

Nowhere to rent in booming market

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Perth's rental market is so red hot that some tenants are paying about \$100 a week more than the advertised price or six months rent in advance to ensure they have somewhere to live.


Real estate agents say paying extra rent has become one of the most common tactics to secure a property in a market where vacancies have fallen to their lowest level in almost eight years.

But as landlords rake it in charities have reported that families too poor to bargain were frequently finding themselves on the street, living in cars or knocking on the doors of already crammed homeless shelters.

Real Estate Institute of WA figures show rental vacancies have more than halved in the past 18 months from 3.3 per cent in June 2004 to 1.6 per cent in December. Typically, the vacancy rate hovers around 3 to 4 per cent with rates of less than 2 per cent considered rock bottom.

The record-low vacancies are driving up rents at spectacular rates. People renting apartments and townhouses have been worst hit, copping an average increase of \$66 since early 2004 to bring the median rent to \$200 a week. The rent for a typical house has increased from \$197 to \$230 a week over two years.

The runaway demand for rental properties comes on the back of increased interstate and overseas

 Have you been forced to pay more than the advertised price for a rental property as a result of the housing boom? Contact us at cos@wanews.com.au or 9482 3276.

migration, much of it as a result of the resources boom.

Real Estate Institute of WA president Greg Rossen said rental property was in such high demand that tenants had to find ways to differentiate themselves, which often meant being prepared to pay more.

A four-bedroom, two-bathroom home in Nedlands recently leased through Mr Rossen's agency highlighted the state of the market. Previously rented for \$550 a week, the property attracted dozens of applications within half an hour of being advertised online with an asking price of \$750. It was rented for \$875.

Mr Rossen said there was a shortage of rentals across the board, not just at the top of the market.

Shelter WA executive officer Karel Eringa said a lack of affordable rentals meant more people were sleeping on the street, in cars or finding temporary shelter with friends.

Salvation Army spokesman Warren Palmer said the charity had about 400 emergency accommodation requests each month that could not be met.

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