

Renting in Victoria: 2024 Snapshot



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Introduction

I am pleased to present *Renting in Victoria: 2024 Snapshot*, the fourth in our series of Snapshots that began in 2020 with the intention of providing easily accessible data about renting in Victoria. The Snapshot is designed to provide a readily accessible source of data on renting for anyone interested.

The number and proportion of households who are renting in Victoria has increased substantially in the last twenty years so that 28% of Victorian households rented at the time of Census 2021. Alongside this growth, renters have become older and more diverse, all significant shifts which require the market to adapt.

Renters have continued to face difficult conditions in the private rental market with historically low vacancy rates and rapidly escalating rents to the point that median rent is no longer affordable for the average rental household. The number of notices of rent increase equated to more than half of all rental households.

Partly because of these difficult market conditions, there were consistent reports of substandard properties for rent in the private market. I was heartened by the recent establishment by the Victorian Government of the Rental Taskforce to investigate premises not meeting the rental minimum standards among other things and to educate landlords and estate agents about their responsibilities.

Renters continue to seek information and support from the various agencies working in Victoria and the report summarises some of their important work.

More rental reforms have been announced by the Victorian Government so I look forward to reporting on their impact in future Snapshots.

The Snapshot is supplemented by a technical paper for those wishing to dive a little more deeply into the data.

Dr. Heather Holst
Commissioner for Residential Tenancies

Snapshot summary

Continuing trends

Renting is increasingly common in Victoria.

28% of all households in the state were renters in 2021 up from around 23% in 2001.

- Renters today are slightly older, more culturally and linguistically diverse, and on higher incomes than renters 10 years ago.
- Following a spike in vacancies in metropolitan areas during the pandemic, vacancy rates have returned to low levels, comparable to 5 years ago.
- 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 income of an average rental household in many areas of Victoria.

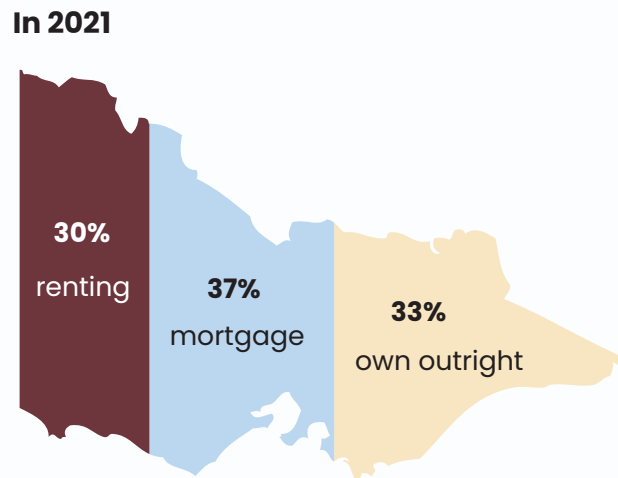
- Almost all rentals are unaffordable to people on government support (Jobseeker and age / disability pensions), especially in metropolitan areas.
- Rent increases are the norm: the number of Notices of Rent Increase generated in the 12 months to September 2023 was equivalent to over 58% of rental households 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
- Notices to vacate for nonpayment of rent have increased fivefold since 2021, as renters struggle to pay rising rents.

Who is renting?

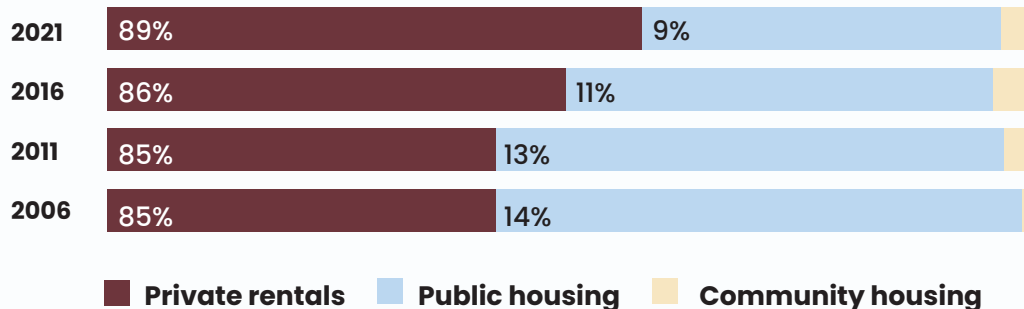
Renting is increasingly common in Victoria.

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

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.



Rental by provider, 2006–2021



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:

The median age of renters is 30–34 years old.



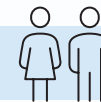
61% were born in Australia down 3% from 2011.



65% speak English at home compared with 70% in 2011



21% of households are couples with children



20% are couples with no children



14% are one-parent families.



10% are group households.

Who is renting?

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



Aboriginal and Torres Strait Islander persons

More than half (51%) of households that include an Indigenous person are renting.



Newly arrived non-citizen renters

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.



Who's renting what and where?

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

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

Share of houses in 2021



27% Flat or apartment



52% Separate house



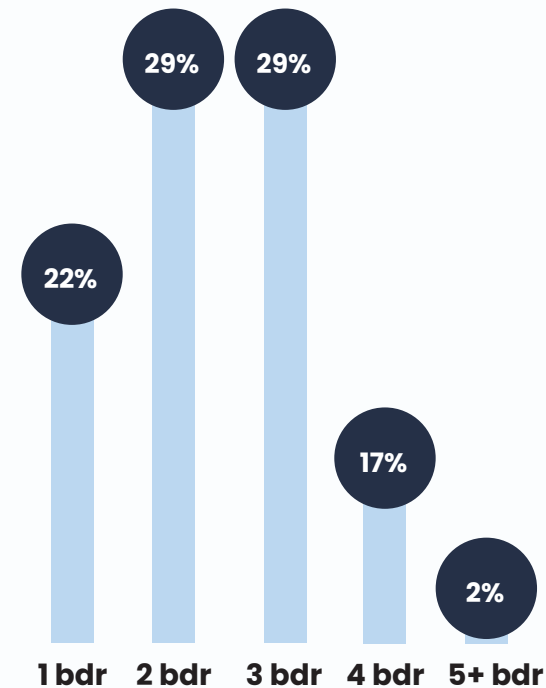
21% Semi-detached

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 people 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.

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

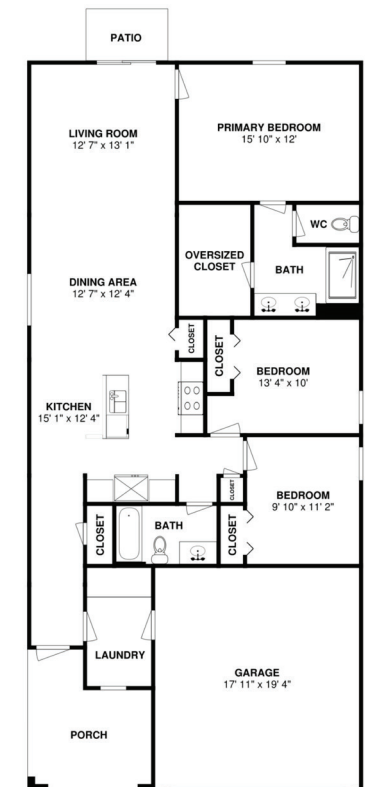
Active rental properties by number of bedrooms



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

Example of 3bdr dwelling



Who's renting what and where?

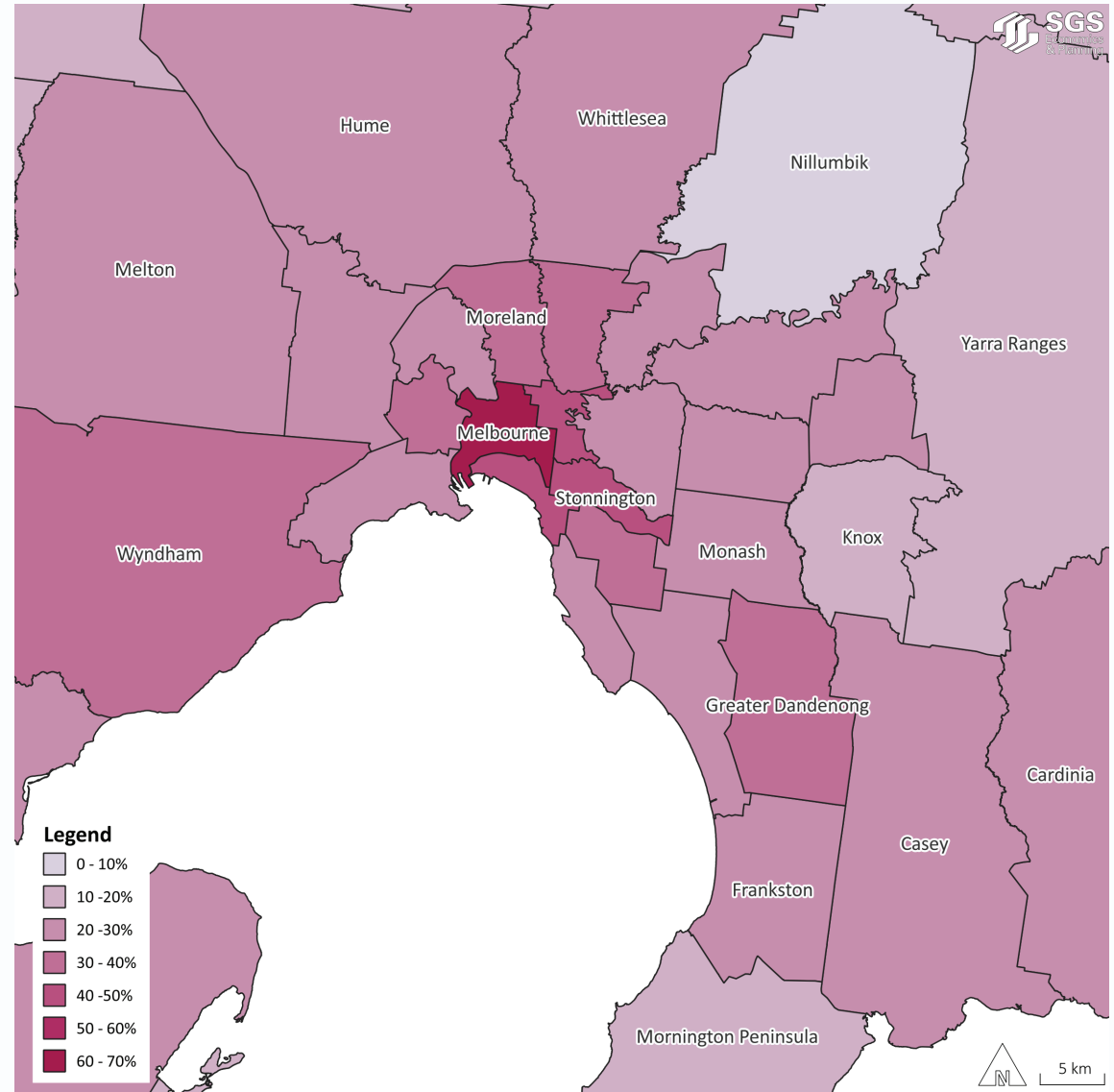
Renting is more common in inner metropolitan areas.

28% of all metropolitan households in Victoria are renting.

Top 10 metropolitan LGAs for renting

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

Source: CAV (2024)



Who's renting what and where?

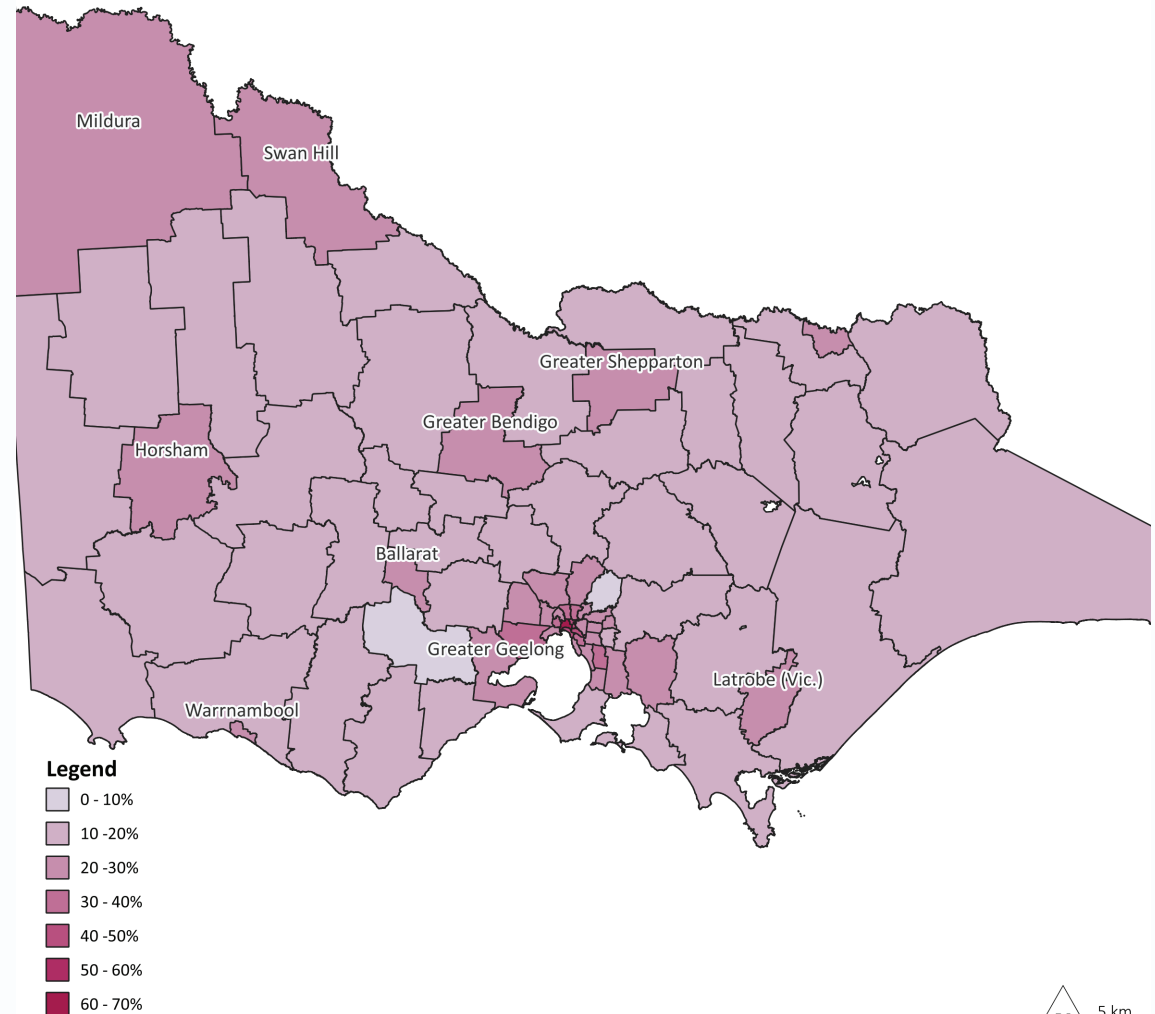
Outside Greater Melbourne, regional centres such as Ballarat have higher rates of renting than rural areas.

21% of all regional households in Victoria are renting.

Top 5 regional LGAs for renting

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

Source: CAV (2024)

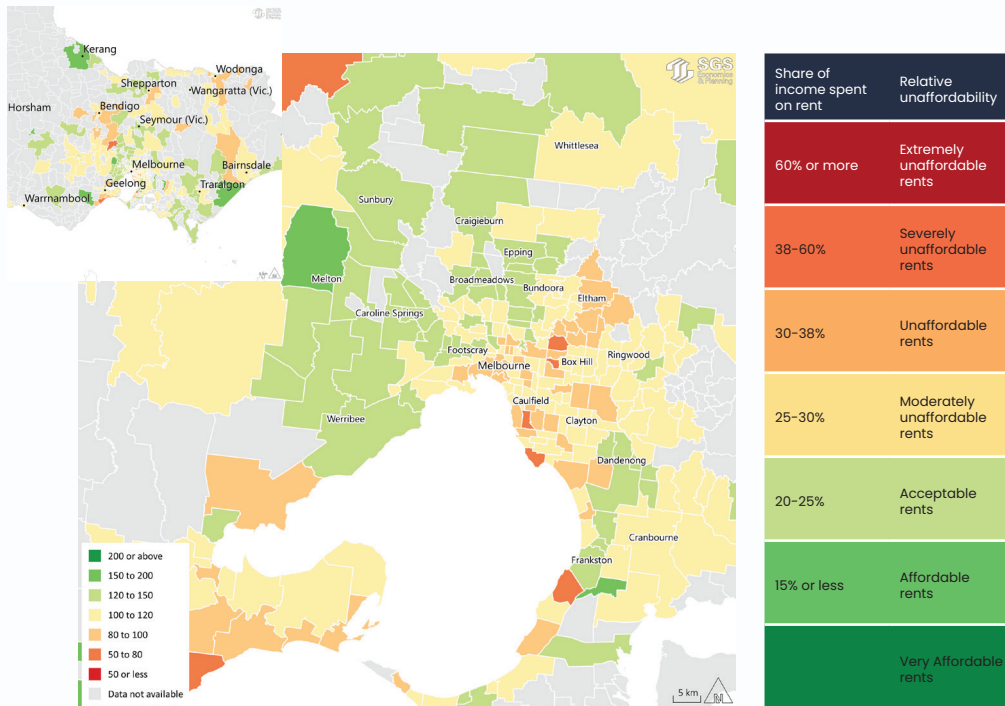


How affordable is renting?

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.

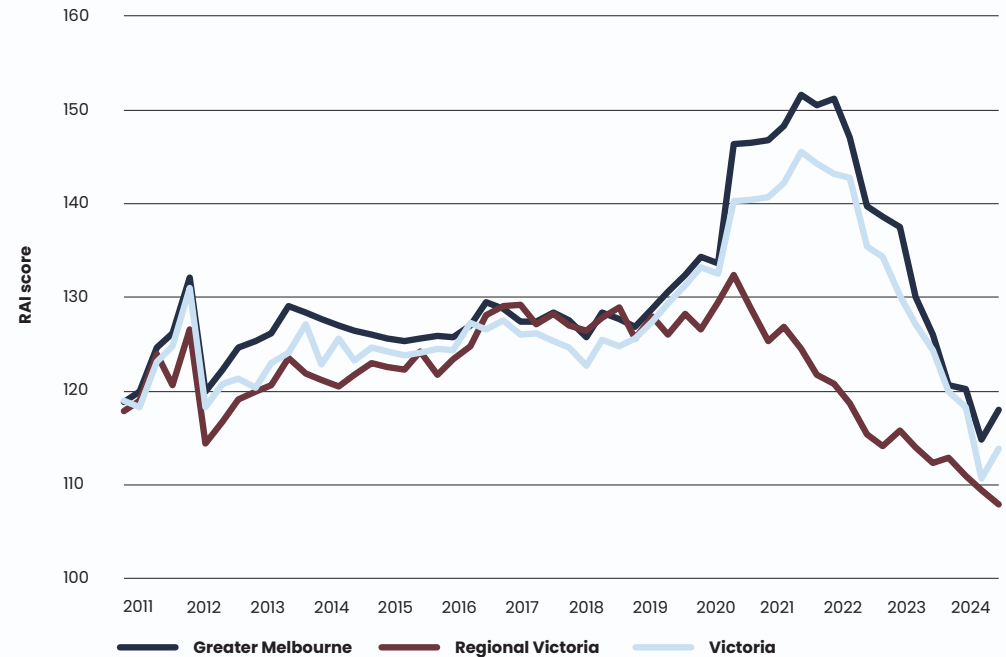
Regional areas around Wodonga, Shepparton, Bendigo, Geelong, and Bairnsdale are generally 'moderately unaffordable' or 'unaffordable'.



Source: SGS Economics and Planning (2024)
Note: Further detail can be found at www.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.



Source: SGS Economics and Planning (2024)

How affordable is renting?

Few rentals are affordable for people on government support payments.



Few rentals are considered affordable to households on age/disability pensions or Jobseeker, especially single person households.

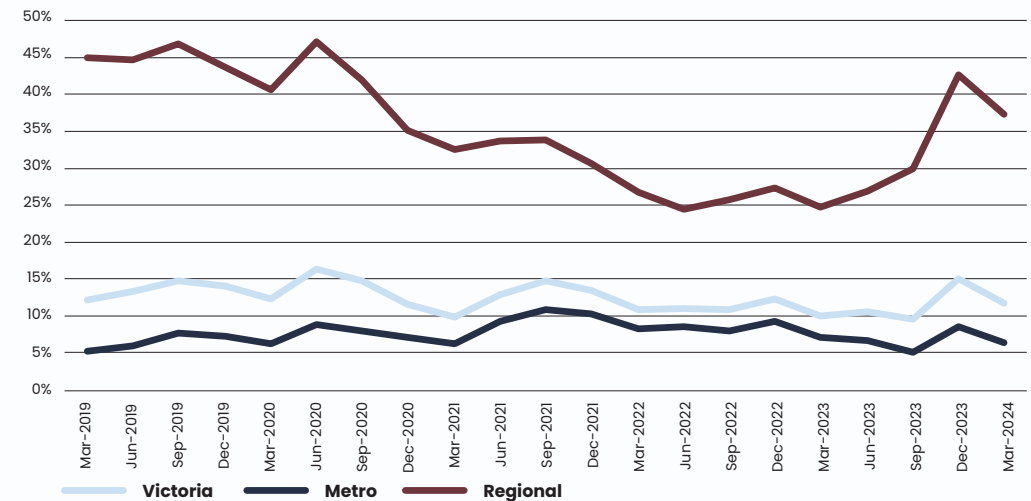
Share of rentals that are affordable to households on support payments, 2024

	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
No. of bedrooms	1 or 2	1 or 2	1	2	3	4+
Victoria	2.5%	7.4%	2.2%	4.7%	15.6%	24.4%

Source: Homes Victoria (2024)



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.

How affordable is renting?

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%
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%
Victoria	12.1%

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.

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%**.

In 2022-23 **2.9%** of CRA recipients in Victoria identified as Aboriginal or Torres Strait Islander, despite Aboriginal and Torres Strait Islanders representing only **1%** of Victoria's total population.

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.

Rental listings as of March 2024 indicate that:

- 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.

Vacancy rates 2003–2024, Greater Melbourne and Regional Victoria



Source: Homes Victoria (2024)

How do people move in and out of renting?

Renters are reporting taking extra steps to secure a property in this market.



**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.



How do people move in and out of renting?

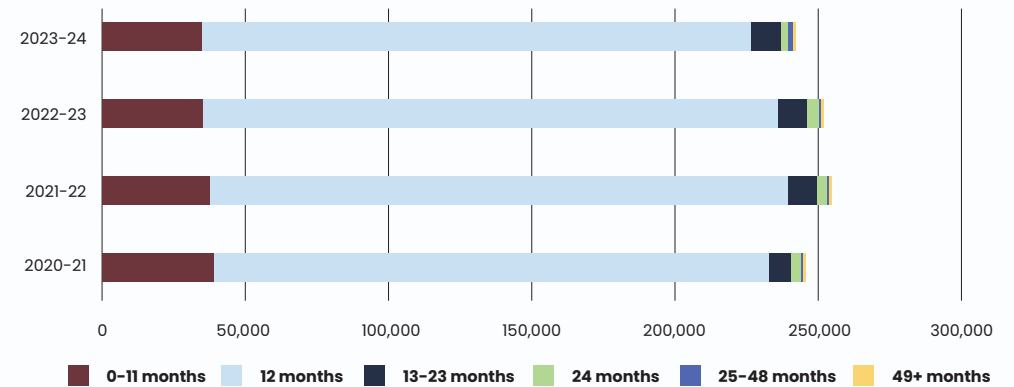
A small share of renters receive little to no bond refund.

- 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%.

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.
- 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.

Tenancy agreements by length when signed, 2020-21 to 2023-24



Source: RTBA (2024)

Active bonds (at June 2024) by year of lodgement

Year	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)

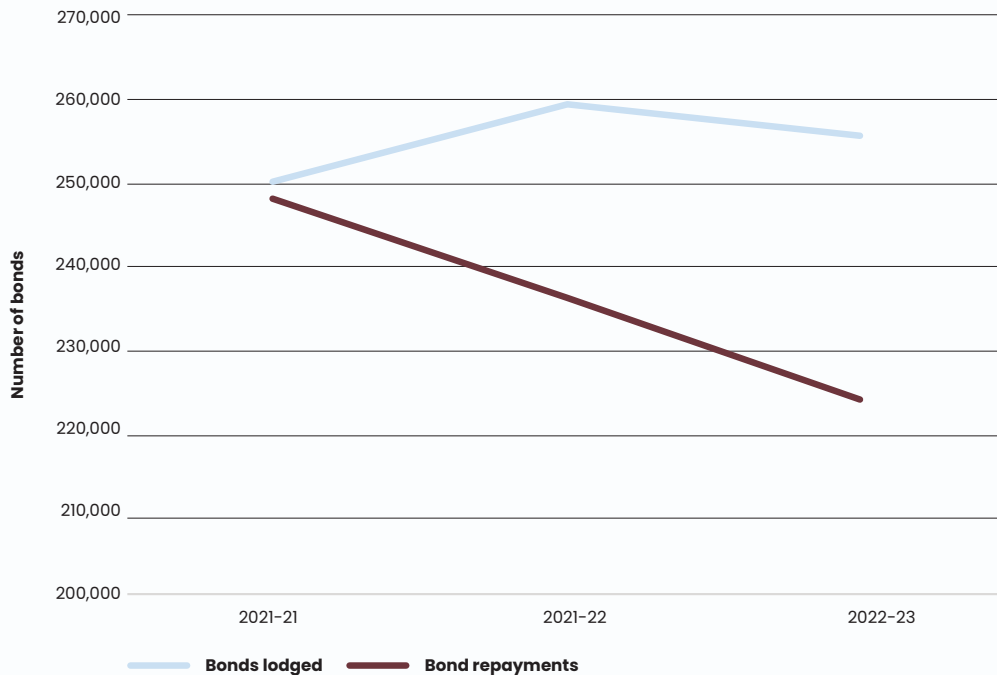


How do people move in and out of renting?

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.

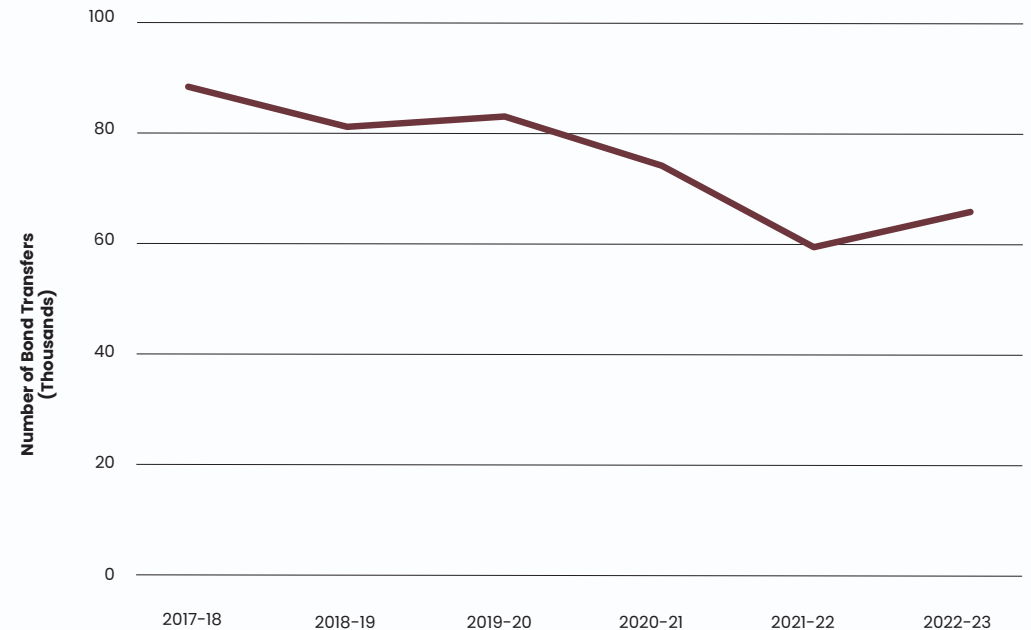
Bonds lodged and bonds repayments, 2020-21 to 2022-23



Source: CAV (2024)

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

Assignments by bond transfer in Victoria, 2017-18 to 2022-23



Source: CAV (2024)

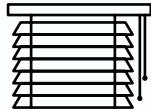
What is renting like?

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:



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.
- 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.

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:

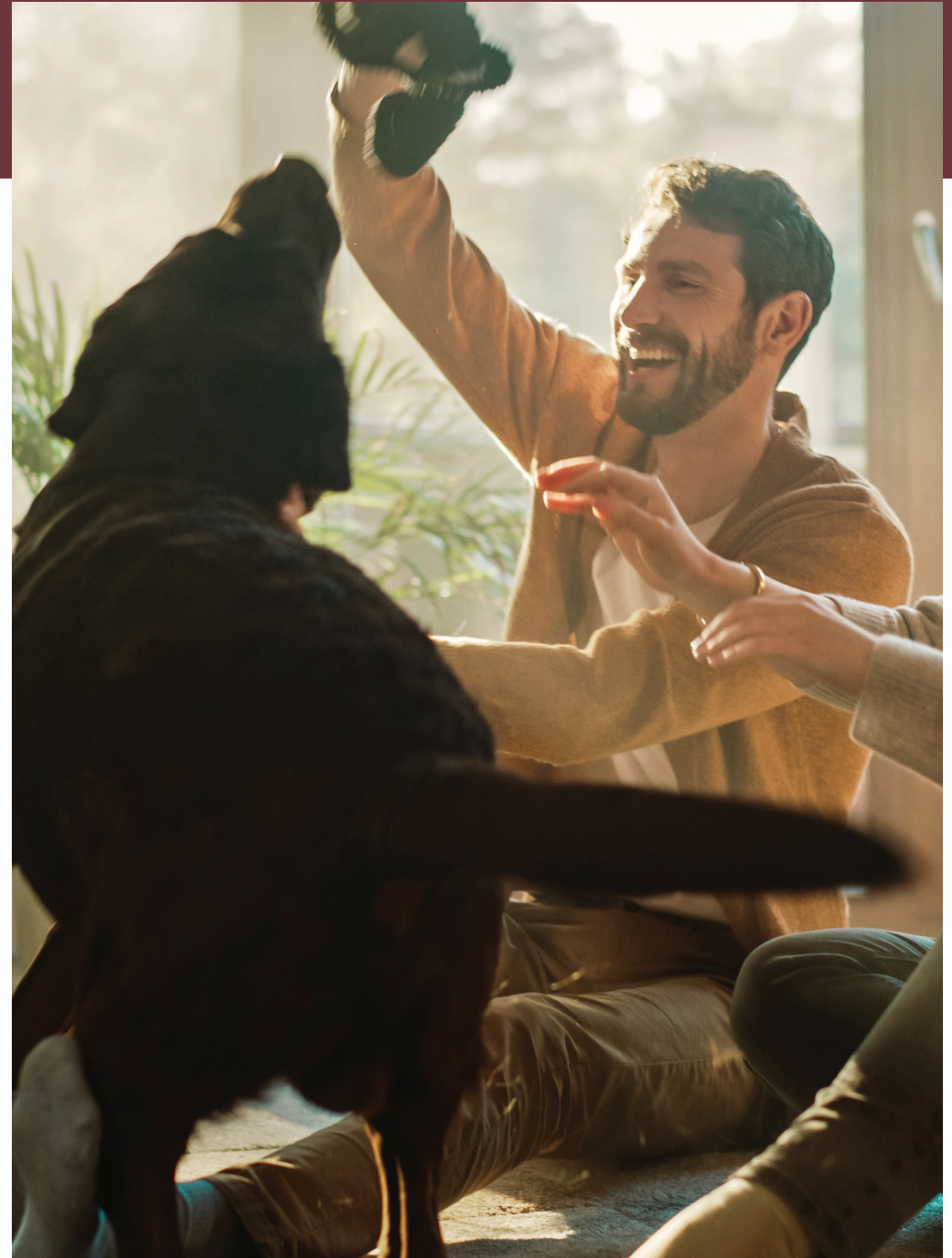
- 90% of homes in Victoria had a median winter temperature below the WHO-recommended minimum of 18 degrees.
- Renters frequently feel powerless in this situation – unable to modify their homes, they often tolerate cold and damp homes to avoid moving or a rent increase and/or higher energy bills.



What is renting like?

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

- 58% of adult Victorians owned pets in 2023. 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.
- 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.
- 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).



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%.

Reasons for contacting CAV 2023-24

Reason	#
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)

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

Top five 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%

Source: CAV (2024)

What happens when there is a problem?

- There were 1,777 instances in 2023-24 where CAV provided advice to 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.

Top five tenancy matters assisted with by TAAP in 2023-24

Tenancy matter	Number of matters (2023-24)	% of all matters (2023-24)	Change in number 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)

What happens when there is a problem?

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%).

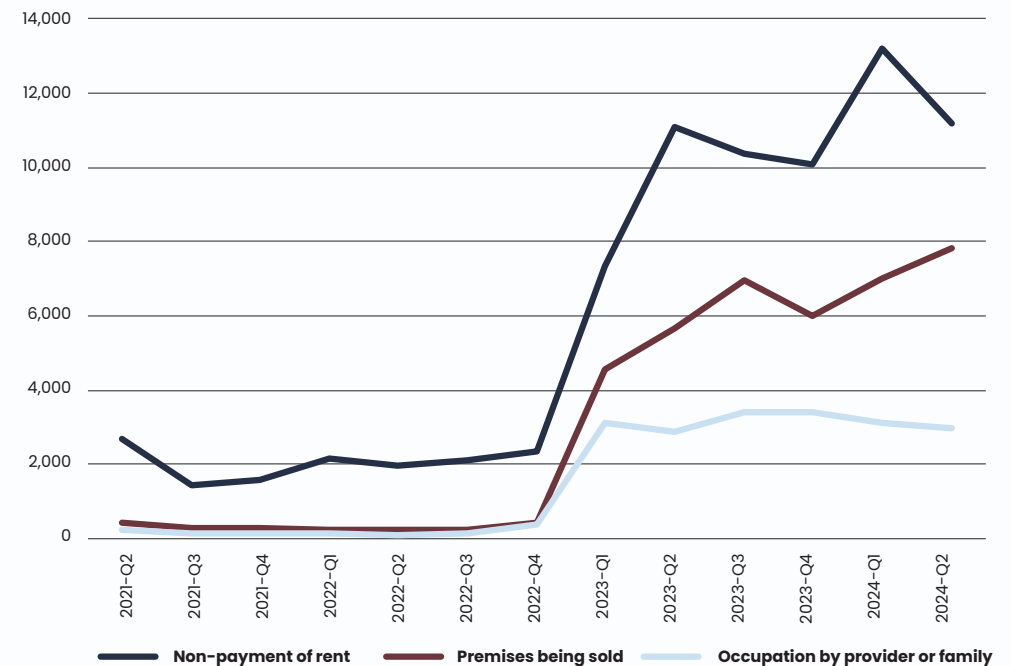
Top 3 at-fault and no-fault reasons for notices to vacate, 2023-24

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%

Source: Victorian Civil and Administrative Tribunal (2024)

Only around 1 in 10 notices to vacate progressed to an eviction application at VCAT in 2023-24.

Quarterly notices to vacate (top three reasons)



Source: Victorian Civil and Administrative Tribunal (2024)

What happens when there is a problem?

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.



VCAT renter applications 2023-24

Application reason	%
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).
- Recognising capacity constraints within the current system to deal with the rising number of disputes and a need to improve the renter experience, a new 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.

Acknowledgments

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 and acknowledges SGS Economics and Planning for the preparation of the report.

The Commissioner 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).



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