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Post pandemic landlord–renter relationships in Australia

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Acronyms and abbreviations used in this report

ABS	Australian Bureau of Statistics
ACT	Australian Capital Territory
AHURI	Australian Housing and Urban Research Institute Limited
ASIC	Australian Securities and Investments Commission
COVID-19	The novel coronavirus which reached pandemic levels world wide in 2020
NSW	New South Wales
PSS	Perceived stress scale (Cohen, Kamarck et al. 1983)
QLD	Queensland
SA	South Australia
TAS	Tasmania
VIC	Victoria
WA	Western Australia

Glossary

A list of definitions for terms commonly used by AHURI is available on the AHURI website www.ahuri.edu.au/research/glossary.

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Executive summary

Key points

This report presents research into the lived experience of landlords and tenants during the COVID-19 pandemic. The primary research approach consisted of four week digital ethnographic diaries, where 38 participants sent updates of their lived experience during the COVID-19 pandemic once a week. The diaries were supported by a broader survey of 111 landlords and tenants. Key points include:

- Although some tenants were able to temporarily cope due to the JobKeeper and JobSeeker financial support packages provided by the government, many tenants had still requested financial assistance from their landlords. Overall, there was a lack of clarity for both landlords and tenants about how to approach rental negotiations.
- Landlords became more aware of finances, and most were able to manage the unexpected economic implications. However, there were landlords at risk of financial stress who relied on rent for mortgage payments, and/or those that lived with their tenant. There were also concerns from both tenants and landlords about what would happen after government financial support packages ended.
- The tenants who were concerned about their situation, but had not spoken with their landlords about rental assistance, explained they either did not need rental assistance at this stage, or were concerned by future repercussions, such as poor references or property defects not being fixed.
- In terms of wellbeing, the perceived stress levels of tenants were found to be higher than landlords in the qualitative diary data. This stress manifested from issues of paying rent, future uncertainty, and challenges associated with living in lockdown in share houses.

- These tenant challenges included working from home in small communal spaces, virus risks from housemates and in some cases, having to move during the pandemic. The higher stress levels were reinforced with the survey results, which found statistically significant differences between tenants and landlords.

Future policy on supporting the landlord–tenant relationship should consider:

- *A protective negotiation framework* to structure rent negotiations as a more formal process;
- *Clear government guidance* for real estate agents, to provide clarity, guidance, and information on acceptable and unacceptable practice in resolving landlord–tenant negotiations;
- *Centralised guidance* on tenant hardship, as to how to demonstrate hardship and how this is assessed;
- *Policy flexibility on moving*, that reduces stress and the risk of homelessness for tenants that give 28 days’ notice and commit to moving;
- *A landlord hardship fund*, or access to a package of assistance for landlords, for vulnerable landlords, such as those that have lost work, lost rental income and live with their tenant
- *Improved information and guidance in defining the end of support*, such as protocols for rent deferral repayment plans.

Key findings

In an attempt to resolve landlord and tenant issues concerning rental payments, half of the digital diary tenants reported they had spoken to the landlord or property agent about payment difficulties. However, only half of those discussions were completely resolved to the satisfaction of the tenant. This challenge was supported by the survey data which found that 60 per cent of tenants had immediate issues, or anticipated near future issues, with paying their rent. The mixed success of negotiation outcomes could be improved to support the government's aim to reduce short and longer term housing impacts for landlords and tenants. This study showed that negotiations lacked a set of protocols, understanding of acceptable practice, and there were high levels of uncertainty around what happens once initial (or continued) financial support ends.

Tenants explained that some of them did not ask for a rent reduction because of their preconceived expectations that it would not be granted. Instead they were more concerned with potential consequences, such as jeopardising needed repairs in their rental home, or getting a good reference for future rentals. The onus appeared to be more on the tenant side to initiate negotiations, with 93 per cent of tenant survey responses indicating they initiated conversations. While some landlords reported they did check on their tenant(s) by initiating conversations; others assumed 'no news was good news' and did not enter negotiations unless initiated by the tenants.

Some landlords were quick to respond to their tenant requests, and those who owned their investment properties outright were better placed to offer reduced rent rather than rent deferral. Those landlords with mortgages felt conflicted, wanting to ensure they also did not fall into financial hardship, while trying to be compassionate where they could. There was some suspicion that not all tenants asking for assistance were in genuine need, and that the government's ban on evictions gave landlords little power to address this. While banks have introduced a range of options like mortgage payment pauses to help landlords, this support was seen to sit outside of the official government support and linking packages of support could help improve access, and result in more landlords helping tenants during this time.

The results revealed that the tenant's employment situations had deteriorated the most. During this challenging period, some tenants relied on their support networks, including family, friends, and partners, to help. For example, some could meet financial demands because of their partner not losing employment, while others returned to family homes or received money from family. If these networks could not be accessed, there was concern about what this meant for tenants future living arrangements.

Table 1: Mean perceived stress for each item. The higher the value the greater the perceived stress¹

	Item 1: lack of control	Item 2: personal problems	Item 3: things not going their way	Item 4: difficulties overwhelming
Tenants	3.06	1.89	2.47	2.62
Landlords	2.47	1.56	2.04	2.13

Scale: 1.0 minimum to 4.0 maximum.

Source: Survey data.

In terms of wellbeing, the perceived stress levels of tenants were statistically significantly higher than those of landlords. Their lived experience also revealed that they were at greatest risk in terms of economical and mental wellbeing. It was clear that the pandemic had changed life for many tenants, in different ways, that were particularly challenging.

¹ Item 1 measures levels of control of important things in life. Item 2 measures confidence in ability to handle personal problems. Item 3 measures whether things are going your way. Item 4 measures whether difficulties are piling up too high to overcome.

Some tenants were working from home, in small apartments with other housemates, finding it challenging in terms of managing home and work demands, as well as the additional unforeseen expenses related to home office costs. There were also building defects and property issues not being addressed, allegedly because of the pandemic. This played a greater role in deteriorating mental health, with people spending more time at home. These defects, previously manageable to live with when spending lots of time outside of the home, were becoming difficult or unbearable for some tenants.

There were also tenants that moved during the pandemic for a variety of reasons. Many of these relocating tenants felt they risked homelessness, especially if their employment situation or sector was perceived as precarious. Landlords that were most at risk, both financially and mentally, were those that relied on rent for mortgage payments and/or those that lived with their tenant.

In these situations, a loss of a tenant increased the risk of financial stress, and potential wellbeing issues, especially if the landlord was left in isolation during lockdowns. The key difference here perhaps is that landlords who lived with their tenants did not have the option of selling their property, without having to find a new home for themselves. Other landlords had the option of selling their investment property, if under financial stress, and continuing to reside in their separate home, although it should be noted that very few landlords discussed the possibility of selling, even when speaking of financial issues.

The housing situations, particularly of tenants, were dynamic, complex and specific to individual circumstances. This makes developing policies which can address a wide range of situations challenging. Overall, there was broad agreement that government support was well received, although there was acknowledgment it was geared towards the tenants and not landlords.

Tenants believed government support they had received (especially JobKeeper and JobSeeker) had largely been effective, although few mentioned specific rental support. Landlords, on the other hand, thought government support had not adequately considered them and gave tenants too much power, without enough checks on whether tenants were in genuine financial hardship.

Policy development options

There was a spectrum of different outcomes from the financial tension that emerged between landlords and tenants during the pandemic. While some landlords were quick to reduce rent, others were unable, or unwilling, to offer this support, meaning many tenants remained in a precarious financial situation. This tension was compounded by the uncertainty about what the future held in relation to government support. From the findings in this study it is recommended that future policy on supporting the landlord-tenant relationship should consider:

- *A protective negotiation framework* to structure rent negotiations between tenants and landlords that enables tenants to request reductions without fear of poor tenant references or refusal by the landlord to fix defects. It could be worth considering an independent assessor, that evaluates whether the tenants are in a position to request a rent reduction. This more formal and robust structure, with independent assessor involved, may help remove scepticism about the tenant's situation. In turn, a reduction of landlord suspicion may eradicate concerns from tenants that landlords would retaliate, by not addressing property defects and/or providing a poor reference in future.
- *Clear government advice for real estate agents*, to provide clarity, guidance, and information on acceptable and unacceptable practices in resolving landlord-tenant negotiations. For example, whether it is acceptable to suggest tenants should attempt to access their super funds, or whether they should allow tenants to speak directly with the landlord. This advice should also provide transparency during the negotiation process, with some tenants stating that they did not believe their information or requests were passed on to the landlord.

- *Centralised guidance on tenant hardship*, that defines the evidence required for tenants to demonstrate financial hardship. Currently landlords are unclear what evidence they should, or could, ask for legally and morally. For example, landlords were unsure if they could ask to see bank statements, or other forms of proof that a rent reduction was required. Ideally, the assessment of financial hardship should not be undertaken by individual landlords.
- *A landlord hardship fund*, or access to a package of assistance for landlords unable to meet mortgage payments during the pandemic. While the majority of landlords were able to cope with the financial implications of the pandemic, there were landlords that relied on the rent income, and those that lived with their tenants, meaning that they did not have the option to sell their property, without having to find a new place to live. In these situations, where landlords cannot make ends meet with their mortgage, and have limited options financially, a landlord hardship fund should be considered.
- *Policy flexibility on moving*, that reduces risk of homelessness for tenants that give 28 days' notice and commit to moving. The flexibility length could be reduced, or flexibility could be in the form of an intent to move notice, instead of a firm commitment. This could help reduce financial and mental stress for tenants needing to move during the pandemic. During challenging financial times, tenants that moved were concerned about additional upfront costs such as bond payments and moving fees, as well as potential double rent for a month.

They were also concerned that if they committed to moving, they may not be able to find a new rental home within the 28 day period before their current lease ended; especially if employed in a precarious sector, as they may be an unappealing choice for landlords. It was noted in the study that while there were more apartments available, this did not necessarily mean that tenants had more choice, as landlords remained selective. Also, the advertised apartments were often empty, meaning landlords preferred tenants that were ready to move immediately, rather than in 28 days.

- *Improved information and guidance in defining the end of support*, such as protocols for rent deferral repayment plans. Landlords did not see repayment deferral plans as an option that provided much clarity about how tenants would repay costs, and what would happen if they could not. They were concerned that tenants would remain at a much reduced rent for an extended period of time, and that there would be no repayment in the end. Tenants also did not want to carry the additional burden of owing large sums to their landlord, and therefore tried to negotiate a better deal or considered other options. Further clarity on key questions that arise for the end of support period would help relieve uncertainty and provide more clarity during negotiations.

The study

This research is part of a wider AHURI COVID-19 Research Program informing policy response to the COVID-19 pandemic. The Research Program will help governments at all levels make the best housing policy decisions during and following the coronavirus pandemic. During the COVID-19 pandemic, uncertainty and inequalities have become key features of the landlord–renter relationship. This report presents research which has investigated the mental and economic wellbeing of landlords and tenants affected by the COVID-19 pandemic. Three research questions are addressed:

- What are the lived experiences and social relationships of landlords and tenants during the COVID-19 pandemic?
- What has been the experience of tenants and landlords of the various packages of housing interventions developed in response to the pandemic—from their lived experience, what has worked, what has not, and why?
- What are the priorities for government action and intervention?

States and territories across Australia have provided rapid government support in response to the pandemic. The research will investigate how useful these approaches have been for landlords and tenants. A mixed methods study surveyed landlords and tenants across all states and the Australian Capital Territory (excluding NT). The quantitative and qualitative data was collected in June and July 2020.

In the first phase, a survey was used to capture demographic data and perform statistical analysis on the perceived stress levels of landlords and tenants. In addition to the survey, a sample of landlords and tenants shared a narrative of their lived experience during COVID-19. The survey was also used to recruit participants for the last component of the research, which comprised digital ethnographic diaries, where participants shared photo, video, audio and/or written diary inputs, once a week, for four weeks.

Following thematic analysis, a series of key themes emerged, including: landlord–tenant conversations, landlord economic wellbeing, tenant economic wellbeing, mental wellbeing, government support effectiveness and government support limitations. The original research conducted in this study was undertaken for this report.

1. Introduction

This chapter outlines the research context and policy issues addressed, as well as the methods used in this research study. In summary, this section discusses:

- How the economic impacts of the pandemic have quickly manifested into the rental sector, with risks of tenants being unable to pay rent, and many landlords were, as a result, at risk of defaulting on their investment loans.
- The aims of the research, including the investigation of the lived experience of the landlord–tenant relationship, and their economic and mental wellbeing, during COVID-19. In addition, the research explores the experiences of landlords and tenants with the government support packages and identifies priorities for future action and intervention.
- The policy context around government support in relation to housing, and the various support packages provided.
- The literature on the impact precarious housing has on occupants, including in relation to economic and wellbeing outcomes, and the emerging issues being reported between landlords and tenants.

The methods used in this research included:

- An online questionnaire survey, to capture participant demographics, information on current landlord-renter relationships, use of support packages and perceived stress levels, and recruit participants for the other stages of the research. There were 111 respondents, including landlords, tenants and those that were both landlords and tenants.
- Narrative research, where 78 landlords and tenants (a subset of the survey participants) shared their stories.
- Digital ethnography, where photo, video, audio or written diaries were shared with the research team to offer understanding through observation across time. There were 38 diary participants who shared updates every week for four weeks.

Across the world, the COVID-19 pandemic has revealed and accentuated pre-existing inequalities, exclusions, and deprivations (Farha 2020; Horton 2020; Yancy 2020). The pandemic has also amplified many weaknesses—such as affordability, rental security, overcrowding and homelessness—in the Australian housing system; and in particular, exacerbated many existing challenges in the rental sector. The sector is home to almost 3 million Australian households, a large proportion of this stock is owned by ‘Mum and Dad’ landlords, for whom rental payments have traditionally provided income and serviced mortgages (Ziffer 2020b).

For many Australian households, lockdown measures meant an almost overnight income decline, job loss, or reduction in hours of employment, leaving many households struggling to meet their everyday living costs (ABS 2020; Biddle, Edwards et al. 2020). A generationally-important number of Australian households are facing uncertain housing futures (Casey and Ralston 2020; Martin 2020). The labour market and economic impacts of the pandemic quickly manifested in the rental sector, where tenants faced eviction (or even homelessness) because they were unable to pay their rent, and many landlords were, as a result, at risk of defaulting on their investment loans (AHURI 2020a; Biddle, Edwards et al. 2020; McClure and Schwartz 2020).

In response to the pandemic, landlords were asked by governments and the renter community to be compassionate. For example, when announcing a range of measures to support residential landlords and tenants in April 2020, Victorian Premier Daniel Andrews stated:

More than ever, we need to be working in partnership. Landlords working with tenants. Tenants working with landlords. And government willing to help those most in need.

The tensions between the broader landlord and renter communities are demonstrated by recent calls by some members of the rental community to refuse to pay their rent during the pandemic, or until further support is provided by the government and/or landlords (Boronovskis 2020). In response the Australian Government introduced a moratorium on evictions for a period of six months (Australian Government 2020). States and territories across Australia have been providing support in slightly different forms, and the effectiveness of these approaches currently remains unclear (AHURI 2020b).

This report presents research which has investigated the mental and economic wellbeing of landlords and tenants affected by the COVID-19 pandemic. Three research questions are addressed:

- What are the lived experiences and social relationships of landlords and tenants during the COVID-19 pandemic?
- What has been the experience of tenants and landlords of the various packages of housing interventions developed in response to the pandemic—from their lived experience, what has worked, what has not, and why? and acknowledging this,
- What are the priorities for government action and intervention?

Using a mixed methods approach, this study surveyed landlords and tenants across all states and the Australian Capital Territory in two interrelated project phases. The first phase comprised 111 online questionnaire surveys from all Australian states and ACT (excluding NT). The survey asked questions on the mental and economic wellbeing of participants, their perceived stress, the types of government support they had utilised and the effectiveness of this support.

The purpose of the survey was two-fold: to recruit participants for the primary data collection method, the digital ethnographic diaries; and to capture survey data that would provide a broader context to situate the qualitative findings. The qualitative approaches also included narrative research, where landlords and tenants had an opportunity to share their stories. A total of 78 participants (40 landlords, 30 tenants, and 8 landlord–tenant pairs) shared a narrative of their current housing and lived experience at the end of the survey.

Phase two, and the primary research approach, comprised four-week digital diaries, that captured the dynamic housing situations and lived experiences of 38 landlords and tenants across a variety of audio, photographic, written, documentary and video content. This approach meant it was possible to reveal changing circumstances (such as sudden loss of employment or reduction in working hours), and how discussions, challenges or resolutions between landlords and tenants were developed.

1.1 Policy context

Governments around the world have long played a role within their housing systems to deliver rental or ownership support and even the provision of housing to those in need (Comerio 2014; Goering 2006; Olsen 2001; Quigley 1999). In Australia, the most obvious example of this is through the provision of public housing, where tenants pay a significantly reduced rental amount in comparison to the open market (Morris 2009). However, there have been other types of support provided such as rental support through Centrelink to help low-income households in private rental, the financial support of private low-income rental (such as through the National Rental Affordability Scheme) and the provision of first-homeowner grants to help people enter the property ownership market (State Revenue Office Victoria 2020b). These and similar international support, interventions and policy mechanisms have been implemented in an attempt to improve housing outcomes for those in need (Jacobs, Brown et al. 2010).

There is ongoing criticism from some researchers that previous and current support for vulnerable housing cohorts has not gone far enough (Otter 2018). This can be seen to some extent with an undersupply of affordable and quality rental housing around Australia (Baker, Beer et al. 2017; Beer, Baker et al. 2011; Beer, Bentley et al. 2015).

The COVID-19 pandemic has seen governments around the world introduce a range of rapid response support to help both tenants and landlords (AHURI 2020b). This support has typically been through short term measures, such as moratoriums on rental and mortgage repayments to mitigate the impact of the pandemic on the housing system (Maalsen, Rogers et al. 2020; Rogers and Power 2020). Despite the support that has been provided to date, there are calls that current support packages do not go far enough in providing both immediate and longer term support and that there will need to be further interventions to help tenants, landlords and even owner-occupiers through the pandemic (Farha 2020; Rogers and Power 2020).

In Australia, the National Cabinet introduced emergency financial support and policy to assist landlords and tenants faced with financial hardship as a result of COVID-19 in March 2020 (AHURI 2020b; Australian Government 2020). Most residential tenancy and land tax legislation is under state jurisdiction (Maalsen, Rogers et al. 2020), which means most support strategies require legislative action (and financing) by individual states and territories, which has resulted in varying levels and types of support across jurisdictions (Henriques-Gomes, Butler et al. 2020).

The support packages developed are briefly discussed below.

1. Income assistance: National intervention

JobKeeper and JobSeeker are income assistance packages which give eligible workers who had been stood down from work or made unemployed between \$1,100–\$1,500 per fortnight from March to September 2020. A reduced amount for both packages will continue from September 2020 to March 2021. This assistance package was to help with living costs including to assist with rent or mortgage obligations and is partially an expansion of previous income assistance packages such as Newstart.

2. Early release of superannuation: National intervention

People negatively affected financially by the pandemic could apply to access up to \$10,000 of their superannuation for each the financial years of 2019/2020 and 2020/2021 (Australian Taxation Office 2020). The Australian Securities and Investments Commission (ASIC) stated that landlords or real estate agents cannot demand that tenants apply for early release of superannuation to pay rent (ASIC 2020). The approach has been criticised by some financial commentators for increasing inequality in the long term (Knox 2020).

3. Moratorium on evictions and rent increases: State and territory intervention via national directive

Moratoriums on evictions and rent increases were announced in April 2020 as a national direction to be implemented by the states and territories. Most jurisdictions implemented a six month ban on evictions and rent increases of private tenants who cannot meet their rent obligations because of loss of income as a result of COVID-19 (Table 2). However, evictions based on other reasons can still occur. The initiatives were criticised by some landlords and agents for giving tenants too much power during this period (Maalsen et al. 2020; Malo and Burke 2020). Furthermore, a lack of direction over what happens when the moratoriums end means that landlords could increase rent to recoup lost rentals, which may result in future housing insecurity of financially stressed tenants at a later stage (AHURI 2020b).

Table 2: Summary of jurisdiction moratorium as of April 2020

State	Eviction ban	Rent increase ban
NSW	6 months	No
VIC	6 months	6 months
QLD	6 months	6 months
SA	6 months	6 months
WA	6 months	6 months
TAS	4 months	No
ACT	6 months	6 months
NT	NA	NA

Source: Ziffer 2020a.

Landlords have also been encouraged to negotiate with tenants who were in financial stress (see mediation below), to reduce rent or defer some rental payments, until after the tenant's financial hardship improved, or when the moratorium ended. However, there is a flow on impact for many landlords relying on rent to service mortgage repayments for their investment property/ies, with rent moratoriums potentially adding to the mortgage stress currently experienced by many landlords (AHURI 2020a; ABS 2016; Ziffer 2020b).

4. Land tax relief: State and territory intervention

Some landlords could be exempted from land tax imposed by state and territory governments. This strategy seeks to relieve landlord expenses and therefore incentivise rent reduction. A key eligibility criteria for receiving land tax relief is that rent relief is passed on to the tenant (State Revenue Office Victoria 2020a).

5. Rent assistance: National and state and territory intervention

Rent assistance is a COVID-19 hardship payment to eligible tenants in private rentals who are also receiving certain other government support such as JobSeeker, Parenting Payment or the Aged Pension (Services Australia 2020). This hardship payment assists tenants who are experiencing a decrease in income as result of COVID-19. Some states and territories have also introduced rent assistance. For example, the Victorian government provides a one-off \$2,000 rent relief payment on behalf of the tenant to the landlord or property agent to help with rent payments (Housing Victoria 2020).

6. Mediation: State and territory intervention

Fast-tracked facilitated mediation processes are being offered across jurisdictions to encourage landlords and tenants to resolve any conflict about rent during the pandemic (see for example Consumer Affairs Victoria 2020). While mediation processes have been used previously, many states have provided additional resources to help fast-track the process. This approach recognises that each landlord and tenant situation is different and that a 'custom-tailored' resolve would be more effective for both parties. Effectively supported mediation processes can provide an avenue for addressing the more informal relationship and expectations between tenants and landlords and assist to facilitate better outcomes for both parties (Bierre, Howden-Chapman et al. 2010; Chisholm, Howden-Chapman et al. 2020). Many have been critical of mediation as strategy because it does not address the real threat of evictions and the systemic problems associated with the private rental market (Maalsen, Rogers et al. 2020).

7. Other

While not government support, there has also been broader assistance developed through financial organisations who have implemented the opportunity to defer mortgage repayments for landlords.

This is offered on an individual financial institution basis and can vary in the support offered including the duration. The ability of landlords to defer mortgage repayments can relieve the financial stress experienced by many private landlords (Australian Bureau of Statistics 2016; Ziffer 2020b) with the intent that they can then offer rent reductions for tenants.

It is too early to know how influential or successful these support measures have been. This research study will provide some insight into the uptake and perceptions of effectiveness of the government support provided.

1.2 Existing research

Housing has a significant and well-documented impact on the economic and social wellbeing of its occupants (Baker, Beer et al. 2017; Berry, Whaley et al. 2014; CABE 2002; Daniel, Baker et al. 2019; Moore, Nicholls et al. 2017; Pevalin, Reeves et al. 2017; Pevalin, Taylor et al. 2008). Even before the pandemic, the Australian housing system faced a number of challenges.

The existing body of AHURI research, for example, has been focussed for more than 20 years on ongoing issues of homelessness, rental availability, social housing supply, and affordability. Many of these existing problems in the housing system have been accentuated by the economic and employment effects of COVID-19 (Coates, Cowgill et al. 2020), and the need to isolate, work, and educate from home during the pandemic has also foregrounded issues of housing security, quality and conditions (Farha 2020; Raynor, Wiesel et al. 2020; Rogers and Power 2020).

Renters are likely to have been particularly vulnerable, because they were overrepresented in the most affected industries (such as 'retail trade' and 'accommodation and food services') (ABS 2017), often had lower incomes, and their rental contracts exposed them to the risk of eviction.

Following a rapid concern for renters as a result of the COVID-19 lockdown, the related vulnerability of landlords became quite quickly apparent. Almost half of rental providers are experiencing mortgage stress and many are at risk of defaulting on housing repayments (AHURI 2020a). The income loss experienced both by renters and landlords as result of the pandemic has caused high levels of financial uncertainty (Casey and Ralston 2019; Casey and Ralston 2020; Hulse, Morris et al. 2019), and as a result, high levels of emotional stress and anxiety (Farha 2020).

Importantly though, because the pandemic and its effects are still evolving, there is limited research which explores the short and longer term impacts on landlords and tenants, how the relationships between landlord and tenants will change as a result, or how governments should respond. This section explores the existing and emerging literature and documentation to provide a context for policy response.

Stability, quality, and security of housing is a significant contributor to social and economic wellbeing (Badland, Whitzman et al. 2014; Baker, Beer et al. 2017; Bate 2020; Easthope 2014; McKee, Soaita et al. 2019; Pevalin, Reeves et al. 2017; Pevalin, Taylor et al. 2008). Tenure focussed analyses often highlight the vulnerability of renters to having housing which does not meet their needs in terms of stability and security (Beer, Baker et al. 2011), or quality and conditions (Baker, Lester et al. 2017; Daniel, Baker et al. 2019; Telfar-Barnard, Bennett et al. 2017). The recent work by Chisholm, Howden-Chapman et al. (2020) highlights the problem of private tenants living in cold, damp, or poorly maintained and unaffordable housing, despite the existence of housing codes and protective regulation.

Further, a parallel literature documents effects for renters of such housing problems. In the Australian context, Bentley, Baker et al. (2018) for example find that measurable deterioration of mental health and increase of psychological distress can be attributable to tenure insecurity among social renters. Reinforcing the earlier finding of Pevalin, Taylor et al. (2008), Mason, Baker et al. (2013) found a measurable mental health effect of having unaffordable rental housing. Reflecting on this literature, it is important to also acknowledge the interrelatedness of housing problems and their measured effects.

Although we may think of rental insecurity as affecting mental health, in reality the effects on people are far more complex. Tenants in unaffordable housing are likely to have a 'bundle' (Baker and Lester 2017) of housing disadvantages or problems which act in combination (Singh, Daniel et al. 2019) and interact with non-housing related disadvantages, such as employment insecurity (Bentley, Baker et al. 2019).

Given the well-established association between health and quality of housing, a fall in housing standards could also have implications for health conditions, with the relationship between housing and health vulnerability potentially further heightened during a pandemic (Ahmad, Erqou et al. 2020). A recent study from the US suggested that higher COVID-19 morbidity rates are linked to poor quality housing (Ahmad, Erqou et al. 2020). COVID-19 is therefore not just a risk to the market supply of housing, but also to the quality of housing supply—and in turn to tenant health and safety. When people are confined to their homes during an enforced lockdown (Raynor, Wiesel et al. 2020), health risks may be even further accentuated by poor quality housing, due to more time being spent in the home.

There has been a well-documented history of fragmented relationships between landlords and renters, not only in Australia but other locations (Garboden and Rosen 2019). While some landlord-tenant relationships have been found to be positive (Aubry, Cherner et al. 2015), the overarching evidence is that there are significant tensions between landlords and renters, especially where tenants have limited protection and rights (Chisholm, Howden-Chapman et al. 2020). In Australia, this tension has been driven by a range of factors including the precariousness of tenure resulting in power imbalance, an undersupply of affordable quality rental housing and a heterogeneous landlord cohort (Beer, Baker et al. 2011; Bentley, Baker et al. 2019).

An example of this tension and power imbalance is seen across the private tenant experience in jurisdictions like Australia, the US and UK, where many tenants experience poor quality housing, significant maintenance issues and insecure rental agreements (Chisholm, Howden-Chapman et al. 2020; McKee, Soaita et al. 2019). In the private rental sector, it falls predominantly to the tenants to report housing issues, and while there are formal and informal systems supporting this, many tenants do not ask or push for things to be fixed or improved (e.g. energy efficiency) for fear of eviction or other retaliative outcomes such as rental increases and receiving negative references for future rentals (Burridge and Ormandy 2007; Dillahunt, Mankoff et al. 2010; Super 2011).

Landlords have the ultimate control of the property—this power has the ability to affect tenants' quality of life (Lister 2006). Further, it is common for landlords to be represented by a professional agency acting on their behalf, whereas tenants generally have less access to legal/tenancy advice and often lack clear information about their rights (Bate 2020; Chisholm, Howden-Chapman et al. 2017).

Part of the challenge is that in Australia there is a high population of landlords who are 'mum and dad' investors with only a small number of investment properties, some being serviced by mortgages. There is already some concern that this is hampering opportunities to address landlord and tenant needs during the pandemic (Martin 2020). There have also been calls from policy makers and tenants for landlords to be more understanding during these unprecedented times (Christensen 2020).

Current evidence suggests that while some landlords have agreed to rent decreases or delays, others have not, in some cases suggesting funds be sought through withdrawal of renters' superannuation (Henrique-Gomes, Butler et al. 2020; Martin 2020). Outcomes like this have seen some tenants and their supporters call for a rent boycott if landlords were not more accommodating to the changing situation (Lam 2020). While both parties are vulnerable in the current crisis, it is clear a power imbalance exists between tenants and landlords (Chisholm, Howden-Chapman et al. 2020).

1.3 Research methods

The research study undertook a mixed-method approach to capture quantitative and qualitative data across all Australian states and the Australian Capital Territory. The methods included:

- an online questionnaire survey, to capture participant demographics, information on current landlord-renter relationships, use of support packages and perceived stress levels
- narrative research, where landlords and tenants shared their stories
- digital ethnography, where photo, video, audio or written diaries were shared with the research team to offer understanding through observation across time.

The research design was developed with COVID-19 in mind, ensuring that all data would be collected via online methods, thereby avoiding physical contact between the researcher and respondents. These quantitative and qualitative approaches were designed to be complementary, and the following quantitative and qualitative sections explain the data collection methods and analysis undertaken.

1.3.1 Quantitative methods

An online questionnaire survey was developed and administered through different online channels. These included the use of the researchers' networks, such as the various landlord and tenant unions, associations, and social media. A total number of 58 landlords, 40 tenants and 13 that were both landlords and tenants (111 participants), across all Australian states and the ACT, completed the survey. Table 3 highlights the locations of tenants and landlords that completed the survey by jurisdiction.

Table 3: Participants by jurisdictions

	VIC	QLD	NSW	SA	ACT	WA	Tas
Landlords							
Tenants							
Landlord-tenants							

Source: Survey data.

Data collection included a range of demographic questions, as well as location, employment status, and living arrangements. Further, respondents were asked about changes to employment, challenges with meeting rent/mortgage payments, and the use and effectiveness of government support packages. This helped identify at-risk groups, as well as revealing understandings into how government support packages have been received. A series of open-ended questions probed landlord–tenant rent negotiations.

The perceived stress levels of participants were also measured using the perceived stress scale (PSS) (Cohen, Kamarck et al. 1983). The four-item validated version of the PSS was used (Cohen and Williamson 1988) as a short survey was beneficial, since perceived stress was only one aspect of interest. Within the PSS surveys, all of the original questions start with 'In the last month, have you...' This was adapted to 'Since the COVID-19 pandemic started, have you...' for the purposes of this study. The four items were:

- felt that you were unable to control the important things in your life
- felt confident about your ability to handle your personal problems
- felt that things were going your way
- felt difficulties were piling up so high that you could not overcome them

The options for respondents to each of these questions were: 'often', 'sometimes', 'rarely' and 'never'. A t-test analysis was undertaken to investigate whether perceived stress levels for landlords and tenants were significantly different.

1.3.2 Qualitative methods

Those that completed the survey were asked to share their narrative (as a landlord, tenant or both) during the COVID-19 pandemic. Participants were asked:

Could you describe in detail how the COVID-19 pandemic has affected you, this might include your story, your thoughts, examples of support you have received, or reflections on the relationship you have with your landlord and/or property agent, and if it has changed during the pandemic. We are also interested in any thoughts you have on how the government could better support renters during this time.

A total of 78 of narratives were gathered. These narratives were analysed using thematic analysis. A further 38 participants undertook a digital diary, submitting updates once a week for four weeks. This form of ethnographic research allows for the rapid undertaking of observational fieldwork, and the COVID-19 restrictions on physical observations. Ethnographic research is the observation and study of people in their natural environment.

Digital ethnography is an evolution of this, where researchers can observe the lives of people through digital means. Participants would typically email, but also text (Figure 1), through their updates. These updates used photographs, audio and written inputs, as well as the use of video calls with the researcher. This allowed for both those that were digitally confident and those that were less digitally literate to partake.

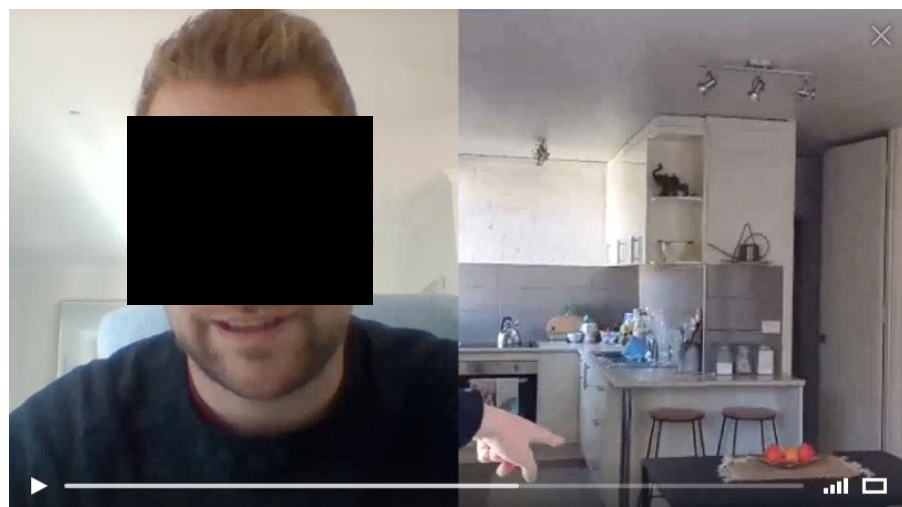
Figure 1: An example of a participant texting through their images as an input to their diary



Source: Researcher screenshot.

The content communicated participant thoughts, their lived experience during the pandemic, or explained any changes to their situation as the pandemic unfolds. The participants were only asked to share content they were comfortable with. The diary started with a video or audio call to capture background information into their situation and help explain the process. In some cases, this led to a home video tour of the participants current housing situation (see Figure 2).

Figure 2: A participant pointing and explaining (to the researcher) life in their studio apartment, during a video diary call.



Source: Researcher screenshot.

The qualitative data collected was analysed in the software program NVivo. The data underwent thematic analysis, with the identified themes that emerged including: landlord–tenant conversations, landlord economic wellbeing, tenant economic wellbeing, mental wellbeing, government support effectiveness and government support limitations. These themes help to answer the research questions that focus on the current state of economic and mental wellbeing, housing policy interventions and future support.

The analysis and discussion presented in Chapter 2 is structured into five key sections. Research question 1 concerning the lived experience and social relationships of landlords and tenants is presented in 2.1 (lived experience of tenants), 2.2 (lived experience of landlords) and 2.3 (landlord and tenant negotiations). Research question 2 about the housing intervention and support is presented in 2.4, and research question 3 about the priorities for government action and intervention is presented in 2.5.

2. Results

2.1 Lived experiences of tenants during the COVID-19 pandemic

- Tenants experienced greater changes in their employment status during the pandemic, with job loss and reduced hours. This meant tenants experienced hardship, with immediate and future challenges meeting rental payments. Tenants also reported they were monitoring costs, reducing spending and even selling belongings.
- The stress levels of tenants were significantly higher than landlords, as tenants tried to manage financial challenges and cope with future uncertainty. Many received various forms of financial support from partners, family and housemates, with government support unavailable for some.
- Tenants in small accommodation and/or with multiple housemates found working at home challenging, and many moved during the pandemic for a variety of reasons, which was both challenging and stressful for most.
- In terms of positives, in many multi-occupancy buildings residents became a closer community during the pandemic, and tenants reported that undertaking indoor or outdoor exercise, as well as more home cooking, had been beneficial for their mental health.

2.1.1 Employment: job hunting, job loss and reduced hours

The COVID-19 pandemic has had serious implications for the Australian economy, with unemployment rate at over 9 per cent at the time of writing. For landlords and tenants that have lost employment, had reduced income, or are seeking employment, this leaves a challenging financial situation for meeting rent or mortgage payments. Tenants appeared particularly affected by the downturn. For example, one tenant explained that:

Before COVID struck I was job hunting... and then that very quickly escalated to where people were not sure they should be hiring in lockdown... so I wasn't sure what was going to happen with my apartment... I was estimating getting a job quite quickly, so maybe one, maximum two, months to find a job, but then by March we had no idea this [pandemic and lockdown] would go on for.

Another tenant looking for work highlighted his difficulties in finding employment, and was unsure he would even be allowed to attend a job interview while in lockdown:

Job applications not doing well, e.g. I applied for an admin job for a local business that was two days a week for six hours a day...There were over 650 applications for it...I do not know whether I would be able to attend interview or training or anything, because I am in a Melbourne hotspot in lockdown.

A different tenant explained they had undertaken a 20 per cent pay cut, but felt relieved to have a job:

My employer made 700 jobs redundant on Monday...I was on annual leave with my parents so I found out the news the next day which was actually a blessing as I didn't have a nervous wait to hear if I was one of the ones impacted...blissfully unaware. Turns out I'm OK and was not affected.

Many participants experienced changes in employment conditions and income. This was often experienced as a drop in income or loss of employment:

My business reduced by 40 per cent in the first week of lockdown. I received JobKeeper which was very helpful and took the pressure off.

I've been stood down from my job due to COVID-19. For one month I had to rely on my savings to cover my expenses (including apartment rental) without any source of income. During that time, I applied for Centrelink support and after one month I started receiving JobKeeper payment which is adequate to meet my main expenses (rental and other living expenses).

Some participants in the study worked multiple jobs, with one tenant hoping the economy would recover, so she would be able to return to her second job:

Just when we thought we had flattened the curve, we see this alarming rise. I feel it's going to be a long time before things improve especially in the real estate industry (my second job). So, for me I'm concerned that I may lose this job.

Tenants that had found new work explained that this was not necessarily in their normal sector of employment. For example, one tenant noted:

My partner and I had to travel into Brunswick for the weekend to take an opportunity to work in the hospitality industry at a newly opened café. This is not our normal income stream but due to the uncertainty of our employment, we took the opportunity to gain a little more income in these uncertain times. Our future security of employment is still unknown.

The precarious and challenging employment situations had implications for tenants monitoring and managing their finances.

2.1.2 Finances: monitoring costs, reducing spending and selling belongings

The lifestyle of many tenants had changed during the pandemic to being more cost-aware and cost-efficient. Most were trying to save on non-essential spending, such as entertainment, and trying to reduce other costs, such as household utility bills. Some were scrutinising spending that they would not normally pay close attention to, such as mobile phone bills or internet usage, and others were trying to be as cost efficient as possible when buying essential items. There were tenants that were forced to move during the pandemic, which incurred extra costs in the form of removalists, bonds and potential rent overlap. There were others that were fortunate to have support from their partner, family, friends and housemates to help make ends meet.

While the pandemic had reduced some opportunity to spend on entertainment, tenants explained that they also had to stop spending on some, or all, of the non-essential costs in their lives. For example, one tenant stated:

We have to bunker down on some of the discretionary spending we might do.

There was a reduction of going out for entertainment, such as to restaurants and bars, even in states where this was possible. When asked if their spending habits had reduced, one tenant responded:

100 per cent absolutely [reduced spending], only because my flatmates work is uncertain and they're counting every penny...because I am at home every day and don't get out in the car and go to the shops. We are watching but we are not spending as much but we are also not going out as much to have a meal or go to the pub...going through the cupboards and making sure we consume everything. Rationing has given us a new way of looking at how you eat and what you eat and cost factors.

Others had completely stopped going out for entertainment, even after lockdown restrictions were lifted:

I did turn down a get together with friends who were meeting for the first time since the lockdown was lifted. They were going out for dinner and I just said that I can't afford anything that is non-essential so I didn't go.

Spending only on fruits, vegetables, and bread. Avoiding eating out, hanging out with friends for coffee or drinks. No shopping for the time being and have not yet resumed my gym membership.

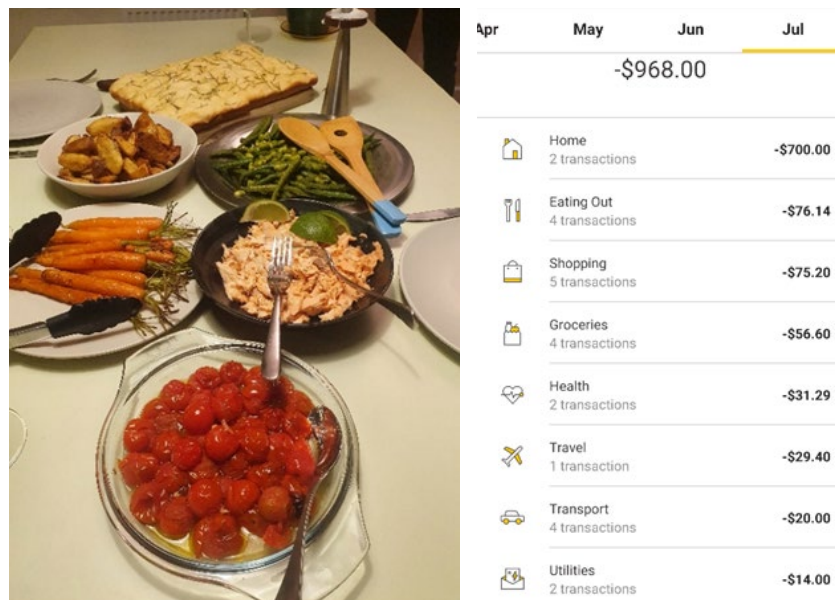
Some tenants also made lifestyle changes to save money, such as stopping drinking alcohol in bars or at home:

We have been saving some money because we haven't been going out, and I stopped drinking a while ago so that has helped because alcohol is expensive. So, I have been spending much less, and my partner as well...We spend more on groceries but much less on meals out.

Tenants adopted new cost-effective ways to socialise by making food for friends or taking food with them when visiting others:

Going out wise we have had two lots of friends over instead of going out to restaurants, making pizza is much cheaper...I have also taken to making food to take when visiting friends rather than buying wine or buying something premade.

Figure 3: Home-cooked meals with friends to save costs (left); and a tenant trying to keep below \$1000 spend a month, including \$700 for rent plus utilities (right)



Source: Research participant photo (left) and research participant screenshot (right).

Tenants also reflected that at their stage of life they should be building up savings, rather than having to use them to make ends meet:

So, basically for food or electricity bills or anything else [apart from rent], I am having to go into my savings... so I have cut back on all non-essential spending. I should be at a time in my life where I am building up my savings, not eroding them, so I am just cutting back on going out, eating out, ordering [takeaway] food, and that sort of thing.

It was clear that tenants were typically reducing or eliminating all non-essential spending outside of the home. Inside the home, there were concerns regarding increased household bills, as more time was being spent in their properties during lockdowns. Tenants also explained that living and working from home had also meant an increase in energy, internet and home office costs. The higher household utility bills meant tenants changed their behaviours or even left their rental property, as one landlord explained:

There has been a change, we've had one tenant move out of one of the properties... they were struggling to heat the home and were getting high bills, they wanted to downsize.

There were other tenants that noticed bills were slowly reducing their bank balance:

I do see my bank balance slowly dwindling away. The pay cheque goes up, but the bills come down. Every month I see it slowly incrementing down to zero, as opposed to maintaining or going up. It is a little concerning.

The demographics of the rental property would have implications on the utility bills and making decisions on whether to use heating or not. One tenant with a newborn baby noted:

We received the government's second \$750 stimulus which we have immediately used to pay our MASSIVE gas bill—being home 24/7 days a week and needing to keep the house warmer than usual for our newborn baby is causing our bills to increase significantly!

In other rental properties, tenants were concerned about energy consumption and high bills:

I am concerned about our next energy bill, my housemates are home all day using the heater to the extent that I have seen the heater on when nobody is the only shared area. We are using one heater to warm up the whole house which I am sure is going to be very expensive.

I am waiting for the bill it will be huge, I am scared... but I also know we cannot avoid an increase in the bill, cause we need the heater, cause two of us are working from home, and it is really cold, and also I have an extra [computer] screen... I don't monitor it but I expect it to be way higher.

Unfortunately, this month it was \$103 which was the highest [we've paid].

Other tenants were careful not to leave the heating on, and some had not used their heaters, attempting to save costs:

We haven't used the heater so far; it is getting very cold.

There were tenants that had been monitoring their usage much more closely. For example, one tenant wrote in their diary:

I have also been monitoring the electricity daily and it appears to have stabilised, using the heating really pushes the price up... the hot water bottle as pictured (Figure 4) however keeps us more than warm throughout the night.

Figure 4: Hot water bottle to save on heating (left); considering buying a cheap heater (right)



Source: Research participant photos.

In an extreme case, a heater was even stolen in a share house. One tenant explained their safety was at risk, when a housemate fled with the heater:

There was an incident in my home last week. One of the tenants in the house I am living in fled the place last Friday and took the heater with him. It was horrifying to wake up to police at home in the morning. I got to know that he had turned off the gas main from outside, else there could have been a fire at the house. I think it was a big lapse on the account of the landlord that he does not have a good idea about the tenant, and we had to provide the tenant's details to him.

To reduce heat losses in their homes tenants used draught snakes, bubble wrap, draught seal and other approaches:

I feel guilty to run the heater too frequently or for extended periods both from a financial and environmental standpoint and so decided that the least I could do was draught-seal all the doors and windows as best as possible.

I personally put bubble wrap paper in my tiny window to improve the cold weather at night. I told my housemates about it but they are hesitant to have bubble wrap paper in the common area as it looks 'ugly' and it does not allow natural light to come in.

Those that were working from home explained there were other increased costs such as:

It was \$400 for new screen and cables. Also bought a chair. There were just unexpected extra costs for power, screen, internet, heater also.

One tenant that did not have a home office setup, explained that she incurred unexpected costs from back problems:

I had a back issue as I've been sitting at this table and hunched over all the time...I've had to go see the osteopath, so there have been some unforeseen costs.

Figure 5: Grey seal (left) and white seal (right) used to reduce draught from windows



Source: Research participant photos.

Some tenants also had small home internet packages, instead using the internet at work. However, they now needed to reconsider this, as one tenant explained:

There was no need to have the internet at home (just had 20 GB monthly data). Now we are thinking to buy internet for home, so it may cause extra expenditure for us this month.

These were all unexpected costs, before the pandemic emerged. With finances stretched, other tenants explained they were worried about other potentially unforeseen costs:

I am watching what I do, and I have no big plans. I just hope nothing bad happens like a major car problem, or an appliance... something that is out of your control, like if the fridge broke, or the washing machine.

It was evident that tenants were experiencing increased costs, and had to monitor, scrutinise all outgoings, only buy essentials and, in some cases, try to sell to make ends meet. One tenant explained:

It's constantly thinking 's**t, what are we going to be able to afford this month?' It's like being 20 again and not being able to afford your rent but this time it's not because of spent too much money on beer but because you have life costs and things.

Some tenants had opted to shop in cheaper places and buy in bulk (to save) when possible. For example, one tenant noted:

NQR is aimed at people with a budget (that's most of us). So, I was able to get some strange laundry detergent (pictured) and do some washing.

Figure 6: Tenants buying value packs in cheaper supermarkets



Source: Research participant photo.

Tenants also explained that any other potential avenues that could lead to extra finances were being explored:

We are also going to go through the process of checking for regular subscriptions we no longer need and cleaning that out to save a little more money. I have also found out that a previous employer has underpaid me annual leave loading and will be rectifying that in July, providing additional \$1,500 cash.

I also called up the phone plan people, Optus, and I got them to do a better deal on our phone plans, because we were spending a bit much on that.

We have our clothes and computers, but then we don't have any more furniture, we don't have anything. We sold everything, and that was a good source of income at the time... We are not saving... we only have money for food, internet, and health insurance, as a visa requirement: You need to eat, right?

Figure 7: Tenants trying to sell items that they made



Source: Research participant photo (left) and research participant screenshot (right).

Another tenant explained:

We did try to sell some extra stuff, normally I would have given most of it away but the extra money we got was very useful. The bar fridge and one lamp sold, and the other lamp plus the jacket have not had much interest.

In extreme cases, some tenants unfortunately could not pay any rent after losing jobs, and were not available for any government support. An international post-graduate student explained:

Since COVID, we have actually just moved from the place we were before, we had to terminate our lease agreement because we were not going to be able to pay the rent. We used our bond as [a final rent] payment, as my wife and I lost our jobs.

They had decided they had no option but to leave the country, but even this was not possible:

We were actually planning to go home, because we are international students, we just changed our student visa from 485 visa which is a temporary residence, so there is no support... we were supposed to leave [the country] on 7 June, but they cancelled all flights, and after they cancelled all flights we didn't have anywhere to go because we were leaving, we had terminated our lease agreement.

The tenant went on to say that:

Listening to the news, we are like, we are f**ked, so what do we do now? Let's try and go home. We can't home. What are we going to do here? It was mentally draining.

The survey results reinforced these financial challenges that tenants were having, with Table 4 illustrating the broader spectrum of hardship that tenants experienced.

Table 4: Hardship as a result of money shortage since COVID-19

	Could not pay utilities on time	Could not pay rent on time	Pawned/ sold something	Went without meals	Was unable to heat home	Asked for help from friend and family	Asked for financial help: welfare, community organisations	Asked for help: the bank
Landlord								
Tenant								

Source: Survey data.

The survey also revealed that a quarter (25%) of tenants reported they had experienced problems with meeting rent payments; and 35 per cent of tenants had concerns that they would not be able to pay full rent in the next few months.

2.1.3 Tenant perceived stress and support from partners, friends, family

The financial challenges and uncertainty were found to being very stressful for many tenants within the qualitative data captured:

The pandemic has caused significant stress particularly financially. There is extreme uncertainty around when my job will return and the future of my career. I have been unable to make future plans due to the precarious nature of my situation and feel like I am in limbo land living pay check to pay check.

I've been keeping track of our finances in much more detail than usual and it's causing me a bit of anxiety and affecting my sleep.

The future uncertainty was stressful and worrying for many tenants. For example, one tenant stated:

The uncertainty weighs on your shoulders... it provides you with unnecessary worry in these times to try and find where you are going to get the funds to keep a roof over your head.

Tenants relied on support networks or created new networks during these difficult times. In extreme cases, friends offered struggling tenants that could not afford rent a place to stay:

We got help from someone, because that is how we changed residence... we were lucky we had made some friends, who were like 'hey we have an apartment, you can go and move there, it is all furnished', and let's see in like two months from now what will happen...so we are in this apartment that is not ours, but that is a huge huge help. They had an apartment they don't live in, they are from Castlemaine, and they just offered, and we were like 'thank you, thank you'...They gave us option if we get work, and decide to stay, we can start renting the apartment from them.

Other tenants leant on their family members for help. For example, one landlord explained that their son had lost his job, and moved from his rental property to back with his parents. Another tenant noted that:

My parents could bail us out if we need and we have a couple of thousand of dollars in savings so we aren't at that crisis point.

While an international student received help from his father's friend in Australia:

My father was able to get in contact with one of his friends in Australia who transferred me around \$10,000 for time being to manage my semester fee as well as my expenses for around a couple of months.

Tenants within the same residence also relied on each other. It was common that couples would rely on their partners, if one had lost work or had reduced hours, so they were able to manage rent payments. For example, one tenant stated:

In my account, I don't have money, I lost my job, but my husband has income coming, but there was always hope as I am starting work in July.

Another tenant explained it was a 'bonus' that their partner was eligible for JobKeeper, and was getting more work:

This week and next week, he [partner] is also working at the museum for the first time since the start of the pandemic, and it is good to see him getting more work.

In share houses, where one or two tenants had lost income, the others agreed that they should benefit from any reduced rent from the landlord. One tenant explained:

Luckily, I got a job just before the pandemic, so I got extra money, so I didn't take it [the benefit]. But three of my housemates, two of them lost their jobs and they were on JobKeeper, so they got the [rental] discount [from the landlord], and my other housemate as well...my other housemate is Italian so he is not entitled to JobKeeper.

Another tenant explained that though she was not affected herself, her housemate was significantly impacted:

I am blessed to still have a job... I am still working, [so] we are able to accommodate the rent at this point in time.

Beyond financial stresses, some tenants were also concerned about the COVID-19 virus in particular areas of Australia where the virus posed a greater threat. For example, a tenant explained the stress they felt as a result of risky and disappointing behaviour of their housemates (see case example below).

Case Example: Health stresses induced from housemates

This case example emerged during second diary input of a tenant living with one other housemate.

Diary input #2

During the last Stage 3 lockdown before restrictions were lowered, my housemate was regularly spending weekends over at the homes of multiple friends and colleagues in addition to that of her partner. My expressions of discomfort with these extra social visits especially at a time when they were against the guidelines, were met with reasons why the particular activities were essential from a social/mental wellbeing perspective. My concern about asymptomatic carrying was similarly met with the rationale that all being visited were practitioners of good hand hygiene practices and therefore not risks. At this stage, I had to let the discussion go as I saw that there her mind could not be changed.

Diary input #3

This situation has resurfaced with the declaration of this new lockdown, where despite the explicit restriction on travel to secondary properties etc. my housemate carried on with her travel plans to her family's beach house in Mornington Peninsula, where a friend from another part of Melbourne is joining her for a few days. Her plans were advised against by her own sister and even by myself—a view I only offered when explicitly asked 'what I would do in her place'. In any case, she has gone, figuring if she got out on the evening of the 8th of July before the lockdown came into force at midnight, a few hours later, as it was planned, she could argue that she was already on holidays before the new Stage 3 rules, when getting back into the city...This has been a source of real frustration for me, as not only is it hard to witness a disregard for public safety rules by someone capable of understanding the guidelines and making sound decisions and in a professional position advising others about safety concerns, but it is also a jeopardising of my own safety. Once again, short of moving out, there is not much I can do about my housemate's decisions, especially since I am the one subletting from her.

Diary input #4

I don't have much to report for my final update, other than the fact that my housemate has been sick for a few days and has been required by her employer to have a COVID test before she can return to work... Today, after her test, she arranged with me to come pick up some additional things from our house to take to her partner's. We are all anxious about this situation but are however hoping for the best in the form of a negative result.

There were others that had some concerns about leaving the home, with one tenant explaining they found their home to be a place of safety:

Back at home I was relieved to be in the comfort and confines of my four walls. I haven't grocery shopped all week, Brunswick supermarket made me feel uneasy, I'm eating the pantry out and creating some interesting meals.

While some experienced stress from potentially catching the COVID-19 virus, the financial challenges and future uncertainty in particular contributed to the high stress levels of tenants, in comparison to landlords. The survey results also reinforced these higher stress levels in tenants. In the survey, a four item validated version of the perceived stress scale (PSS) (Cohen, Kamarck et al. 1983) was used to measure and compare the perceived stress of tenants with landlords. Responses found that almost one third (32%) of tenants reported that they often felt they were unable to control important things in their lives, compared to 15 per cent of landlords (Item 1). Also, 47 per cent of landlords had confidence in their ability to handle personal problems compared to only 27 per cent of tenants (Item 2). Tenants were also more likely to feel that things were against them, with half of tenants feeling that things never or rarely went their way compared to 27 per cent of landlords (Item 3). Tenants were also feeling the most overwhelmed, with over one-fifth (21%) of tenants often feeling that difficulties were piling up so high that they could not overcome them, compared to 6 per cent of landlords (Item 4).

Table 5: Mean perceived stress for each item: the higher the value the greater the perceived stress

	Item 1: lack of control	Item 2: personal problems	Item 3: things not going their way	Item 4: difficulties overwhelming
Tenants	3.06	1.89	2.47	2.62
Landlords	2.47	1.56	2.04	2.13

Scale: 1.0 minimum to 4.0 maximum.

Source: Survey data.

The perceived stress levels of tenants in each item were higher than those of landlords (see Table 5 above). These results were also statistically significant, meaning that it can be reported with high confidence that the perceived stress of tenants was greater than those of landlords— though it should be noted that the sample size is not large enough to be representational Australia-wide, and that tenants could also have been more stressed than landlords prior to the pandemic. Despite these limitations, this finding supports the qualitative results, which revealed tenants were more stressed than landlords during the COVID-19 pandemic.

2.1.4 Tenant lived experience: share houses, moving, working and wellbeing

The qualitative results also revealed that the general wellbeing for tenants went beyond the financial challenges and stresses they were facing. The implications of being isolated in lockdowns were particularly difficult for tenants that were living in share houses and/or small apartments. For example, a tenant couple in a small studio apartment found that spending much more time in a small space was affecting their wellbeing:

Here every day, all day and we are feeling trapped, with having no balcony...it's just not ideal.

Another tenant in a five-person share house was struggling with the length of time being spent in their rental property. The tenant explained they were going crazy in lockdown, and trying to stay out the house as much as possible:

It has been uncomfortable [lockdown], I think I am reaching the point where I am like 'f**k I am going to go crazy again'...I've been trying to stay away from my home as much as possible.

Tenants in share houses were at risk of having to move if one or more of the tenants lost income. One tenant explained that they were sharing with three other students, but one moved out, making it too expensive for those who stayed. They decided to move:

We have moved into a different apartment, it's in the same building, but a different apartment.

Another tenant was forced to leave their rental home, as the property was sold to another owner and they were evicted (Figure 8). They explained that moving was hard during the pandemic, with agents being very busy, and the new restrictions meant they viewed less places. Their move also involved additional unexpected costs, but the tenant had been saving many years to buy, so was able to pay for the move into a new rental home. Other tenants on tighter budgets were trying to find the cheapest ways to moving during these times. One tenant explained there was not much availability for their move, meaning it was more costly:

They [removalist] only had a big truck available and we had to pay \$110 per hour, with little option the day before we had to agree even though it was more than we were comfortable paying for such a small job.

Figure 8: Tenants forced to move at the beginning of the pandemic



Source: Research participant photo.

Figure 9: A tenant after a successful move (top); and another tenant in his new home, finding this place with only one day on his previous lease remaining (bottom).



Source: Research participant photo.

There were tenants that felt they had to move during the pandemic. For example, one couple left as there was a close neighbour who was a heavy smoker, and one of them was having health concerns:

We have a neighbour that smokes pretty heavily, and we get the smoke that comes through into this apartment and it's just makes it pretty uninhabitable, especially because we have been spending much more time here than usual...we wanted to move out earlier, but our issue was we had to give 28 day's notice, and all the apartments we liked were empty, and they want someone in like a week. So we weren't being taken seriously, because of the month's notice, and they want people straight away, so you lose your negotiating powers...So we had to take a leap of faith, and give notice on our property...but you could end up homeless this way.

Another tenant explained he had split up with his partner and was committed to moving out, but they later resolved their issues. Tenants that did move, explained that in some cases it was challenging:

Nobody wanted to rent their unit to us, as my partner is out of a job, and I have university work, so I had to try to offer 6 months rent in advance to try and secure something but no one took it up.

It is hard with having all the upfront costs of a bond and stuff.

I also got the confirmation of the rental bond refund processing from my previous agent. Though, I am not sure how much time it will take to credit in my account. It amounts to around \$600, out of which I need to pay around \$300 for end-of-lease cleaning, damages, pending utility bills, etc.

There were tenants that found moving not as stressful as they thought it might be. One tenant reflected:

Moving house has been stressful though not as bad as I had thought. The place is a mess and we've been eating tons of junk food but the work goes on.

However, there were others that risked homelessness when they attempted to move between rental properties:

I found this place just one day before my lease was ending. For two months I was looking for places but they kept rejecting me because I didn't have enough finances to pay them.

There were other tenants that feared they would have to move out in the future and would be potentially homeless. One tenant explained that their situation was a concern and stress:

It was very stressful that I was overnight left out of work, and there was risk my partner would end up also losing her job. Obviously, there was stress involved, and having a roof over your head is very important! It does contribute to your stress levels, knowing that you might end up living on the street.

Another tenant was very grateful for the fact they had a place to stay:

I am not on the streets, which I am happy for...Feel lucky to be in the apartment and living 'day by day'

In multi-occupancy buildings, tenants reported creating stronger bonds with neighbours and others living in their building. This offered an opportunity for greater community support:

It has been helpful to have that group connection within the building, we go out and have coffee breaks, and all that sort of stuff, and help each other out, like someone will put the bins out, or some is going to the shops and messages, 'hey does anyone want anything', so that has been really helpful...we have bonded over this experience, it took a pandemic to talk to one another! [she laughs]...we used to just say 'hi' and 'bye', but now, I've even see baby photos of them [neighbours].

We have got really nice neighbours, I got much closer with them recently [during the pandemic]. One of the neighbours works at a restaurant, and when they closed the restaurant he brought all the food home and shared it with everyone in the building. Another neighbour hurt his knee, so I have been walking his dog. I've been chatting to the neighbours a lot more, and the people I know in the building have become a lot closer.

In some cases, this led to helping one another. One tenant explained that a neighbour gave away a chair so she could work from home without having to buy a new chair:

A neighbour gave me a spare computer chair to go with the desk, and I now have a lovely workspace.

Figure 10: A computer chair (bottom right) donated by a kind neighbour to the tenant



Source: Research participant photo.

Figure 11: A tenant working from the park, to get out of their small apartment



Source: Research participant photo.

Figure 12: The communal area in one apartment becoming a home office for two house-mates



Source: Research participant photo.

Many that were still in employment were working from home, which some participants found challenging:

It's getting accustomed to not having that space between work and home...you used to have that distinction and now that's not there so you sort of have to figure out how to do that in your own personal space.

This was especially the case where there were limited communal areas and multiple tenants:

We have to adapt, as we just have one communal area, when to work there, who works there, the nature of my work is to be fully focused, and sometimes there were four of us there so I could not focus there so I had to get a new screen just to work from my home.

In some cases, this was affecting the wellbeing of participants:

I feel pretty gloomy, I don't like working from home, I like to keep my work and home life very separate and of course working from home has forced me to compromise on that. It has impacted on my girlfriend even more as she has a terrible manager.

In terms of improving their mental health, tenants explained that they used both indoor and outdoor forms of exercise. For example, one tenant stated:

I had a busy day today attending an appointment with my mum. I would normally be working today. I did manage to fit in a walk this afternoon. It felt great being in the fresh air. Certainly helps improve one's mental health!

There were some that also chose to exercise inside, taking advantage of online modes of delivery. For example, a tenant explained:

Mental health wise I have been using what the university offers, like online yoga, and online meditation, and online gym stuff. So probably every day I will do the meditation or the yoga or the gym or something. Just to, one, keep connected, and two, keep myself sane.

However, not all were able or choosing to exercise more. One tenant, who explained his work hours had increased during the pandemic, stated:

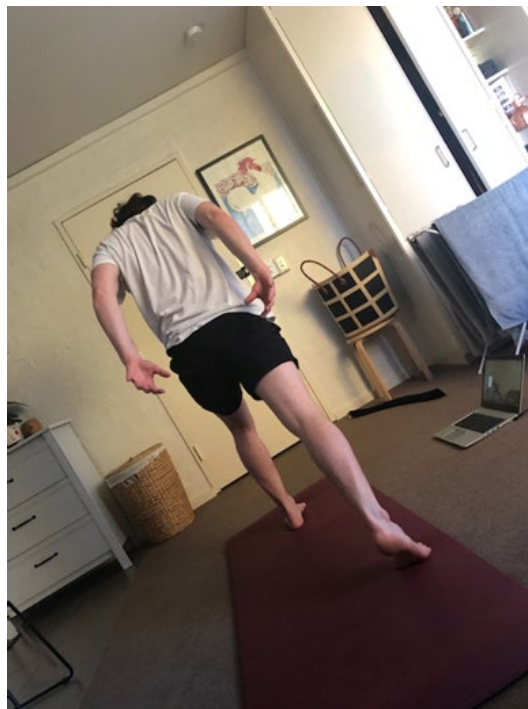
I live a much more sedentary lifestyle now...I need to be conscious to try and move around more... I think this chair has my bum imprinted in it now.

Figure 13: Tenants enjoying long walks and day trips in the outdoors



Source: Research participant photo.

Figure 14: Tenants exercised inside for wellbeing with indoor online sessions



Source: Research participant photo.

Figure 15: A tenant who had become closer with a neighbour during the pandemic, exercised (and helped a neighbour) with dog-walking duties



Source: Research participant photos.

Tenants also revealed that they were also doing much more home cooking, were sharing pictures of their food with friends, and enjoying learning new skills in the kitchen, as well as having drinks at home.

Figure 16: Tenants enjoying cooking, baking and drinks at home



Source: Research participant photos.

2.2 Lived experiences of landlords during the COVID-19 pandemic

- Landlords experienced challenges with loss of rental income, but most were able to manage the financial shortfall.
- Many landlords were monitoring their costs closely even if they were unaffected financially, in case there were issues with future rental payments.
- In a minority of cases, landlords were undertaking cost-saving behaviours, considering selling belongings such as cars, or had to delay retirement.
- Landlords explained the risks they take on financially owning an investment property, with many having a financial buffer that has helped during the pandemic. Others, such as retirees or those on a career break, who relied on the rental income to live, were most at financial risk.
- Landlords who lived with their tenants seemed particularly vulnerable, both financially, as selling meant they would also have to move homes; and mentally, as they could be left isolated and alone in their property, if their tenant had to vacate during the pandemic.

2.2.1 Landlord finances: rental income and mortgages

The challenges that emerged for landlords primarily revolved around economic wellbeing. Landlords reported they had reduced rental income due to changes in the rental market. For example, one landlord explained:

My property is in Bondi Junction, it is a 2-bedroom unit, which 18 months ago was around \$950 a week, but the rental market in Sydney changed about 18 months ago with the low interest rates. People that were paying that sort of money realised that they could be paying off a mortgage when they could borrow money under 3 per cent. So if they are paying \$1,000 a week rent, which is around \$50,000 a year, they could instead convert to a mortgage, which quite a few did, so the rental market was very soft in that period before the coronavirus. So we went from \$950 to \$800, we had to accept \$800 18 months ago... Then a week before the virus hit, the tenant was struggling to pay \$800 so we reduced it to \$700, and now we are at \$550.

While some had reduced rental income, other landlords explained they were unaffected or in a position where they were able to manage:

No financial concerns, well placed to weather the storm.

No concerns financially, or with the property, as tenant works for United Nations [UN] and job should be secure.

If the bank was asking, yes! But between you and I, no...we always had that [financial] buffer anyway.

While many landlords were currently unaffected, they explained that they were aware of the potential risks of a future financial hit:

There aren't challenges for us at the moment [meeting mortgage payments on the investment property], but if we lost our tenant we would be fine but it would be a challenge as our unique circumstances with my wife not working this year puts pressure on...if you take away 30 grand in rental payments you have to find that 30 grand elsewhere. With the current circumstances with tenants [who] are not paying their rent and we have negotiate it would cause a stress.

Similarly, another landlord explained that if they were impacted in another way financially, then they would consider selling:

It is cash negative property...Mortgage, plus council rates, plus insurance, it probably costs me about \$400 a month to keep it... in terms of income vs outgoings, so that does add up, it is not a profit making thing, but essential [the new permanent position] has made it a bit easier to say, 'yeah we will hang on to it, we won't sell it', because I do have the certainty of the job at the moment. Additionally, if I was to lose my job, it would be less than a year before we run out of all our savings, when you look at the costs we have got.

There were also a few landlords that acknowledged they already needed to act by selling, due to the loss of rental income. For instance, one landlord stated:

I have to sell a property as my income is going backwards—meaning that I will have less income in the future.

2.2.2 Landlord cost saving, monitoring, selling and earning

Due to the pandemic, landlords explained they had reduced spending to compensate for the heightened risk of losing tenants or having reduced rental income:

So our spending has significantly reduced during the lockdown period... part of this is deliberate to be careful, acknowledging there is a risk to our finances, but part of it was that we are not going out [due to lockdown]. So, a bit of both... I would say 50/50.

In another example, the landlord knew they were going to lose their tenant in the future, and were concerned about the future rental rate with new tenants:

In one of the properties they are building a house so they are now month to month so there is some concern if I will get the same amount of rent for the next tenants if I can find anyone to rent it out... it's only a matter of time [before they move].

There were landlords that were already experiencing a worse financial position after accepting a rent reduction. For example, one landlord explained that reduced rent of \$25,000 (as opposed to \$46,800) would impact them:

The levies, we are just about to put in \$600,000 putting in new windows and doors, so the levies are probably \$10,000 a year, and then you have to pay your rates and your water rates and all that. The outgoings are probably between \$10,000 to 15,000 a year, before the rent. So, there is not much left when you are only getting \$25,000 a year rent, and \$15,000 is gone straight away, so it has had an impact on me for sure.

Other landlords took an opportunity to seek financial advice:

My wife and I have always spoken about getting some financial advice. So, this week we have decided to do so. I feel that the unknown with COVID-19 has brought the need for getting this advice forward. We want to know that we will be ok financially in the short term and long term.

Landlords were also exploring other avenues for savings. For example, one landlord noted:

We have been in discussion with our bank about reviewing interest rates on our loans to ensure these are as competitive as possible...Contemplating consolidating our loans currently across two providers as well.

The below case is an example of considerations landlords went through during the COVID-19 pandemic.

Landlord cost-saving case example

Diary update #1

At the start of Coronavirus, I could see it coming, it could potentially get pretty bad, so we sat down and talked about our finances and if things go badly: what would it look like? how could we cut cost? That sort of thing. Looking at our own budget, we have got savings but between having a mortgage on the house we live in, and a mortgage on the investment property... if we were to lose a tenant there, it would be a big impact, that we wouldn't be able to handle for very long.

Diary update #2

We're discussing selling one of our two cars. We drive about four times a week at the moment, and never have a need for both cars at once. Last year we bought a second hand XTrail for \$8,000 from a friend (a sweet deal) which is good for lugging around baby equipment, and so we're looking at selling a Mazda sedan probably worth \$15–17,000. It costs \$850 per year for registration and \$950 for insurance, plus losing at least \$1,500 on depreciation as well. So it's over \$3,000 per year to keep it, and all I'd be doing is driving to the train station to commute to work—but for the next few months the most I'll be doing is commuting to the office one day per week, and working from home the rest of the time. So, to save \$60 per week seems like sensible option. Also considering getting new quotes on home and contents insurance and health insurance, both of which are really frustrating to do but know it could save \$50–100 per month. Currently spending \$280 per month on private health insurance and around \$200 on home and contents for our own home, plus the investment property.

Diary update #3

We have a granny flat at the back of our house (not the rental property). For the last few years we've only really used it for when family is visiting from overseas. However we've now got a friend living there—she asked to use it during COVID-19 isolation to keep away from her housemates who were being careless about isolation, and now we've decided we're happy to rent it to her on a long term basis. It's a simple little unit, so we're only renting it out for \$100 per week, but we see that will give us some extra money to cover groceries, for instance. Part of this is because my wife was made redundant in April—she had been on maternity leave since May 2019, and was due to go back to work in May this year. However, we'd been sitting on the fence about her going back to work part time vs. staying at home with our son for longer. Being made redundant (due to COVID impacts on the business) made the decision a lot easier, plus she got a small redundancy payout of a few weeks pay plus her accrued annual leave. The income from the granny flat will only cover a small portion of what her income would have been otherwise, but it still helps.

This avenue was successful for some:

We were successfully able to negotiate a lower interest rate for our investment loan. This only became possible when we mentioned that we had discussed moving our loan to another provider, so this was quite frustrating. I fed this back to the lender that this is the second time this has occurred, and it is frustrating that they only negotiate honestly when threatened to lose business as opposed to providing the customer the best available rate.

The change in rental income meant some landlords had to source extra finances which, for instance, meant delaying retirement, as in the case example below.

Landlord delayed retirement case example

My wife and I were both planning on retiring at the end of this year. The [rental] property still has a mortgage on it. So, we have definitely suffered a loss of income, but we couldn't see the point in turning around and chucking them out, first on a personal basis, what's that going to do to two young people? And they are building so many apartments here in Canberra, where are we going to get another tenant who is going to pay market rent, how long was the property going to be empty for? We did the sums and said 'look, let's just leave them there and they will give us what they can and hopefully the virus will go away one day and the world will get better and we'll take it from there.'

As mentioned, we aren't charging the tenants full rent of \$500 per week (\$26,000 pa).

The mortgage is \$2639 per month (\$31,668 pa).

One tenant pays us \$65.40, which is 10 per cent (\$3,401 pa) of his JobKeeper payment.

The other tenant has casual work and pays us \$125 per week, which is 10 per cent (6,500 pa) of his net income.

The property is negatively geared, so based on the calculations above our rental 'loss' would normally be \$5,668 pa.

$$\$31,668 - \$26,000 = \$5,668$$

However, this year it will increase to \$21,767

$$\$31,668 - (\$3,401 + \$6,500) = \$21,767.$$

This means that, in our case, the direct financial loss resulting from the COVID-19 pandemic has been partially borne by and then passed from the tenants, landlord and then to the taxpayer.

The difference of the expected rental shortfall (\$5,668) and the possible future rental shortfall (\$21,767) = \$16,099 is a real dollar loss to us. We acknowledge that we can claim this 'extra' \$16,099 loss under the existing negative gearing arrangements, however, that doesn't entirely remove the additional financial burden from us.

We may have to work a bit longer than we wanted—maybe an extra six months—but will need to see what happens.

2.2.3 The risks of being a landlord

Landlords also discussed the financial risks associated with investment in property. Unforeseen extra costs or changes in the market were of concern for some landlords. However, one landlord did not believe that other landlords should be compensated:

If you are a landlord you are taking a risk in the same way you are buying shares. Now there has been no support system from the government saying 'oh sorry you've lost money in your shares here is some money to compensate for that' so why should they do that for landlords? If you are buying a property you should know the risks.

A different landlord had experienced a 20 per cent reduction in his salary, but explained that he was still financially comfortable. He had co-invested in a property with family to reduce risk, and the tenant was still able to meet rental payment demands:

I don't think we've been financially stressed for a while...we have structured things so we don't ride too close to the edge.

Some landlords explained they decided to manage risk by accepting a reduced rent, as this would reduce risks of tenants leaving, which can be financially troubling:

As soon as someone moves, you have a \$2,000 or \$3,000 cost to release if you are lucky... and you certainly wouldn't be able to re-rent it as the same rate as six months ago.

When considering a rental reduction, another landlord commented that:

I would prefer to have people in the properties rather than them sitting empty.

The risks meant that in some cases, the landlord took some financial losses, had to consider selling, or could not make mortgage payments. The financial losses were of particular concern to those that relied on the rent as income, such as the landlord in the case example below.

Retired landlord case example

I have a tenant who can't afford to pay at the moment. She had to fill in an application to say 'yes I've reduced her rent... I'm retired so that's my income...

I don't know much about them other than that they are assistant restaurant managers and they know nothing about me and they speak directly to the agent who has since explained to them this is my income, I am a retiree...so they now know a little more about me...

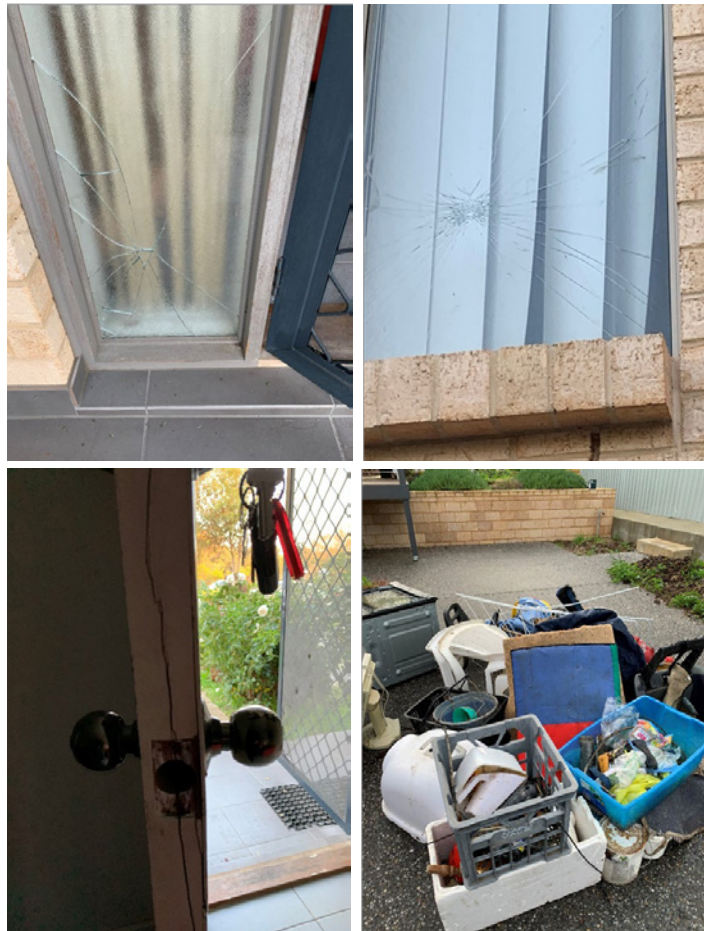
Compromised with a rent reduction half of what they asked for to \$340 per week but I said when you get a job I expect this reduction paid back, I am not willing to accept that money is gone for good...they were happy with that...

I'm just treading water, that is all anyone can do with Coronavirus. How is it going to work? How will they ever pay me back?

If the tenants are not back to paying full rent by the end of their lease in November, and not paying back the extra, I will advertise for new tenants.

There were other risks associated with being a landlord too, such as property damage caused by tenants in Figure 17 below, which left a landlord with large unexpected costs at the end of a tenancy.

Figure 17: Unexpected costs for landlords after property damage and waste left by previous tenants



Source: Research participant photos.

The landlords that appeared most at risk both financially and mentally were those that lived with their tenants. The case example below highlights the issue one landlord had:

Landlord on a career break case example

I have never before had any issues filling the room [with a tenant], but since COVID I have not been contacted once. Yes, so I had to suspend my mortgage because I couldn't pay.

The bank has been amazing. I was already in a difficult situation before COVID. I had already spoken about a possible suspension of payment of three months, but now with COVID you can go up to six months.

I haven't got any conversation with potential new tenants. It seems the market is very quiet so that's a big loss of revenue. and I extended the mortgage suspension for another three months. I can only afford to pay interest.

I'm saving money by buying less food and less meat and less vegetables because I can't afford it. If it doesn't grow in my garden, well too bad for me.

Landlords that lived with their tenants also did not have the option of selling the property without having to move out themselves, which limited their options when mortgage challenges arose. One landlord that lost their tenant (as they could no longer pay rent) explained that they found living on their own during the pandemic very challenging:

When my flatmate left, I didn't really realise how I would feel living by myself during the pandemic. I felt really bad, I had a bit of a... not a panic attack but I felt a bit anxious, with not having any presence in the house and not being able to see my friends or have visitors. I really found it hard, I didn't think it would happen, but I was in shock.

Another landlord, who had a tenant cancel moving in, explained she was also finding it difficult alone:

Work has been busy which is a nice distraction, however lockdown is really hard for people living alone. The guidance isn't really clear if you can visit someone if you do live alone and only mentions couples who live separately!

Those that were living alone were also at more risk of feeling great sadness when social events had to be cancelled. One tenant reflected:

I felt an immense feeling of sadness and loneliness when I heard about the lockdown last Wednesday. We were starting to have a distant social life again, like on Sunday I organised lunch in a restaurant and all my friends were so ecstatic to finally catch up over a nice meal and obviously it was cancelled for a good reason. I cried that day.

In extreme cases, there were considerations for mental health support. One landlord, who was living alone, and had to suspend mortgage payments, reflected:

I thought I might need some professional support and call a mental health hotline.

To enhance wellbeing, a landlord explained that they needed to make it feel like home:

You've got to have s**t in your house to make it feel like a home. When I first moved I literally only had a couch so it didn't feel like a home... It's a weird time settling in with COVID and all that jazz but I've got some furniture now so that's been a real positive!

Overall, the findings that emerged relating to landlords revolved around economic wellbeing, which leads into the following section on landlord and tenant rental payment negotiations.

2.3 Landlords and tenants negotiate during the COVID-19 pandemic

- There was no clear way to initiate, undertake and resolve landlord and tenant negotiations. Agents have a key role in improving the success of negotiations.
- The majority of tenants that were concerned with their financial situation had requested a rent reduction, but many were left unsatisfactorily resolved.

Tables 6 and 7 below summarise the rent negotiations of the diary participants.

Table 6: Overview of diary participants that were tenants

Location	Rent reduction	Government support	Comment
NSW	None	JobSeeker	All JobSeeker payment goes to landlord, living from own savings
VIC	None	None	Has kept employment
VIC	None	Partner on Job keeper	Reduced to part time from full time. Partner on JobKeeper and have savings
VIC	None	JobSeeker	Has not asked for a reduction, as JobSeeker 'keeping me afloat'
VIC	None	None	Has kept employment
VIC	None	JobKeeper	Not had challenges paying rent while on JobKeeper
VIC	None	None	Housemate has lost income, but still able to accommodate rent at this point
VIC	None	JobKeeper	Has not asked for a reduction, as JobSeeker has supported them to meet rents costs
SA	None	None	Landlord responded that they could not reduce rent, as they had a mortgage to pay
NSW	Yes	JobKeeper	Lost employment, and got a reduction but not as much as they asked for
NSW	Yes	None	Received a \$25 reduction from advertised price when moving into new apartment
VIC	Yes	Not available for it	Had to leave apartment as could not afford rent, are staying in a (friends) new place rent-free
VIC	Yes	None	Other housemates lost work, so they received rent reduction
VIC	Yes	None	Received a \$10 reduction from advertised price when moving into new apartment
VIC	Yes	None	Received reduction from \$2,400 to \$1,700
VIC	Yes	None	Renegotiated when lease was expiring, received a \$20 reduction in rent

Source: Research participant diaries.

Table 7: Overview of diary participants that were landlords

Location	Rent reduction	No. of Investments	Comment
VIC	No	One	Not heard from tenant regarding rent reduction
VIC	No	Three	Has three properties, not heard from any tenants regarding rent reduction
VIC	No	One	Asked tenants how they were with rent, and they have no problems
VIC	No	One	Currently unoccupied, seeking tenant
VIC	No	One	Not heard from tenant regarding rent reduction
SA	No	Four	Not heard from tenants regarding rent reduction
SA	No	Three	Not heard from tenants regarding rent reduction
SA	No	Nine	Not heard from tenants regarding rent reduction
QLD	No	One	Not heard from tenant regarding rent reduction
QLD	No	One	Not heard from tenant regarding rent reduction
SA	Yes and no	Two	On one property they have not heard anything; on the other, reduced \$10 on advertised rate
VIC	Yes and no	Four	Three have not contacted, one asked and received a reduction (from \$320 to \$280)
VIC	Yes and no	Two	Not heard from tenant in one property; and reduced rent by \$10 to lease vacant property
VIC	Yes and no	Three	Two tenants not requested; and one asked for \$280 from \$390. They compromised at \$340.
NSW	Yes	Two	Reduced from \$500 to \$350, and the other is about to be put on the market
NSW	Yes	One	Tenant asked for reduction, rent was reduced from \$700 to \$550.
ACT	Yes	One	Tenants requested reduction, landlord trusted them to pay 10% of their net income
VIC	Yes	One	Tenant became part-time. Landlord offered reduction of \$300 to \$250, but tenant left

Source: Research participant diaries.

2.3.1 Landlord and tenant negotiations

In addition to tenants that had already tried to negotiate, there were some tenants that had future concerns and were unsure what they would do if their financial circumstances changed. They believed that it would either be challenging to get a satisfactory outcome, or that it would impact on them when it was time for renewal of their rental agreement. For these tenants, any negotiation was seen as a last resort. As one tenant stated:

I wouldn't ask for a rent reduction, I don't want them to be out of pocket, because that might impact me in the future... it would have been a last resort.

Another tenant was concerned that any request for assistance with their rent would impact on the landlord undertaking required repairs on the property:

[I] don't want to jeopardise repairs that are needed.

There were also some landlords who reported that as they had not heard from their tenants or the real estate agent, they assumed this meant everything was ok and did not feel the need to follow up further. Other landlords were proactive and reached out to their tenants, either directly or via their real estate agent. This early engagement was just to check to see how they were going, partially out of concern for the tenants, but also to some degree to reassure themselves about the situation, rather than starting any negotiations:

I sent them a message on Facebook around the start of lockdown, just to say 'hey, are going OK?' They [the tenant] came back and said 'nothing to worry about'...so that gave some reassurance there.

When all this started to happen and I heard about this option from the government to not kick out tenants and you can't say to them to toughen up and all that sort of stuff, I thought you know what the best thing is probably to ring them and just have a chat and see how they are going.

Another landlord thought their tenants may have had issues, based upon their knowledge of the tenant, and the industries they worked in. The landlord engaged with the tenant early on:

As soon as the virus came we approached them knowing they both only had casual jobs and were both going to university so they don't have a lot of money. So we said to them, don't pay us full rent and we said just pay us 10 per cent of any net income you receive, and they seemed happy with that...we are in the fortunate position that we can do that but we know not all landlords can or will, but that's what we did.

Tenants reported being appreciative of these early check-ins by landlords, even if they had no financial concerns at that point in time. One tenant reflected:

My partner and I rent a house through a private landlord...They are lovely...I work part time in local government and my partner works full time in beer sales. He was dropped down to four days in May but we have few expenses and no debt so we can easily meet our bills still. In fact, we have been able to save more due to working from home and not going out. Our landlords got in touch when lockdown began to see if we were OK and to let them know if we needed to negotiate rent etc. We feel extremely fortunate.

While some tenants felt financially secure currently, the majority of tenants in this research had financial concerns which had arisen from the pandemic. For many of these tenants, there was a hesitancy to ask the real estate agent or landlord for assistance either through a rent reduction or rent deferral. This often related back to the uncertainty about the impact on their housing security, but also that there was the perception that landlords would be resistant to help and, would cause further tensions and stress for the tenants. As one tenant said:

I've been really nervous to ask for a rent reduction, because I know their mentality is to keep getting more. I don't want to put myself in an awkward situation where they try and push me out... but at the same time if I do notice rents going down consistently in my neighbourhood then I might ask for a decrease, and if they do not agree, then it might be a good time for me to move.

Rent reduction request case example

Dear [Agent]

I'm writing about our upcoming rental payment which is due on 15 July 2020.

As you know we've applied for the Victorian government's \$2,000 rent support grant which we were hoping to use for our July rent but unfortunately we haven't heard back about this as yet. I understand that the rent reduction we previously agreed to for May and June 2020 is no longer valid, however we'd like to ask our landlord if we could please pay the reduced rent amount (\$1,700) again for July as we are not able to afford our full rent of \$2,342.

[Husband] was due to return to work this Sunday 12 September however, due to the new Metropolitan Melbourne lockdown that started today, this is no longer happening. The lockdown is due to end on 19 August and [Husband] is hoping to be able to return to work after this date when craft markets are allowed to operate again.

I have been able to negotiate an additional four hours of work at my workplace (as of 1 July) which has slightly increased my income so that we can afford to pay \$1,648 on rent per month as 30 per cent of our total household income. We are happy to increase this to the previously agreed rent reduction amount of \$1,700 and pay this immediately.

Over the past month, on top of our normal household costs (i.e. groceries, petrol, car/house insurance, mobile/internet etc.) we've had to pay our car registration (\$779) and over \$1,500 in quarterly bills, and have just received another \$800 gas bill this morning. We understand that our landlord has his own financial pressures but we are really starting to struggle financially and would appreciate any support that can be offered. We have three children under seven years of age, including a six month old baby, and this pandemic is making life extremely difficult for us financially.

We are hoping that the grant will be received in time to be applied to our August rent and then circumstances will hopefully have changed to allow us to return to paying our full rent as of September 2020.

It would be greatly appreciated if you could please contact the landlord to make this request on our behalf. If needed I'm able to provide evidence of the another statement from my workplace to verify the information in this email.

Regards,
[Tenants]

The diary updates revealed that the reduced amount negotiated was still more than they could afford, and, they tried to ask for another reduction. The above case example is an excerpt of the email they sent clearly setting out their current financial position as clearly as possible, in part to make it clear they had no other options. This shows the level of detail, and at times, quite personal detail, that many tenants were going to in order to 'prove' their poor financial situations. For many, this felt like an added burden they did not feel they should have to be attending to, but there was also an understanding that landlords were entitled to some evidence given opportunities to claim hardship when it might not exist.

Some renters were proactive by flagging any changes, or possible changes, that might impact on their financial situation. In one diary the tenant moved from a position of relative financial security at the start of the period to needing to split a rental payment over several weeks at the end due to a change in their financial circumstances. It is possible their early and ongoing updates to the real estate agent meant that the landlord had no issues with that request.

However, not all of the tenants who were concerned about their immediate or future financial situation spoke with their landlords. The diaries revealed that almost a half of the tenants had spoken to their landlords, with the experience of these interactions demonstrating there was no consistent approach. Conversations about rent or security of tenure during the pandemic were started, played out or were addressed between landlords, real estate agents, and tenants, and the success of negotiations was mixed, with only half of tenants who has spoken to their landlords about rent reductions reporting the landlord or property agent had fully accepted their requests. These concerns over rent were supported by the survey which found that 60 per cent of tenants had, or were likely to have in the near future, issues paying their rent.

Tenants also explained that while they had initially negotiated with the landlords there were still significant issues ahead in relation to paying their rent, and it was unclear how these would be resolved. For example:

My partner lost his job completely because he has a small business in the catering area...so his work was caput and I was on maternity leave...the first thing we did around mid-March was to contact the agent and say we don't really know what's going on but we are really going to struggle to pay rent. Because we had a good relationship with her, she was really accommodating...[but] the landlord was quite difficult. So, she was stuck in the middle trying to work with us and then trying to make sure the landlord was OK as well...It ended up we paid a full months rent out of our savings which showed the landlord and agent we were trying to do the right thing. We then entered into a rental negotiation with them and emailed them saying 'this is what we are earning, this is our capacity to pay, everything is uncertain'...we were about to fall off the cliff in May.

The analysis found that there were two clear groups of landlords; those who were willing to consider financial assistance for their tenants, and those who were against this. Many landlords reflected that during the pandemic we all needed to be more accommodating and make sacrifices, and that they had a role and responsibility for the wellbeing of their tenants. This was not just evident where landlords knew their tenants quite well, but even when they did not know their tenants (i.e. using an agent). It was not only about helping tenants, but also a reflection that receiving some money as rent was better than letting the property sit there empty, without rent, if the tenant had to move out:

As soon as everything started to melt down, I thought I was just as likely to look at getting just 50 per cent of the rent...and I was ready to do that.

We've had good renters. They have been there for five years and always paid on time...What happened when COVID hit was we got a call from our real estate agent saying 'look this is what they are requesting' it was a no brainer for my wife and I. We didn't bother negotiating. They were renting for \$500 a week and asked for \$350 per week for three months. That just lapsed this month and I just got a text from the real estate agent asking if we mind if we extend it one more time...Given the tenants have been good and looked after the property let's not do the payment plan and just go with the reduction because at the end of the day that human kindness comes in...someone has to cut them a break.

Another landlord said they just asked their tenants to pay 10 per cent of their next income, although they left it to the tenants to determine what that was:

He just transfers random amounts into our bank account...we didn't want to make their life harder than it will be or could be in the future...some people might call us stupid but whatever.

Often these landlords who were quick to accept or offer financial assistance, did so as they felt sympathy with their tenants and the difficulty they were facing, for example:

Then when the coronavirus hit the tenant, who are a husband and wife from Brazil, weren't permanent residents and didn't get any support from the government, but they managed to maintain the husband's job working from home, and the wife's job was reduced considerably. So they rang me up and said 'look we just can't afford to maintain \$800 a week', so we agreed on \$550 a week... that started the first week of the virus, and I suppose it will go on till such time... I mean it's a bit complicated for me as she is now pregnant, the wife, and she is not entitled to any benefits in Australia unfortunately. So, I am just going to help them out as much as I can... He has gone with rent reduction not rent deferral... I'm not one of those landlords that is doing rent deferral, I've reduced their rent from day one so there are no issues there, they won't have to pay it back as I don't think that's fair... [these people who have the deferral] are going to have a massive debt.

There were some landlords who readily provided financial leeway when first asked, but then became a bit more selective once the initial agreement period had passed and needed to be renegotiated. As one tenant said:

They only they said to us that this is a six week temporary rent reduction, if we still did need that reduction going forward then we would need to provide additional evidence, like bank statements and so forth, whereas with the first one they did not ask for any additional evidence.

Many of these landlords reflected that they were also taking a financial hit with the reduced rent agreements and that while they may have taken advantage of things like mortgage freezes and other support, there would come a time where they would need to re-evaluate what was happening. For many landlords this was about balancing their tenant's ability to pay some amount of rent compared to trying to find a new tenant who may have similar financial challenges.

Those landlords who had resisted reducing rental payments seemed to come from concerns around their own financial position, such as the need to continue to service their own mortgages or for landlords who were retired. This has impacts on their living costs significantly, as one such landlord said:

When the agent rang me and said can I reduce their rent by \$100 a week I said absolutely I can't do that because that is my income. I am living very frugally because I don't want to have to start selling things to live off.

In that instance, there were further negotiations where the tenant agreed to pay back the reduced amount, as soon as they secured a new job. The landlord explained:

I said when you [the tenant] get a job I expect this reduction paid back, I am not willing to accept that money is gone for good... they were happy with that.

Some of the renters were also told that there were issues for assistance from financial pressures on the landlord side. As one renter said:

We tried to ask them [landlord] for relief for the time being and when the situation is good we can pay them all back. But the landlord had their own mortgages to pay and they can't afford to help us out.

There were some reports of landlords attempting to put rental rates up during the pandemic. While this appeared to be part of the annual price review cycle, it clearly did not sit well with those tenants who were already starting to be impacted on by the pandemic. As one tenant said:

At the beginning of the pandemic in March, my agent contacted me to ask if I would be OK with the rent going up, and I replied saying 'no', and let them know at that point I wasn't working, and probably unlikely to find a job in the near future.

Both landlords and tenants reflected that the negotiations over any financial assistance, and for how long, were a challenging situation, with both often reflecting they would have liked better outcomes. As this tenant reflects:

We haven't missed any payments, but we did need at one stage to talk to our landlord to have a temporary rent reduction... there were a few emails going backwards and forwards, but overall in the end they did agree for a rent reduction, though not as much as we asked for.

There was also some uncertainty from landlords about how much they could ask tenants about their circumstances. For example, if they were still employed or had to demonstrate changes to their finances, as the following quotes from landlords highlight:

We were contemplating asking about it [her work situation] when COVID got out but we decided not to. We suspect there has been no change as nothing has come through the agent and the relationship is such that we would have heard if there were any concerns and there has been no requests for change to rent.

Some landlords were concerned about the legal side of what they could ask about, particularly to prove financial hardship. One landlord reflected:

I didn't know if that was legal to ask.

Tenants for the most part accepted the need to provide additional information to support their requests although found it challenging at times. As one renter said:

...the real estate agent was calling four times a day asking really personal questions.

There was concern from some landlords that while assistance had been put in place from the government to help with preventing evictions and negotiating rental changes, that it gave the tenant all the power. A few landlords were unsure if tenants were taking advantage:

When the news came out from the government came out and put a freeze on evicting tenants and ending leases that had me concerned as I felt the tenants had an awful lot of pull.

...the hardest thing is we don't know if we are being taken for a ride.

Another landlord spoke of engaging in a rent negotiation process only for the tenant to not agree with the reduced rate offered and took the issue straight to VCAT rather than continue the negotiation:

My tenant approached my property manager regarding a rent reduction, we offered about half of the rent which reduces the rent to \$180 per week but with the agreement to repay via payment plan which would be discussed in the future. The tenant did not want to pay the money back and went straight to VCAT without consulting my property manager. The tenant registered the rent reduction agreement with VCAT and that's how we found out when VCAT sent us an email to say the agreement was in place until September. She also applied for the Victorian rental assistance scheme but was rejected because rent reduction is not eligible for the assistance package. We are waiting to hear back. But overall if the tenant doesn't pay back the rental amount, we are out of pocket \$3,000 which we will pay for on our mortgage for this property from our savings accounts.

There was also some confusion about what was reasonable to ask of renters. For example, this tenant spoke about being pushed towards withdrawing super and using that to cover their rent before any reductions would be put in place:

The agent suggested we access our super to pay for rent and I wrote back saying I thought that was illegal...there was a lot of tense emails for a while. A lot of what was coming back to us was a sense of distrust that we were trying to cheat the system so we ended up having to get letters from our employers saying we are not eligible for JobKeeper and saying what we were getting paid.

While there were some examples of landlords talking directly to tenants (i.e. in person or by phone), a lot of the communication between landlords and tenants negotiating rent reductions seems to have been done via email or via the real estate agent. This may have added to the tensions around the situation.

2.3.2 The role of agents

It was clear from the data that real estate agents have played an important role as intermediaries between landlords and tenants during the pandemic. However, their role has not been an easy one in dealing with tensions from both cohorts. Real estate agents are at times conflicted with trying to balance the needs of landlords, as well as working with tenants to find the best outcome based upon their circumstances.

Not all landlords used real estate agents. Some of the reasons why included that it was easy enough for the landlord to do the management, and deal with any tenant related issues themselves. Other landlords who did have agents, reflected that they were thinking of taking on the management of the property themselves, as they did not feel the agents were providing value for money. As one landlord wrote:

I'm considering stopping using a real estate agent to manage our rental. I figure they communicate with me about twice per year about inspections, but I'm paying around \$700 per year for that (around 4% of rent I think)—when I could easily manage the property myself given it's around the corner, I know the tenants, and the property's not even 10 years old so not much maintenance required. It would be an easy way to improve my income from the rental without increasing rent for my tenants.

Another landlord highlighted the conflicted nature of real estate agents saying:

Nine months ago, the agent said to me the lease is coming up, do you want offer another lease, and we think you could justify increasing the rent by \$10 a week, and I said OK fine, let's do that. And the tenants decided to leave. I don't know how much the suggested rent increase had to do with that. They didn't try to negotiate or anything, but they opted to leave and we put it on the rental market, and didn't get much interest, and then we ended up pulling the rent back to what it was before, and then we got a tenant... I think it is good for agents when they have turnover, as then they get some extra income.

For landlords who did have an agent it was about having someone deal with the day-to-day elements of the property and to be one step removed from the tenants. In some cases where they were a significant geographic distance from the property, they needed someone closer to manage the property. This meant that the agent had a crucial communication role during the pandemic as various negotiations and changes to rental agreements were evolving. As one landlord said:

We always go through the agent, I like the idea of having a relationship with the tenant but it's not something that is really facilitated. We have a good relationship with the agent, as does the tenant and all communication is via the agent.

Several landlords noted that there had been increased communication and a generally good response from the real estate agent, who was keeping them up to date about changes from the government, as well as their tenants:

Every time something would change with the government, they would email us, and tell them what the situation was, and to follow up with them before doing anything to lead us down the right path.

Another landlord noted:

It is managed by real estate agents and I'm very pleased that [the real estate agent] sent out very considerate letters to tenants just saying they understood that everyone might be in a difficult position and not to be reluctant coming in [to talk about their financial situation]. I expected a phone call but everyone just kept paying.

Some landlords noted that they deferred to the advice of the real estate agents in some circumstances:

They were a bit hesitant to change rents, as it may void some landlord insurance if you change the amount, it could muddy the waters of what you were entitled to... they were really good at providing the information we needed to know.

While much of the discussion in the diaries was around the management of tenants who had financial challenges, a number of landlords spoke about other issues which had presented in recent months, such as a frustration in the length of time agents were taking to get maintenance issues addressed. As one landlord wrote:

Have received no follow up on a maintenance issue from our agent. The issue was a minor repair to our deck at our investment property. The issue has been open for three months. Our assumption the hold up is due to COVID-19 and availability of tradespeople.

Later in the analysis period the same participant wrote an update on this issue saying:

I followed up with our agent about the deck work required at our investment property. Our agent stated they had contacted the tradesperson earlier that day (by coincidence!) and had not heard back as yet. As of now, the work still has not been completed, and I mentioned to the agent that I was concerned it would leave our tenant feeling as though the issue had not been addressed. Our agent has since followed up with the tenant to check in on whether the tradesperson has been in touch.

Some tenants found that even though they had a good relationship with the landlord (or real estate agent) it still meant a strained relationship during these times:

We've been renting in this property here coming up on two years and we have a pretty good relationship with our real estate agent...we've always had quite a friendly relationship with them... We haven't yet confirmed with the landlord whether a rent reduction this month will be possible but when I spoke to our real estate agent over the phone she said she couldn't bear to ask us to pay any more so to just pay what we could afford—I'm grateful that she's very empathetic to our situation, I believe it's because she too is a mother with young children as we sometimes discuss this. We're calculating what we can afford as 30 per cent of our total household income.

While the landlords had mostly positive things to say about the real estate agents, it was more of a mixed response from tenants about the role of real estate agents currently. Several tenants noted real estate agents 'had been pretty responsive' during this time and playing a critical role in helping to find solutions when situations were rapidly changing. For example, this tenant reflected on the help provided by their real estate agent, when they had to break their lease early, writing:

We also got some good news—our rental we were in until May 29 and had broken the lease on had new tenants successfully apply to take it (the lease) over early. They move in on July 6, which will mean a clean end to the contract we had with the landlords. We never really got to engage with the Landlords, however the agent has been fantastic in supporting getting the house re-leased. They did drop the cost of the lease however for the next tenants, probably as a sign of the times, by about \$25 dollars.

However, others had found communication and help 'piss poor', but that this had been the case even before the pandemic. One tenant had been having issues with having basic maintenance issues attended to. With extra time being spent at home, it was compounding the issue, and affecting the liveability of the house:

The agent and the landlord have promised to fix the dishwasher and other issues, but I still haven't heard from them and do not expect to either... I hate this place now, I hate this house, a lot of electrics plus don't work, the dishwasher doesn't work, the hot water is so so limited, and very hard to control...

It gets to the point where you just can't be bothered contacting the real estate agent, because they just fob you off.

Some tenants spoke about their caution on how much they pushed issues, such as maintenance requests, at this time. This was because they did not want to be seen as causing issues, especially if they had to ask them for help later in reducing rent, or finding alternative payment options. One tenant explained:

We decided not to complain about it further, as they [landlord] might say we were not a good renter, so we decided not to take it any further.

Another tenant spoke of how they now deal directly with the landlord, which has improved the communication situation:

I still believe that the complications with the past landlord, were because of the real estate agents. Now I am contacting directly to the landlord. The communication is direct, flawless and concise, there is no miscommunication in the middle.

2.3.3 Negotiating moving, defects, and inspections during the pandemic

In a few cases, tenants spoke about challenges with moving during the pandemic and felt the pandemic had made it more difficult, both in relation to being able to physically inspect new rentals, but also with a lack of flexibility for their existing landlords to consider early termination of rental agreements in some situations. For example, one tenant recounted their experience saying:

They wouldn't let us move out of here earlier [than 28 days], even with the issues with the neighbours smoking. We had medical certificates for my partner, as she has had issues breathing, because of all the smoke... but nothing... The tenancy laws are just horrendous, to still have to give 28 days' notice in a market that is so competitive. So either you pay a high price to secure the one you want, or you pay two rents at the same time, or you just take a leap of faith, but you easily end up homeless that way, because landlords are very picky even during this time. Usually in this street there are one or two properties for rent, but there are about 20 at the moment, and yet they are still being picky. I know there has been a change, and in certain situations you can give 14 days' notice, but we didn't meet any of those requirements. All while aware that we can't do anything that might annoy the landlord here, as we need a reference from them to secure future rentals.

Property defects in lockdown case example

8 October 2019

Hi Agent,

I have also sent a number of emails to [Landlord] about the windows in my apartment. They don't close and rattle very loudly, specifically the bedroom and lounge windows. These are the only ones that actually open, but you cannot really close them. Them not closing means rain water and a lot of dust gets inside, meaning it's difficult to keep the place clean. Is there anything that can be done about this? Also the bathroom and kitchen windows don't open at all.

Thanks,
Tenant

8 October 2019

Hi Tenant,

We had our handyman come and look at these windows and he basically said nothing can be done (except for replacing them). I have asked the OC if this is on the cards.

Kind regards,
Agent

4 April 2020

Hi All,

Again I am asking about replacing my windows. They don't close never have, they rattle, water leaks in and it's hard to keep the place clean. Can they be replaced please?

Thanks,
Tenant

5 April 2020

Hi All,

Can you at least get a workman to come and stop the rattling. I can't sleep and nor can I work from home effectively.

Thanks,
Tenant

The email chain between the agent and tenant is presented in the case example above. During the lockdown period, the issue of rattling windows were creating an additional strain on the tenant, than they normally would, and hence the tenant revisited the issue almost six months after first raising concerns. The tenant explained that due to the issue with noisy windows they were also unable to productively work from home:

The windows make a lot of noise if it's raining or windy, and I have repeatedly emailed the landlord and real estate agent and haven't got anywhere...they have had someone come and look at it, and they have said they need to replace the windows as they are that old, but the owners haven't and I don't think they are going to fork out the cash. I think why it has become a real issue is because I have now been working from home, and sometimes I have to wear earplugs, and on top of that, headphones, to block out the noise from the windows.

Figure 18: Property defects were raised by tenants as being more problematic to live with during COVID-19 pandemic, as more time was being spent at home. In this case, the defects contributed by allowing smoke from neighbours to enter a small studio apartment.



Source: Research participant photos.

Another tenant reported that being at home all the time had resulted in health issues from the defects in their apartment. They spoke of how smoke from a neighbour who was smoking inside drifted through into their apartment. They reported the issue to the real estate agent but was told there was nothing that could be done, so the tenant ended up having to move out which created its own challenges around breaking the lease early.

Some tenants said that they felt uncertain about asking for maintenance to be addressed while at the same time negotiating rent reductions:

We've had to raise some maintenance issues as we've had a leak and were worried about doing this while negotiating a reduced rent but the landlord approved our gutters to be cleaned immediately and some roof tiles replaced—apparently this caused some arguments between our real estate agent and landlord but this didn't affect us and it was dealt with within 48 hours.

However, this was not evident in all cases with some tenants revealing that there had been no issues with some of the maintenance requests they had made. One tenant saying:

Some of the windows wouldn't close all the way, we asked someone to come and fix that and they sent someone right away to fix that.

There was also some discussion by both landlords and tenants as to the issues around inspections not only of vacant (or soon to be vacant) properties, but also if and how regular inspections could occur. Landlords seemed confused by what the legal requirement was at the time and also how any 'skipped' inspections may impact on matters, such as insurance, later on. Some landlords reported they had asked tenants to film a walk through, but acknowledged this had challenges with tenants unlikely to show any issues they may have caused.

One of the big things I want them to put in writing is that they have tested the smoke alarms, because I do that every 3 months

The situation with the pandemic and people having to spend a significant amount of time at home has revealed some further issues for rental properties in relation to quality or defects. While many of these issues were known before the pandemic, they have become more of a pressing issue for some tenants during this period. As touched on earlier, there have been several tenants who are not satisfied with the response to these quality or defect issues, and this was impacting on not only the useability of their dwellings, but also the relationships with the real estate agent or landlord. Tenants were particularly frustrated that they were being told that 'COVID' was the reason for many of the delays. This goes back to earlier points around clarity and timeliness of communication. For example, one tenant said:

There have been a lot of problems, that we have been addressing since day one, that the landlords haven't dealt with or fixed... Five power outlets do not work. All electronics through extension cables through the house, safety issues... We have heard from them [the agent] that 'due to the COVID-19 pandemic, we are unable to get our tradesmen out there, and they are only responding to emergencies... OK whatever... they are not emergencies, but they still need to be addressed.

It is clear from the diaries that there were a range of different approaches for landlords and tenants to raise and negotiate issues around rent due to changing financial circumstances from COVID-19. There was no common approach to how this was addressed and there were a range of outcomes which were largely influenced by the landlord's broader financial position and ability to absorb any loss of rental income. There was significant uncertainty throughout these negotiations and what will happen into the future, as current agreements needed to be re-negotiated.

2.4 Impact and effectiveness of government interventions

- Tenants largely believed the government support interventions had been effective, while landlords thought they provided tenants with too much power.
- The financial government support through JobKeeper and JobSeeker was found to be essential for many tenants as a means of making ends meet.
- There were also landlords in particular that benefitted from JobKeeper, who were not in need of the extra financial contribution.
- There was confusion, stress and uncertainty about what would happen at the end of the government support period.

In reflecting on the overall impacts of government interventions, it is perhaps important to start by noting a general theme—across both landlords and tenants—of acceptance that governments were doing the best they could with the information and resources available at the time, for example:

I think with government stimulus they have done the best they can given the high cost to deliver that and I think they have delivered it pretty seriously.

I think the government has done a fantastic job really to be honest.

I am on JobSeeker... That has been good, it is quite a lot of money they gave. I'm originally from France, and government help in France, doesn't allow you to survive. Here it was quite generous I thought.

This study revealed a diversity of government interventions (such as eviction and rent increase moratoriums) accessed by both landlords and tenants. The following qualitative responses provide significant insight into landlord and tenant views on the effectiveness of interventions.

2.4.1 Tenant views

Overall, tenants suggested that the government support provided in response to COVID-19 had been largely effective and had helped to deal with the unexpected loss of work or reduced work hours. This not only addressed financial strains which were emerging, but helped to reduce stress and issues relating to mental wellbeing. In doing so the tenants reflected that this support had been critical for getting them through a difficult period and to give them time to work out what was to come next. JobSeeker and JobKeeper were the main assistance packages discussed. Tenants overwhelmingly felt that the payments from these programs had been a significant beneficial for them to 'get by'. Some tenants spoke about these support packages being enough to cover their critical living costs, such as rent. It was clear that without this support, many tenants would be in a significantly worse position, including potentially homeless.

Tenants tended to highlight the ability provided by government support to pay bills, cover the cost of rent, and remain in their home. For example

Without the JobSeeker payment I would not be able to meet my rent and would have to move out.

It has helped because two of my children lost their jobs in hospitality. I now have three phone plans to pay and my electricity and food costs have increased due to them being home for 14 weeks.

It has helped in maintaining a place to live and an income with JobSeeker being increased. However, there was a large period of uncertainty due to a lack of planning and information.

I received JobKeeper which was very helpful.'

It [JobSeeker] has been effective in keeping me afloat. If I didn't get it, I would be pretty much appealing to my landlord, saying 'look we can't pay rent or very little of it', and trying to cut back on everything that we could.

Some participants experienced increased living costs associated with lockdown, noting that government help had been important for covering those costs.

Tenants with uncertain employment, who had not yet accessed this government support, found comfort in knowing it was there, which helped reduce their stress levels. For example, one tenant, who was uncertain how long their job was secure for, explained:

My boss has been pretty transparent and has given me worst case scenarios, so that [having access to JobKeeper] has eased some of the pressures...we are not living day-to-day, we do have some reserves, some money, so we could survive if I was to lose my job. Not ideal, but that helps with not being that stressed.

Some tenants were pleasantly surprised they were eligible for the support, such as the account below, where a mother on unpaid maternity leave was still eligible. The additional funds used on purchases for their home, rather than helping to 'get by':

Even though my wife has been on unpaid leave she was still eligible to receive the JobKeeper payment which her organisation was eligible to receive. This has really been an amazing thing for us and taken a lot of the stress out of our financial situation. So, from a government support point of view we have welcomed it and think it has been great but totally understand that there are others out there that have been missed.

In addition to concerns about some people missing out, there were concerns about what was to happen when the support was scheduled to end:

I am receiving the JobKeeper payment... that has been extremely helpful, yes, 10 out of 10... now that I have that, it has eased a bit of the pressure...There is stress about the uncertainty about what is going to happen in September when we have this expiry on the government support package.

I hope this [JobKeeper] continues, if not I have to rely on JobSeeker, and if it is the same amount they are giving at the moment I will be OK but if it reduces I will have concerns about Centrelink covering my expenses.

While most tenants were grateful for any financial support they could receive, there were a few who felt it should be adjusted to reflect local costs of living in different parts of Australia. As one tenant said:

One thing I disagree with, with JobSeeker, is that it is not adjusted according to where you live, so someone in the Northern Territory or somewhere very rural, with a minimal rent, is receiving the same amount I would, and I'm in one of the most expensive suburbs in Australia. So, all the money I get just goes straight to the landlord.

In addition, there were some concerns that there were people accessing the various support who really did not need the help. One tenant recounted a situation of a friend of theirs:

I was talking to a friend of mine who is very successful in her career, very high earning as well. I would estimate that she earns around \$200k plus in her line of work. She had taken a voluntary career break, to think about a change of career. So, she is not really unemployed from the pandemic she is actually choosing to use this time; and she mentioned to me that she was on JobSeeker, which surprised me. I know that they have lifted the asset test, so they don't check at all how many assets you have, and I know that she has a number of properties, and she is not financially insecure. It just made me wonder how many other people in a similar situation are claiming, just because they can.

2.4.2 Landlord views

The perception of the effectiveness of government interventions varied much more for landlords. Overall, for many landlords, the provision of government assistance was regarded as an indirect benefit, accessed via the direct provision of assistance to tenants, who were then able to pay rent.

The qualitative responses among landlords often described dissatisfaction with government support interventions, ineligibility, or that assistance was too limited to be helpful. For example:

As a self-funded retiree, I am not eligible for ANY of the government hand-outs during the COVID-19 pandemic. My tenants are given assistance, my agents are given assistance (free childcare, work from home, supported income)...but I'm not given ANYTHING. I receive less income because the tenants leave and there are no tenants who want to rent, or the rent has to be reduced below the mortgage being charged.

Not sufficient. One property was vacant just as COVID hit and has remained vacant. Although land tax may be reduced, that amount is trifling, and no other rates, taxes or services have been adjusted.

The land tax relief applies to almost no-one. If I defer mortgage payments, it just takes me longer to pay off my property. I feel a sense of inequity.

Not benefited from any government support.

A number of landlords were also concerned that many of the government interventions were poorly targeted:

The government is handing out money left, right and centre to people who floundering before COVID-19 was around—some of the businesses being supported were heading for closure long before the government handouts, and will close when the handouts stop.

I think the government went too hard too soon in relief payouts and unfortunately there will be a backlash with already sketchy tenants and the government has already now given them ammunition to fight paying rent.

Government could be allocating funds in a more meaningful and efficient way.

I think the government went a bit too hard and too fast, with the rental stuff as well, now some of the tenants have got that entitlement of thinking they don't have to pay rent. So landlords the that are dependent on the income, they are getting are used by what the government has done, as the some tenants don't think they have to pay at all... it is giving the tenants an excuse, someone is always going to take advantage of it.

The lack of clarity around the rental support was a significant concern for landlords. In particular, how tenants would be able to pay back any deferred rent, given they were not likely to have improved financial situations any time soon. A number of landlords, including some who still had mortgages on their investment properties, recognised this as an issue, and so had offered rent reduction rather than deferral (and therefore did not expect to recouple costs in the future). As one landlord reflected:

The government's policy is not very fair because it basically says your landlord can't force you to pay more than 50 per cent...but they do actually expect you to pay it at the end of it and at the end of this everyone is going to be in a lot worse position and hardly wanting to go back to work...I thought if I can get 50 per cent of the rent now, I am not even going to say to pay the rest at the end of it. But I am in a financial position where I can say that, but a lot of other people wouldn't be in that situation.

The same landlord continued saying:

The government put this in the too hard basket...Maybe it's because they have provided JobSeeker and JobKeeper and they probably think that covers everyone, but the point is there is whole swathes of people who haven't fallen into one of those so aren't getting sufficient support.

There were also concerns about how the money was going to be recovered in the longer term, recognising that the money the government was spending was all borrowed:

All the money the government has given out is tax payer money so the next step is how are they going to get that back?

And another reflecting:

My concerns about that [JobKeeper], is that if it is just delaying the inevitable, and at the end of the day, we are all going to have to pay for this... I don't know what the future holds.

Overall, there was a general view among landlords that government action had not adequately considered them and gave tenants too much power.

2.5 Priorities for government action and intervention

In the rapidly evolving housing situation during the COVID-19 pandemic, the insights provided by this research suggest that going forward, policy responses that provide certainty and structure will benefit both tenants and landlords. The announcement of lockdown measures almost instantaneously created a situation of precariousness. Business shutdowns caused job losses and reductions in employment hours, affecting the incomes of many renters, but also many landlords. In an environment of great uncertainty, it quickly became clear to governments that a substantial portion of the rental sector faced being unable to meet their rent payments. Tensions between landlords and tenants were amplified by uncertainty about what government support was, and would be, available.

The quite fractured structure of our rental system, with individual rental contracts, state-based protections, and a significant proportion of 'Mum and Dad' landlords provide a substantial challenge to the speed and effectiveness of government responses. Our research suggests that policy interventions that create common frameworks, provide universal guidance, and increase peoples' (both landlords and tenants) ability to plan in the medium term are needed.

- **Wellbeing:** The results suggested that tenant well-being was more greatly effected than landlord well-being. This was evident from the research diaries, and was supported by the survey findings, which found that the tenants' perceived stress levels were statistically significantly higher than landlords. This suggests that, at least in the short term, well-being interventions to help tenants should be prioritised. Our research revealed that many of the negative economic and wellbeing outcomes have been driven by the precariousness, uncertainty in negotiations, and the lack of a 'roadmap' for action.
- **Landlord-tenant negotiations:** Half of tenants undertaking the research diary had discussed their rent payment situation with landlords. These negotiations resulted in mixed outcomes and showed a lack of consistent protocols and high levels of uncertainty around what happens once initial (or continued) support ends. Policy development must look to ensure that tenant, landlords and property agents all understand their rights and responsibilities during this time and more clearly define the processes which should be followed, or what the options are for seeking further assistance.
- **Government support:** Overwhelmingly, landlords thought government action had not adequately considered them and gave tenants too much power. Although JobKeeper and JobSeeker were regarded by tenants as effective support, few had received any housing-focussed government support. Policy development must include more details about the process of demonstrating financial hardship and seek to formally include mortgage relief strategies as part of the broader housing and wage relief packages for a more holistic package of support.

3. Policy development options

As the pandemic progresses, this research suggests a series of promising policy opportunities for improving outcomes for landlords, tenants and property agents, including:

- **A protective framework to structure rent negotiations** between tenants and landlords that enables tenants to request reductions, without fear of poor references for future properties or refusal to fix defects. Tenants that were concerned about rental payments but did not contact their landlord and/or agent about a rent reduction explained they had apprehensions about future references and defects, that were having larger implications for wellbeing, with more time being spent at home.
- **A landlord hardship fund**, or access to a package of assistance for landlords unable to meet mortgage payments during the pandemic. While the vast majority of landlords were able to meet mortgage payments, there were landlords that were significantly affected financially. For example, those landlords that lived with their tenant and experienced financial challenges had less opportunities to rectify this. In these cases, it could be worth considering a landlord hardship fund, that would align with the tenant hardship fund.
- **Centralised guidance** defining the evidence required for tenants to demonstrate financial hardship, and ideally, the assessment of financial hardship should not be undertaken by individual landlords. The results demonstrated that landlords were unclear and unsure what evidence they could legally and morally ask for, and guidance on this would help provide clarity on acceptable practice.
- **Clear government guidance** provided to real estate agents on acceptable and unacceptable practice in resolving landlord-tenant negotiations. For example, on how to react to tenants wishing to directly speak with their landlord; what tenant information should be passed on to the landlord; and what financial solutions are reasonable and equitable given the circumstances.
- **Improved information and guidance in defining the end of support**, such as protocols for rent deferral repayment plans. If on a repayment plan, landlords demonstrated concerns that they would never be able to recoup the loss in rental payments, and in the long term, may not be able to evict tenants that do not make payments.
- **Policy flexibility on moving**, that reduces risk of homelessness and financial stress for tenants. For a variety of reasons, several tenants moved during the pandemic. The rental market had drastically changed where many rental properties were empty, meaning landlords wanted tenants to move in immediately (rather than in 28 days). While there was choice for tenants, securing a rental property was not a guarantee, with landlords still being selective. Hence, tenants were more likely to be successful in applications if they could move immediately, which meant either paying double rent for a month, or waiting until there were only a few days on their current lease.

3.1 What are the key questions the research answers?

The following sections provide a concise answer to each of the research questions outlined at the beginning of the report:

What are the lived experiences and social relationships of landlords and tenants during the COVID-19 pandemic?

Many concerned tenants in our study requested changes to their rental payments. While some landlords were quick to reduce rent, others were unable, or unwilling, to offer the same support, leaving many tenants in a precarious financial, or living, situation. Tensions between landlords and tenants were amplified by uncertainty about what government support was, and would be, available. The findings of this study included:

- **Economic and mental wellbeing:** The lived experience of tenants in the research diaries revealed that they were at higher risk in terms of economic and mental wellbeing. Statistically, the survey found that tenant perceived stress levels were significantly higher than landlords.
- **Landlord–tenant negotiations:** These rental negotiations resulted in mixed outcomes and highlighted a lack of consistent protocols. There were also high levels of uncertainty around what happens once initial (or continued) support ends.

What has been the experience of tenants and landlords of the various packages of housing interventions developed in response to the pandemic—from their lived experience, what has worked, what has not, and why?

The government support in the form of JobKeeper and JobSeeker was largely well received by both landlords and tenants. Overwhelmingly, landlords thought government action had not adequately considered them and gave tenants too much power. Many landlords, for example believed that their tenants had claimed financial hardship without adequate proof. Although JobKeeper and JobSeeker were regarded by tenants as effective support, few discussed any housing-focused government support.

What are the priorities for government action and intervention?

This research suggests a series of promising policy opportunities for improving outcomes for both landlords and tenants, including:

- A **protective framework to structure rent negotiations** between tenants and landlords.
- A **landlord hardship fund**, landlords unable to meet mortgage payments during the pandemic.
- **Centralised guidance** defining the evidence required for tenants to demonstrate financial hardship, and ideally, the assessment of financial hardship should not be undertaken by individual landlords.
- **Clear government guidance** provided to real estate agents on acceptable and unacceptable practice in resolving landlord–tenant negotiations.
- **Improved information and guidance in defining the end of support**, such as protocols for rent deferral repayment plans.
- **Policy flexibility on moving**, that reduces risk of homelessness and financial stress for tenants.

3.2 Final remarks

This study finds that the landlord–tenant relationship has been placed under significant tension during the COVID-19 pandemic. It suggests a need to improve the rent and hardship negotiation processes, and support the landlord–tenant relationship through a more structured negotiation framework. By focusing on improving the success of negotiations in the landlord–tenant relationship, both economic and mental wellbeing could be significantly improved. Such support could consider all aspects of the negotiation process, from how negotiations should be initiated, to assisting agents, tenants and landlords by outlining acceptable and unacceptable practices during negotiations, as well as providing further information on future uncertainties.

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