

Melbourne's illegal high-rise rooming houses profit from foreign students

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Melbourne's high-rise 'slums': Units shared with up to seven people are freely advertised on online classified websites.

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EXCLUSIVE

Melbourne's high-rise towers have become the new frontier of a thriving illegal rooming house market as "profiteering" operators prey on struggling foreign students.

Fairfax Media has identified 25 apartment buildings in or near the CBD where living rooms are being partitioned and leased as bedrooms.

Advertisement

It is illegal for apartments to be separately rented to more than three people without being a registered rooming house, but units shared with up to seven people are freely advertised on online classified websites such as Gumtree.

In Docklands, six girls are squeezed into a one-bedroom apartment, with four in the bedroom and two in the living room.

They each pay \$140 a week, meaning the landlord is able to earn up to \$43,000 a year, potentially doubling their profit in an area where the median annual rent is just over \$22,000.

In a Russell Place tower, three people are being asked for \$99 per week to share a lounge room.

Many of the listings ask for Asian housemates only due to "living culture".

Interactive: Living rooms for rent in Melbourne. Click icons for price and location.

A number of sellers on Gumtree appear to be managing a network of share rooms, advertising up to 10 different "beds" for rent at any one time.

Fairfax Media contacted one landlord offering a "twin share" room for \$165 a week at 350 William Street, who said six people in total would be sharing the unit (which is not registered as a rooming house).

The same seller had nine property listings under three different male names, but used the same mobile number.



Single beds are available for rent in the living room and small bedroom of an apartment in the Port Authority Building.

Authorities also believe some of Melbourne's illegal rooming houses are organised overseas, including through foreign-language websites, making it harder for the ringleaders to be discovered.

Even the tenants do not always know who they are paying because they are asked to deposit their rent into postal boxes or to hand money to the maintenance person.

Signs have been found on the back of apartment doors by council workers warning housemates not to speak to anyone who comes to the door.





This living room corner in Melbourne was advertised for rent at \$154 a week. There is enough space behind the screens for a single bed. Source: Locanto.

The dangers of overcrowded housing were recently thrust into the spotlight by a large fire at a Docklands apartment tower. The Metropolitan Fire Brigade later found that piles of personal belongings contributed to the fast spread of the November blaze and declared it was lucky no one died.

There were also claims made after the fire that beds were being rented out in the Lacrosse building in "shifts" and that some foreign students and workers were being stood over and ripped off "very badly" by their landlords.

Councils are responsible for taking action against rogue operators in Victoria. But Melbourne City Council argues it is often hamstrung by the limitations in the law.

A council spokeswoman said in some cases authorised officers could not get past the lobby of high-rise towers because the rules that allow council officers to enter a home without a warrant presume the address is not locked.

"For apartments, not only are they individually locked but also the lift may be secured," she said.

Council officers may need to stake out a building for days to collect enough evidence to get a search warrant, the spokeswoman said.

"Operators go to extreme lengths to avoid detection, use word-of-mouth or internet sites to advertise, deny the use is occurring and, in most cases, refuse access when requested with operators," she said.





A double mattress in the living room of a Flinders Street apartment is available to share for \$125 a week.

Source: Gumtree.

There are just nine rooming houses registered in the CBD (and 61 across the municipality).

About 80 suspected illegal rooming houses have been investigated and brought into compliance by Melbourne City Council since 2014.



A bunk bed for rent in a city living room, advertised at \$110 for person per week. Source: Gumtree.
Tenants Union of Victoria chief executive Mark O'Brien said councils should be more proactive in tracking down dodgy operations.

He said people looking for "easy money" were continuing to run illegal boarding houses because they could get away with it.

"The most significant problem that we see is really high rent in relation to the amenity [the tenants] receives," he said. "The potential profiteering is quite significant."



A bed in a living room advertised for \$120. Five people live in this apartment. Source: Gumtree.

International student groups said a lack of affordable housing was leaving young foreigners living in Australia with "no choice" but to pay to live in slum-like housing.

President of the Council of International Students Australia, Thomson Ch'ng, said these conditions were creating "a big reputational risk to Australia as a country, and its education institutions".

Blatant overcrowding is also frustrating other tenants of high-rise buildings, who often have to wait in line to access their lifts and are being "tailgated" by swarms of other residents who do not have their own key.

A state government spokeswoman said "there are laws in place to regulate apartment safety and occupancy levels which allow council officers to inspect apartments without consent if they are believed to be unsafe".

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