

Could Apartments Like These, Built For Renters, Help Relieve Canberra's Housing Shortage?

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Felicity Wilkins and her son have lived in four homes over the past two years as they struggled to settle in Australia's most expensive rental market, Canberra.

In one case, the single working mother received an eviction notice just three weeks after moving in: the global COVID-19 outbreak had forced her new landlords to return home early.

"It's been brutal ... an awful period," Ms Wilkins said of the ACT's fierce competition for housing during the pandemic.

"We had to go back out on to the market where there were no rentals available."

Ms Wilkins took out a small loan to help her move during last year's lockdown, but was then forced to "crowd-fund" her next, rushed move.

"I would love nothing more than the security of having a home, but [buying] is completely out of reach," she said.

Pandemic prices 'terrible' for poorer tenants

Canberra has had the highest rental prices of all capital cities for almost a year.

Its median rent, including houses and units, is \$633 a week, according to data firm CoreLogic's latest report.

That is significantly higher than Sydney's (\$595) and far above the typical rent in an Australian city (\$500).

National Shelter, a housing lobby group, said the ACT market was particularly horrific for poorer renters, as they must compete with much higher-paid Canberrans.

The group's executive officer, Adrian Pisarski, said the city's relatively high incomes masked "a terrible situation for low-income households, by pushing average affordability higher while it remained shockingly unaffordable for people on low incomes".

Single-owner model 'won't leave tenants stranded'



The Borough, a planned renters' precinct, will include five buildings and 700 dwellings. (Supplied: Capital Estate Developments)

A solution — for a small number of tenants, at least — is on the horizon.

Unveiled in the territory this week was the latest "build-to-rent" project: housing complexes dedicated to renters.

This one, to be called the Borough, involves 700 dwellings to be built in three stages in Denman Prospect, a suburb in Canberra's fast-growing Molonglo Valley.

Capital Estate Developers — owned by the Canberra Airport Group — is behind the project, which managing director Stephen Byron said would help relieve the ACT's rental crisis.

He said the key difference between the Borough and other housing complexes was that a single business would own and manage it.

"This is important: we're not developing this as a short-term development to then go and leave the tenants on their own," Mr Byron said.

"The success of this precinct will be keeping it under common ownership and management, so that we have the precinct well-looked after."



The developer says 20 per cent of the homes will be "affordable" properties. (*Supplied: Capital Estate Developments*)

Mr Byron said residents would be able to lock in long-term leases that suited them, even up to five years.

"We think the success of the model will be that people want to stay in the precinct, because they value what it has to offer as a whole."

The company is promoting the precinct's sustainable design, which will include greywater reuse, solar power, electric-vehicle charging stations and even drone landing zones.

About one-fifth of the apartments will be designated as "affordable", with rents 20 per cent below market value.

However, there is one huge problem for tenants trapped in Canberra's housing shortfall: a wait of at least two years. The first Borough homes won't be finished until early 2024.

Fears new housing will target wealthiest renters



Rental advocate Joel Dignam says many tenants tell him they are forced to move regularly. (ABC News: Nick Haggarty)

All of the ACT's build-to-rent projects are just plans at the moment: no one has yet been housed.

The government says that, apart from the Borough, other developments will be built in the suburbs of Turner and Lawson, and more may be announced in future.

Rental advocate Joel Dignam, the executive director of Better Renting, offered cautious praise for the concept.

He said tenants needed the security of knowing they would not be forced to move regularly.

Any development that spared renters from "worrying about getting that letter in the mail" was good news, he said.

"What we want to see in Canberra is more places for tenants to actually live in in the first place," Mr Dignam said.

"And the option for people to stay in that home for longer is also good.

"But we wouldn't want to think it's the only solution."

Nonetheless, he was concerned that most of the dwellings in the Borough and similar developments would target higher-income Canberrans, rather than the tenants who most needed security.

"A lot of people can't look forward to homeownership anymore," he said.

"We need to take those benefits of ownership — like that security, the ability to stay in one location — and try to make them a part of the rental experience."