

COMMISSIONER
for RESIDENTIAL
TENANCIES

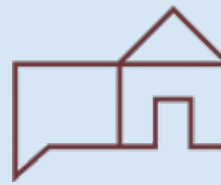
RENTING IN VICTORIA: Snapshot 2022



CONTENTS

Introduction	3
Part 1: Who is renting?	4
Part 2: Where are people renting?	7
Part 3: What type of housing are people renting?	10
Part 4: Who are people renting from?	11
Part 5: What is renting like?	13
Part 6: What happened to renting since the outbreak of COVID-19?	21
Part 7: What happens where there is a problem?	23
Acknowledgements	27

INTRODUCTION



COMMISSIONER
for RESIDENTIAL
TENANCIES

This report brings together the latest available statistics on renting in Victoria. It is the third in our annual series of Snapshots, designed to provide a readily accessible source of data on renting in Victoria for anyone interested in this area.

The data in this year's report shows that the number of households renting in Victoria continues to grow rapidly. Nearly 1.7 million Victorians were renters at Census 2021 which is 11.5% more than five years before.

This report continues on from last year's Snapshot to trace the COVID pandemic fluctuations in availability, price and preferred areas for renters. It presents summary data from the two rounds of the Rent Relief Grant Scheme designed to assist renters impacted by COVID measures, and shows a huge increase of rental calls made to Consumer Affairs Victoria and of evictions through VCAT for sale of premises or reoccupation by the owner. It was indeed a most uncertain and difficult year for many renters.

The report also looks a bit more closely at the geography of renting as these movements have been unusually large due to pandemic disruptions to ordinary patterns of living.

Other trends have been more consistent, such as the steady growth in the overall number of property investors, in the number of properties managed by an agent and in investors who hold more than one property.

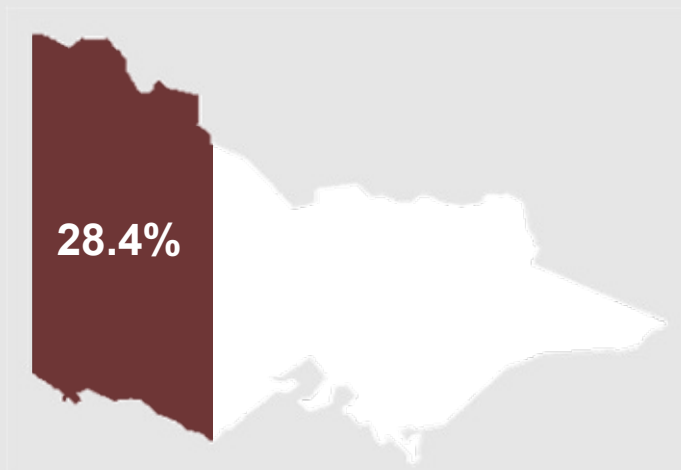
While there was a small increase in the number of households who had rented the same property for more than five years, the uptake of longer leases to give both parties certainty at the start of a tenancy continues to be very low.

This report presents a summary of the work of the various agencies working in this area, and is supplemented by a technical paper for those wishing to dive a little more deeply into the data.

A handwritten signature in dark ink, appearing to read 'H. Holst'.

Dr. Heather Holst
Commissioner for Residential Tenancies

WHO IS RENTING?

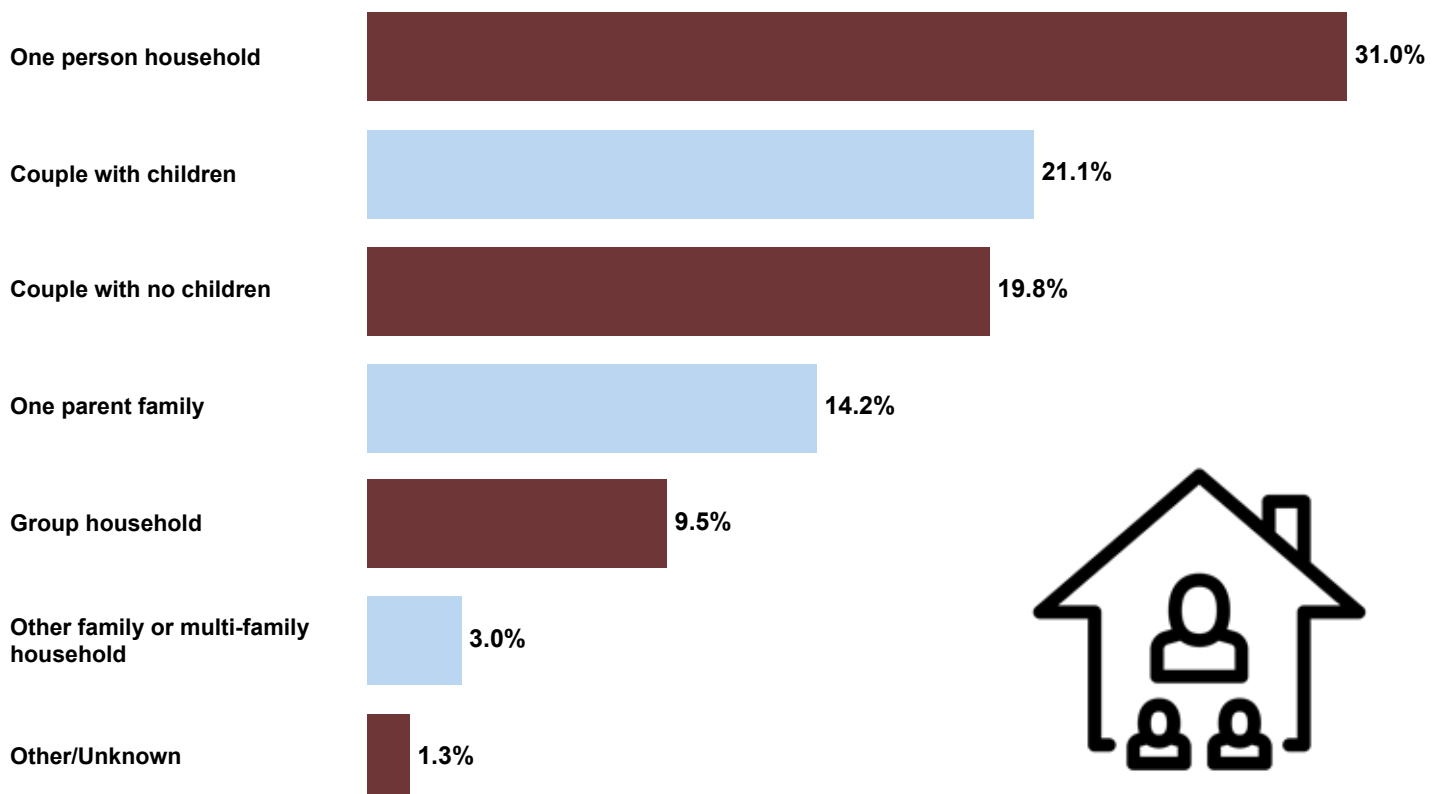


713,277 households in Victoria were renting in 2021, that's **28.4%** of all households.

That's a 15.6% increase from 2016 (616,990) and a 35.7% increase from 2011 (525,605)

Type	Rental Persons		Rental Households	
	Number	Percentage	Number	Percentage
Private rental	1,551,930	91.4%	638,521	89.5%
Community housing	24,713	1.5%	13,755	1.9%
Public housing	121,182	7.1%	61,001	8.6%

Composition of all Victorian rental households, 2021



43.5% of rental households in Victoria were considered lower-income during the 2019/20 financial year

130,305

lower-income households were paying more than 30% of income in rent in 2019/20

That's **42.0%** of all lower-income rental households

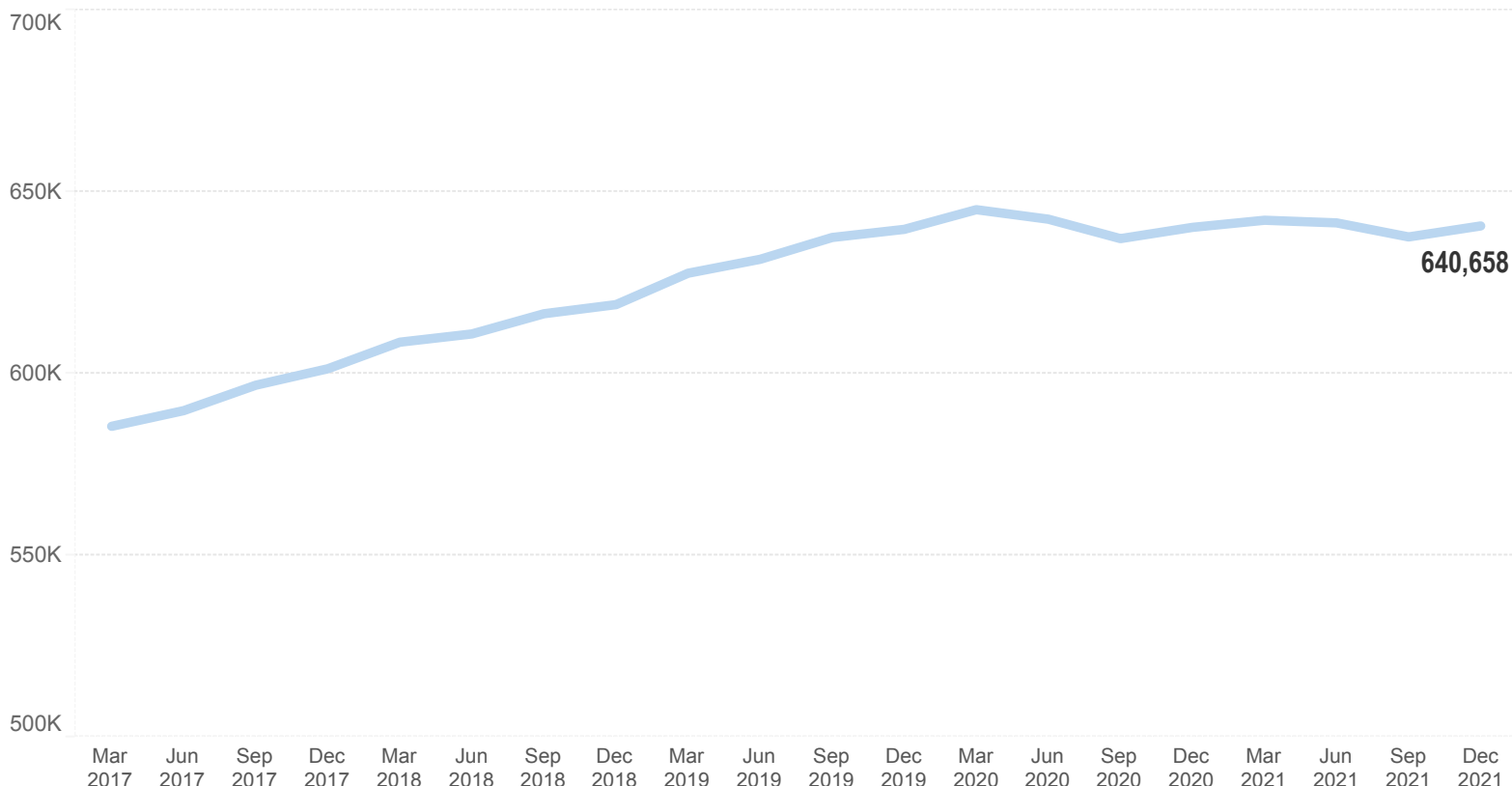
46.7% of Commonwealth Rent Assistance recipients paid more than 30% of their income in rent in 2021

↑ **18.0** percentage points compared to the previous year (28.7%)

In 2020-21, there were 367,476 Commonwealth Rent Assistance recipients in Victoria, 2.4% of these identified as Aboriginal or Torres Strait Islander

The number of active bonds has been steadily increasing up until March 2020 before stabilising

Number of active bonds per quarter, Mar 2017 - Dec 2021





2.5% of rental households in Victoria included Aboriginal person(s) in 2021



52.2% of all households including an Aboriginal person(s) in Victoria were renting in 2021

23.9% of rental households including an Aboriginal person(s) were in public housing

5.4% of people renting in 2021 were profoundly disabled*



24.2% of people with a disability were renters in 2021 (91,963)

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

32.9% of renters spoke a language other than English at home during 2021



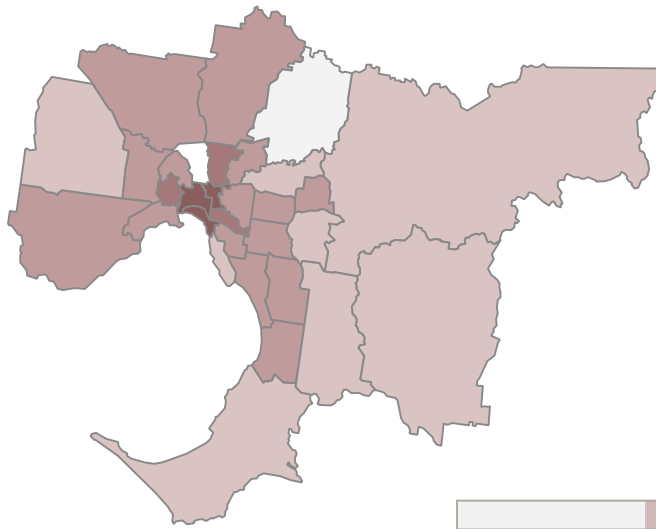
13.8% of Victorians aged 55 years or over were renting in 2021

7.3% were female and
6.6% were male

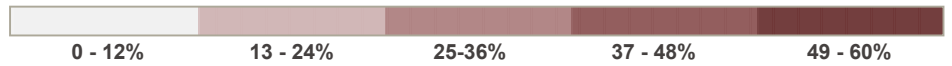


11.1% were in private rentals and
2.7% were in social rentals

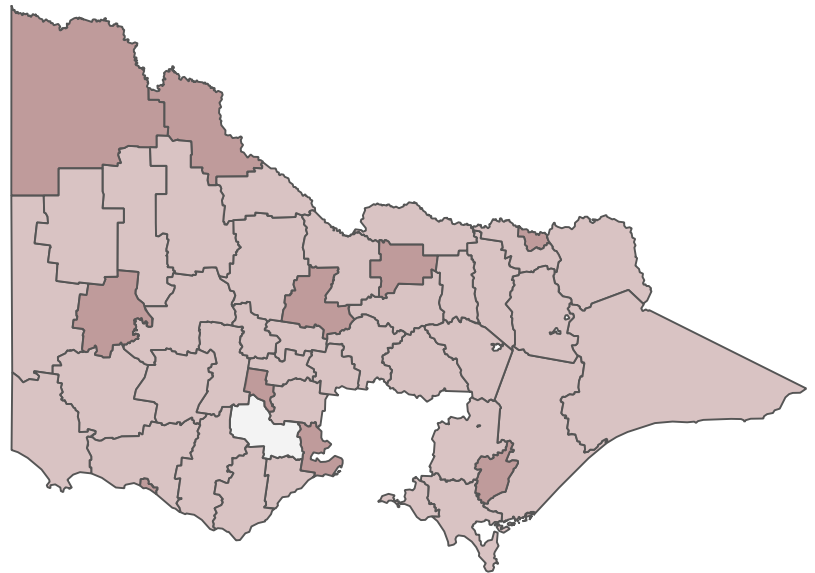
WHERE ARE PEOPLE RENTING?*



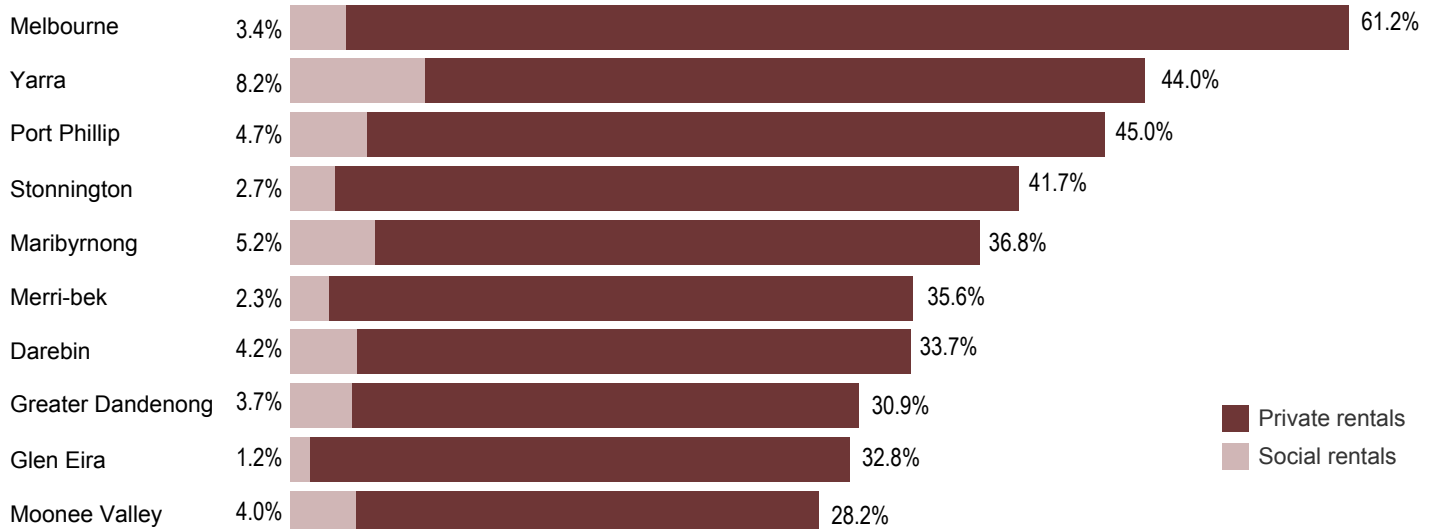
30.3%
of all Metropolitan
Victorian households
are renting



23.5%
of all Regional
Victorian households
are renting



Top ten Local Government Areas where people are renting in Victoria

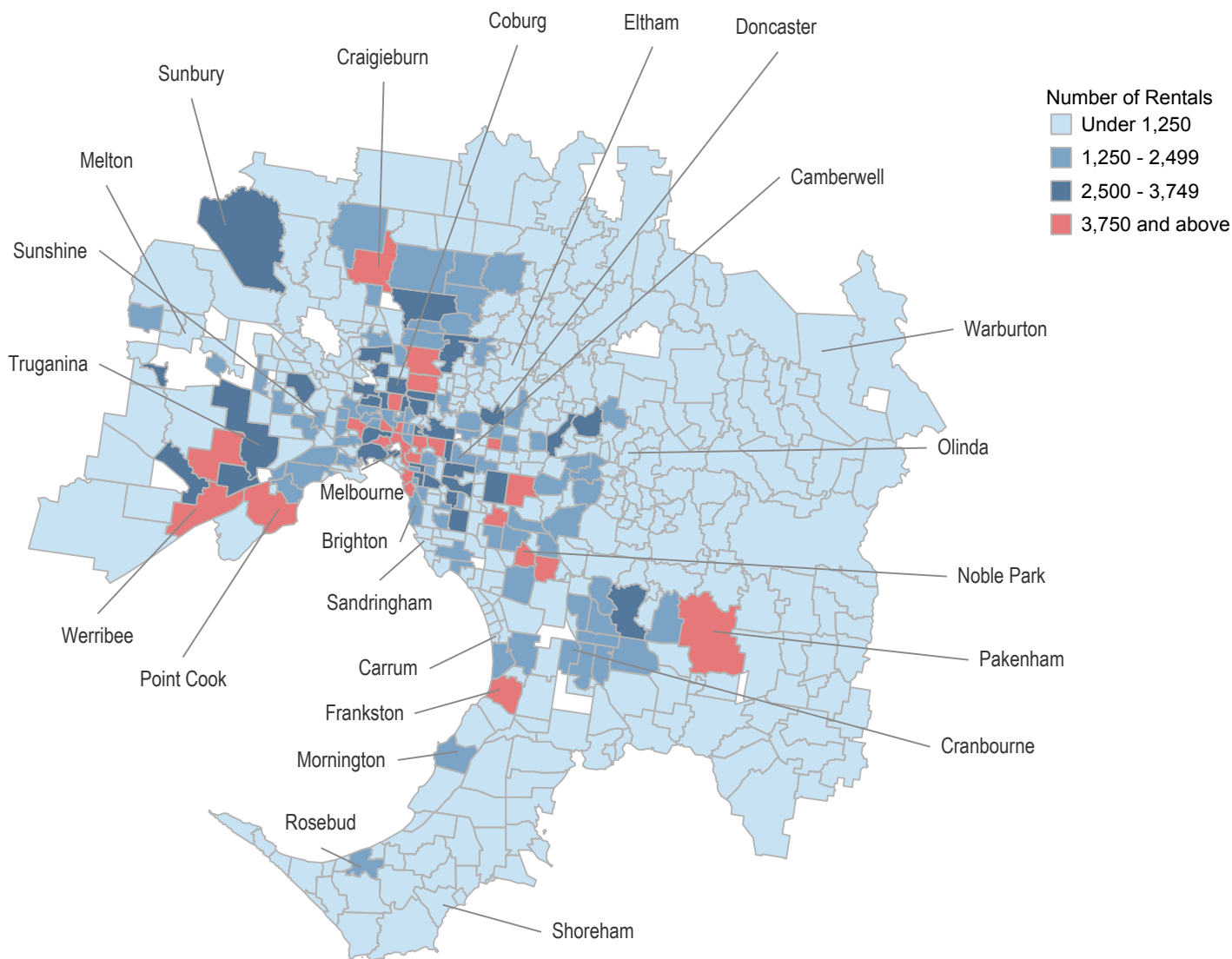


*Based on 2021 census data

Active Rental Properties in Victoria

*as at June 2022

Rental properties are concentrated in inner and middle metropolitan Melbourne



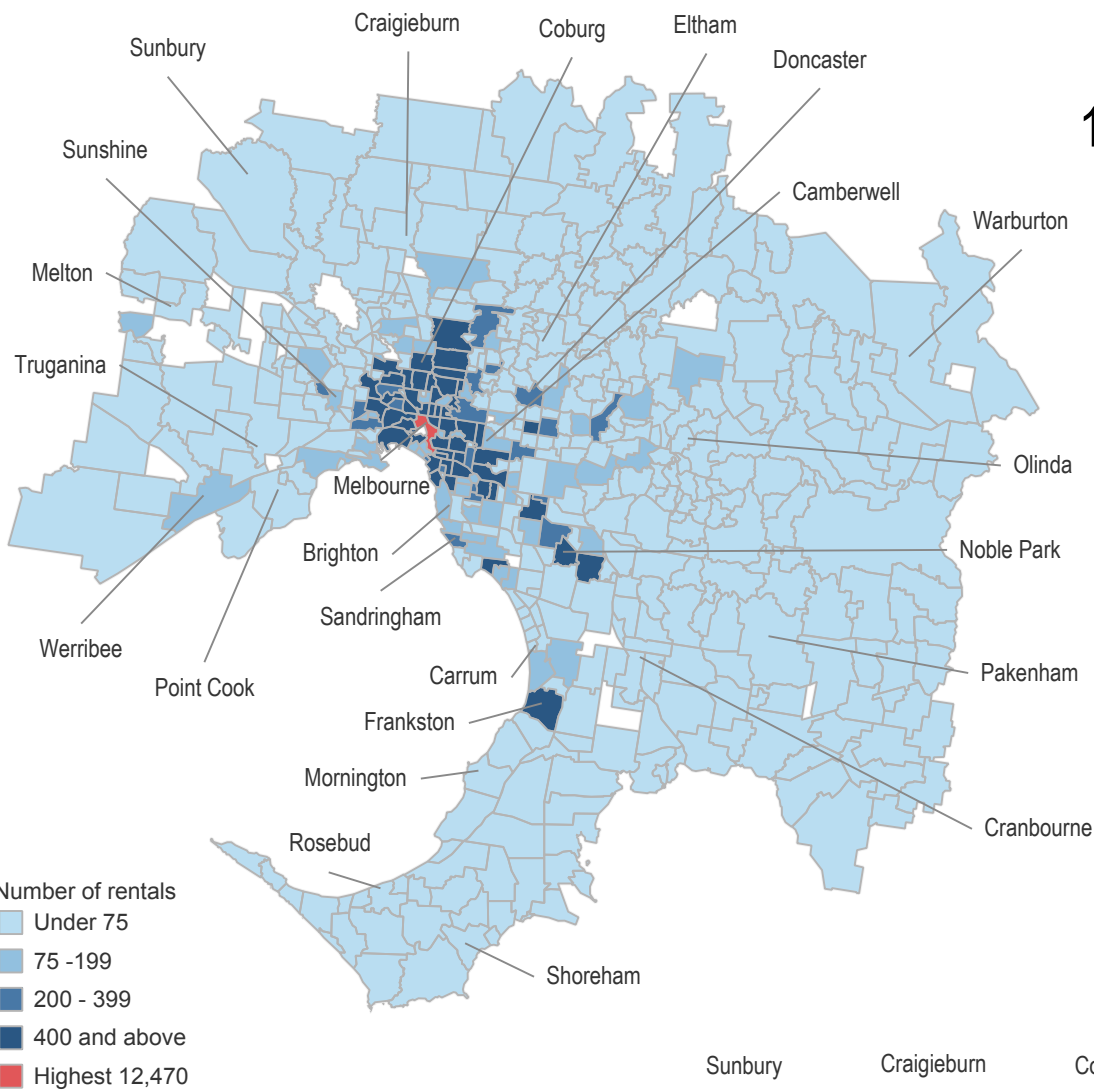
Suburbs with the greatest net increase change in Commonwealth Rental Assistance recipients between September 2019 and September 2021 are:



- 1. Melbourne - 192%**
- 2. Rockbank - Mount Cottrell - 150%**
- 3. Southbank - 136%**
- 4. Mickleham - Youroke - 121%**
- 5. Docklands - 111%**

1 and 3 Bedroom Rentals in Victoria

*as at June 2022

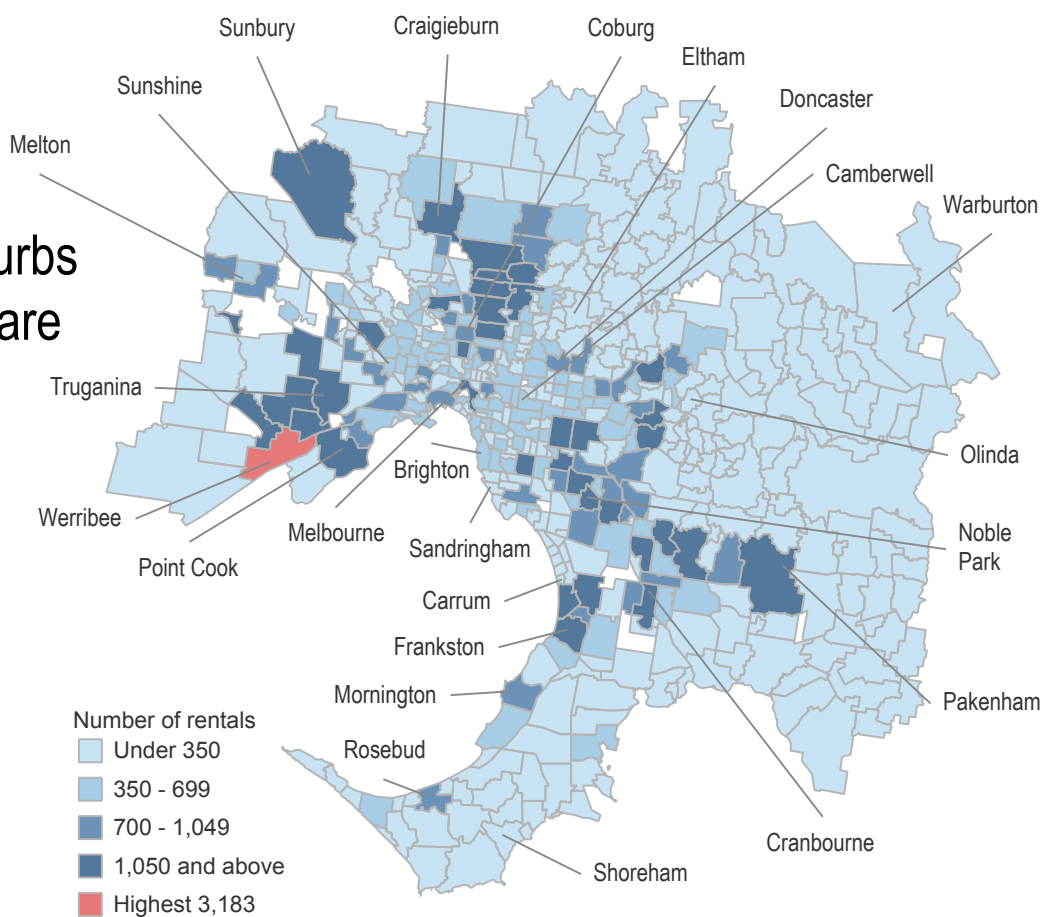


The majority of 1-bedroom rentals are situated in inner metropolitan Melbourne. The top 5 suburbs are

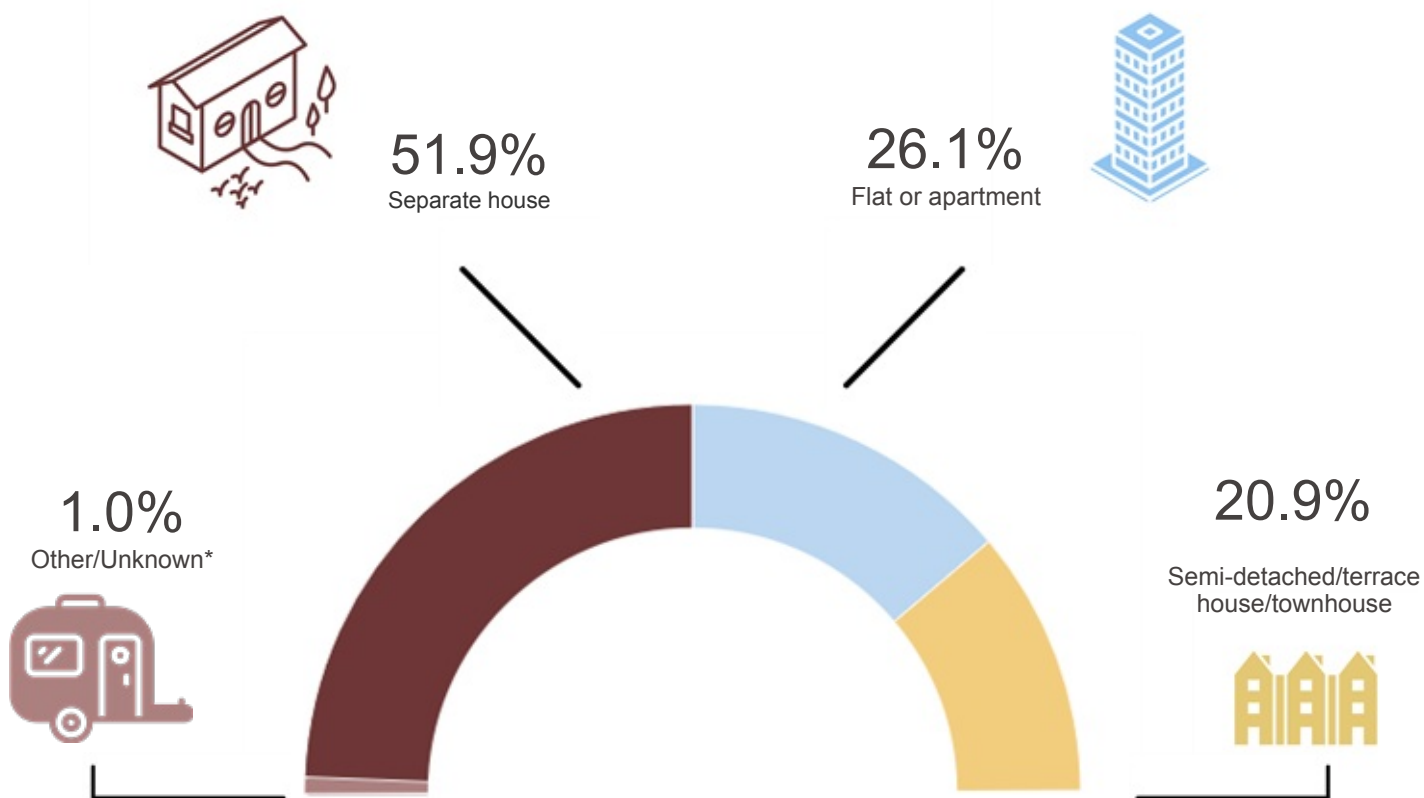
- 1. Melbourne**
- 2. South Yarra**
- 3. Carlton**
- 4. South Wharf**
- 5. St. Kilda**

Whereas the top 5 suburbs for 3-bedroom rentals are

- 1. Werribee**
- 2. Pakenham**
- 3. Craigieburn**
- 4. Frankston**
- 5. Reservoir**



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.

1,419 rooming houses were registered during 2020/21

↑ **1.4%** compared to 2019/20

There were **1,024** licensed rooming house operators registered in 2020/21



3,756 Victorians were renting in residential parks* in 2021

*includes caravan parks and manufactured home estates

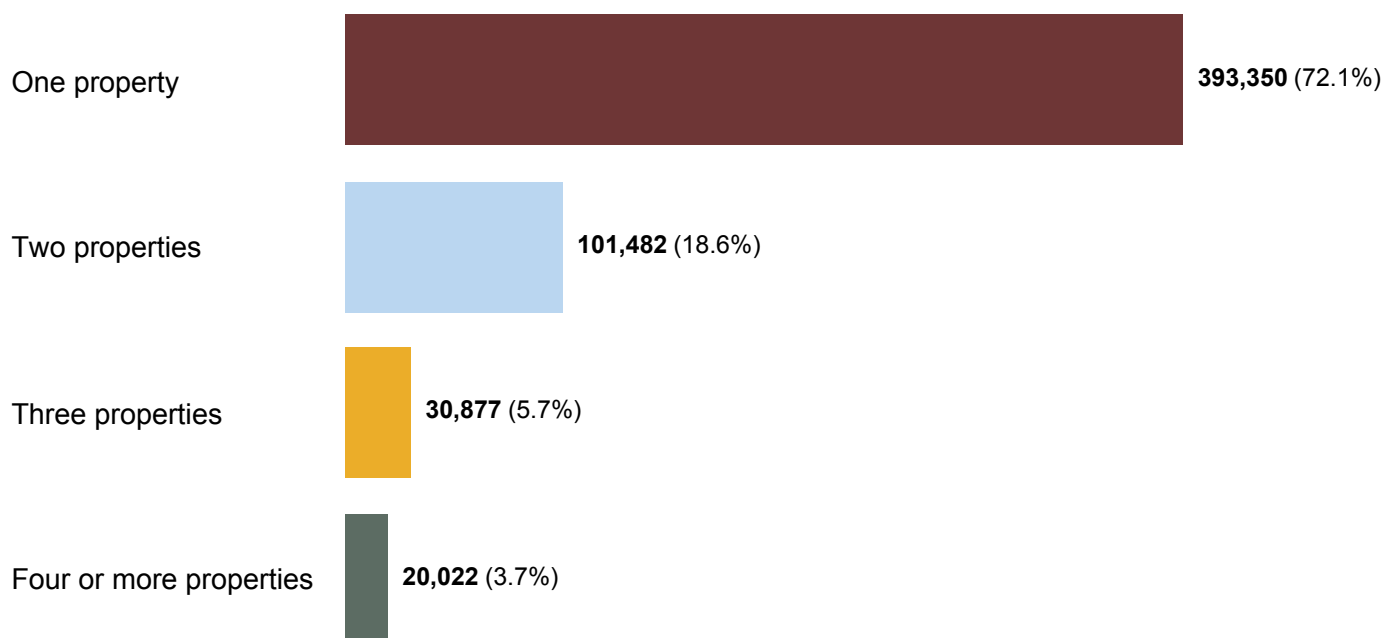
WHO ARE PEOPLE RENTING FROM?

Investors accounted for **27.4%** of all new housing finance in Victoria in 2021



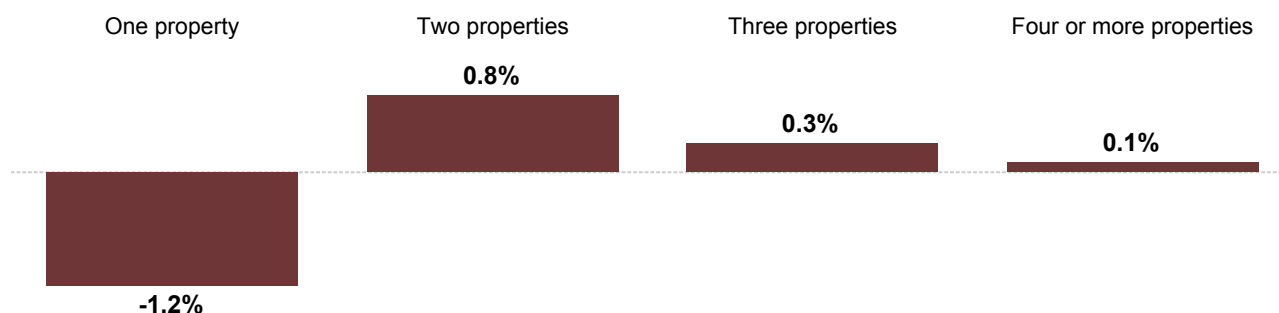
↑ **2.5 percentage points** from last year, when investors made up **24.9%** of housing finance

Landlords by number of rental property interests, 2019/20



The share of landlords with two or more properties continues to rise.....

Percentage point change over 15 years (2004/05 - 2019/20)





69.9% of rental properties in 2021 were rented through a real estate agent

Profiles of registered property managers, February 2022

38% of property managers are licenced real estate agents. The remaining **62%** are agents' representatives.



Of the 12,106 female property managers 24% are licenced real estate agents... while 52% of the 12,837 male property managers are licenced real estate agents.

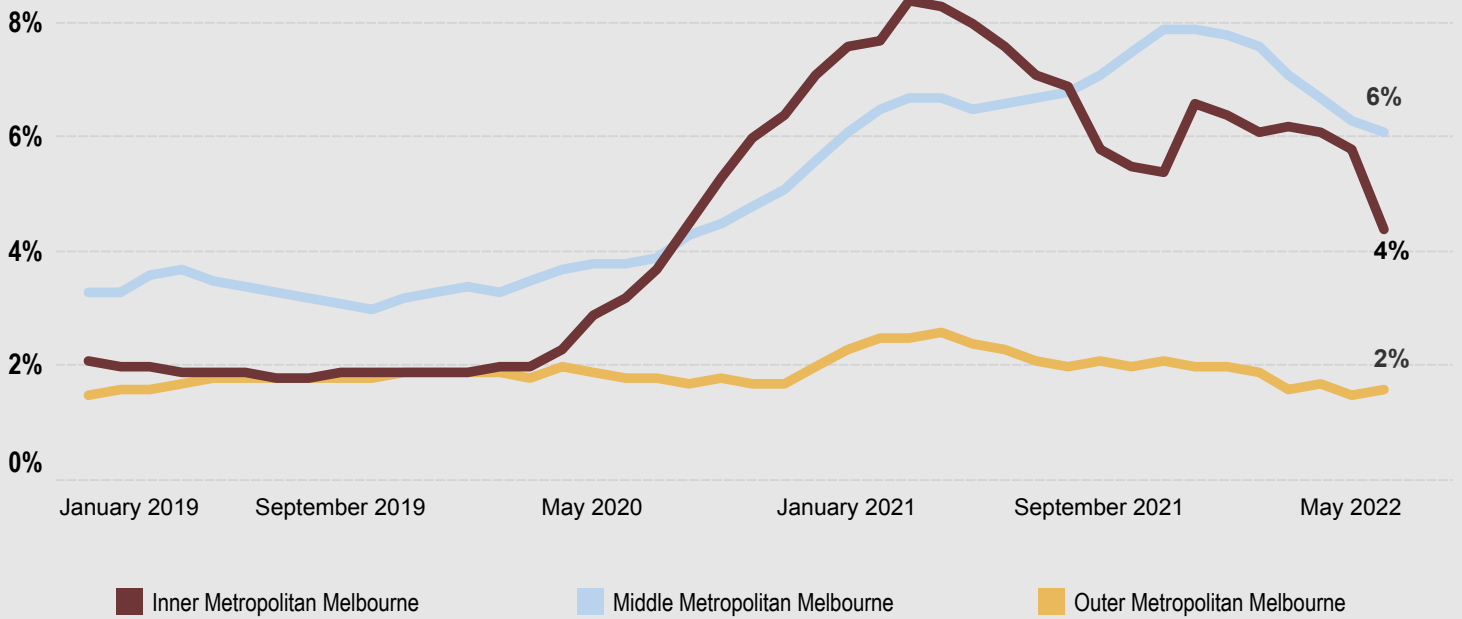


WHAT IS RENTING LIKE?

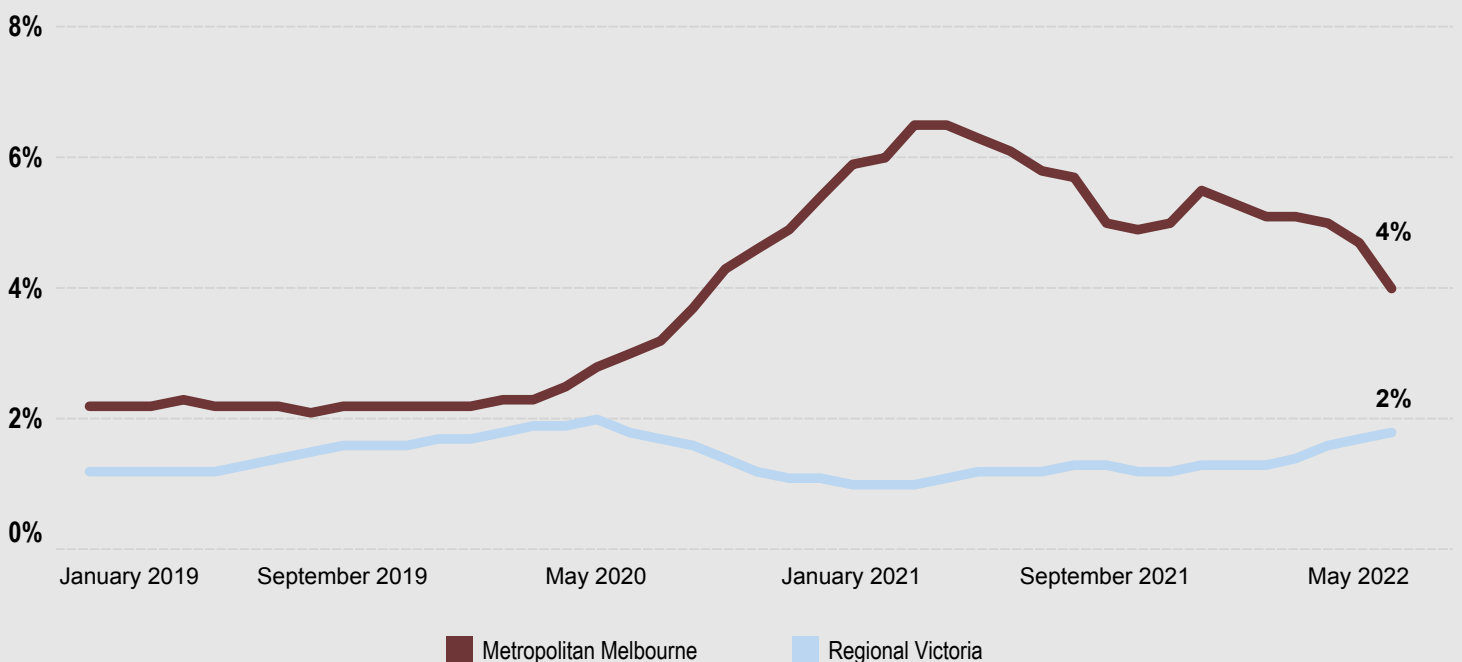
Inner Metropolitan Melbourne saw the greatest increase in rental vacancy with a jump from 1.9% in January 2020 to 8.4% in March 2021.

Inner Metropolitan Melbourne also saw the greatest decrease in rental vacancies, falling from 8.4% in March 2021 to 4% in June 2022.

Rental vacancy rate of Metropolitan Melbourne



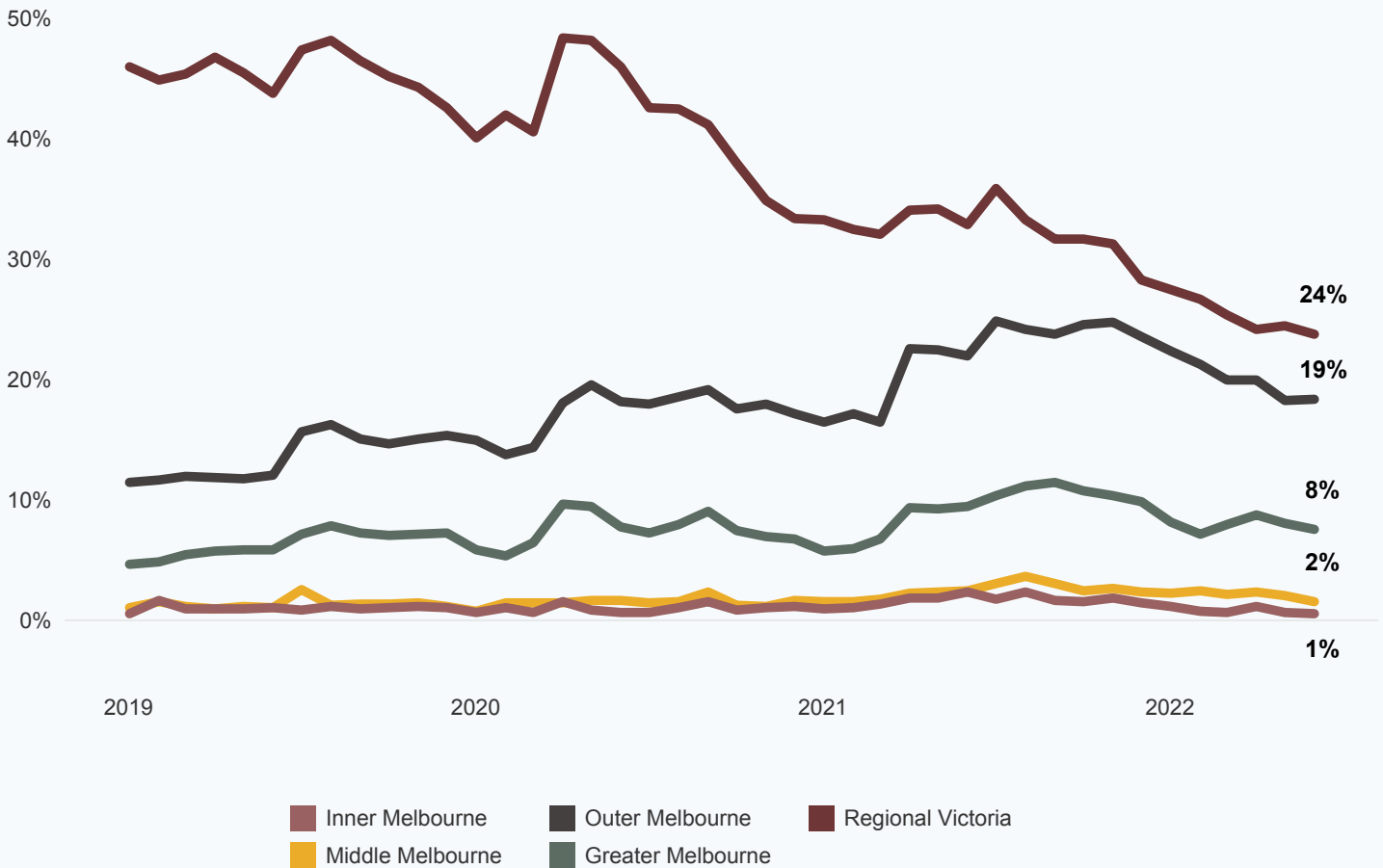
Rental vacancy rate Metropolitan Melbourne vs Regional Victoria



Rental affordability for those on Centrelink payments in regional areas has decreased steadily throughout the pandemic. As of June 2022, only **24%** of rentals in regional Victoria were considered affordable, down from an average of **45.7%** in 2019.

Greater Melbourne became slightly more affordable for those on Centrelink payments in 2021 (**9.4%** on average) compared with 2019 (**6.5%** on average), largely due to more affordable rentals in outer Melbourne.

Rental affordability for Centrelink recipients



"My real estate agent used my photos from a virtual inspection in a sales ad without my permission. I'm sure this will happen to other renters too, after nearly two years of mandatory virtual inspections. I've contacted them and they said they'd take the photos down but haven't yet. I think we need monetary compensation and penalties for breaches like this because agents just do whatever they like and know that there won't be any consequences because it's never worth it for the renter to pursue a legal claim. My agent has also said they won't pay me the compensation for sales inspections until the property is sold or taken off the market - I can't deduct these fees from rent. They have often cancelled inspections before with no notice so I'm worried that will happen here. I appreciate the new rental laws but we need timelines for things like compensation otherwise REAs will try to evade their obligations."

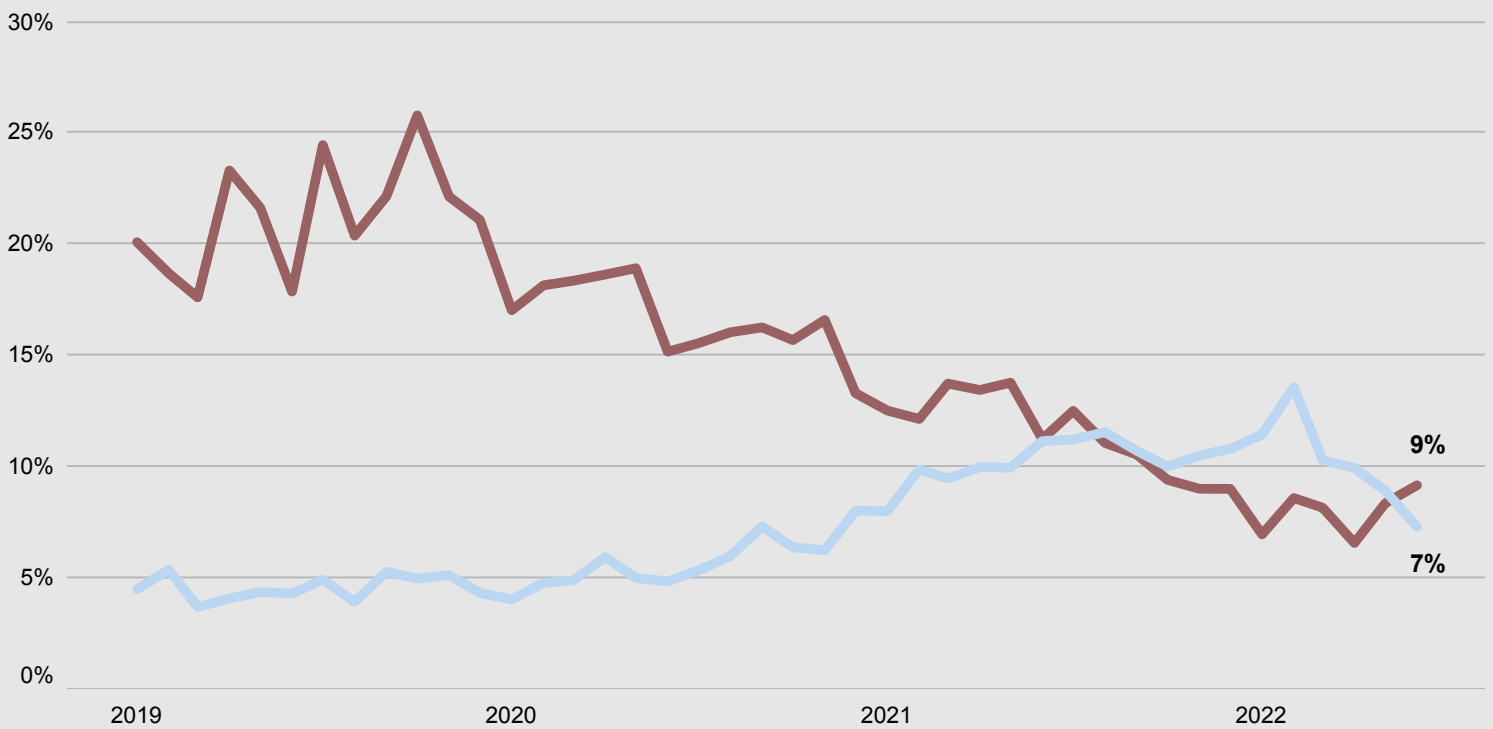


-Feedback to the Commissioner, October 2021

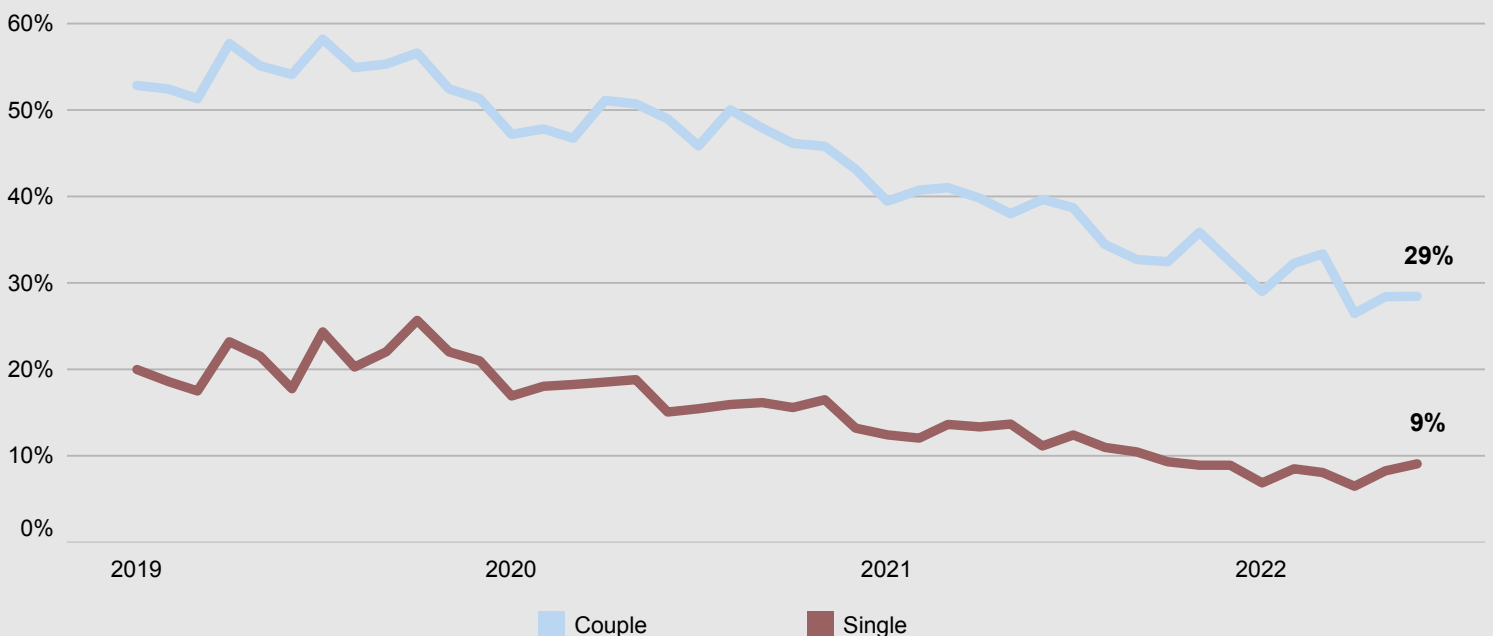
Rental affordability for people on aged and disability pensions has decreased throughout the pandemic in regional areas and for singles in Melbourne. For couples in Melbourne, there was an increase in affordable rentals, from an average of 4.6% in 2019 to an average of 10.3% in 2021/22.

Affordability for singles and couples on aged and disability pensions - for 1 & 2 bedroom rentals

Metropolitan Melbourne



Regional Victoria

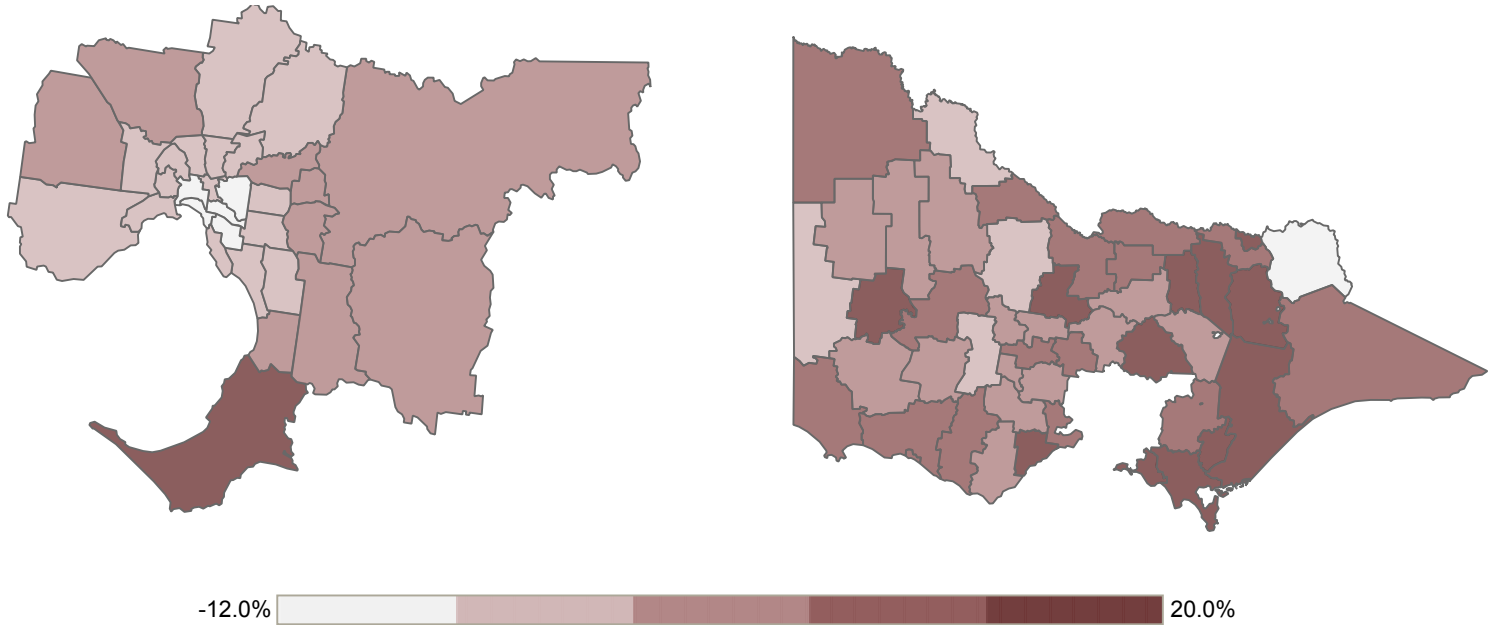


Change in median rent (dollars) by Local Government Area

(percentage change from September 2020 to September 2021)

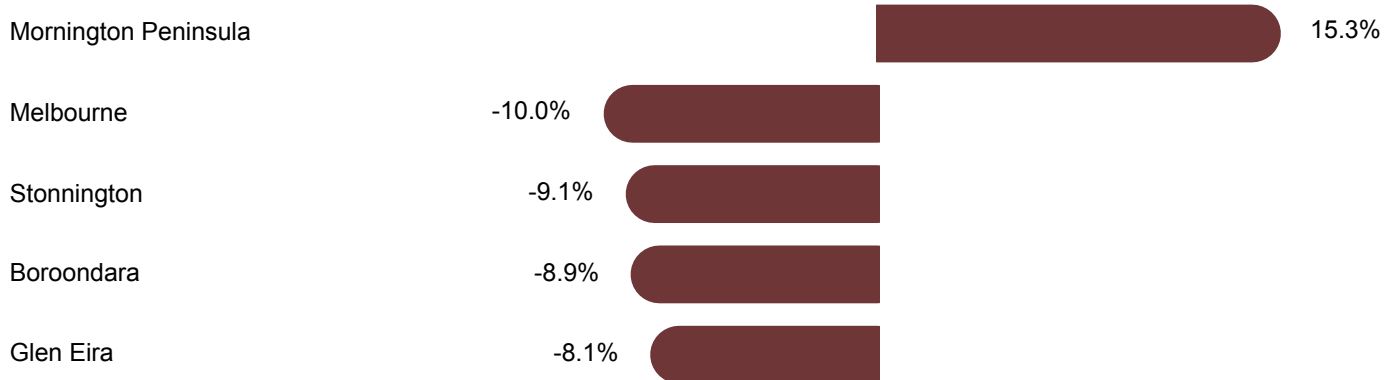
Metropolitan

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



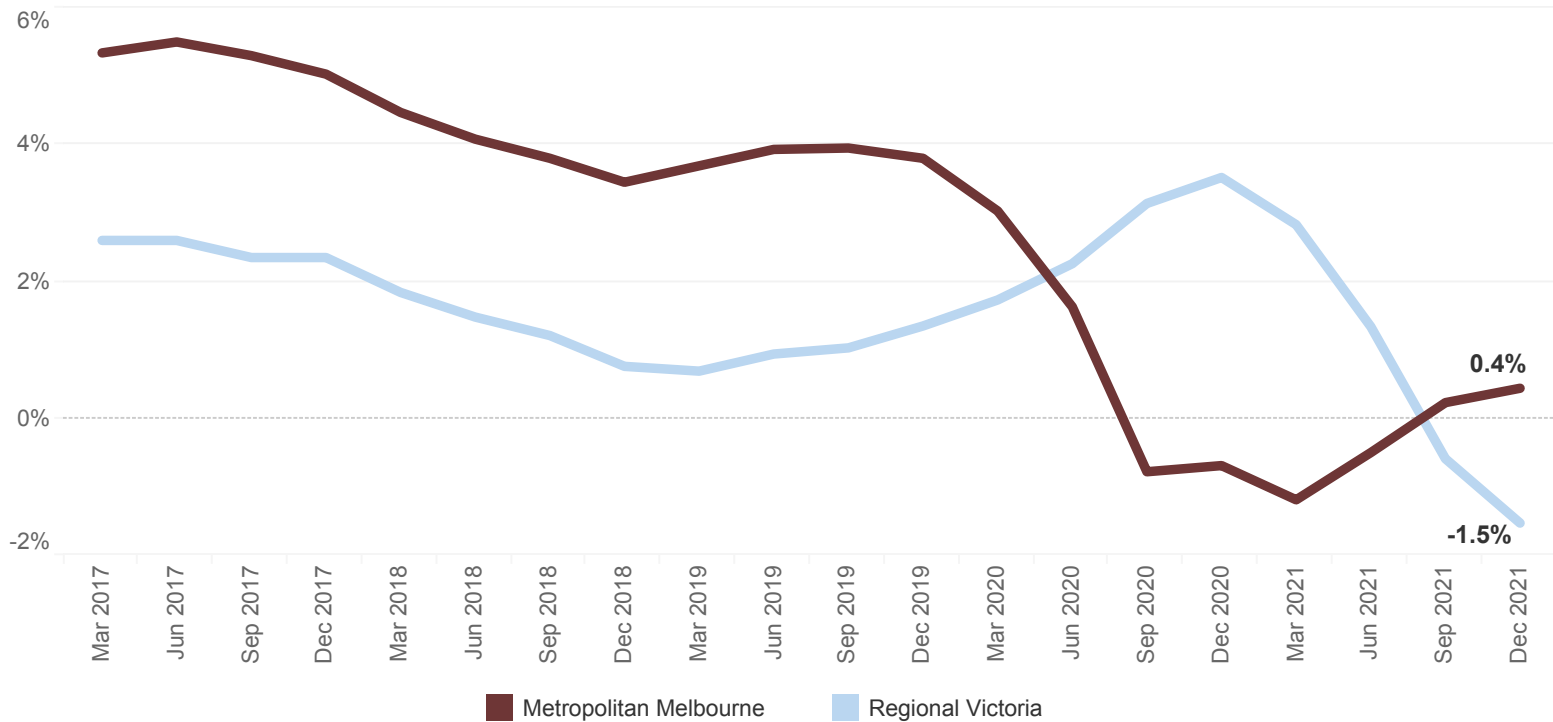
Mornington Peninsula saw the biggest movement in the Metropolitan region with a median rent increase of 15.3%. While Regional Victoria saw the largest movement in Alpine with a median rent increase of 19.7%

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



Between the September 2020 and June 2021 quarters there were fewer active bonds in metropolitan Melbourne than the same quarters in previous years. During this period, active bonds in regional Victoria increased. In December 2020, there were 3.5% more active bonds than in December 2019.

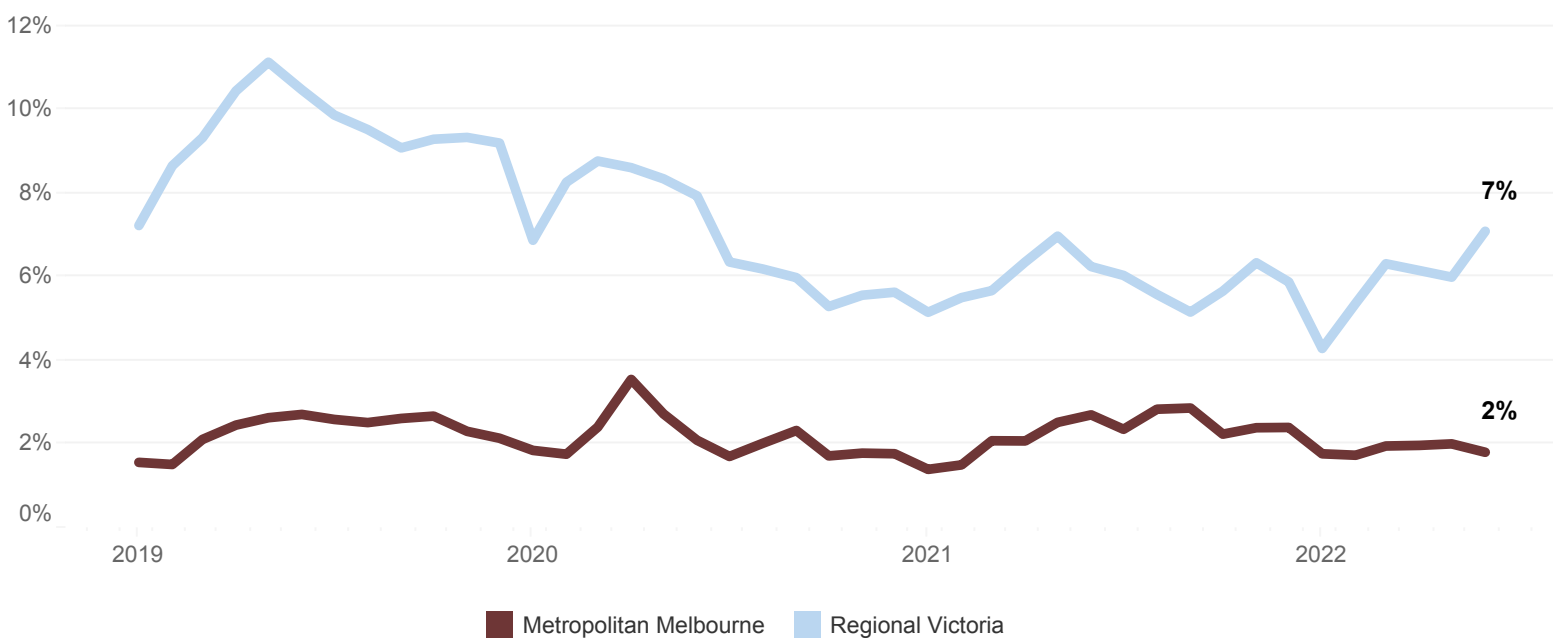
Annual change of active bonds between Metropolitan Melbourne and Regional Victoria



The number of bonds that were greater than 4 weeks rent in 2020/21 was 226,807
That's up by 2% from 222,262 in 2019/20

There were 250,170 bond lodgements during 2020/21
↓ 1.4% (253,650) from 2019/20

New tenancies that received a RentAssist bond loan



There were
150,693

active tenancy agreements
that have been in place for
5 or more years as of February 2022

↑ 0.9% since last year

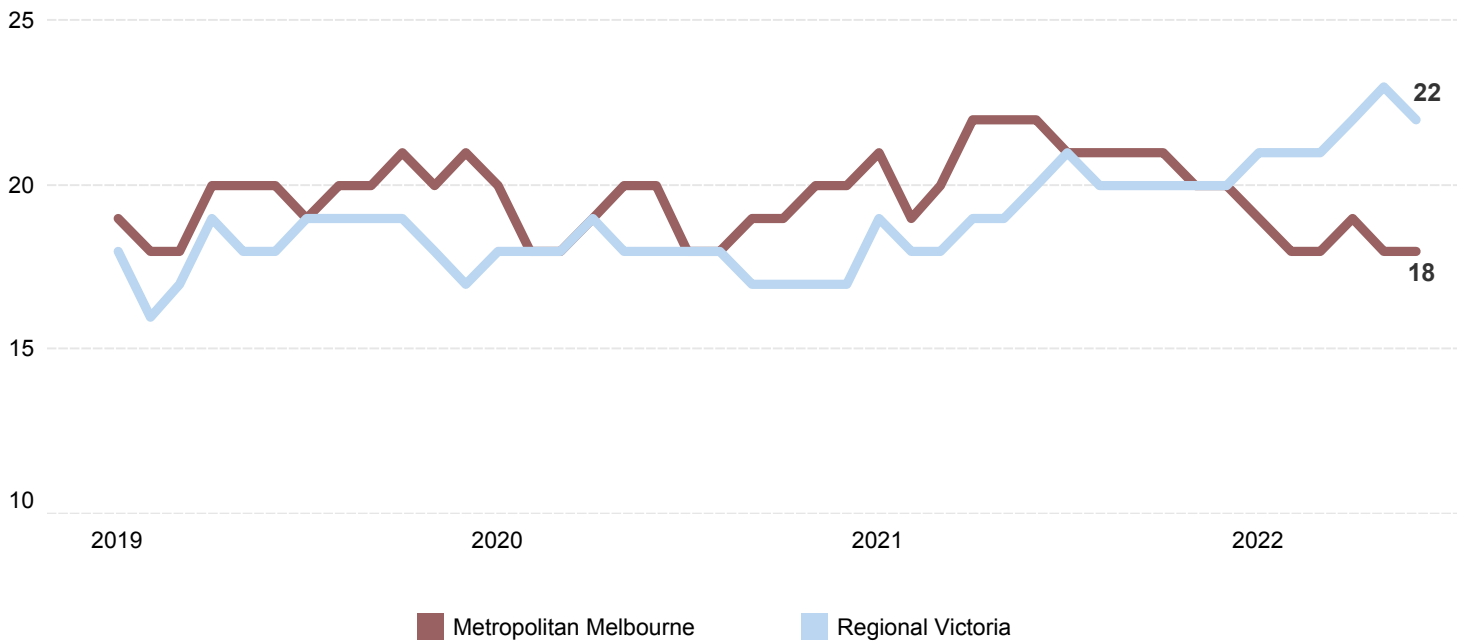


The number of fixed long term tenancy
agreements (5 or more years)
signed during the 2020/21 financial
year was

105

↑ 16.7% compared to
the 2019/20 financial year

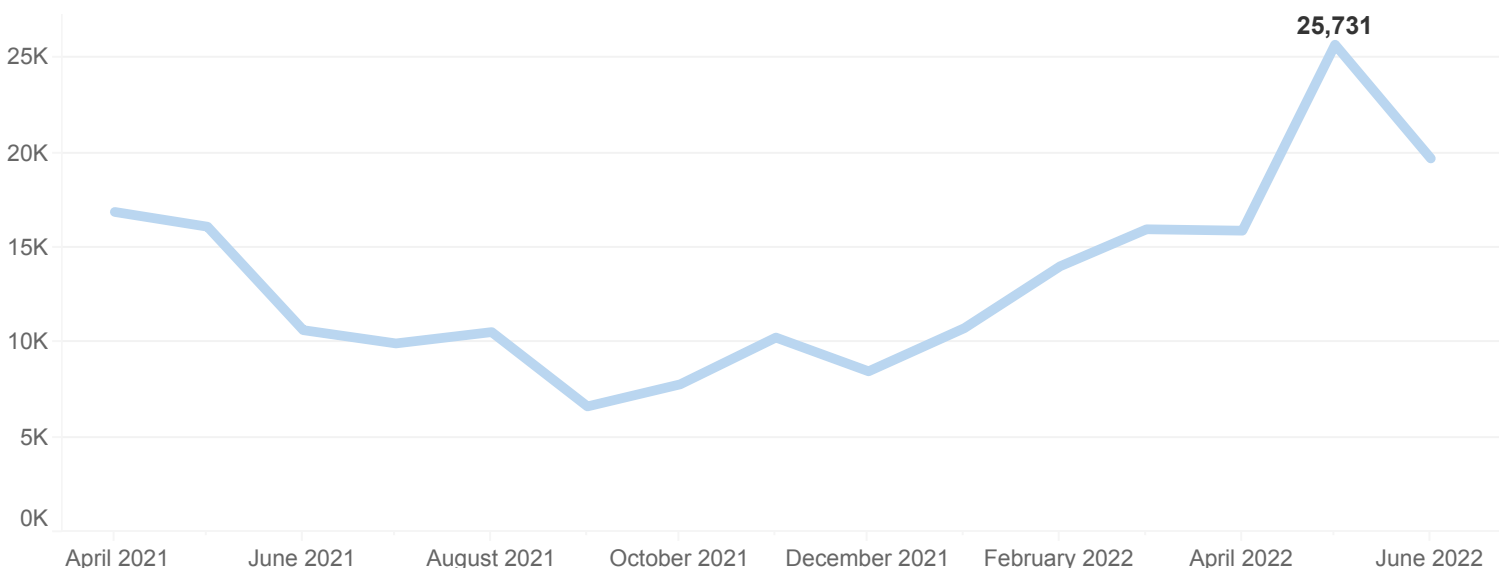
Average Length of Tenancy in months



In 2020/21 there were 75,172 assignments by bond transfer

↓ by 9.8% compared to 2019/20

Notices of rental increase





"In May, I leased a property. Issues included: Leaky water taps, leaking gas, no smoke alarms, cabinets and walls under the sinks rotten with water damage and mould, leaking roof, rotten food, rat poo and rubbish, dust and mould from the roof contaminating indoor air through numerous ceiling vents.

I was sick the entire time I lived at the property. The rental provider made no repairs {for two months}. Repairs were not adequate. I attempted to obtain help from government with little success. I attempted to obtain a government building inspection but I was foiled by the landlord doing just enough repairs to delay the building inspection. I obtained my own mould report and issued a notice to vacate- unfit for human habitation. The landlord is now contesting with his own dodgy report. There needs to be a quicker way to resolve disputes harming a tenants health and an {impartial} assessment process."

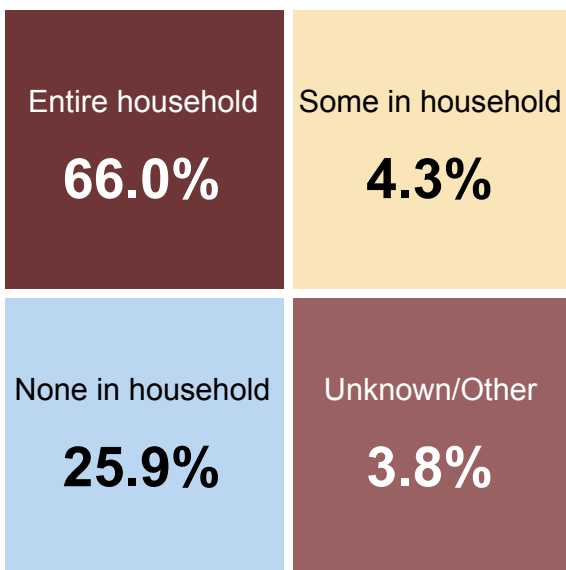
- Feedback to the Commissioner, June 2021



248,166 bond repayments were made during 2020/21

That's up by 3.8% (8,991) from the previous year

Proportion of renters that moved in last 5 years*

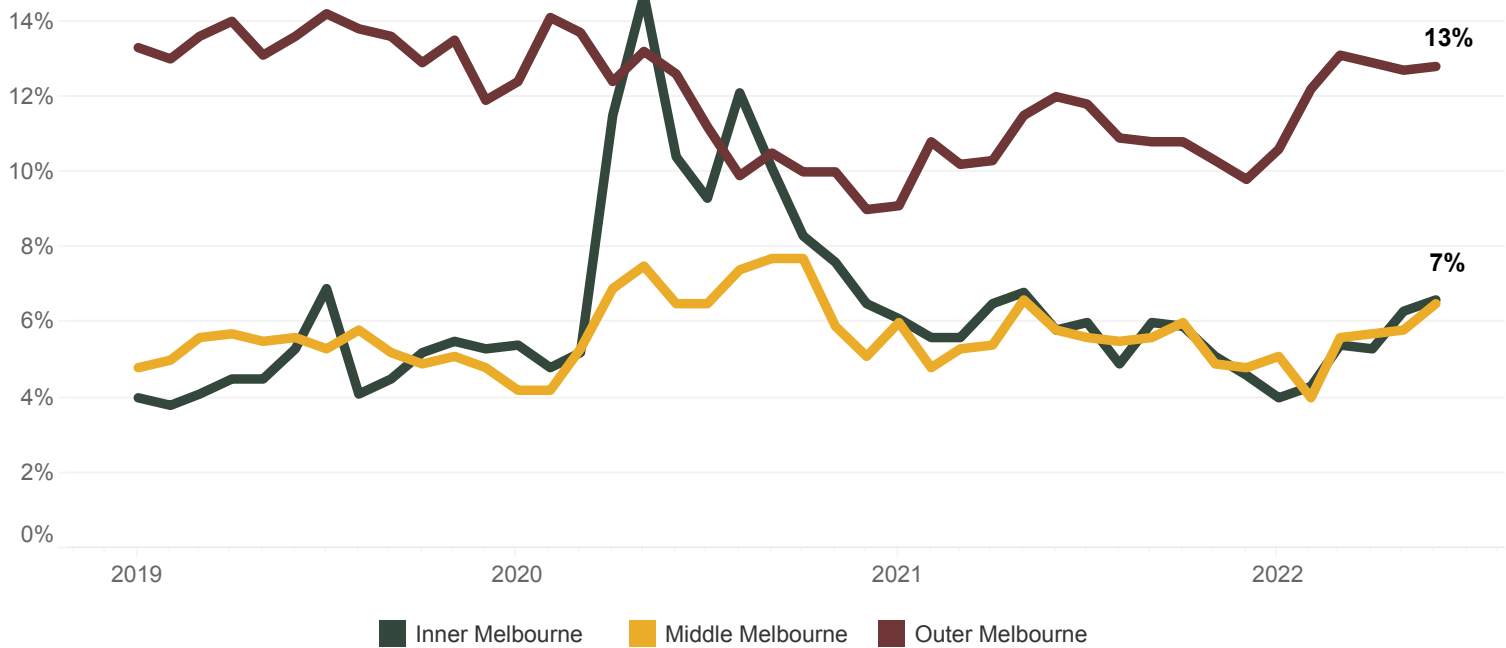


* Based on 2021 census data for Victoria

Renters in outer Melbourne are generally more likely to receive no bond refund (or less than 5% of their bond) compared with inner and middle Melbourne renters.

Early in the COVID-19 pandemic there was a spike in the proportion of inner Melbourne tenants who received no bond refund (or less than 5%) in May 2020 (15%) and August 2020 (12%).

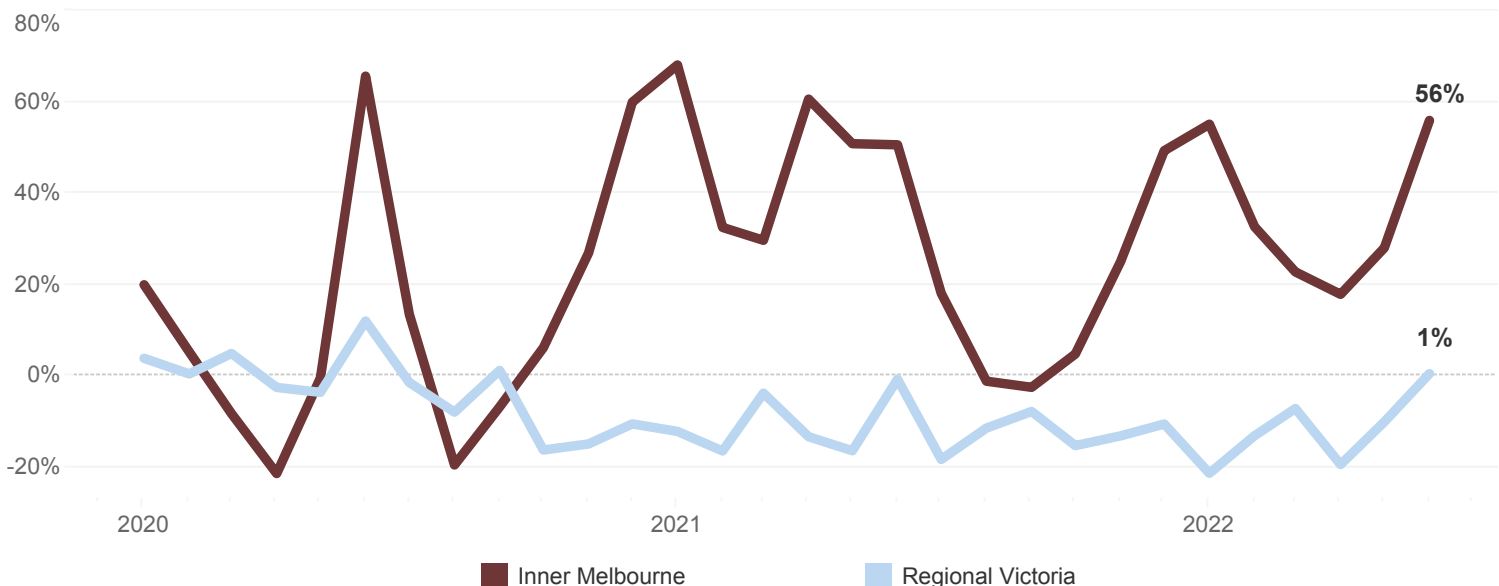
Bond Refunds of 5% or less to tenant



During the pandemic, monthly bond lodgements in inner Melbourne fluctuated when compared with 2019 levels. During major lockdown periods in 2020 and 2021, monthly bond lodgements were as much as 21% lower than the same month in 2019.

Change in bond lodgement

*from the same month in 2019



WHAT HAPPENED TO RENTING SINCE THE OUTBREAK OF COVID-19?

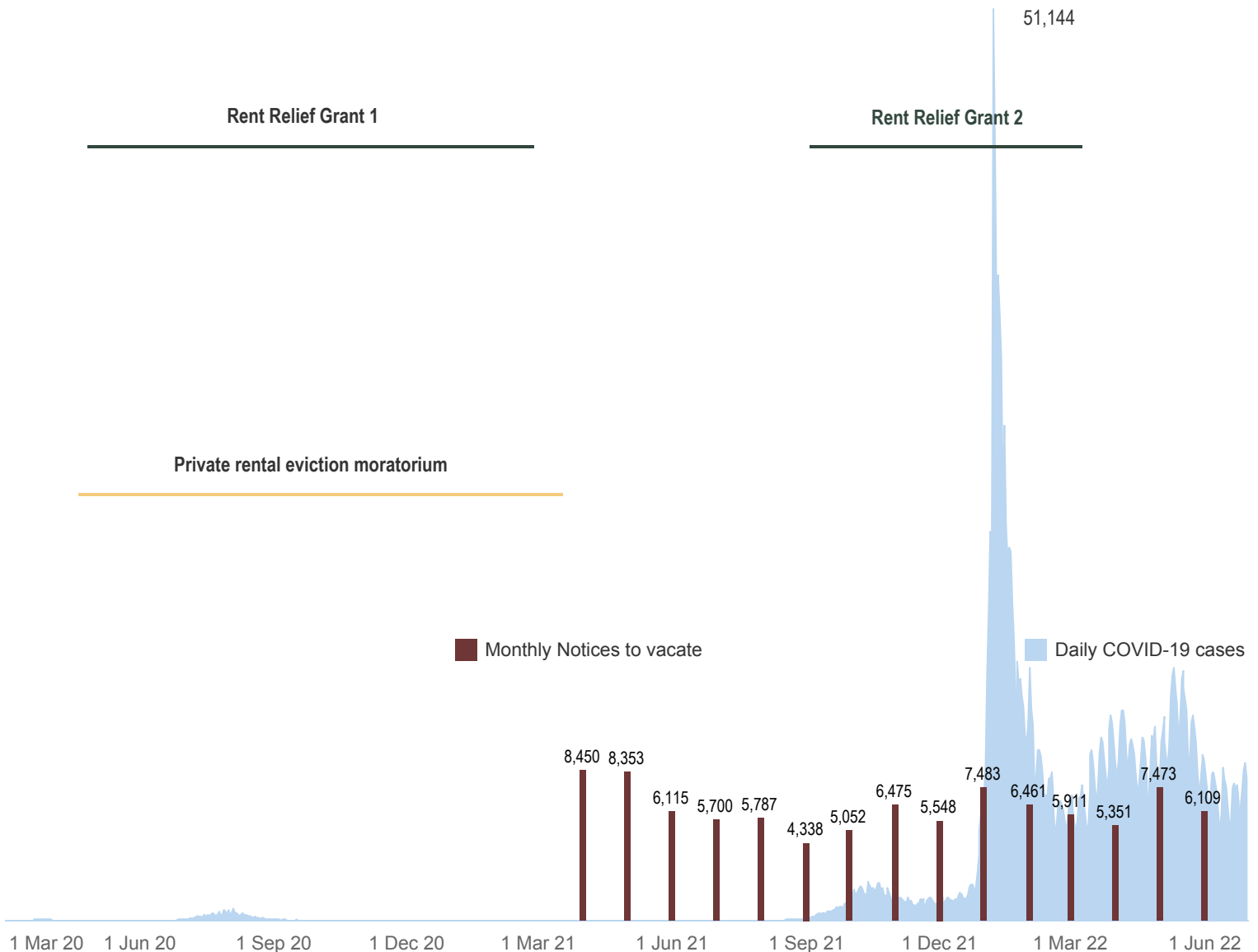
"I suffered financial hardship due to {the} covid lockdown in VIC, and asked my landlord 3 times for a rental reduction to which she refused. So, I fell further behind in rent. I paid what I could through Centrepay, but as soon as the eviction ban stopped I received a notice to vacate. This last week went to a VCAT hearing, and I explained I had fallen behind because of Covid 19, and I asked to do a payment plan but the member granted the rental provider a warrant of possession for the rental arrears incurred while I was in {severe} financial hardship because of bloody covid. Myself and my kids will be evicted by the police today, with nowhere at all to go, during a pandemic."

- Feedback to the Commissioner, September 2021

"We have been renting a property for 13 months, have never paid our rent late and are generally good tenants. One month ago renewed our lease with a \$43 per month rent increase due to rising costs of rent in the Eastern Suburbs. Our Property manager has now informed us that we are going to be charged additional fees to pay rent because they are using a third party payment service to manage rent payments. These fees will amount to an additional \$2 per month for direct debit, or \$37 per month for credit card. My partner and I are young professionals (27 & 28 years old) who would ideally like to buy but are stuck renting because of the rising cost of housing. Now we are being even further disadvantaged by real estate agents who are passing their business costs to us for the collection of rent while they and landlords take advantage of our situation."

- Feedback to the Commissioner, December 2021

COVID-19 Cases and rental measures



Rental Relief Grants

From April 2020 to March 2022, except for a 5 month period, the Victorian Government delivered a rental assistance fund to provide rent relief payments to Victorians experiencing rental hardship due to the pandemic.

Round One of the rent relief grant provided up to \$3,000 if an eligible tenant continued to suffer financial hardship after a rent reduction agreement had been registered with Consumer Affairs Victoria. The grant was paid directly to landlords on a renter's behalf.

Round Two provided a one-off \$1,500 payment to eligible tenants.

Round One:

59,463

**Rental Relief Grant
applications were received**
(between April 2020 and March 2021)

Of those round one applications,

25,265

were approved to
the value of

\$82,163,592

Round Two:

6,594

**Rental Relief Grant
applications were received**
(between September 2021 and March 2022)

Of those round two applications,

1,826

were approved to
the value of

\$2,828,051

Number of approved applications by type of impact



Reason	Round One	Round Two
Loss of employment	12,058	627
Working hours and/or wages reduced	11,181	1,024
Not impacted by COVID-19	2,791	85
Sole trader experiencing a reduction in turnover	2,071	109
Sole trader and have had your business suspended	1,610	100

WHAT HAPPENS WHEN THERE IS A PROBLEM?

107,621

rental queries were received by Consumer Affairs Victoria (CAV) in 2020/21

includes calls and written requests for assistance

↑ 52% compared to last year (70,766)

The top 5 reasons for contacting CAV in 2020/21



	#	% change since 2019/20
1. Termination of lease	16,045	24.8%
2. New rental agreement	14,763	133.6%
3. Repairs & Maintenance	9,690	10.6%
4. Tribunal Hearings & Applications*	8,058	-
5. Rent Relief process*	7,994	-

* % change is not available as these were not categories in the 2019/20 financial year

85% (1,219) of disputes referred to Frontline Resolution at CAV were resolved in 2020/21, ↑ 12% from 2019/20



CAV issued 2 infringement notices under the tenancy law in 2020/21

9,954 clients contacted Tenants Victoria during 2021, up 10.3% from 2020 (9,027)

Top five issues reported to Tenants Victoria

1. Repairs - 16%
2. COVID-19 - 15%
3. Lease Breaking & Terminations - 11%
4. Compensation claim by renter - 8%
5. Bond - 7%



The most visited advice page by users of the Tenants Victoria website was the "COVID-19 Information" page, which accrued 98,576 unique pageviews in 2021

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

TAAP assisted with

5,234

tenancy matters during 2020/21

↓ 7.4% from 2019/20

Top five issues reported to TAAP

1. Possession or notice to vacate - 1,276
2. Rent arrears - 753
3. Lease breaking - 453
4. Compensation claims - 432
5. Bond claims - 397



Victoria Legal Aid provided 2,360 residential tenancy services during 2020/21 (includes advice, substantive grants, duty lawyer services and other minor work)

...and provided 5,688 legal information services on landlord and tenant issues

44,712 applications to the Victorian Civil & Administrative Tribunal (VCAT) in the 2020/21 financial year

↓ **8.9%** compared to applications in 2019/20 (49,079)

Type	#	%
Residential Rental Provider	31,668	70.8%
Renter	6,812	15.2%
Private Rental Provider	3,978	8.9%
Others*	2,254	5.0%

*Includes Caravan Park Owners and Rooming House Operators

12,714 'At fault' eviction applications were made to VCAT during the 2020/21 financial year, ↓ 22.8% compared to 2019/20 (16,460)

85.0% of those applications proceeded to a hearing.

56.9% were due to 'failure to comply with obligations under the tenancy agreement or Act', while 23.1% were due to non-payment of rent.

The remaining 20.0% 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
- possession where a COVID-19 termination order was made before 29 March 2021



7,901 'No fault' eviction applications were made to Victorian Civil & Administrative Tribunal (VCAT) during 2020/21

↑ 261.9% compared to 2019/20 (2,183)

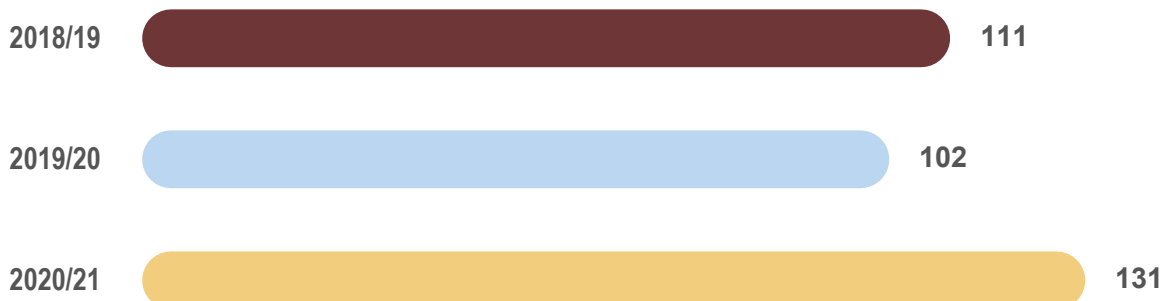
69.9% of those applications proceeded to a hearing

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

	#	%
Premises are being sold	3,909	49.5%
Premises to be occupied by residential rental provider or provider's family	3,473	44.0%
Unfit or unsafe	213	2.7%
Death of tenant	131	1.7%
Repair/renovation/reconstruction	52	0.7%
Demolition	41	0.5%
Other	82	1.0%

Approximately 34% of hearings were contested at VCAT

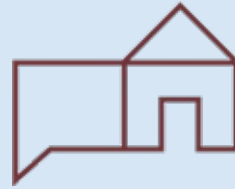
Accommodation complaints made to the Victorian Equal Opportunity and Human Rights Commission, 2018/19 - 2020/21



41.2% of accommodation complaints during 2020/21 related to disability discrimination



ACKNOWLEDGEMENTS



COMMISSIONER
for RESIDENTIAL
TENANCIES

The Commissioner for Residential Tenancies proudly acknowledges Victoria's First Nations peoples and their ongoing strength in practising the world's oldest living culture. The Commissioner acknowledges the Traditional Owners' lands and waters on which we live and work, and pays respects to their Elders past, present and emerging.

The Commissioner thanks the Crime Statistics Agency in Victoria for the preparation of this report.

The Commissioner is grateful to all contributors for the provision of data required to complete this report. Special thanks are extended to Liss Ralston, 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).

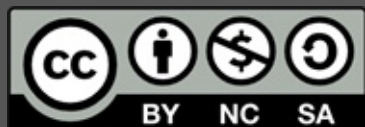
Published by the Commissioner for Residential Tenancies,
Level 3, 3 Treasury Place, East Melbourne VIC 3002.

Copyright © 2023 State of Victoria, Australia

Renting in Victoria: Snapshot 2022

March 2023

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