the Australia-wide figures are stark, this may partially reflect a larger proportion of survey participants marking themselves as unemployed while receiving JobKeeper payments – something that the official unemployment rate does not do.

[2] This figure is based on an Australian percentage, rather than a Victorian percentage, due to lack of access to data at the State-level

Social insurances

Access to support from friends and family may be financial, emotional or practical and has the capacity to mitigate vulnerability to crises[18,19]. This study measures social capital as the presence of community or family networks used as risk-coping mechanisms and their frequency of access during the pandemic. Specifically, the questionnaire asked a) whether a person had a support network and b) how often they used it in the previous three months to: 1) talk to someone who could be trusted; 2) access information to better understand the situation; 3) get help with daily chores; 4) be with someone to have a good time with.

This study found high levels of social capital in the cohort, with 71.5% reporting that they have a support network (family, friends, community) that can help in situations of financial hardship. Similarly, 68% strongly or somewhat agreed that their family worked very hard to support them during COVID-19, with a further 55.5% making the same comment about their friends. Almost 1 in 5 respondents received financial support from family or friends, while 5% received support from a housemate. 51.6% reported having access to emotional and practical support all or most of the time.

Table 3 reports the empirical findings focusing on the presence of social capital. The results point to a strong effect of networks in mitigating COVID-19 shocks: specifically, having a support network is associated with a 14.8% decrease in the number of shocks experienced (col. 1) and a 42.8% and 44.3% decrease in the likelihood of having a negative work and income shock (cols 2 and 3, respectively). Social capital is also related to eased living expenses shocks, hardship with rent repayments and reduced the likelihood of pawning, using charities and skipping meals (cols 5-6, 8-10). On the other hand, there is no significant relationship between social capital and mental health or changes in housing conditions (cols. 4, 7).

TABLE 3: THE ROLE OF SOCIAL OF SOCIAL CAPITAL IN MEDIATING COVID-19 DRIVEN SHOCKS

	All shocks	Work shock	Income shock	Mental health	Housing shock	Living cost	Used charity	Pawn/ sold	Skipped meals	Rent payment
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Social	-0.365***	-0.428*	-0.443***	0.066	0.076	-0.641***	-0.448**	-0.626***	-0.861***	-0.695***
capital	(0.106)	(0.237)	(0.158)	(0.150)	(0.154)	(0.160)	(0.228)	(0.184)	(0.189)	(0.188)
Sector FE	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Controls	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
N	979	676	979	980	979	981	925	865	874	876

Notes:

* indicates statistical significance at the 10% level,

** indicates statistical significance at the 5% level,

*** indicates statistical significance at the 1% level.

The variable "All shocks" measures the number of COVID-19-driven shocks comprising of: work-related shocks (working less hours/job loss); lower income, worse mental health, change in housing arrangement, financial hardship, difficulty in paying rent. Standard errors are clustered at the postcode level. The set of controls includes: gender, age, income, visa holders, casual workers.

External insurances

Access to government support or other supplementary payments can 'smooth out' the impacts of shocks for individuals and households dealing with a crisis[20]. Respondents in this study reported receiving several payments and supports from government, charity, landlords and their employers, with 68% receiving more than one support. A brief description of supports is provided below.

The Rent Relief grant[21] is a one-off payment of up to $2,000 paid directly to the tenant's agent, lessor or landlord to contribute to the tenant's rental payments, under their new rental agreement. Eligibility is dependent on household income being less than $1,903 per week, an individual's savings as less than $5,000 and rent remaining at least 30 per cent of a tenant's income. Tenants and landlords need to either agree on a rental reduction or go through a mediation process with Consumer Affairs Victoria to be eligible.

The International Student Emergency Relief Fund[22] is a $45 million fund from the Victorian Government. Individual students from disadvantaged financial backgrounds can receive up to $7,500 across three streams that cover IT upgrades and study support (for example, for computers or internet access), loss of income and cancelled overseas study where students are required to abandon studies and do not have sufficient travel insurance to cover reasonable costs.

The rent reduction refers to individual negotiations with agents and landlords to reduce costs, either temporarily or on an on-going basis.

The **JobKeeper Payment scheme** is a temporary subsidy for businesses significantly affected by COVID-19, funded by the Australian Government. Eligible employers, sole traders and other entities can apply to receive $1,500 per eligible employee per fortnight. These payments are paid directly to employees, regardless of weekly income prior to COVID-19. The payments are currently scheduled to be in effect from 30 March 2020 to 27 September 2020.

The **JobSeeker payment scheme** is funded by the Australian Government and available to people aged between 22 and Age Pension age who are unemployed and looking for work. Exact payment amounts depend on personal circumstances. The payment is comprised of a JobSeeker Payment plus a Coronavirus Supplement. For a single person without children the combined payments total a maximum of $1,115 per fortnight.[23]

As Figure 9 demonstrates, a third of respondents have accessed JobKeeper or JobSeeker payments, while access to charity or employer support has been relatively limited.

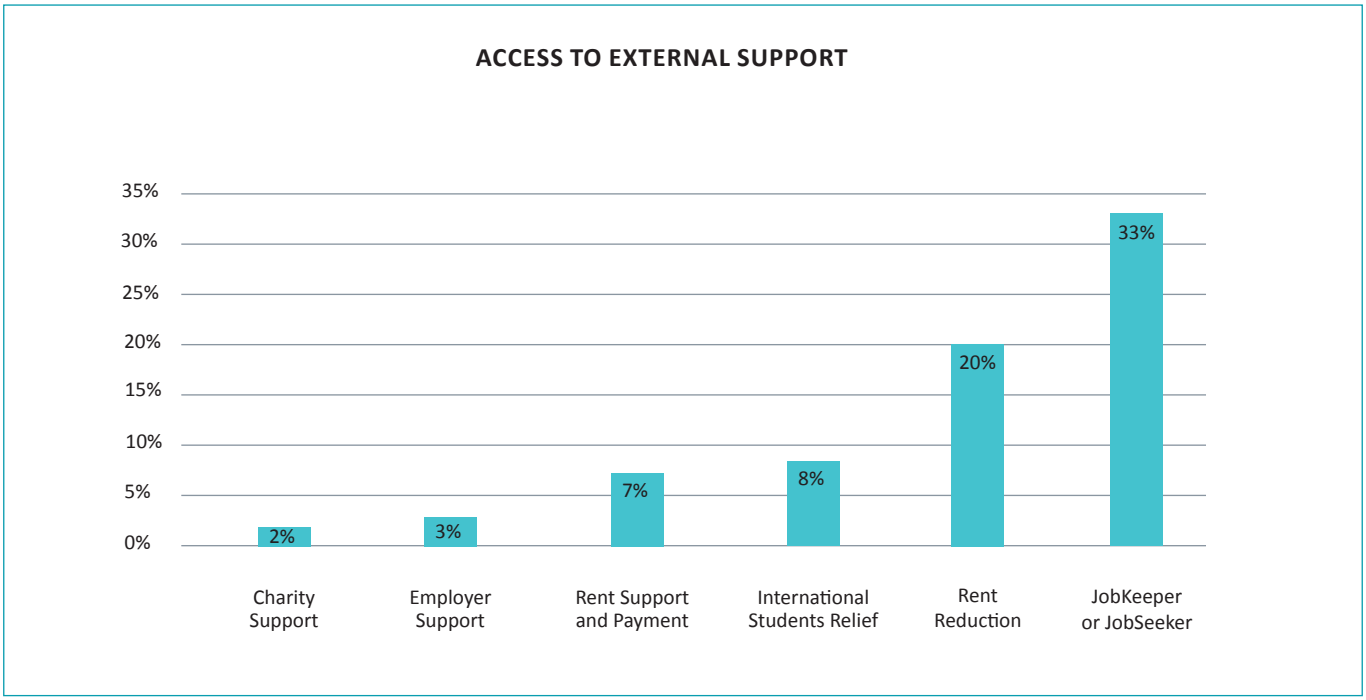

FIGURE 9: ACCESS TO EXTERNAL SUPPORT

Those who accessed government relief programs and reported that they were effective, were likely to experience less shocks. Specifically, we assigned a dummy variable of one if respondents indicated that they agreed or strongly agreed with the following statement: "The resources I have accessed in response to COVID-19 are sufficient for the next three months". The types of support accessed included: own savings; financial support from housemates/charity/employer/family; government support (Jobkeeper, rent relief); International Students Emergency Relief Fund; and superannuation. The results, reported in Table 4, suggest that accessing any of the above-mentioned types of financial support systems contributed in mitigating COVID-19 induced hardship: specifically, a one standard deviation increase in reported support effectiveness is associated with 25% decline in experiencing a shock (col. 1). The results show that JobKeeper and JobSeeker payments (col. 6) and International Student Relief funds (col. 8) were most likely to be deemed sufficient to support recipients, while access to personal savings (col.2) as well as informal financial support (family, col. 5) provided secondary support.

TABLE 4: EFFECTIVENESS OF SUPPORTS

	Any program	Savings	Housemate	Charity	Family/friend	Jobkeeper/ JobSeeker	International student relief	Rent relief	Super
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Effective	-0.462***	-0.342*	-0.573	-0.383	-0.466*	-0.508**	-0.891**	-0.361	-0.238
support	(0.127)	(0.182)	(0.472)	(0.932)	(0.251)	(0.199)	(0.416)	(0.421)	(0.279)
N	702	281	53	18	190	323	83	70	117
R2	0.147	0.046	0.238	0.572	0.093	0.04	0.198	0.104	0.081

Notes:

* indicates statistical significance at the 10% level,

** indicates statistical significance at the 5% level,

*** indicates statistical significance at the 1% level. The dependent variable measures the number of COVID-19-driven shocks comprising of: work-related shocks (working less hours/job loss); lower income, worse mental health, change in housing arrangement, financial hardship, difficulty in paying rent. Standard errors are clustered at the postcode level. All regressions include the following controls: gender, age, income, visa holders, casual workers.

POLICY IMPLICATIONS AND CONCLUSION

The findings from this study are extremely serious. The fact that 22% of respondents could not meet their rental or mortgage payments on time in the last 3 months and almost a quarter are not confident they will be able to meet their housing costs over the next 6 months has significant implications, not only for individuals but also for the functioning of housing markets and social welfare systems more generally. This research suggests that members of share households have experienced significant shocks, particularly in relation to employment and housing. Similarly, they have limited access to insurances to support them through a long-term economic downturn.

Housing, public health and social welfare are intertwined

As recent experiences in Melbourne's public housing estates and mapping of hot spot suburbs have shown, there is a strong connection between overcrowded living spaces, housing stress and COVID-19 vulnerability[24,25]. Similarly, the impacts of the financial downturn associated with COVID-19 are disproportionately impacting those with limited financial resources, those with limited employment security and younger people[1,26] This research has shown the high prevalence of these attributes in share houses across Victoria. As such, this is a group with a variety of needs and patterns of housing consumption worthy of specific research and policy response. As a group of households managing public health and economic risks in complex combinations, members of share households share vulnerabilities with each other and need to negotiate isolation practices outside of 'traditional' family or relationship structures[25]. Unlike low income renters in the social housing system, members of share houses receive limited housing support and little security of tenure. Going forward, this is a cohort that will likely need targeted housing and employment support.

The importance of JobKeeper and JobSeeker Payments

JobSeeker and JobKeeper payments are common amoungst Victorian share houses, with a third of respondents accessing these payments. Further, these payments are the most effectual insurance supporting individuals through COVID-19. Given that 20% of this group are unemployed and 44% are either in housing stress or severe housing stress, the removal of JobKeeper and the Coronavirus Supplement of the JobSeeker payments is likely to tip many members of this cohort further into severe financial stress. Housing stress is associated with decreased mental health[27] and heightened chances of entering homelessness. This research has shown the lack of personal savings and employment security for many members of this cohort. Even when sharing with others, the average rent in this cohort is $196 per fortnight and $177 for those that are currently unemployed. The reduction of JobSeeker payments from $558 to $408 announced on July 21 means the average person receiving this payment will be spending 44% of their income on housing - placing them well into housing stress. High housing costs, along with low personal savings and/or income, is driving vulnerability in this group. Policy makers should consider increasing Commonwealth Rental Assistance (CRA) to respond to housing stress and high rates of youth unemployment. Although about 40% of renters in the private rental sector receive CRA, 40% of all recipients and 57% of people aged 24 and under remain in housing stress despite CRA[28]. The end of the 6-month moratorium on rental evictions in Australia may result in dramatic decreases in housing security and increased risk of homelessness, depending on the movement of rental prices. Low-income renters will require on-going support.

Improved Rental Outcomes

Over a third of respondents explained that they lacked confidence in their ability to know or protect their rights as tenants. Similarly, 15.4% explained that they didn't attempt to renegotiate their rent because they didn't feel comfortable while 16.7% attempted to renegotiate their rent and were unsuccessful. Several respondents explained that they were afraid they would be forced to leave if they asked for a rental reduction while others explained that their land lord or estate agent was 'so bad that it would have been too much hassle.' These findings suggest that, while information resources are available to renters in Australia, many people don't know their rights in a way that can be applied to their situation or feel uncomfortable exerting them due to fear of eviction. This fear can be well-founded. While further measures to protect tenants from having their leases terminated by owners are due in early 2021 with the amendments to the Residential Tenancies Act, much more work is needed on the legal protections for tenants in share housing. For many, the lack of comfort asking for a reduction stemmed from the fact that they are not formally listed on the lease and are subletting from other housemates. Additional rental protections are necessary to protect the rights of the 20% of respondents who either have no formal lease or are on leases of less than 6 months. The increased levels of vulnerability across visa holders, many of whom are international students, also presents immediate concerns for rental rights and housing stress as this group is less likely to understand the Australian housing system and more likely to suffer from exploitative renting practices[29].

COVID-19 is driving changing housing patterns across Australia

Many occupants have responded to COVID-19 by moving home to their families, seeking additional housemates to split costs or relocating to cheaper homes. These moves present on-going implications for access to jobs, educational opportunities and support networks. More research is required to ascertain whether these moves are temporary or long-term and whether moves are generally to more or less advantaged areas with differing levels of access to employment and education opportunities. Similarly, those increasing numbers of occupants in their homes or moving to cheaper housing are likely to experience increased risk of contagion or other health challenges associated with poor quality housing[30]. Existing Australian research has highlighted the trend towards low income households moving to increasingly disadvantaged locations over time[31] and a similar pattern exacerbated by COVID-19 has the capacity to entrench this pattern. On-going research and care are necessary to track the impact of housing and employment instability, especially among young people. Policies to increase access to affordable housing generally can increase choices for low income renters.

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Conclusion

This report presents new data on the experiences of members of share houses across Victoria – a population group that has suffered disproportionately from the economic impacts of COVID-19. The research finds substantial experience of shocks in this group, above levels reported in emerging Australian research about the broader housing market[1,4]. The research has also identified key areas of vulnerability, particularly for young people, visa holders and casual employees. While members of this cohort often have strong social connections and are accessing multiple forms of support from family, friends and the government, ongoing governmental support is uncertain. This research paints a concerning picture about the future for low-income share house members.

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