

Is it possible to be content renting long-term? This is what Australia can learn from housing around the world

ABC NEWS, DECEMBER 21, 2021



Gloria Biberger and her partner plan to continue renting in Berlin for the next decade, as home ownership wouldn't allow them the flexibility to travel. *(Supplied)*

Gloria Biberger has been renting the same apartment in Berlin's lively Kreuzberg neighbourhood for 11 years.

And despite being a tenant, she says, "it feels like my home".

"I know that I could stay here forever," the 37-year-old said.

Typically, tenants in Germany have freedom of decoration, with older and cheaper apartments even requiring you to bring your own light fixtures and kitchen sink.

"I want to feel very comfortable in my own home," Ms Biberger said.

"That's why it's important that I can furnish and decorate it myself; I really want to feel like it's my own thing."

While Ms Biberger is happy in her current apartment, where under her open-ended lease she can only be evicted in very restricted circumstances – even if the apartment is sold – she's on the hunt for a bigger place with her partner.

The couple hope to rent their next apartment for at least the next 10 years and have no desire to buy a property in the foreseeable future.



Ms Biberger has been in the same rented apartment for 11 years and says she could have stayed indefinitely. (*Supplied*)

With strong tenant protections and unlimited leases, Ms Biberger is among the many Germans who remain content to rent.

More than 80 per cent of Berlin's 3.7 million residents rent their home.

Across the country, the home ownership rate stands at about 50 per cent, which is one of the lowest in Europe, according to market and consumer data firm Statista.

Despite rents increasing more substantially in recent years, Ms Biberger still feels better off renting than if she owned a home.

"Friends who have moved to the countryside to buy homes are envious when I tell them I'm going to the United States and travelling," she said.

"They say that even living out of the city, they can't afford to have such a flexible lifestyle."



Germany's laws are broadly in favour of the tenant, with long leases and strict eviction requirements allowing renters to stay put long-term. (*Reuters: Annegret Hilse*)

A rethink of rights for Australia's long-term renters

Australia's obsession with home ownership has become a pipe dream for many, with skyrocketing rents making it near impossible for long-term renters to save for a home.

This year, tenants experienced their biggest annual rent increases since 2009, while house prices have been climbing twice as fast.

Housing experts say Australia is falling behind in providing a coordinated policy structure that offers stronger renter protections, long-term stability, and adequate funding for social housing.

"We haven't had a national coordinated housing policy in Australia since 1992," said Swinburne University professor of housing policy Wendy Stone.

Although there's no model that can just be "picked off the shelf of another country", there are a range of approaches that Australia could look to in order to reduce rental stress and improve the housing market overall.

Chris Martin, research fellow at the UNSW City Futures Research Centre, said a starting point was a rethink of renters' rights.

Getting rid of no-grounds terminations is "the simplest thing that governments could do tomorrow", he said.

Australia is one of the few developed countries that allows no grounds evictions.

Victoria, Tasmania and the ACT have recently made changes to eviction laws, but across much of the country booming rental prices have led to an increase in tenants being evicted without cause.



The average price of an 84-square metre apartment in Seoul is roughly \$950,000, according to local experts. *(ABC News: Mitch Denman Woolnough)*

In particular, Mr Martin said states and territories should be looking at rent regulation and rental affordability, issues missing from the recent residential tenancies law reviews.

"We don't have any regulation of rents for affordability across Australia," he said.

"There are examples throughout the world, and even historic examples in Australia, where we have regulated rents before."



More than 130 rental law changes that began this week could have a big impact on Victorians.

In recent months, Ireland, Scotland and Spain announced rent controls and laws that cap annual rent increases.

In 2020, South Korea also introduced a range of stronger tenant protections, including limiting rent increases to 5 per cent, amid a staggering rise in real estate prices.

In US cities such as New York and San Francisco rent control is hardly new.

Mr Martin said some regulations across states and territories prevented landlords from increasing rent more than once in six or 12 months, but said rent could be increased at the market level.

"A tenant can challenge a rent increase if it's excessive to the general market level of rents, but if the general market level of rent is going up 20 per cent in a year, that's the sort of rent increase a landlord can give," he said.

Berlin took a more controversial approach in January 2020, freezing the city's rents at mid-2019 levels for five years.

The law also stipulated that any rents that were in 20 per cent excess of a standardised level would have to be reduced.

But the move was short-lived after the country's conservative political parties challenged the law and a court ruled it was unconstitutional.

Protests broke out in the streets following the decision, and renters across the country continue to stage regular demonstrations voicing anger over rising rents.