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# Renting in Victoria: 2024 Snapshot Technical Report

Office of the Commissioner for  
Residential Tenancies

December 2024



**SGS**  
Economics  
& Planning





Independent  
insight.



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# Snapshot summary

## Continuing trends

- **Renting is increasingly common in Victoria** – in 2021, around 28% of all households in the state were renters, compared with around 23% in 2001.
- Renters today are slightly **older**, more **culturally and linguistically diverse than renters 10 years ago**.
- Following a spike in vacancies in metropolitan Melbourne during the pandemic, **vacancy rates have returned to low levels**.
- Despite new protections, renters report that **owning a pet continues to act as a barrier to securing a property**.
- Many **properties do not meet minimum standards or fail to maintain adequate temperatures in winter**.
- **Renters continue to seek out support and guidance** from agencies such as Consumer Affairs Victoria and Tenants Victoria, particularly when it comes to ending a lease.
- Consistently, the **vast majority of lease agreements are short-term** (12 months or less).

## Emerging and worsening trends

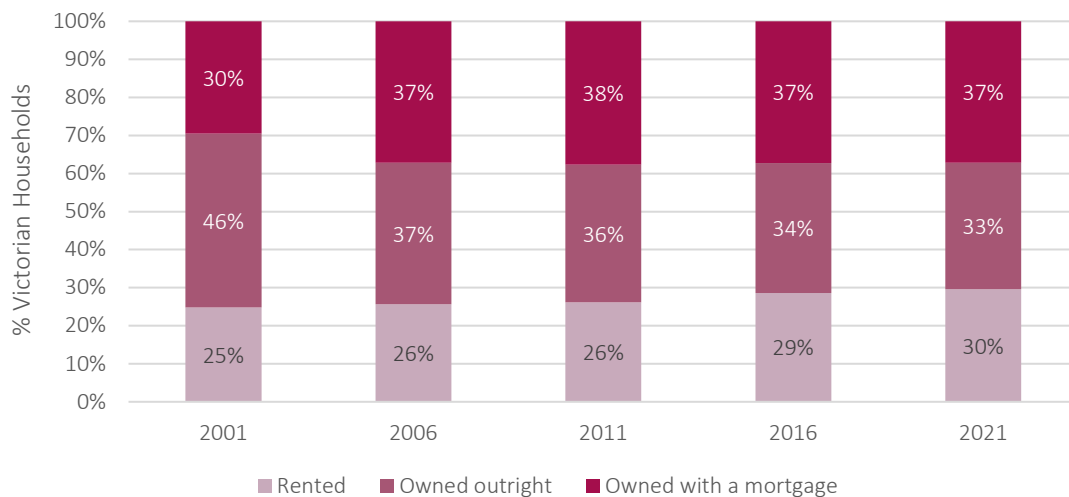
- **Affordability of rentals has sharply declined** in recent years – the median rental rate is no longer affordable compared to the average renter household in many areas of Victoria.
- **Almost all rentals are unaffordable** to people on government support (Jobseeker and age / disability pensions), especially in metropolitan areas.
- **Rent increases are the norm**: the number of Notices of Rent Increase generated in the 12 months to September 2023 was equivalent to over 58% of rental households in the state.
- **A growing share of Commonwealth Rent Assistance recipients pay a rent that is not affordable** for their income, despite this subsidy.
- **It's a tight market for renters, especially in metropolitan areas**: listings are live for fewer days, and are receiving more enquiries than in past years.
- As renters struggle to pay rising rents, **notices to vacate for non-payment of rent have increased fivefold since 2021, coinciding with rising rents, low vacancy rates, and declining affordability**.

# Who is renting?

Renting is increasingly common in Victoria.

In 2021, almost **30%** of all households in the state were renters, compared with **25%** in 2001.

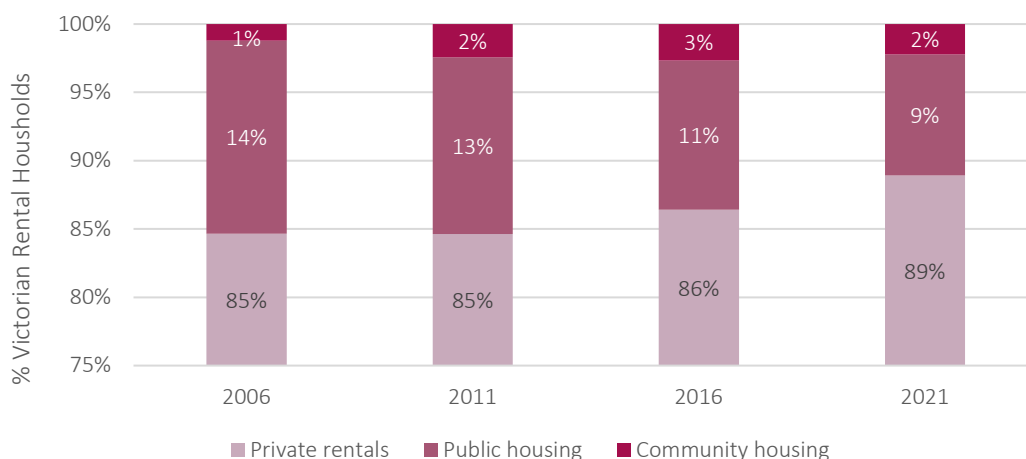
**Figure 1: Households (dwellings) by tenure type, 2001-2021**



Source: ABS (2021)

The vast majority (**89%**) of rentals are in the private market, with a small – and decreasing – share of social housing, which includes public and community housing.

**Figure 2: Rentals by provider, 2006-2021**



Source: ABS (2021)

### **The profile of renters is shifting.**

Renters today are slightly older and more culturally and linguistically diverse than renters 10 years ago. According to 2021 ABS Census data:

- 45% of renters are aged 20-39. The median age is 30-34 year olds, compared with 25-29 year olds in 2011.
- 65% speak English at home, compared with 70% in 2011.
  - The most common other languages are Indo-Aryan (e.g. Hindi, Bengali, Urdu, Punjabi) 7%) and Chinese (4%)
- 61% were born in Australia, down 3% from 2011.
  - Of those born overseas, the largest shares are from Southern Asia (e.g. India, Pakistan, Sri Lanka) (10%) and Maritime South-East Asia (e.g. Indonesia, Philippines, Singapore, Malaysia) (4%).
- 21% of households are couples with children, 20% are couples with no children, 14% are one-parent families and 10% are group households.

### **Some vulnerable population groups are overrepresented in the profile of Victorian renters.**

- More than half (51%) of households that include an Indigenous person are renting
- 68% of non-citizen overseas arrivals who moved to Australia in the last 5 years are renting
- Lone persons: 31% of renter households vs. 22% of all households in Victoria

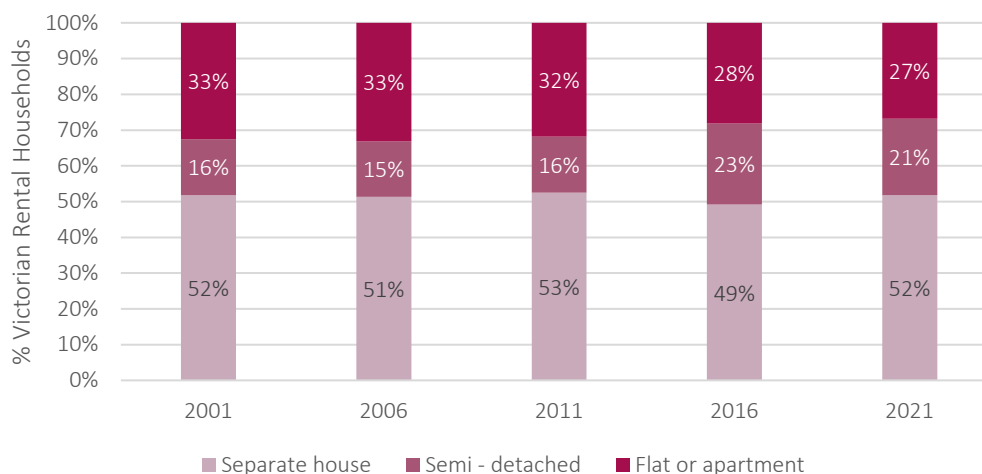
It's important that rental housing be responsive to their unique needs.

# What and where are people renting?

Just over half of rentals are separate houses, just as they were 20 years ago.

- The other half are a mix of apartments and semi-detached dwellings.

**Figure 3: Dwelling structures, 2001 to 2021**



Source: ABS (2021)

The rental market is more than just traditional dwelling structures. It is also comprised of multi-tenant buildings and moveable homes.

- While figures are less reliable for this type of housing, 3,674 renters live in residential parks (caravan parks and manufactured home estates).
- 1,451 rooming houses were registered in 2022-23, up 2.3% from 1,419 in 2020-21.

**Table 1: Non-traditional dwelling structures in the rental market**

Dwelling structure	2021
Renters living in residential parks	3,674
Registered rooming houses	1,419

Source: ABS (2021) and CAV (2021)

Across the state, most rentals are two or three-bedroom dwellings.

**Table 2: Active rental properties by number of bedrooms**

Number of bedrooms	2023-24
1	22%
2	29%
3	29%
4	17%
5+	2%

Source: CAV (2024)

Note: Data is provided to CAV by renters and rental providers through the required forms as part of bond and tenancy agreements

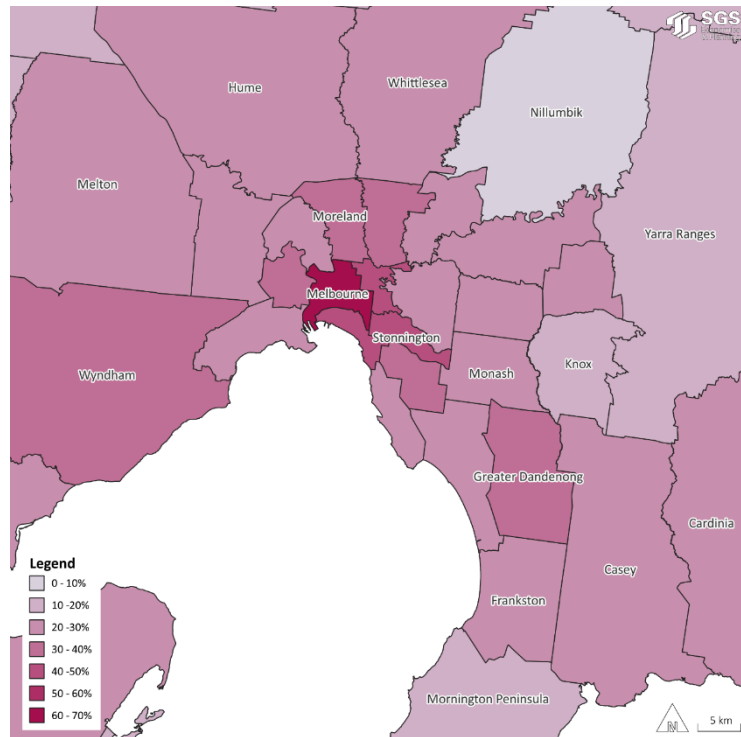
**Renting is more common in inner metropolitan areas.**

28% of all metropolitan households in Victoria are renting.

**Table 3: Top 10 metropolitan LGAs for renting**

LGA	%
Melbourne	64%
Port Phillip	47%
Yarra	45%
Stonnington	43%
Maribyrnong	38%
Moreland	36%
Darebin	35%
Glen Eira	33%
Greater Dandenong	31%
Wyndham	30%

Source: ABS (2021)



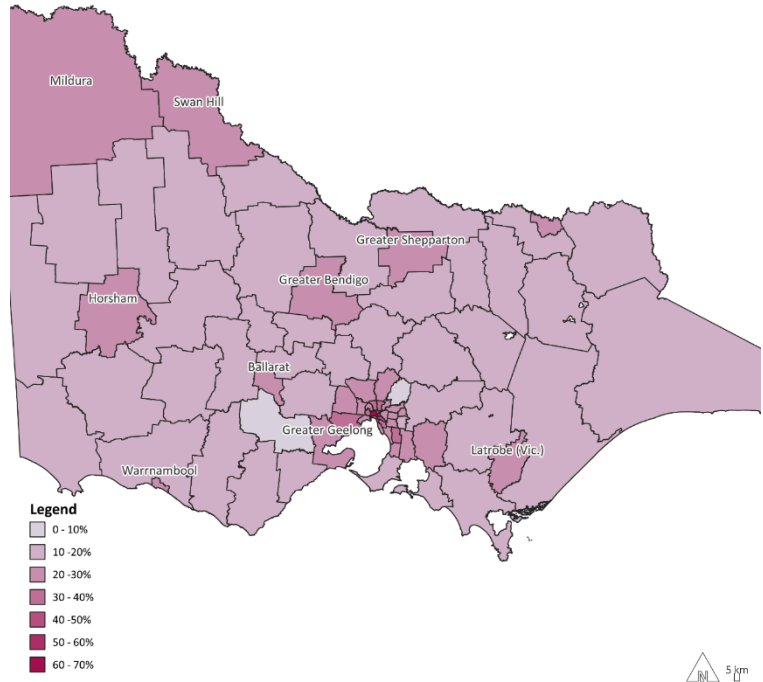
Outside Greater Melbourne, regional centres such as Ballarat have higher rates of renting than rural areas.

21% of all regional households in Victoria are renting.

**Table 4: Top 5 regional LGAs for renting**

LGA	%
Ballarat	28%
Wodonga	28%
Mildura	27%
Greater Geelong	25%
Swan Hill	25%

Source: ABS (2021)



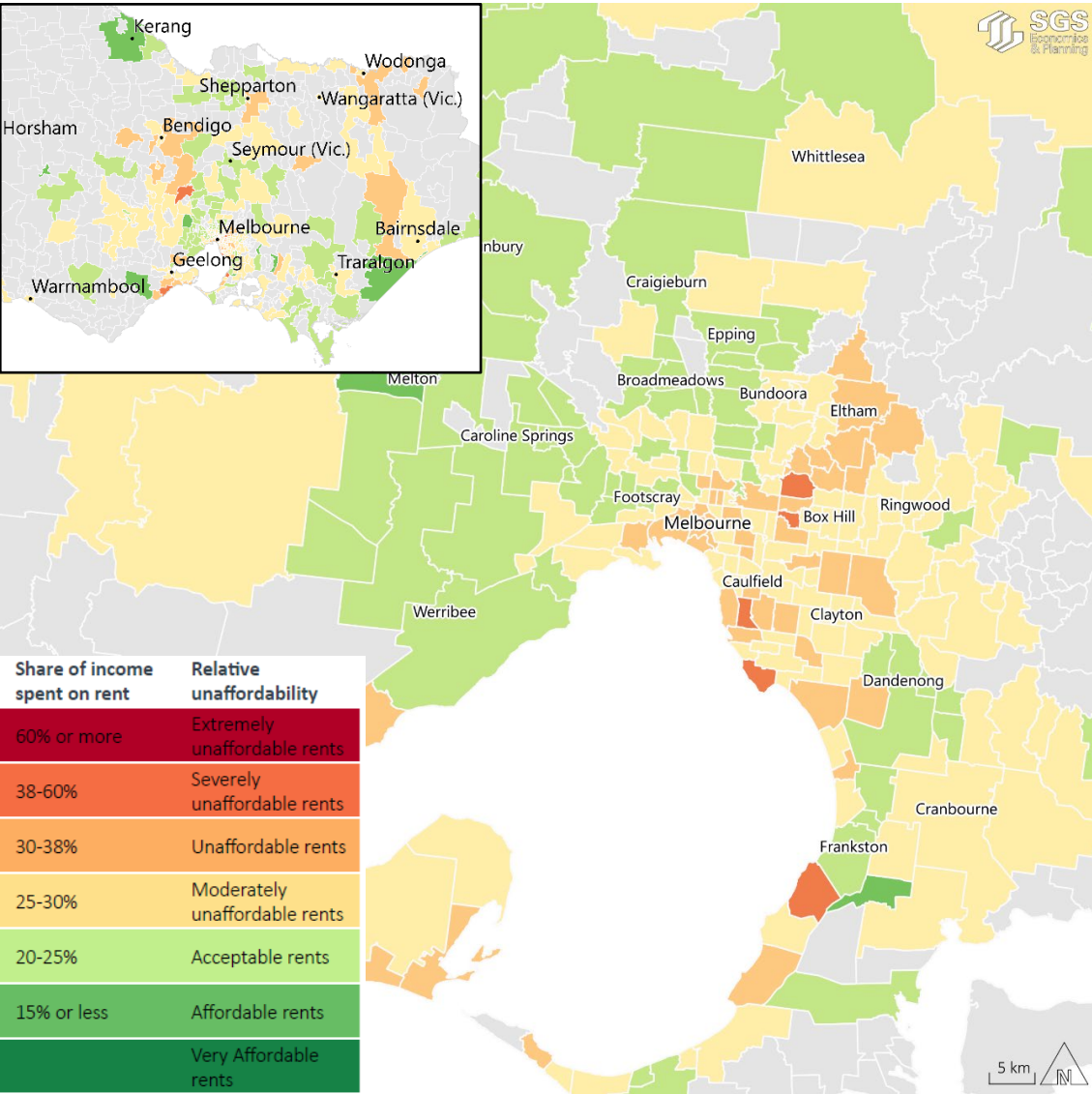
# How affordable is renting?

The typical rental is no longer affordable to the average renter household in many areas of Victoria.

Rentals in the northern and western suburbs of Greater Melbourne are more affordable than those in the east and south.

Regional areas around Wodonga, Shepparton, Bendigo, Geelong, and Bairnsdale are generally ‘moderately unaffordable’ or ‘unaffordable’.

**Figure 4: Affordability by postcode, April 2024**



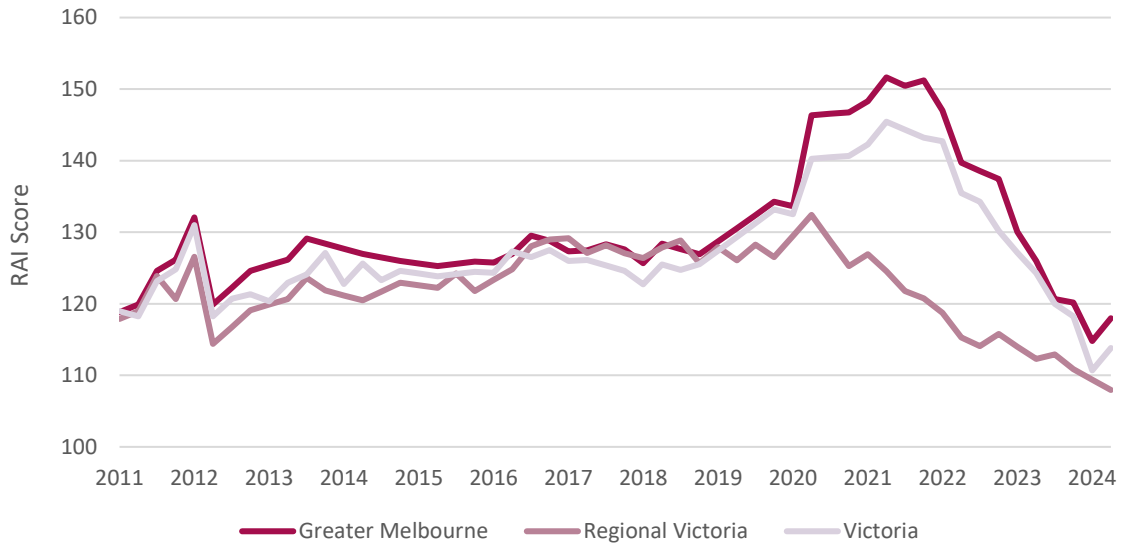
Source: SGS Economics and Planning and National Shelter (2024)

Note: Further detail can be found at: <https://sgsep.com.au/projects/rental-affordability-index>

**Affordability has sharply declined in recent years.**

After many years of the average rental being ‘acceptable’, the pandemic years saw affordability worsen in regional areas but improve in Greater Melbourne. Over the last 2 years, affordability has consistently declined across both metropolitan and regional areas, and in 2024 the average Victorian rental is considered ‘moderately unaffordable’ and at its lowest point in over ten years.

**Figure 5: Rental Affordability Index (RAI) score for the average rental household, 2011 to 2024**



Source: SGS Economics and Planning and National Shelter (2024)

**Few rentals are affordable for people on government support payments.**

For all renter household types who are on an age/disability pension or Jobseeker payments, the majority of rentals are not affordable.

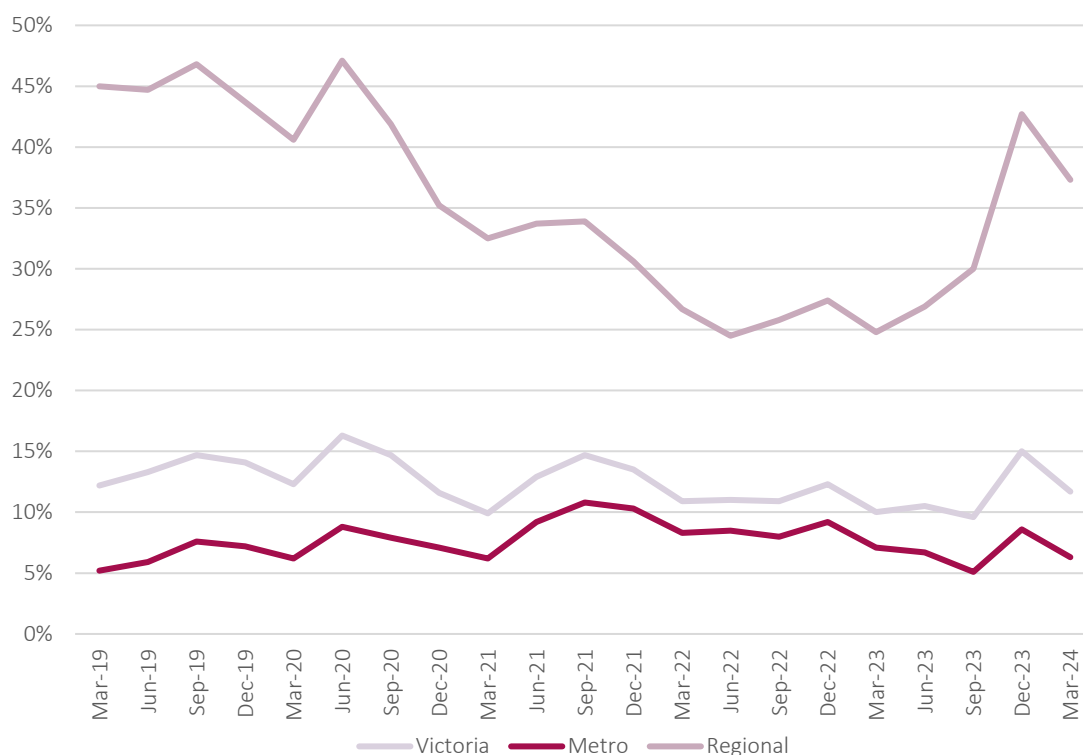
For singles, virtually no 1- or 2-bedroom rentals are considered affordable.

**Figure 6: Share of rentals that are affordable to households on support payments, 2024**

	Single on Age/Disability Pension	Couple on Age/Disability Pension	Singles on Jobseeker	Single Parent on Jobseeker with 1 child	Couple on Jobseeker with 2 children	Couple on Jobseeker with 4 children
<b>No. of bedrooms</b>	<b>1 or 2</b>	<b>1 or 2</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4+</b>
<b>Victoria</b>	2.5%	7.4%	2.2%	4.7%	15.6%	24.4%

Source: Homes Victoria (2024)

**Figure 7: Share of rentals that are affordable to households on Centrelink (Jobseeker) payments, 2019 to 2024**



Source: Homes Victoria (2024)

- Most regions of metropolitan Melbourne have only small shares of rentals that are affordable to those on Centrelink incomes. Western Melbourne has the highest levels of affordability for any metropolitan area.
- Meanwhile, around one-third of rentals in most regional areas are affordable to those on Centrelink incomes, and as many as two-thirds in the Central Highlands-Wimmera region.

**Table 5: Share of rentals that are affordable to households on Centrelink (Jobseeker) payments, 2024**

Region	% affordable
Inner Melbourne	1.0%
Inner Eastern Melbourne	1.2%
Southern Melbourne	0.9%
Western Melbourne	24.0%
North Western Melbourne	4.8%
North Eastern Melbourne	4.0%
Outer Eastern Melbourne	2.8%
South Eastern Melbourne	3.6%
Mornington Peninsula	2.9%

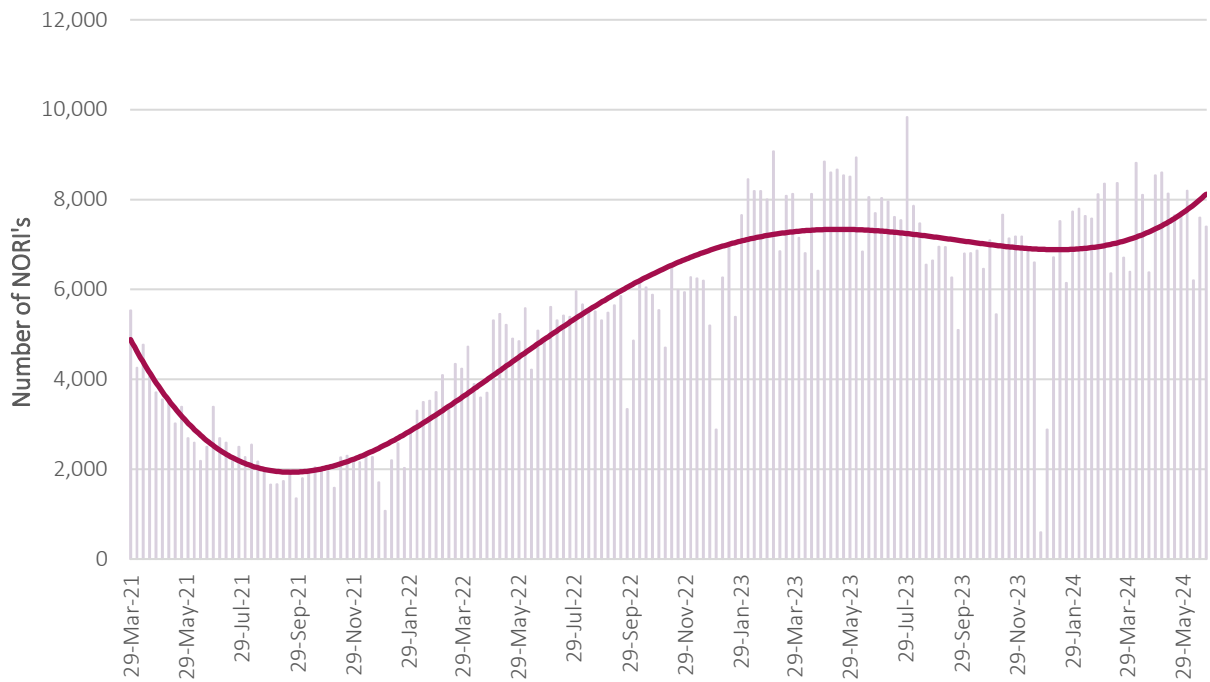
Region	% affordable
Metropolitan Melbourne	6.3%
Barwon-South West	22.3%
Gippsland	39.6%
Goulburn-Ovens-Murray	35.5%
Loddon-Mallee	32.8%
Central Highlands-Wimmera	63.3%
Regional Victoria	36.5%
<b>Victoria</b>	<b>12.1%</b>

Source: Homes Victoria (2024)

**Rent increases are something that most renters are now facing.**

- In the 12 months to September 2023, the number of Notices of Rent Increase (NORI) generated was equivalent to 58.4% of rental households in Victoria, up from 29.8% in the previous 12 months.

**Figure 8: Notices of Rent Increases (NORI) generated by VCAT**



Source: Victorian Civil and Administrative Tribunal (2024)

**Commonwealth Rental Assistance (CRA) provides some relief but falls short for many households.**

- In 2023, 43.1% of CRA recipients in Victoria were still paying a rent that was considered unaffordable (more than 30% of their income). This represents a slight increase from pre-COVID rates of 39.5%.

**CRA recipients in rental stress**

	2019	2020	2021	2022	2023
CRA recipients paying more than 30% of their income on rent	39.5%	28.7%	46.7%	44.3%	43.1%

Source: Productivity Commission (2024)

- In 2022-23 the share of CRA recipients in Victoria identified as Aboriginal or Torres Strait Islander was almost three times that of their representation in the state’s population.

**Representation of Aboriginal and Torres Strait Islanders amongst CRA recipients**

	2022-23
CRA recipients that are Aboriginal or Torres Strait Islander	2.9%
Victorians that are Aboriginal or Torres Strait Islander	1%

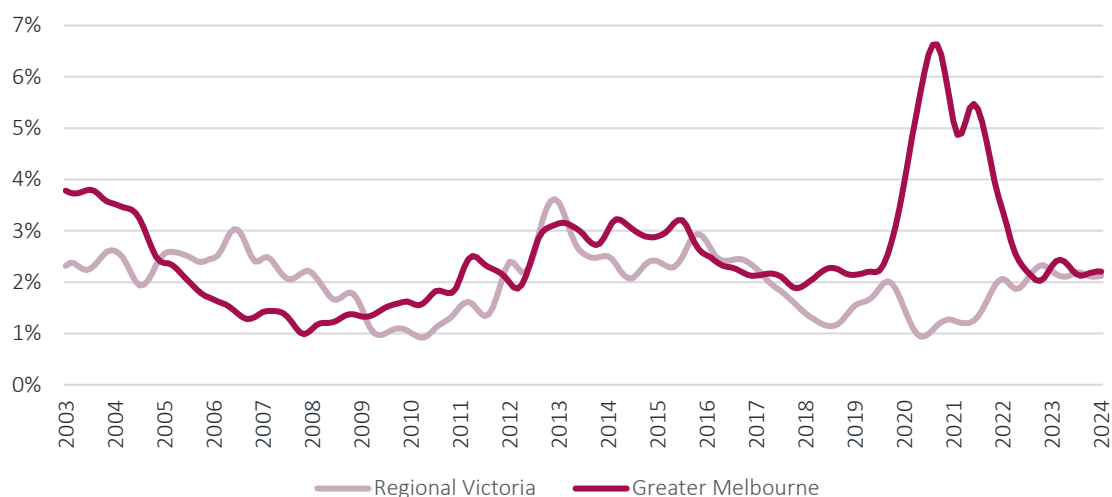
Source: Productivity Commission (2024)

# How do people move in and out of renting?

A competitive environment means renters may have to search longer and harder for a property.

- The post-pandemic vacancy rate in Greater Melbourne is low, at around 2%. This is similar to vacancy rates in the years immediately preceding the pandemic, but lower than those seen for most of the prior decade.

Figure 9: Vacancy rates 2003-2024, Greater Melbourne and Regional Victoria



Source: Homes Victoria (2024)

- Rental listings as of March 2024 indicate that:<sup>i</sup>
  - The median number of days advertised for a rental listing in metropolitan Melbourne over the last 12 months was 18, while in regional Victoria it was 23. This is compared with the national average over the five years to March 2022 of 23 days.
  - Rental listings in metropolitan Melbourne had an average of 37 enquiries per listing, compared with 17 in regional Victoria, and a national average of 29.
  - The number of newly advertised rental properties was 24% lower in metropolitan Melbourne and 20% lower in regional Victoria than the 10-year averages for those areas.

Renters are reporting taking extra steps to secure a property in this market:<sup>ii, iii</sup>

- Applying for listings without viewing (i.e. before the first inspection is scheduled to occur)
- Applying for many listings without success
- Avoiding moving
- Offering higher than the advertised rent/ engaging in rent bidding

- Not disclosing pets on their application

These trends are virtually invisible in the datasets available. Additional research is needed to better understand and document these experiences.

**A small share of renters receive little to no bond refund.**

- Of bonds closed in Victoria in 2023-24, the share of those where the refund was equal to or less than 5% was 10.9%.
- In regional Victoria, this was slightly higher, at 12.6%.

**Table 6: Bond refunds to renters, 2023-24**

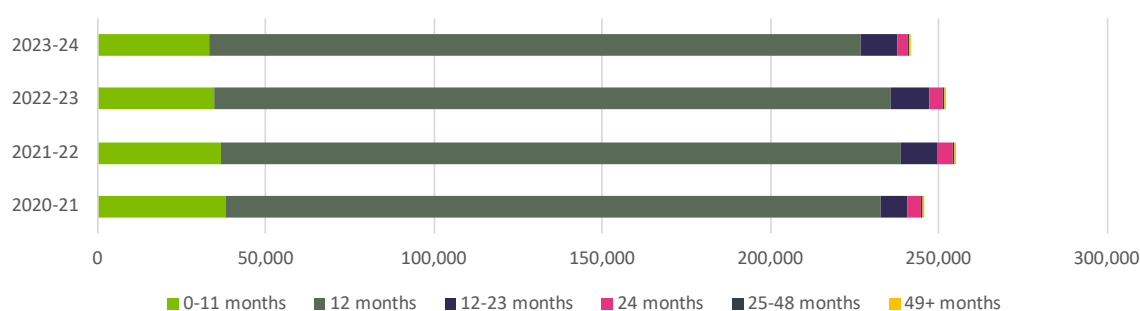
	Total - bonds 'closed' in 2023-24	Of bonds closed, where amount refunded to tenant/s = <5 per cent of bond value	% where amount refunded to tenant = <5 per cent of bond value
Greater Melbourne	208,706	22,112	10.6%
Regional	39,927	5,038	12.6%
Victoria	<b>248,633</b>	<b>27,150</b>	<b>10.9%</b>

Source: RTBA (2024)

**Consistently, the vast majority of lease agreements are short-term.**

- The share of lease agreements for 12 months or less makes up around 94% of all agreements each year.
- The share of longer-term agreements of 2 years or more (24 months, 25-48 months, and 49+ months combined) has declined slightly over the last 4 years, from 1.8% in 2020-21 to 1.5% in 2023-24.

**Figure 10: Tenancy agreements by length when signed, 2020-21 to 2023-24**



Source: RTBA (2024)

- Active bonds by date of lodgement reinforces this, where the number lodged in the last three years is greater than those lodged between 2000-2021.

- That said, there are over 176,000 active bonds that were lodged from 2019 or prior, indicating that many renters have stayed put for 5 years or undergone a lease transfer, rather than ending their lease.

**Table 7: Active bonds (at June 2024) by year of lodgement**

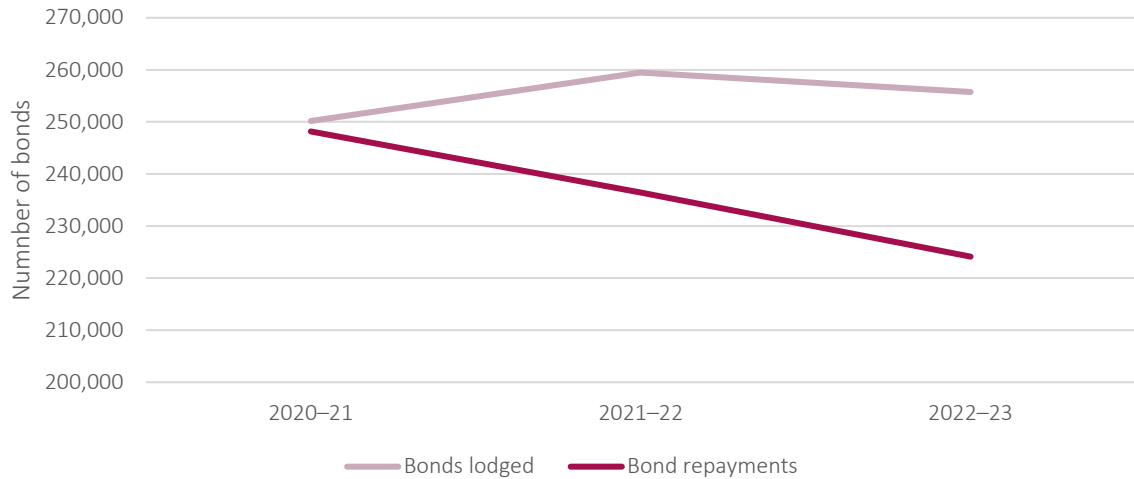
	No. of active bonds
2024	121,049
2023	180,518
2022	120,111
2021	78,595
2020	46,573
2010-2019	141,179
2000-2009	34,870

Source: RTBA (2024)

In recent years, there have been more bonds lodged than bonds repaid.

- Bond lodgements and repayment figures have diverged over the last two years, suggesting more renters are entering the market and fewer are leaving it.

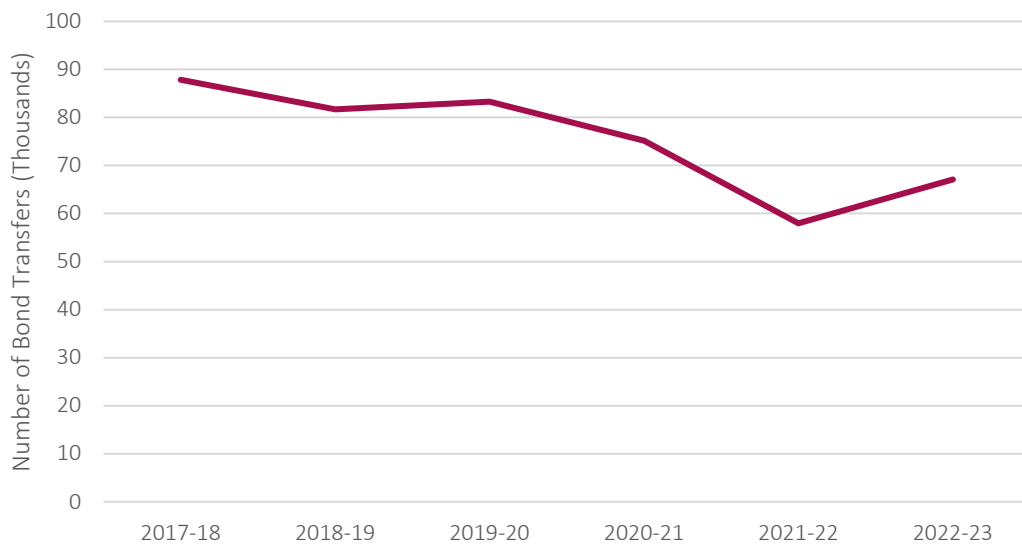
**Figure 11: Bonds lodged and bonds repayments, 2020-21 to 2022-23**



Source: CAV (2024)

- In 2022-23, 67,079 of lease assignments were completed by bond transfer – around 20,000 fewer than 5 years earlier.

**Figure 12: Assignments by bond transfer in Victoria, 2017-18 to 2022-23**



Source: CAV (2024)

# What is renting like?

## **Some rental dwellings don't meet minimum standards or other obligations of the Victorian Residential Tenancies Act.**

A 'mystery shop' of 100 listings in two areas of Victoria (Wyndham Vale and Bendigo) found:<sup>iv</sup>

- 9 properties with visible mould
- 10 properties that failed to provide adequate window coverings
- 15 properties that failed to meet the minimum standards for heating.
- Only half the agents at inspections were able to answer all questions regarding safety compliance, energy efficiency, and mould history. 13 of these agents were unable to provide any information at all.
- More affordable rentals were more likely to have maintenance issues.

## **Rental properties often aren't able to maintain an adequate indoor temperature in winter.**

A survey that tracked winter temperatures in Australian rental homes found that:<sup>v</sup>

- 90% of homes in Victoria had a median winter temperature below the WHO-recommended minimum of 18 degrees.
- Renters frequently feel powerless in this situation – unable to modify their homes, they often tolerate cold and damp homes to avoid moving or a rent increase and/or higher energy bills.

The Victorian government recently led consultation on a set of proposed new minimum rental standards for cleanliness, privacy, security and amenity that would help to address these issues.

## **Many renters continue to find pet ownership a barrier to securing a rental property.**

- 58% of adult Victorians owned pets in 2023.<sup>vi</sup> While there is no data regarding rates of pet ownership amongst renters, it is likely that a large proportion own pets.
- The 2020 rental law reforms prohibit landlords from refusing consent for a sitting renter to own a pet (unless refusal is granted by VCAT), but many renters feel as though pet ownership reduces the likelihood of approval at the application stage.<sup>vii</sup>
- The animal shelter Lost Dog's Home reported the second most common reason for pets being given up was due to the pet not being allowed in a rental property and that this amount had increased 47% since 2021.<sup>viii</sup>
- Not-for-profit Second Change Animal Rescue stated that in the years since the reforms passed, they received up to 10 inquiries a day from rental applicants seeking assistance from the Safe House for Pets Program (initially established to provide care for pets with owners fleeing domestic violence).<sup>ix</sup>

# What happens when there is a problem?

Renters continue to seek out general advice from Tenants Victoria and Consumer Affairs Victoria, especially related to ending/terminating a lease.

- In 2023-24, Consumer Affairs Victoria (CAV) received 66,231 phone call enquiries about renting, a 5% increase from the previous year.
- The most visited advice page on the Tenants Victoria site was 'Ending your lease' which received 87,930 views in 2023-24, followed by 'Rental home is being sold' and 'Lease breaking'.
- The most common reason renters contacted CAV was also regarding the termination of a lease. The matter that has increased most from 2022-23 was rent & receipts, up 18%.

**Table 8: Reasons for contacting CAV 2023-24**

Reason	Number
Termination of lease	13,700
Repairs & Maintenance	9,485
Rent & Receipts	7,923
Applications & Lease Agreements	3,929
Tribunal Hearings & Applications	3,870

Source: CAV (2024)

- Online resources and word of mouth is important: 48% of people find Tenants Victoria themselves or through a friend/relative/neighbour, and 32% find it via the website.

Provision of services from Tenants Victoria have declined over the past year, but more serious breaches, requiring CAV intervention, have increased.

- Tenants Victoria provided 9,418 services in the year 2023-24, and instances of most have decreased in the last 12 months:
- These were most commonly related to repairs (17%), followed by notice to vacate (16%)
- Rent increases is the only top issue for which more services were provided than in 2022-23.

**Table 9: Top ten problem types for which services were provided from Tenants Victoria in 2023-24**

Reason	Number of services (2023-24)	% of all services (2023-24)	Change in number of services (2022-23 to 2023-24)
1. Repairs	1,603	17%	-73%
2. Notice to Vacate	1,530	16%	-18%
3. Bond	1,150	12%	-34%
4. Renter compensation claim	877	9%	-43%
5. Rent increases	850	9%	+15%
6. Lease breaking	777	8%	-19%
7. Rent arrears	603	6%	-20%
8. Social housing	452	5%	*
9. Assignment	400	4%	*
10. Termination	307	3%	*

Source: Tenants Victoria (2024)

\*Unavailable – not a top 10 issue listed for 2022-23

- There were 1,777 instances in 2023-24 where CAV provided advice to resolve a dispute via Frontline Compliance and Risk – an increase of 10% from the previous year.
- CAV issued 9 infringement notices in 2023-24, up from 6 in 2022-23.

### Vulnerable renters are seeking support for many of the same challenges, but at increasing rates.

- CAV funds community agencies to deliver Tenancy Assistance and Advocacy Program (TAAP) services for Victorians who are in a private residential rental agreement and are experiencing financial disadvantage or family violence.
- TAAP assisted with 6,037 matters in 2023-24, up 15% from 2020-21.
- The most common matter for which assistance was provided in 2023-24 was possession or notice to vacate, comprising 36% of all matters.

**Table 10: Top five tenancy matters assisted with by TAAP in 2023-24**

Tenancy matter	No. of matters (2023-24)	% of all matters (2023-24)	Change in no. of matters (2022-23 to 2023-24)
Possession or notice to vacate	2,189	36%	+2%
Bond claims	629	10%	+3%
Compensation claims	565	9%	0%
Rent arrears	454	8%	-3%
Rent increase	385	6%	+2%

Source: CAV (2024)

### Human rights complaints in accommodation settings (including rentals) primarily relate to disability.

- Disability accounted for over half of all complaints (57 complaints), suggesting poor accessibility and inclusivity for these community members.

**Table 11: Human rights complaints in accommodation settings, 2021-2024**

Year	2021-22	2022-23	2023-24
Number of complaints	53	127	105

Source: Victorian Equal Opportunity & Human Rights Commission (2024)

Note: 'accommodation settings' includes rental dwellings but also hotels and other forms of accommodation.

### Notices to vacate are on the rise, driven primarily by non-payment of rent.

- Notices to vacate have been trending upwards since the fourth quarter of 2021 when Victoria came out of its final lockdowns. In 2024 – Q2 there were 1,996 notices to vacate on average each week, up from 1,313 in 2021 – Q4.
- Non-payment of rent made up the overwhelming majority of at-fault notices to vacate in 2023-24, at 95%. The number of notices issued for this reason increased fivefold in the two years to Q2 2024.
- For no-fault notices to vacate, the primary reason in 2023-24 was the premises being sold (53%).

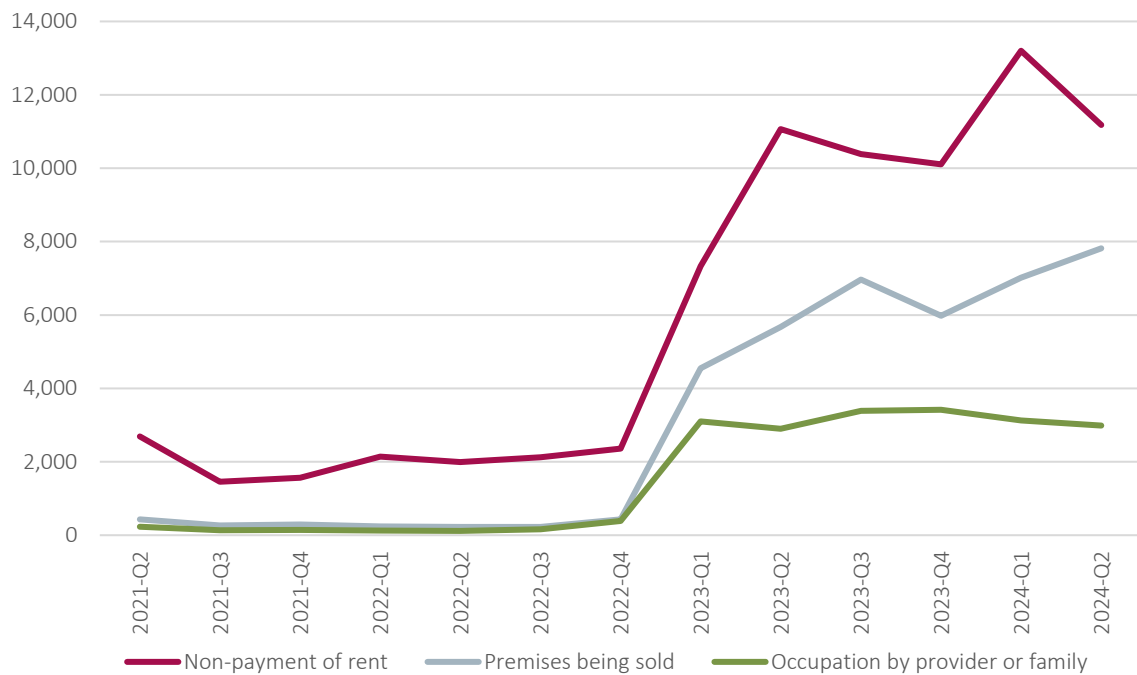
**Table 12: Top 5 at-fault and no-fault reasons for notices to vacate, 2023-24**

At-fault notices		No-fault notices	
Reason	%	Reason	%
Non-payment of rent	95%	Premises are being sold	53%
Assignment or sub-letting without consent	2%	Occupation by residential rental provider or family	24%
Damage	1%	End of fixed term rental agreement of less than 5 years	13%
Danger	1%	Repair, Renovation or Reconstruction	4%
Successive Breaches	1%	Other	5%

Source: Victorian Civil and Administrative Tribunal (2024)

- Based on analysis of VCAT data by the Commissioner for Residential Tenancies, only around 1 in 10 notices to vacate progressed to an eviction application at VCAT in 2023-24.

**Figure 13: Quarterly notices to vacate (top three reasons)**



Source: Victorian Civil and Administrative Tribunal (2024)

**Other matters that escalate to VCAT are also typically financial in nature.**

- There were 39,866 applications to VCAT in 2023-24. This represents a 5% increase in applications from the previous year.

- The majority of applications are from landlords (approximately 83%). But when renters apply to VCAT, it most often for urgent and non-urgent repairs, or for compensation.

**Table 13: VCAT renter applications 2023-24**

Application reason	2023-24
Urgent and non-urgent repairs	36%
To require the payment of compensation to any person	34%
Bond refund	25%
Order declaring proposed rent excessive	5%

Source: Victorian Civil and Administrative Tribunal (2024)

**Two new initiatives have been introduced to better support renters:**

- The new CAV Renting Taskforce uses intelligence and market analysis to monitor rental campaigns. It issued more than 40 fines totalling \$450,000 in the first 6 months of its operations (to October 2024).<sup>x</sup>
- Recognising capacity constraints within the current system to deal with the rising number of disputes and a need to improve the renter experience, the Rental Dispute Resolution Victoria (RDRV) was announced in October 2024. The RDRV will be administered by VCAT to provide a free, public service to resolve simple matters.

# Appendix A: References

- 
- <sup>i</sup> PopTrack (2024), *Rental Report: March 2024 Quarter*
- <sup>ii</sup> Petty, S. (2024, March 24), *Victorian tenants bugged by what they have to disclose on their tedious rental applications*. The Herald Sun. <https://www.realestate.com.au/news/victorian-tenants-bugged-by-what-they-have-to-disclose-on-their-tedious-rental-applications/>
- <sup>iii</sup> Barraclough, A (2023, January 30) *Rental crisis worsens as Australians bid for homes they haven't seen*. ABC News. <https://www.abc.net.au/news/2023-01-30/rental-crisis-worsens-australia-melbourne-bidding-homes/101858172>
- <sup>iv</sup> Tenants Victoria & the Consumer Policy Research Centre (2024), *Is it liveable? A mystery shop of private rental properties*
- <sup>v</sup> Better Renting (2023), *Power Struggles: Renting in Winter*
- <sup>vi</sup> Animal Welfare Victoria (2023), *Victorian Pet Census*
- <sup>vii</sup> Petty, S. (2024, March 24), *Victorian tenants bugged by what they have to disclose on their tedious rental applications*. The Herald Sun. <https://www.realestate.com.au/news/victorian-tenants-bugged-by-what-they-have-to-disclose-on-their-tedious-rental-applications/>
- <sup>viii</sup> *ibid*
- <sup>ix</sup> Capone, A. (2022, May 22), *Tenants with pets face battle when looking for property despite legislation change*. The Herald Sun. <https://www.realestate.com.au/news/tenants-with-pets-face-battle-when-looking-for-property-despite-legislation-change/>