



COMMISSIONER
for RESIDENTIAL
TENANCIES

RENTING IN VICTORIA: Snapshot 2021



CONTENTS

Introduction	3
Part 1: Who is renting?	4
Rental households in Victoria, 2016	4
Composition of Victorian rental households	4
Tenants	5
Part 2: Where are people renting?	6
Rental households by Metro-Regional Local Government Areas	6
Top ten Local Government Areas with highest percentages of rental households	6
Part 3: What type of housing are people renting?	7
Rental households by dwelling structure	7
Victorians living in boarding or rooming houses	7
Part 4: Who are people renting from?	8
New housing finance attributed to Investors	8
Profiles of registered property managers	9
Part 5: What is renting like?	10
Affordable new lettings by region	10
Lower income households and Commonwealth Rent Assistance recipients	10
Renters in crowded dwellings	10
Median rent movement by Local Government Area	11
Bond lodgements, lengths, transfers and repayments	12
Number of active Bonds over last five years	12
Longer term tenancy agreements and Fixed Long term agreements	13
Average length of tenancy in days	13
Accommodation complaints to the Victorian Equal Opportunity and Human Rights Commission	13
Vacancy rate movement	14
Rental households that moved in the last 5 years	15
Part 6: What happened to renters during COVID-19?	16
Headline results from other key research	16
COVID-19 rental measures	16
Residential Tenancies Dispute Resolution Scheme	17
Department of Health and Human Services rental relief grants	18
Part 7: What happens when there is a problem?	19
Enquires and complaints to Consumer Affairs Victoria	19
Infringement notices issued by Consumer Affairs Victoria	19
Enquiries received by Tenants Victoria	20
Tenancy Assistance and Advocacy Program service types	20
Tenancy-related services provided by Victoria Legal Aid	21
Types of applications to the Victorian Civil & Administrative Tribunal	21
Victorian Civil & Administrative Tribunal 'At fault' eviction applications	21
Victorian Civil & Administrative Tribunal 'No fault' eviction applications	22
Acknowledgements	23

INTRODUCTION



COMMISSIONER
for RESIDENTIAL
TENANCIES

I am pleased to present the second in our series of annual snapshots about renting in Victoria.

This one represents eight months of a reasonably ordinary year until February 2020 when we started to see renters moving as the seriousness of the COVID crisis began to be apparent.

The next four months were very unusual and the story of the impact of COVID on renting and on the wider property market continues to develop as I write this introduction in the middle of 2021, well past the twelve month period of this report.

This report makes a start on recording this historic situation for renting in Victoria. Not only did many people move in with family, thousands of others returned from living overseas, people planning to come to Victoria as new migrants or international students did not arrive and others altered their living arrangements to cope with lockdowns.

There were also great fluctuations in the incomes of many households with people on Job Seeker getting a boost, some low paid workers enjoying more certainty with Job Keeper than casual shifts normally allow, and others suffering huge falls in income from closed businesses.

Governments across Australia made unusually strong measures to protect renters from evictions and rent increases and the legal processes for tenancy disputes were altered. Victoria added a dispute resolution scheme to the existing VCAT option and set up rent relief grants for those badly affected by COVID circumstances.

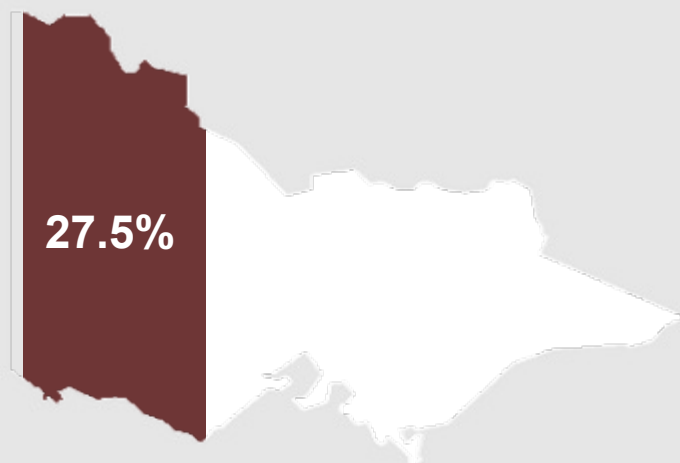
This report is a first instalment of the COVID renting story, with more to come next year. It is also a presentation of the basic statistics about renting in Victoria so that any reader can have them easily available. It repeats the Census data from 2016 while we wait for the results of the 2021 Census as well as offering a lot of updated numbers.

The figures show some trends continuing such as the growth in property owners with two or more properties and the steady growth in the number of rooming houses. The number of longer fixed term tenancy agreements continues to rise.

A handwritten signature in dark ink, appearing to read 'H. Holst', with a stylized flourish at the end.

Heather Holst
Commissioner for Residential Tenancies

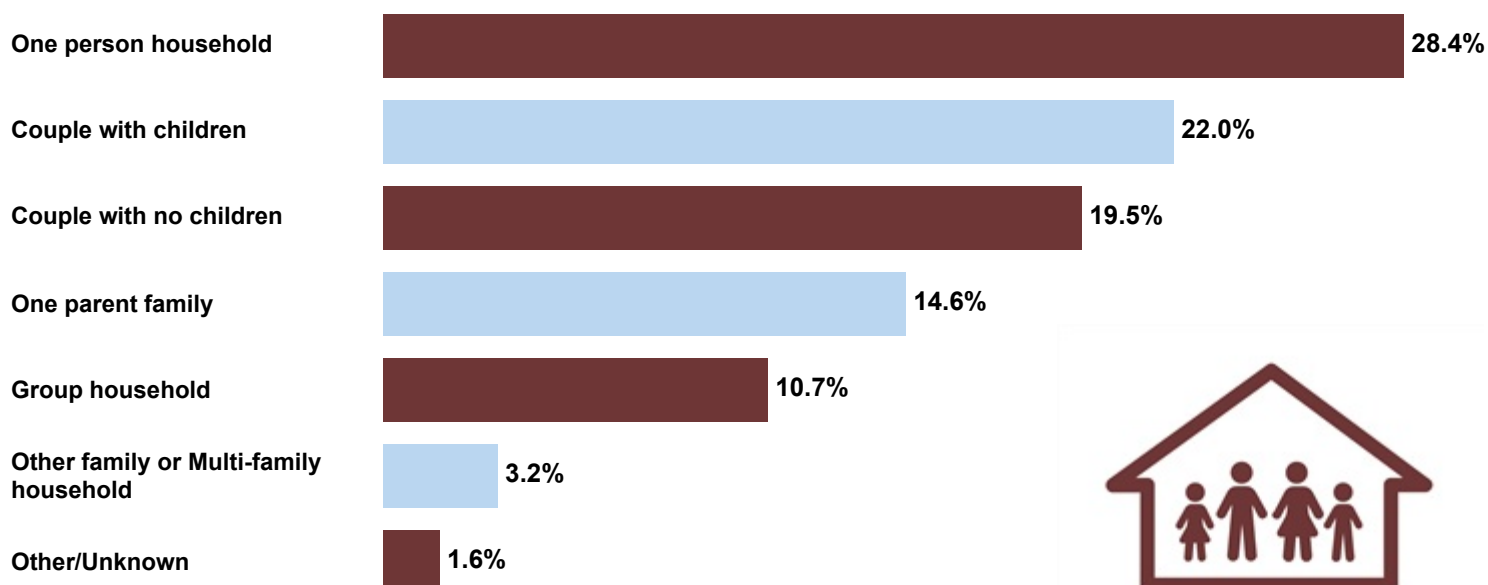
WHO IS RENTING?



616,990 households in Victoria were renting in 2016, that's **27.5%** of all households.

Classification	Persons renting		Rental households	
	Number	Percentage	Number	Percentage
Private rental	1,347,711	89.7%	540,519	87.6%
Community housing	24,843	1.7%	13,476	2.2%
Public housing	130,545	8.7%	62,995	10.2%

Composition of all Victorian rental households, 2016





2.0% of rental households in Victoria included Aboriginal person(s) in 2016



51.7% of all households including an Aboriginal person(s) in Victoria are renting

24.9% of rental households including an Aboriginal person(s) are in public housing

4.4% of people renting in 2016 were profoundly disabled*



* Disabled is defined as people who 'need assistance with core activities'.



33.2% of renters spoke a language other than English at home during 2016

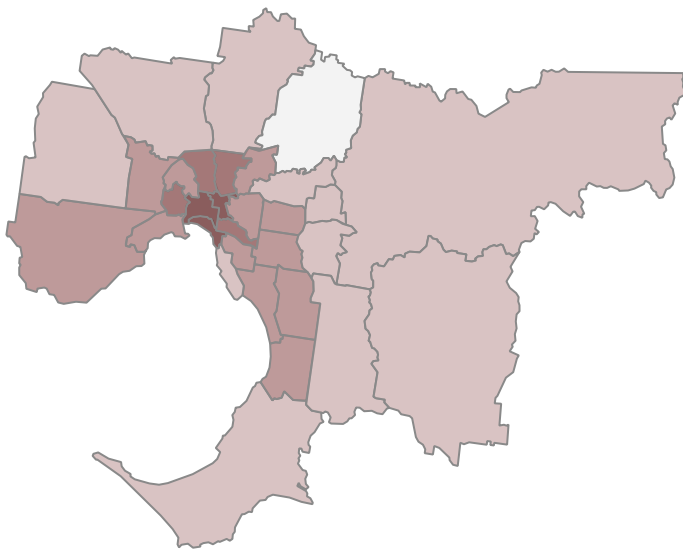
12.4% of Victorians aged 55 years or over were renting in 2016



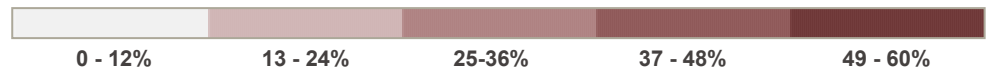
6.6% were female and **5.9%** were male



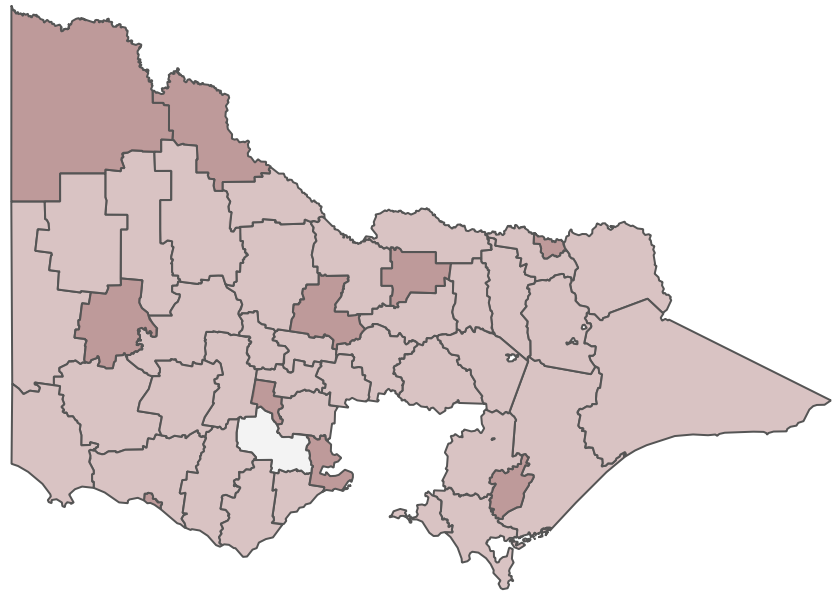
WHERE ARE PEOPLE RENTING?



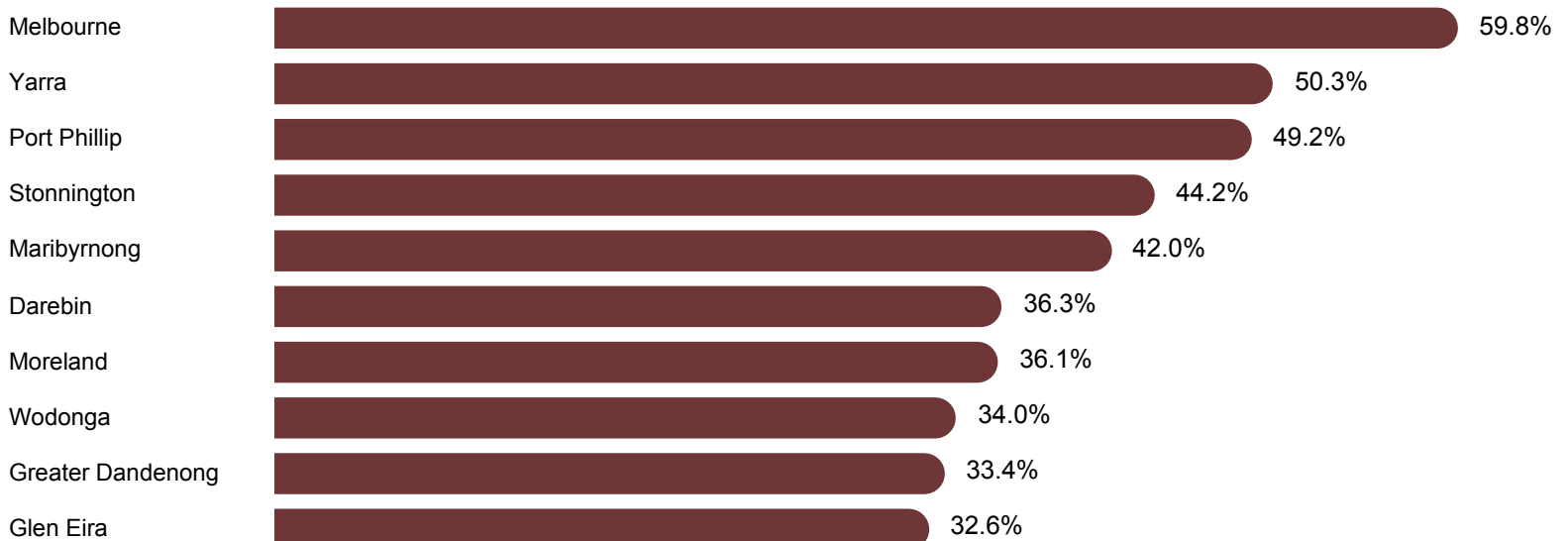
29.0%
of all Metropolitan
Victorian households
are renting



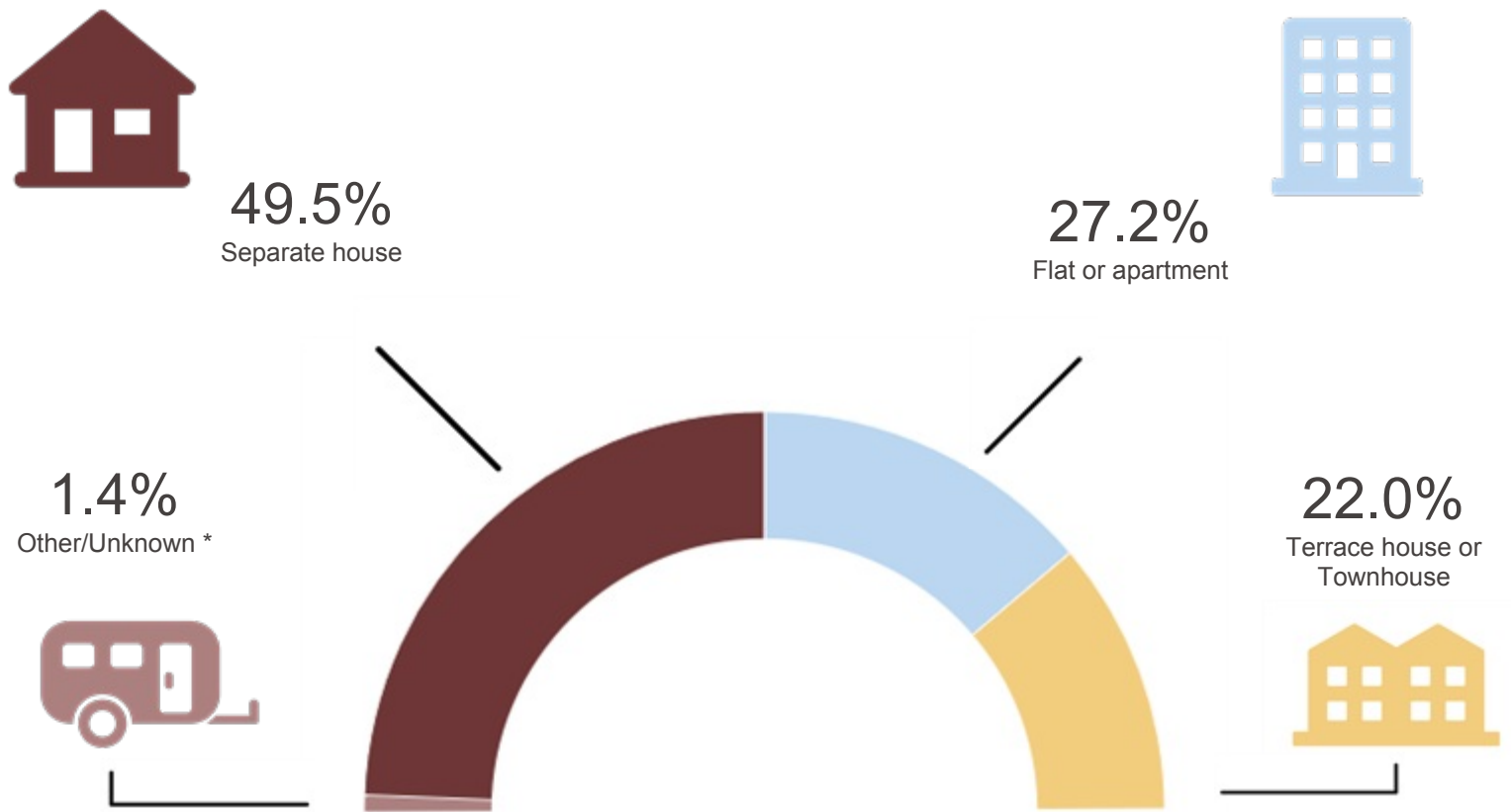
23.5%
of all Regional
Victorian households
are renting



Top ten Local Government Areas where people are renting in Victoria



WHAT TYPE OF HOUSING ARE PEOPLE RENTING



Proportion of dwelling types being rented in Victoria

* Includes Caravan/Houseboat, House/Flat attached to shop, Improvised home, Tent, Sleepers out or Unknown.



4,411
Victorians
were living in
boarding or
rooming houses
in 2016

1,400 rooming
houses were
registered during
2019/20

↑ 4.5%
compared to
2018/19

There were
1,099
rooming house
Operators
registered
in 2019/20



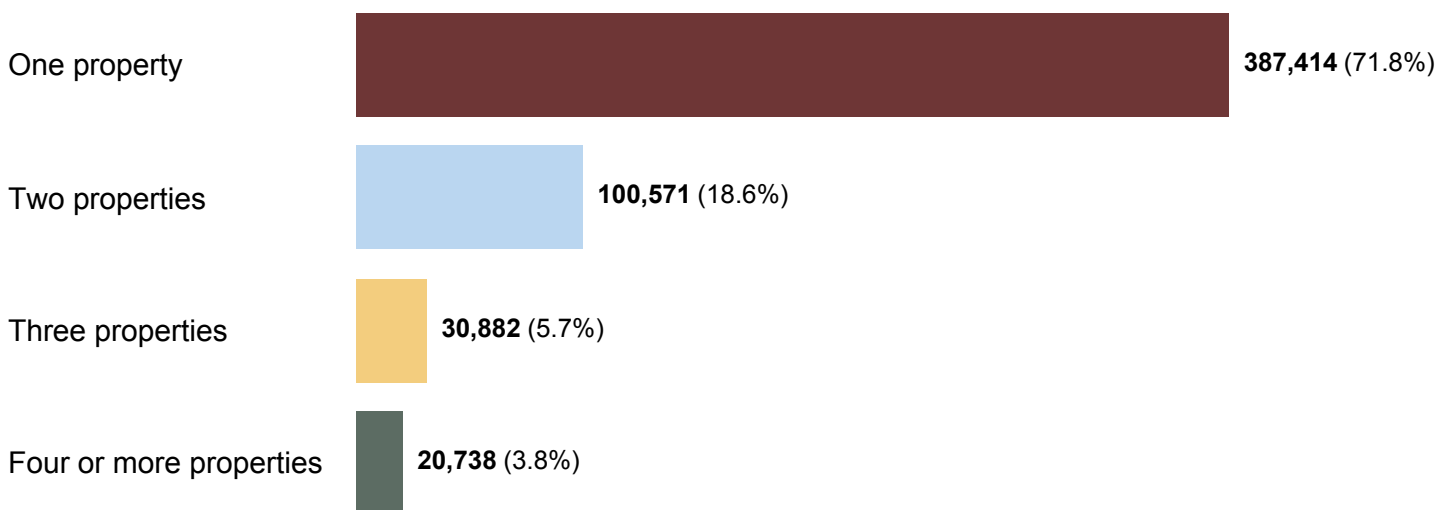
WHO ARE PEOPLE RENTING FROM?

Investors accounted for **24.8%** of all new housing finance in 2020



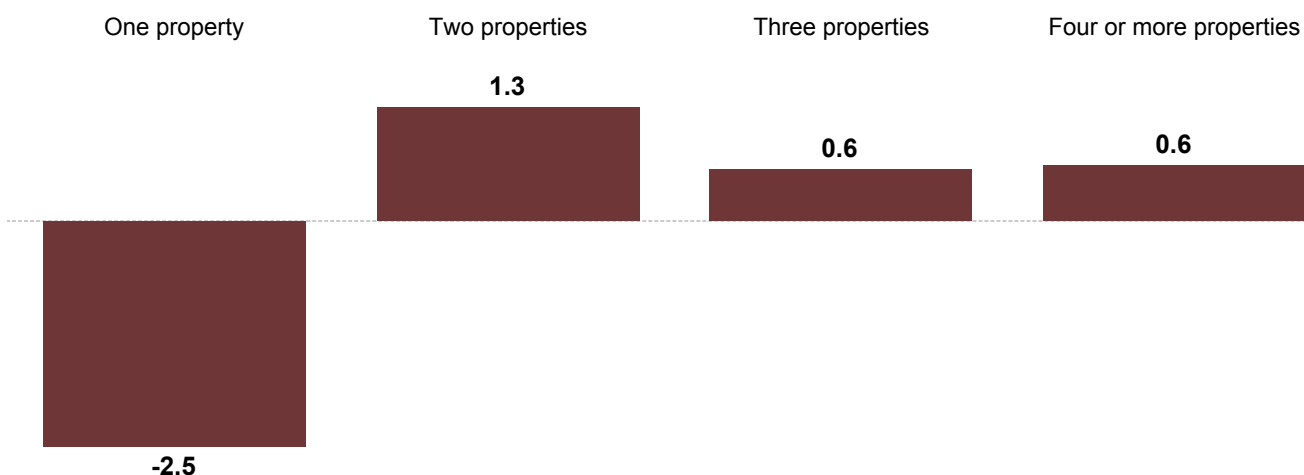
↓ **3.5 percentage points** from last year, when investors made up **28.2%** of housing finance

Landlords by number of rental property interests, 2018



The share of landlords with two or more properties is on the rise...

Percentage point change over 15 years (2003 - 2018)





67% of rental properties in 2016 were rented through a real estate agent

Profiles of registered property managers, February 2021

35% of property managers are licenced real estate agents. The remaining 65% are agents' representatives.



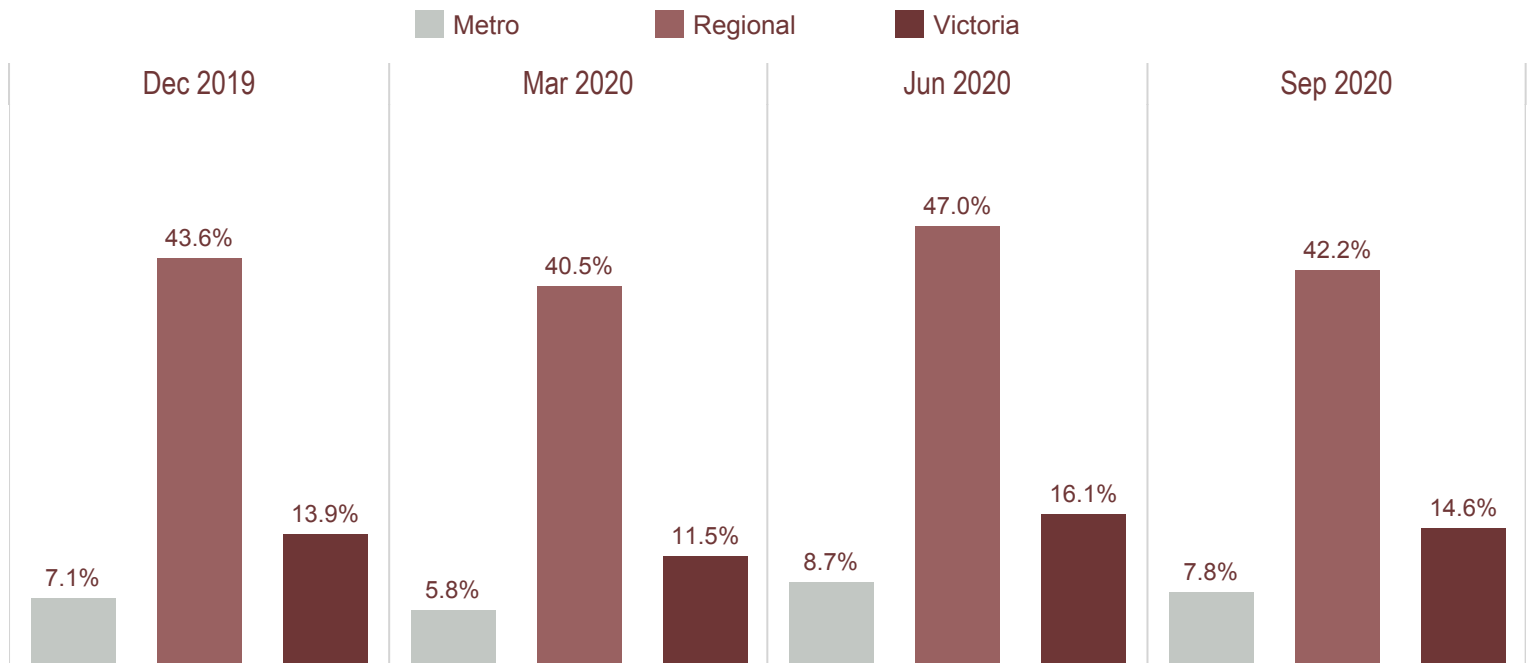
Of the 11,298 female property managers 21% are licenced real estate agents...

while 49% of the 11,716 male property managers are licenced real estate agents.



WHAT IS RENTING LIKE?

Proportion of new private rentals that were affordable



46.6% of rental households in Victoria were considered lower-income during the 2017/18 financial year

145,770 lower-income households were paying more than 30% of income in rent in 2017/18

That's **43.9%** of all lower-income rental households

28.7% of Commonwealth Rent Assistance recipients paid more than 30% of their income in rent in 2020

↓ **-10.80** percentage points compared to the previous year (39.5%)

1.2% of renters in Victoria were living in overcrowded or severely overcrowded dwellings in 2016



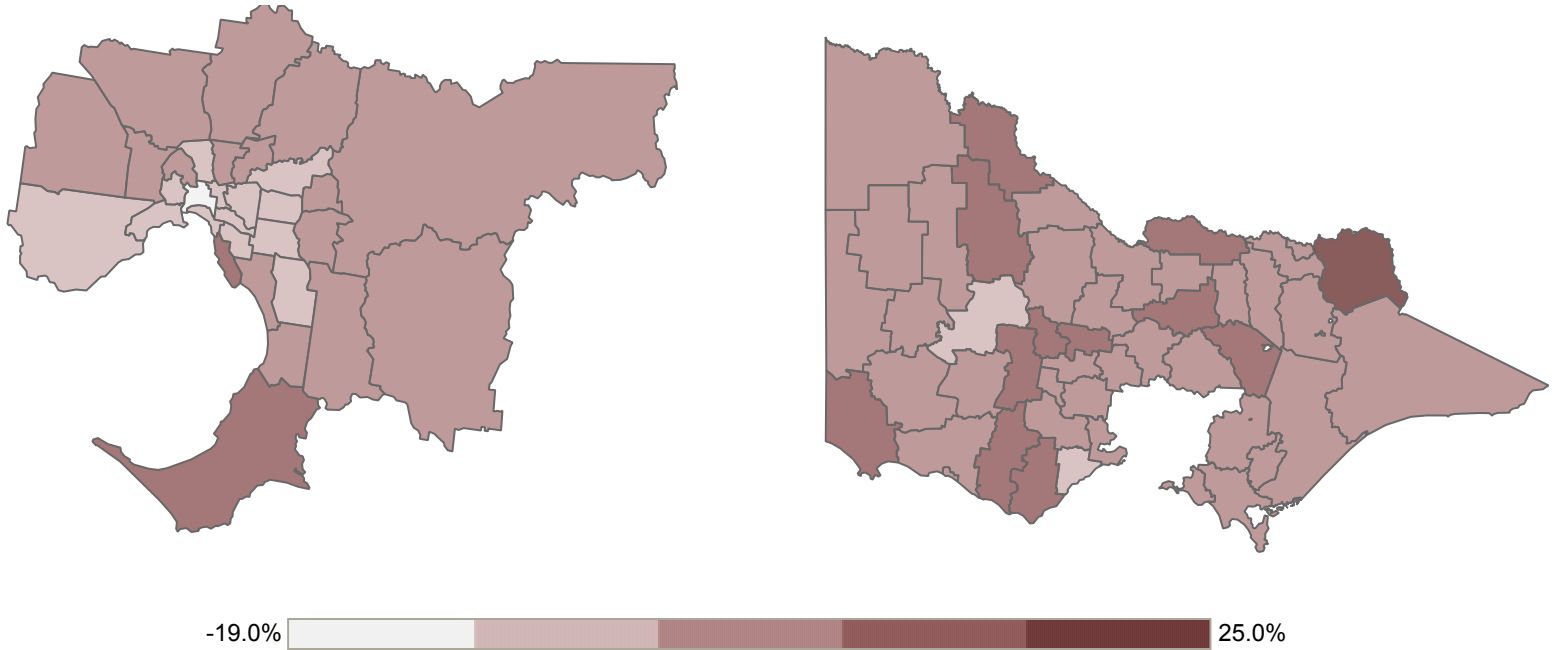
8,929 people were considered homeless due to living in severely overcrowded dwellings in 2016.

Change in median rent (dollars) by Local Government Area

(percentage change from September 2019 to September 2020)

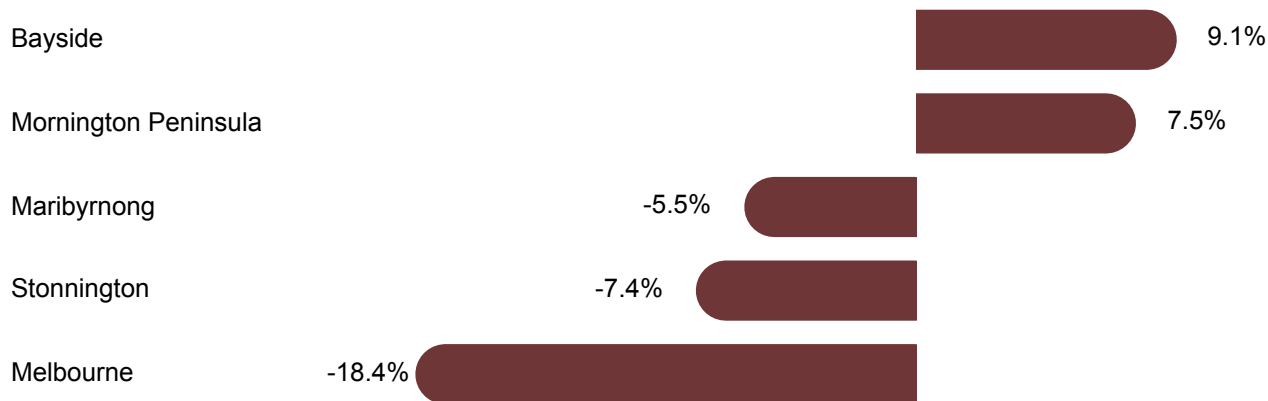
Metropolitan

Regional



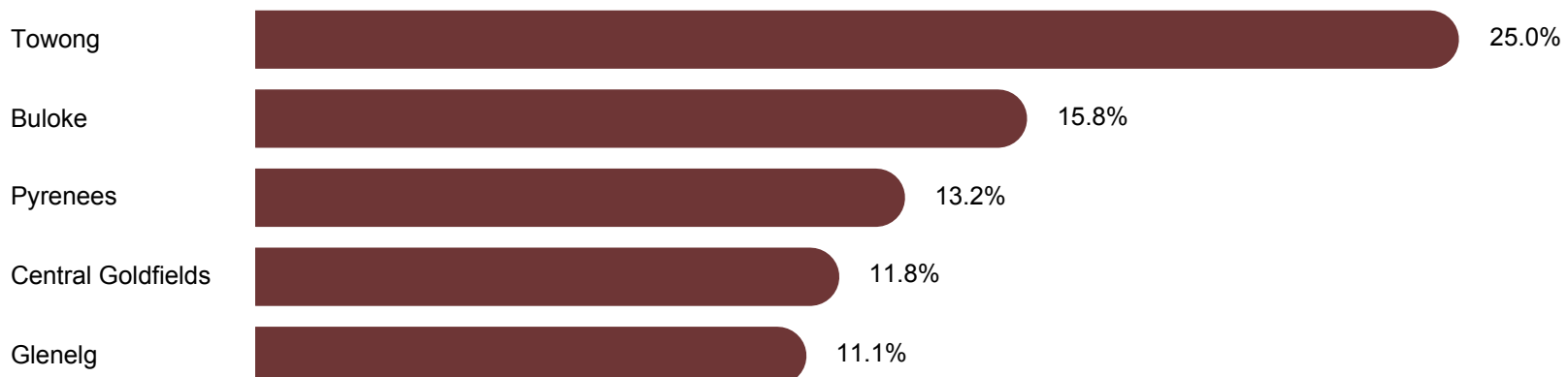
Note higher percentages and darker maroon indicates median rents (\$) have increased. Negative percentages indicate median rents (\$) have decreased.

Top 5 Local Government Areas with greatest median annual rent movement in Metropolitan Melbourne



Melbourne saw the biggest movement in the Metropolitan region with a median rent decrease of -18.4%. While Regional Victoria saw the largest movement in Towong with a median rent increase of 25.0%

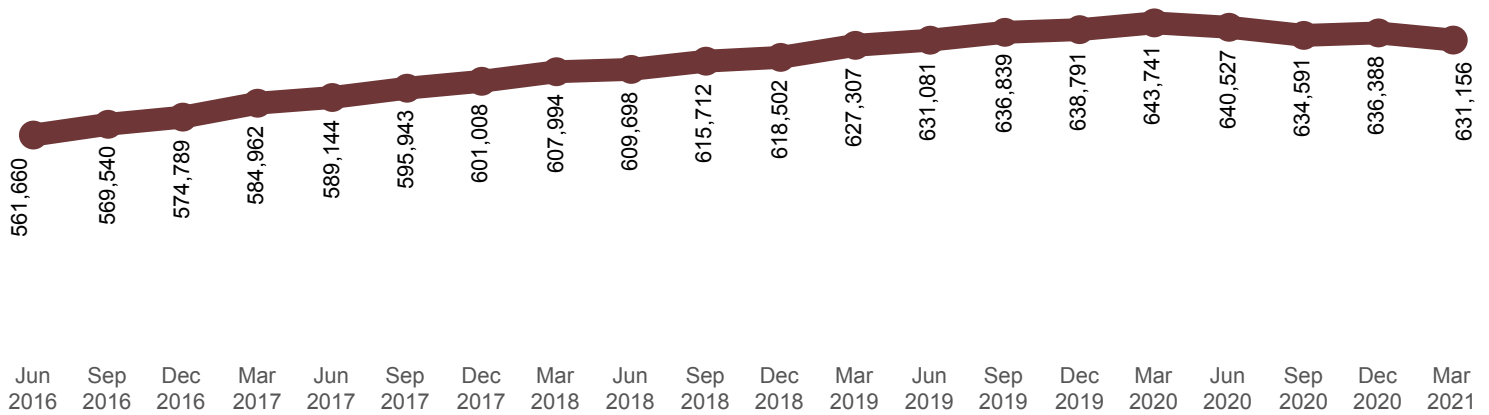
Top 5 Local Government Areas with greatest median annual rent increase in Regional Victoria



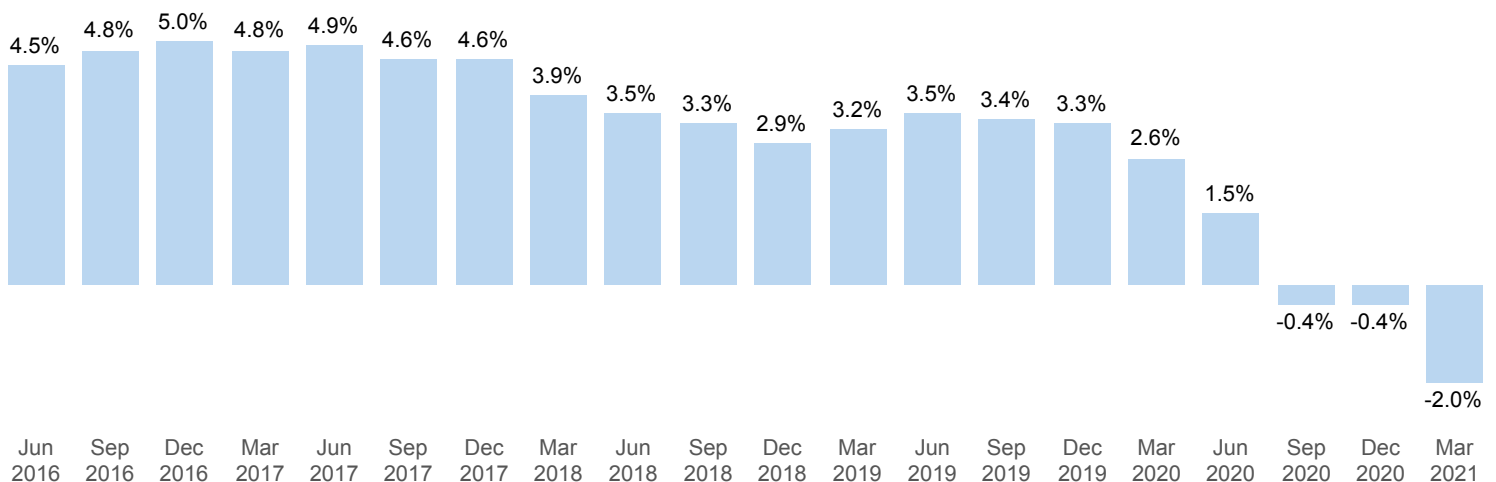
The annual number of active bonds began declining from the quarter ending June 2020 onwards - the first time a decline has occurred in at least 20 years*

* Data was only available for this report from June 2000 onwards

Number of active bonds per quarter, June 2016 - March 2021



Quarterly active bonds annual percentage change, June 2016 - March 2021



The number of bonds that were greater than 4 weeks rent in 2019/20 was 222,262

That's up by 12% from 198,870 in 2018/19

In 2019/20 there were 68,291 assignments by bond transfer

↓ by 1% compared to 2018/19

There were 253,650 bond lodgements during 2019/20

↑ 4% (244,756) from 2018/19

239,175 bond repayments were made during 2019/20

That's up by 9% (19,878) from the previous year

There were
149,283

active tenancy agreements
that have been in place for
5 or more years as
of February 2021

↑ 6.6% since last year



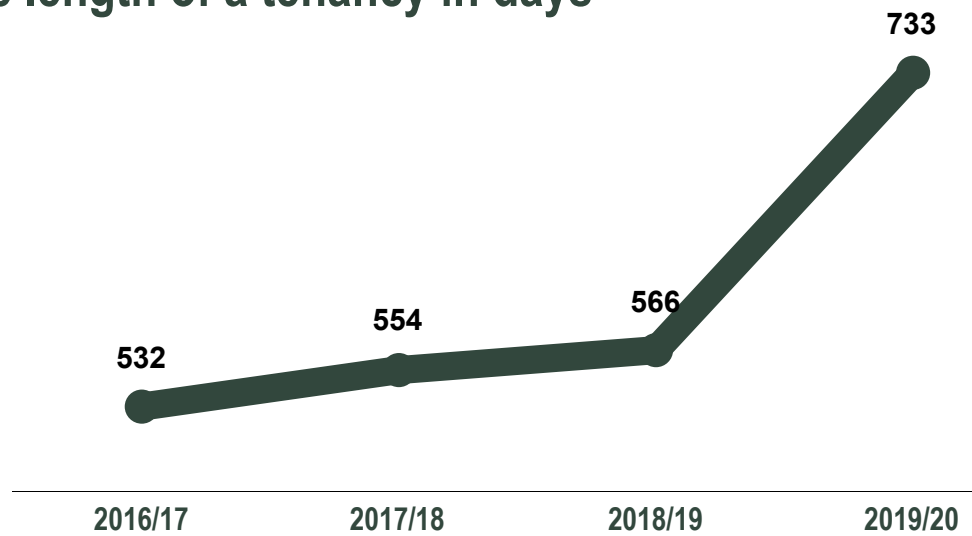
The number of fixed long
term tenancy agreements
(5 or more years) signed
during the 2020/21 financial
year was

69

↓ -23.3% compared to
the 2019/20 financial year

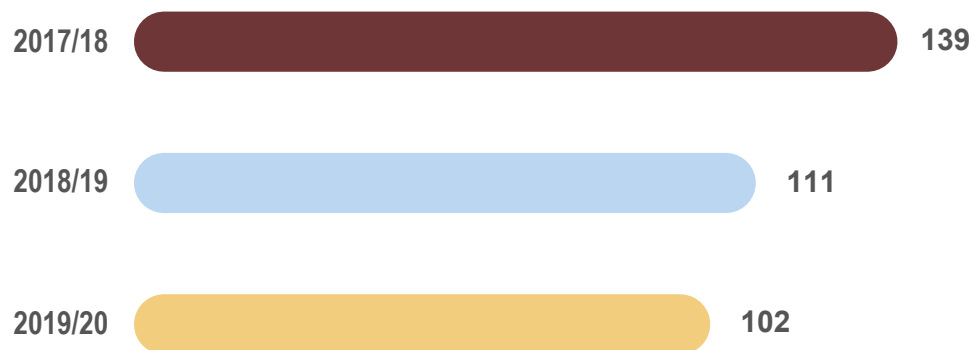
Average length of a tenancy in days

The average length of a
tenancy in 2019/20 was
approximately 24 months
(or 733 days)



Accommodation complaints made to the Victorian Equal Opportunity and Human Rights Commission, 2017/18 - 2019/20

There were 225 accommodation
enquiries made to the Commission in
the 2019/20 financial year. Of those,
102 matters became complaints.



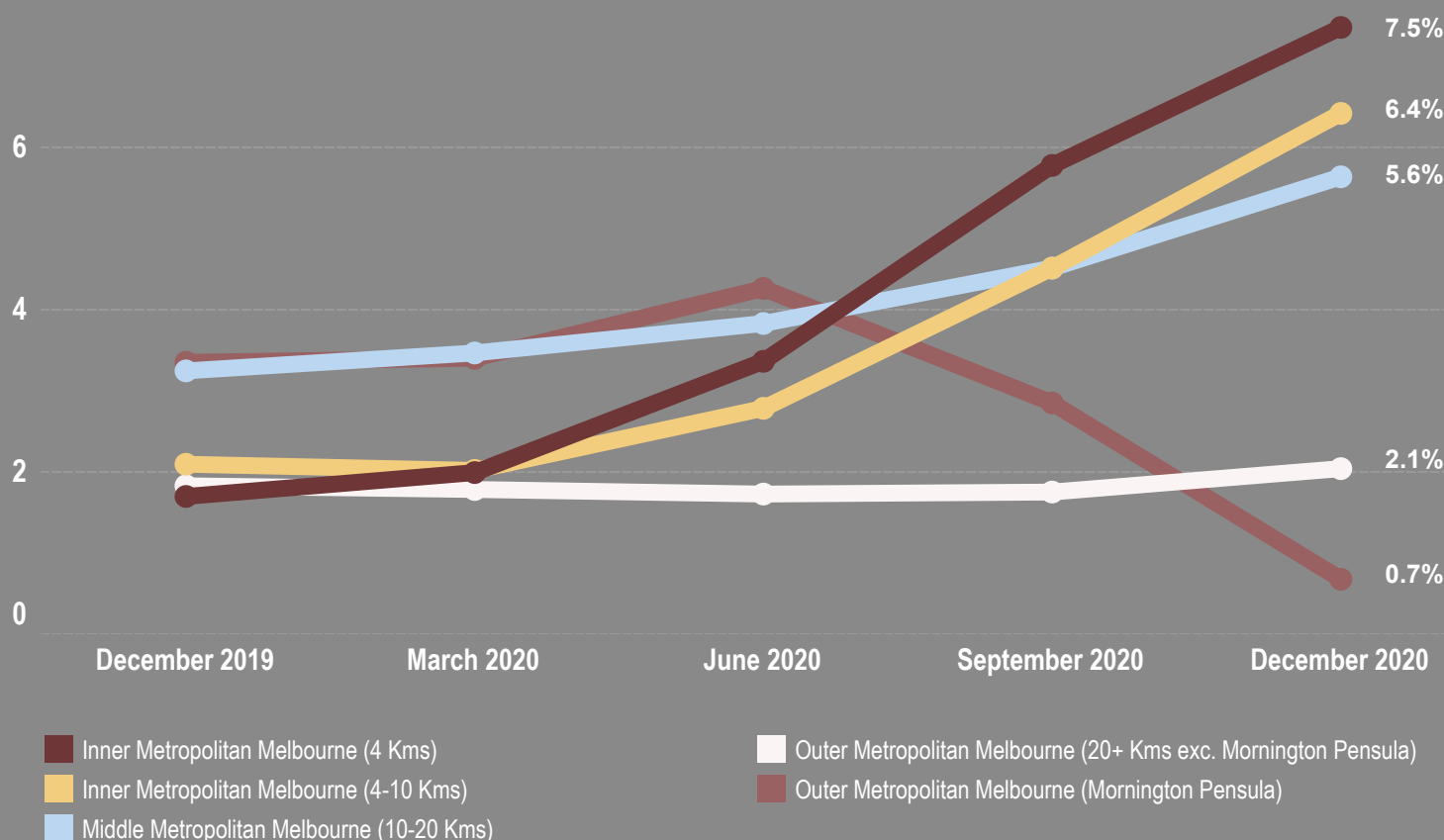
41% of accommodation complaints during
2019/20 related to disability discrimination



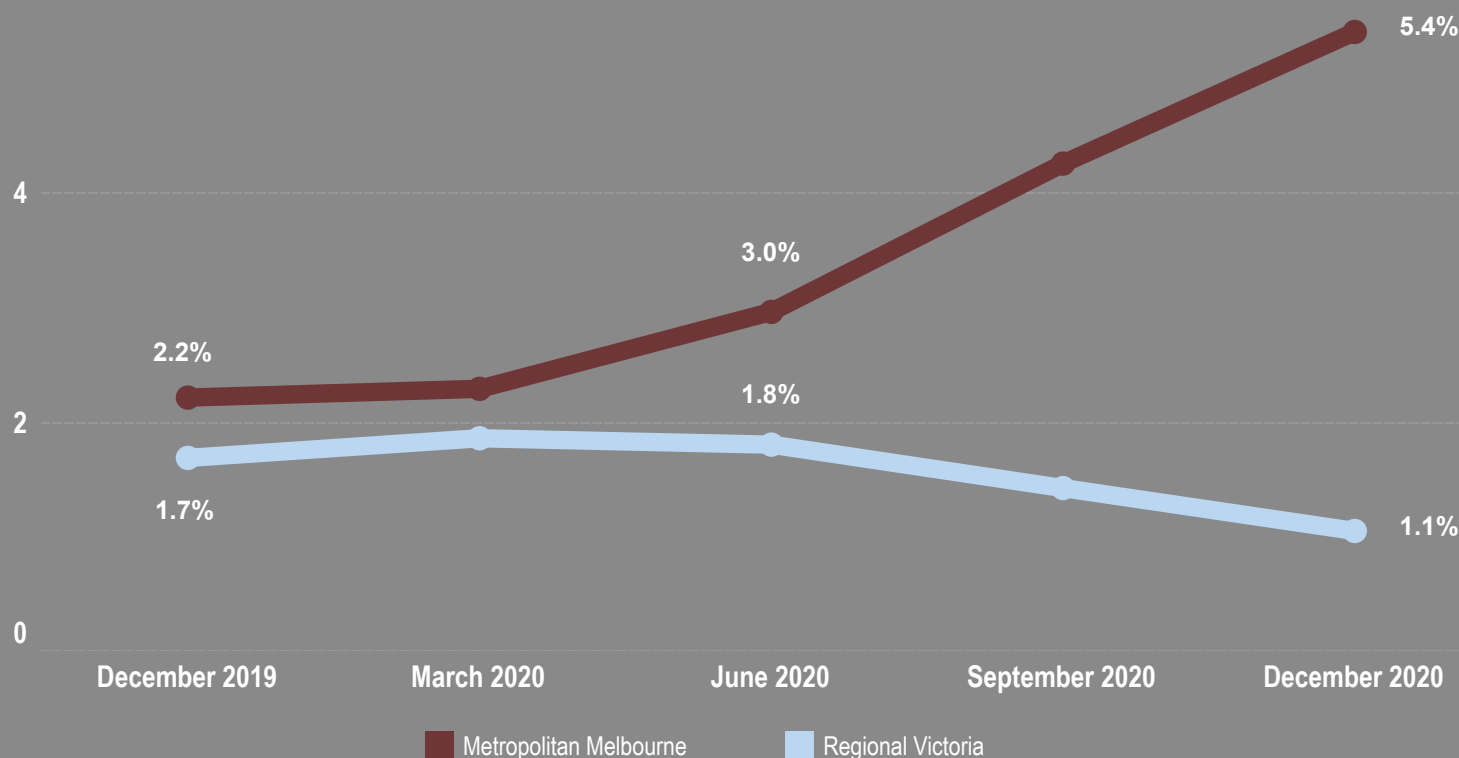
Inner Metropolitan Melbourne (4 Kms) saw the greatest increase in rental vacancy with a jump from 2.0% in March 2020 to 7.5% in December 2020

Outer Metropolitan Melbourne (Mornington Peninsula) saw the greatest decrease in rental vacancies, falling from 4.3% in June 2020 to 0.7% in December 2020.

Rental vacancy rate of Metropolitan Melbourne



Rental vacancy rate Metropolitan Melbourne vs Regional Victoria



"Our experience with our real estate agency was poor. Our problem was that we had a massive amount of mould (mushrooms) forming in our bathroom - despite using the fan when showering and airing it out when done.

There was a structural lack of airflow in the bathroom. We used water absorbents, but these lasted half the time they were supposed to. We wanted to take action, but as renters you are on the back foot from the get-go. We were worried for a negative rental history and monetary loss if we'd fight the REA on this issue.

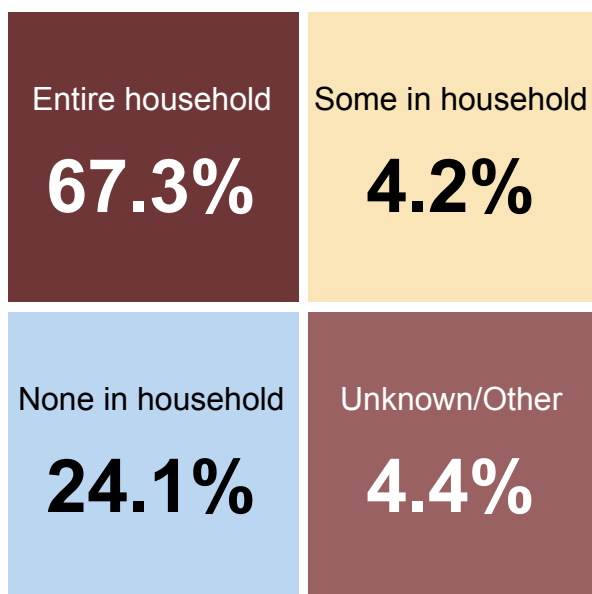
CAV [Consumer Affairs Victoria] and VCAT [Victorian Civil and Administrative Tribunal] would take too long and we were unsure of the outcome as their information is ambiguous. We had mould in our bedrooms and our landlord decided to patch up the hole in the bathroom, deciding that was the only thing necessary to fix this. No mould hygienist was arranged. Meanwhile, we'd have to live in that house.

As such, we opted to move out as we were scared for our health. As renters you are disadvantaged and thus discouraged to take action."

- Feedback to the Commissioner



Proportion of renters that moved in last 5 years*



* Based on 2016 census data for Victoria

WHAT HAPPENED TO RENTERS DURING COVID-19?

The COVID-19 Pandemic had a negative impact on Victorian renters with respect to their mental health, social wellbeing and financial wellbeing.

63%

of Australian rental households experienced some change to their employment or income



One in three renters

in Australia requested a rent reduction or deferral. Of those, 42% were granted a rent reduction, 17% entered into a rent deferral arrangement, but 30% had their request declined and 6% were still waiting to hear back.

Data collected July/August 2020

Over **35%** of Victorian renters reported the COVID-19 outbreak affected their mental health and social & financial wellbeing



The vacancy rate in Inner Metropolitan Melbourne (4km radius) increased from

1.7% to 7.5%

between December 2019 & December 2020



1/3 of renters

in Australia accessed their savings in order to make ends meet during the pandemic.



The median rent in Melbourne decreased by

-18.4%

between September 2019 & September 2020



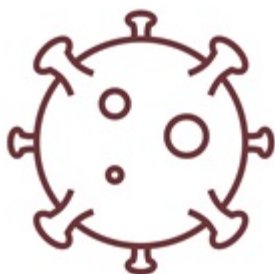
"My husband told to the agent he lost the job last March and we couldn't pay the full amount of the rent. The amount of my rent is \$1,608 per month and I paid \$700 in April; \$800 in May; \$300 in early June and then another \$1,600 in the middle of June. I paid \$500 in early July and then I got some money from my super and paid \$2532. The agent says I'm still owing \$854. I don't know what to do at all. So please help me."

- Feedback to the Commissioner

The Victorian Government responded to the COVID-19 pandemic with the following rental policies:

Between 29 March 2020 and 28th March 2021 the following measures were in place:

- Evictions due to financial hardship were banned for residential tenancies (except by order of the Victorian Civil Administrative Tribunal (VCAT)).
- Tenants and landlords could negotiate and agree on a temporary rent reduction through the Residential Tenancies Dispute Resolution Scheme.
- A rent relief grant of up to \$3,000 is available if an eligible tenant continues to suffer financial hardship after a rent reduction has been agreed to and registered with Consumer Affairs Victoria - this grant is paid directly to landlords on a renters' behalf.
- Landlords cannot increase the rent for their property.
- Tenants cannot be put on a residential tenancy database (blacklist) if they can't pay rent because of the coronavirus (COVID-19) pandemic.
- Land tax relief is available for landlords. The closing date for 2020 land tax relief applications was 31 March 2021.



Residential Tenancies Dispute Resolution Scheme

The Residential Tenancies Dispute Resolution Scheme commenced on 24 April 2020 as part of the Victorian Government's response to the coronavirus (COVID-19) pandemic and was one of a range of measures put in place to support Victorian renters.

The scheme supported Victorian renters and rental providers to negotiate and lodge agreements to reduce rent. It was also a requirement that people first contact the scheme before they could take a rental dispute to the Victorian Civil and Administrative Tribunal (VCAT). The Scheme concluded on 28 March 2021.

Note: Data for the final week of the Residential Tenancies Dispute Resolution Scheme is not included in the figures below.

Advice only was provided to
94,115
clients

5,582
matters were closed through the Dispute Settlement Centre of Victoria

72,157
reduced rent agreements were lodged



Consumer Affairs Victoria received
220,949
contacts overall



20,126
matters were closed through Frontline resolution

174
binding orders were issued by the DSCV Chief Dispute Resolution Officer

28,795
matters were referred to VCAT

Top three dispute reasons:

1. Rent Reduction
2. Rent arrears
3. Rent relief

The average number of days from referral date to closure was **26.4**

Rental Relief Grants

A rent relief grant of up to \$3,000 is available if an eligible tenant continues to suffer financial hardship after a rent reduction has been agreed to and registered with Consumer Affairs Victoria. This grant is paid directly to landlords on a renters' behalf.

Rental Relief Grants to a value of **\$75,138,693** were approved during the pandemic



57,314

Rent Relief Grant applications
were received

(between April 2020 and February 2021)

involving

75,501

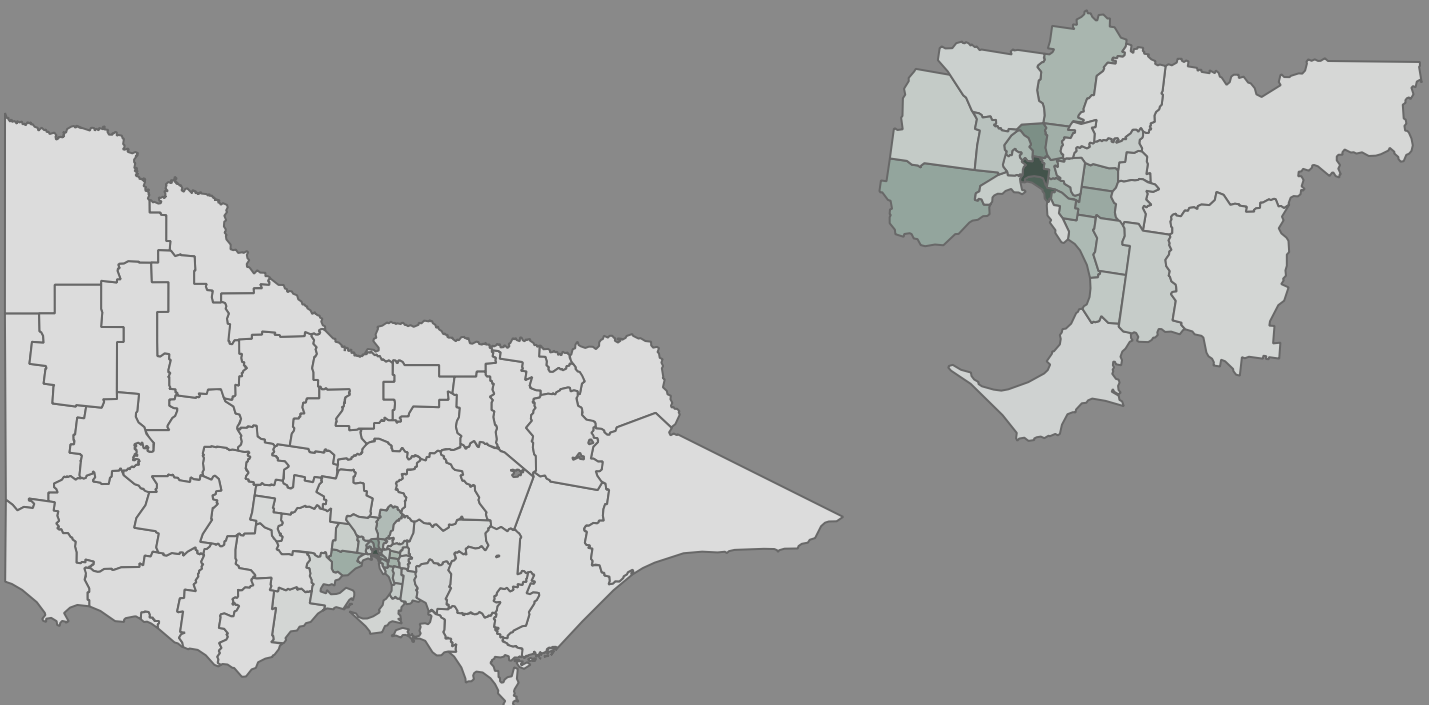
tenants

Of those applications,
23,926
were approved meaning...

31,967
tenants received
assistance



96% of Rental Relief grants related to households in Metropolitan Melbourne



0 3,500

WHAT HAPPENS WHEN THERE IS A PROBLEM?

70,670

rental queries were received by Consumer Affairs Victoria (CAV) in 2019/20

includes contacts related to the Residential Tenancies Dispute Resolution Scheme

↑ 25% compared to last year (56,490)

96% of queries received by CAV in 2019/20 were from the Victorian private rental market



The top 5 reasons for contacting CAV in 2019/20



	#	% change since 2018/19
1. Termination of lease	12,855	9.7%
2. Repairs & Maintenance	8,758	-4.9%
3. New rental agreement*	6,317	
4. General requirements	5,714	7.5%
5. Inspection requests	5,274	-29.7%

* New rental agreement % change is not available as it was not a category in the 2018/19 financial year

58% (1,086) of disputes referred to Frontline resolution (FLR) were resolved in 2019/20, ↓ 24% from 2018/19

Figures do not include the Residential Tenancies Dispute Resolution Scheme introduced in response to the coronavirus (COVID-19) pandemic



CAV issued 27 infringement notices under the tenancy law in 2019/20, ↑ 69% compared to last year

9,027

clients contacted Tenants Victoria seeking advice during 2020, down -17.8% from 2019 (10,982)

Reduced numbers due to impact of COVID on remote working

Top five issues reported to Tenants Victoria

1. General Rights & Responsibilities - 18.4%
2. COVID-19: Other - 17.6%
3. Compensation Claim by Tenant - 16.8%
4. Systemic Misconduct by Real Estate Agent - 16.4%
5. Lease Breaking - 14.0%



The most visited advice page by users of the Tenants Victoria website was the "COVID-19 guide for renters", which accrued 346,687 pageviews (29.4% of all pageviews) in 2020

Community agencies provide private tenancy information and services under the Tenancy Assistance and Advocacy Program (TAAP)

TAAP assisted with

5,652

tenancy matters during 2019/20

↓ 3% from 2018/19

Top five issues reported to TAAP

1. Possession or notice to vacate - 28.8%
2. Rent arrears - 13.1%
3. Compensation claims - 11.1%
4. Bond claims - 9.9%
5. Lease breaking - 8.2%



Victoria Legal Aid provided 2,264 complex residential tenancy services during 2019/20 (includes grants, advice, duty lawyer services and other minor work)

... and provided 5,556 legal information and referral services on landlord and tenant issues

49,079

applications to the Victorian Civil & Administrative Tribunal (VCAT) in the 2019/20 financial year

↓ 6% compared to applications in 2018/19 (52,425)

Applicant type	#	%
Estate agents/Property managers	30,384	61.9%
Tenants or residents	7,014	14.3%
Public housing	6,616	13.5%
Private landlords	3,952	8.1%
Other (including Rooming house owners and Caravan park owners)	1,113	2.3%

16,460 'At fault' eviction applications were made to VCAT during the 2019/20 financial year, ↓ 18% compared to 2018/19 (19,986)

86.9% of those applications proceeded to a hearing

95.9% of 'At fault' eviction applications that proceeded to a hearing were due to non-payment of rent

The remaining 4.1% of application types included:

- damage by tenant or their visitor
- endangering neighbours
- sub-letting without consent
- successive breaches by tenant
- failure to pay bond
- use of premises for illegal purposes



2,183 'No fault' eviction applications were made to Victorian Civil & Administrative Tribunal (VCAT) during 2019/20

↓ 24% compared to 2018/19 (2,885)

71.6% of those applications proceeded to a hearing

Number of 'No fault' eviction applications that proceeded to a hearing, by type

	#	%
Notice to vacate for no specified reason	409	26.2%
End of fixed term tenancy	329	21.0%
Premises to be sold	227	14.5%
Termination after death of sole tenant	189	12.1%
Premises to be occupied by landlord or landlord's family	161	10.3%
Repairs (repair, renovate or reconstruct the premises)	115	7.4%
Other	133	8.5%

Approximately 22% of hearings were contested at VCAT

"I have attended VCAT twice before about damage to the roof of the property I rent. I asked for the roof to be repaired one month after I moved in. The landlord has attempted to hold off as much as possible on outlaying money for the property repairs. The landlord and agent on many occasions have left myself and my children in a hazardous situation, with roof leaking through to lights in the kitchen, laundry, upstairs bathroom and downstairs lounge room. The risk of electrocution scares my children from turning the lights on.

In November the roof began to again rapidly flow rain water through. 2 weeks later kids and myself still at risk of electrocution. Real estate ignoring me. Not heard back from CAV."

- Feedback to the Commissioner

"I'm a single mother and the last 13 months has been hell.

I was lied to about the property to get me to sign the lease. The landlord let himself into the property while me and my one year old were [sic] sleeping. The power short circuited and they left us without power for days and we lost everything in our freezer and fridge and now it's been a week since we have had water cause the landlord refuses to fix it and the real estate basically say it's not their problem.

I'm bathing my daughter in the kitchen sink using bottled water. The last few days have been over 30 degrees and we don't have any running water."

- Feedback to the Commissioner

ACKNOWLEDGEMENTS



COMMISSIONER
for RESIDENTIAL
TENANCIES

The Commissioner for Residential Tenancies would like to acknowledge and thank the Crime Statistics Agency in Victoria for the preparation of this report.

The Commissioner for Residential Tenancies is grateful to all contributors for the provision of data required to complete this report. Special thanks are extended to: Consumer Affairs Victoria; Victorian Civil and Administrative Tribunal; Tenants Victoria; Victoria Legal Aid; Victorian Equal Opportunity and Human Rights Commission; Homes Victoria; Australian Bureau of Statistics; and The Real Estate Institute of Victoria Ltd (REIV).

Published by the Commissioner for Residential Tenancies,
Level 12, 222 Exhibition Street, Melbourne VIC 3000.

Copyright © 2021 State of Victoria, Australia

Renting in Victoria: Snapshot 2021

August 2021

ISSN 2652-6409



The work is licensed under the terms of the Creative Commons Attribution 4.0 International licence. To view a copy of this licence, visit: creativecommons.org/licenses/by-nc-sa/4.0/legalcode

It is a condition of this Creative Commons Attribution 4.0 Licence that you give credit to the original author, who is the State of Victoria.

rentingcommissioner.vic.gov.au

info@rentingcommissioner.vic.gov.au

1300 029 783



COMMISSIONER
for RESIDENTIAL
TENANCIES



The Commissioner acknowledges Aboriginal and Torres Strait Islander people as the Traditional Custodians of the land and acknowledges and pays respect to their Elders, past and present.