

No Vacancy: private rental in Australia

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A background image of a cityscape, likely New York City, featuring a bridge over a river and a skyline of skyscrapers. The image is overlaid with a semi-transparent green filter. A white geometric shape is on the left side of the slide.

**The rental market is
NOT
one-dimensional**

SUPPLY – Who are people renting from?

89.7%

of renters rent from
private rental providers
(2016)

71.8%

of private rental
providers only have one
investment property with
a taxable income under
\$80,000. (2018)

67%

of rental properties are
rented through a real
estate agent (2016)

- › According to the ATO, there are about 2.05 million property investors in Australia about 71 per cent only own one investment property.

SUPPLY – Rent relief provisions during the pandemic

Mum and Dad investors absorbed the cost of maintaining a property while managing significantly reduced income themselves.

Mortgages were deferred, rent was reduced and often not paid at all.

72,157
Reduced rent agreements were lodged

Only **7%*** of rent reduction requests were not agreed or referred to VCAT for resolution

SUPPLY – Victoria’s Social Housing Requirements

1700

30,000

20 Years

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Private supply challenges

- › 130+ RTA Legislative changes, most require additional costs for the rental provider
- › 40% of residential property managers left the industry during the pandemic
- › 2021 saw the introduction of higher education requirements for Property Managers from 3 to 18 modules

Desire for property investment is dwindling due to increasing cost of holding

- › In the past 10 years, median house rents only increased by 26%
 - › Rental yield/return is lower in 2021 than 10 years ago.
 - › Median house price in metro Melbourne has almost doubled from 2011 and 2021
 - › New compliance costs introduced and increased holding costs such as land tax and council rates
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A National Housing Conference has 5 minutes dedicated to talking about private rental providers that supply accommodation to almost 90% of renters!!!

