Generation Rent
The future of the private rental sector

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What is Generation Rent?
GENERATION RENT

• Tag used in media debates about younger Australian households who are shut out of home ownership
• Particularly those aged 25-34 years
Source: ABS Survey of Income and Housing (CURFs various years)

Note: % of household reference persons in private rental sector by age cohorts
Source: Customised data from the ABS Census of Population and Housing 2016
What are some of the key changes in the private rental sector?
Figure 1: Change in housing tenure of Australian households, 2011–16 and 2006–16

Source: Calculated from ABS Census of Population and Housing 2006; 2011; 2016.
Australian PRS - distinctive features

• More integrated with owner occupied sector
• Debt finance and exposure to finance system change
• Widespread use of agents/property managers
• Relatively weak tenancy laws – security, rent increases, etc.
Major changes in the Australian PRS

More private renters who are middle/higher income; midlife, have children, rent for the longer term.

Other changes:

- Increased debt financing by investor landlords
- Innovation in new products such as niche markets in student housing
- Uptake of digital technology including online property portals and social media
- Increasing role of intermediaries

Collectively, and cumulatively, these indicate changes to the institutions of the PRS.
FRAGMENTATION

- Fractional investment
- Niche markets and specialist providers
- Intermediaries
- Digital access: start ups and consolidation
- (New) models of sharing – informal rental housing sector
- ‘Fuzzy households’; ‘fuzzy tenures’ – discouraged renters
CONSOLIDATION

• Larger rental portfolios
• Large corporate landlords – build/buy and hold
• New integrated business models based on digital technology
• Consolidation of property management
Is the problem inequities between generations?
Some issues for the future

• Technological disruption and equitable access
• A fragmented rental sector – shared and informal housing
• Regulating an integrated sector – data security, privacy
• Housing as a primary experience of inequality between:
  • Inter-generational but also intra-generational (i.e. moderated by household income and parental support)
  • Living conditions – home, security, control
  • Wealth – more unequal than income
Source: ABS Survey of Income and Housing, 2015-2016 (basic CURF)
More information on the AHURI Inquiry


