



COMMISSIONER
for RESIDENTIAL
TENANCIES

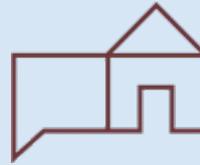


Renting in Victoria: Snapshot 2020

Contents

3	Introduction
4	Who is renting?
6	Where are people renting?
7	What type of housing are people renting?
8	Who are people renting from?
10	What is renting like?
15	What happens when there is a problem?
18	What systemic issues have been identified?
19	Acknowledgements

Introduction



COMMISSIONER
for RESIDENTIAL
TENANCIES

This is the first edition of our annual publication, *Renting in Victoria: Snapshot 2020*.

There is no easy source for the basic data about renting in Victoria, and this report is intended to help fill that gap.

This lack of reliable information contributes to many misconceptions about renting in the Victorian community – is it well known just how many people are renters now and that they are less likely to be on their way to home ownership?

It is also true that renting issues are not taken into consideration often enough by all the relevant policy makers and people delivering services to Victorians. Why, for example, is the number of evictions not taken as seriously as a warning indicator as the number of mortgage foreclosures?

This *Snapshot* is intended to help improve general knowledge about renting.

As you read through, you will see that it draws together information from population level data sources such as the Australian Census and the Residential Tenancies Bond Authority as well as the main organisations to which renters turn for assistance: Tenants Victoria, Consumer Affairs, the Victorian Civil and Administrative Tribunal, welfare agencies and community legal services.

This *Snapshot* recognises the important work of organisations supporting renters and I hope will encourage you to find out more. We have prepared a technical paper to supplement the *Snapshot* for those wishing to find further information on the details.

This *Snapshot* was prepared before solid data was available on the impact of COVID-19 on residential tenancies. What we do know is that the impact has already been significant before lockdown is over and recovery underway, and so the data in this report will be a baseline against which to measure the effect of COVID-19 in subsequent editions of *Renting in Victoria: Snapshot*.

A handwritten signature in black ink, appearing to read 'H. Holst', with a long, sweeping flourish extending to the right.

Heather Holst
Commissioner for Residential Tenancies

Who is renting?

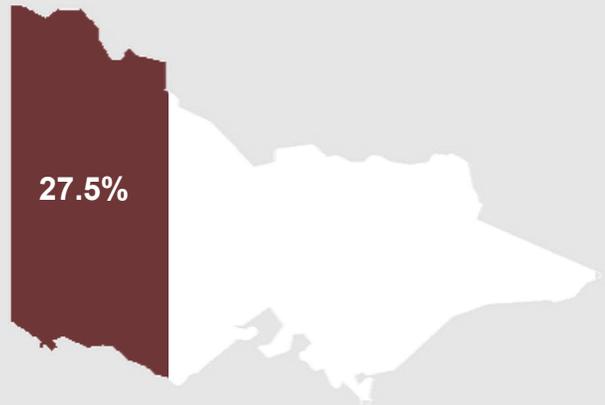
616,990 households in Victoria were renting in 2016

That's **27.5%** of all households

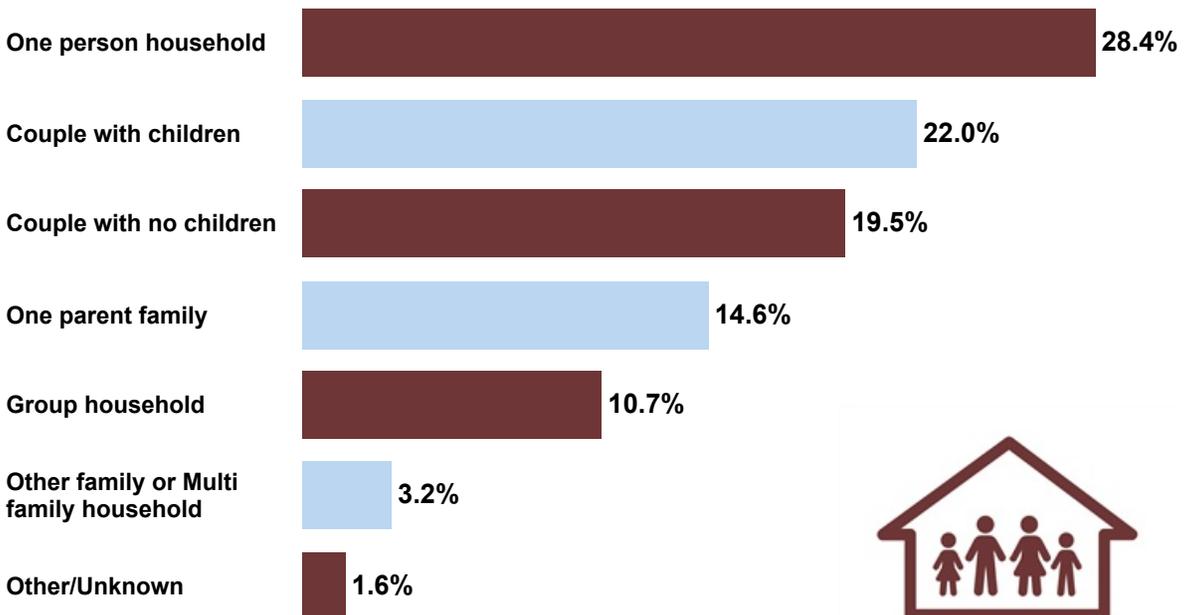
85.4% of rental households (about 540,000) were in the private market

62,995 households (about 10%) of rental households were in public housing

13,476 (about 2%) of rental households were in community housing



Composition of all Victorian rental households, 2016



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



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



51.7% of all Aboriginal households in Victoria are renting

24.9% of Aboriginal rental households 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

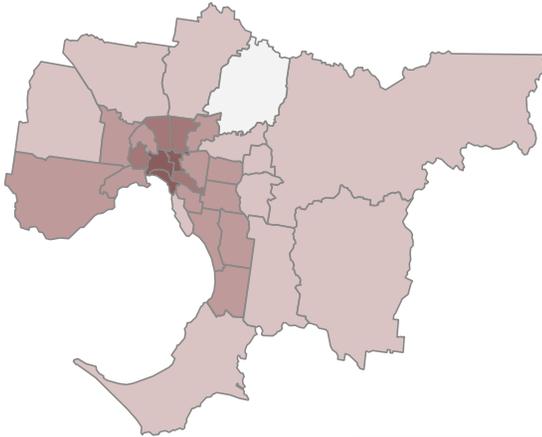
12.4% of Victorians aged 55 years or over were renting in 2016



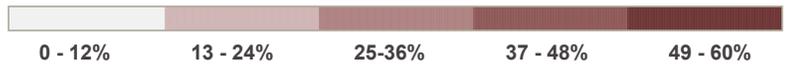
6.6% were female and 5.9% were male



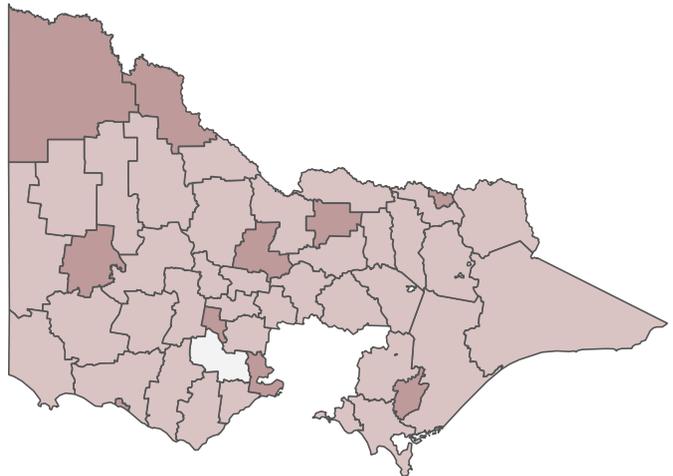
Where are people renting?



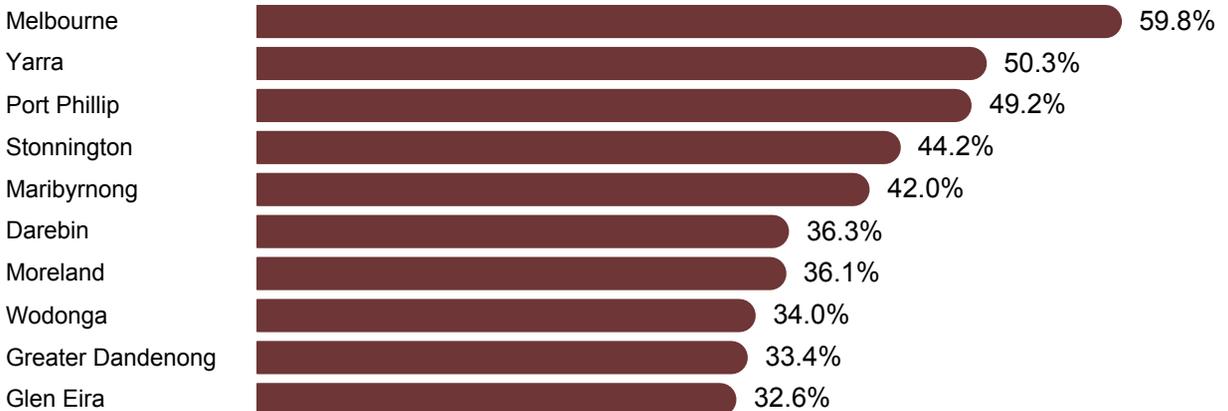
29.0%
of all Metropolitan
Victorian
households are
renting



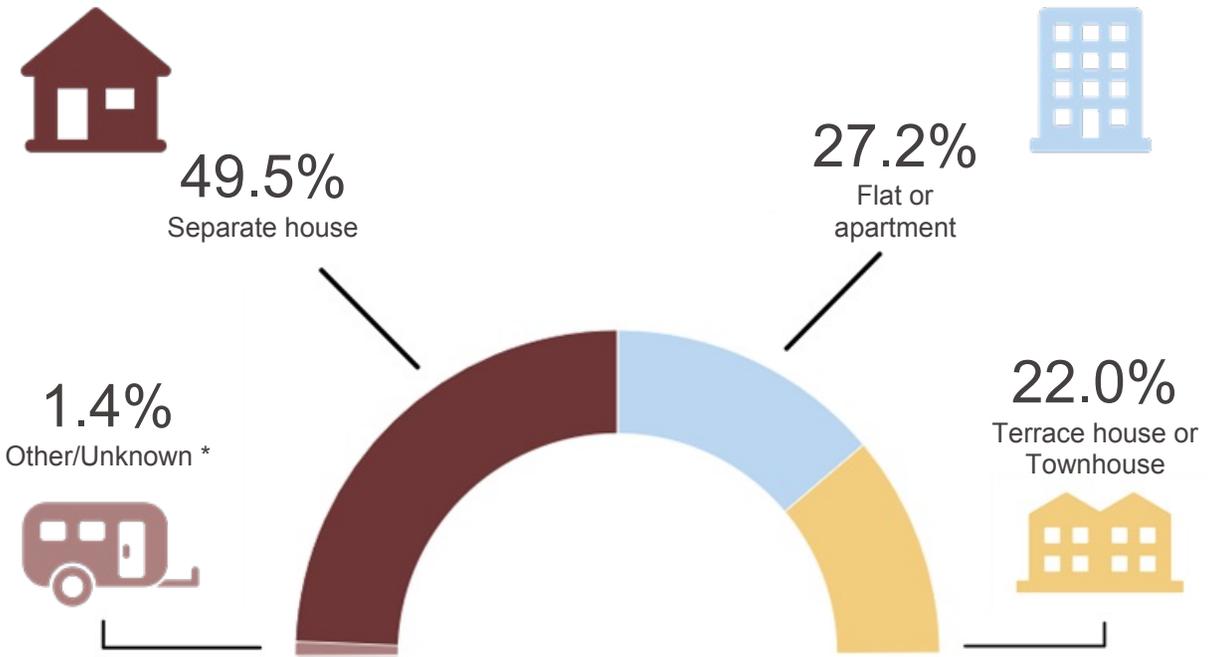
23.5%
of all Regional
Victorian
households
are renting



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, Improved home, Tent, Sleepers out or Unknown.



Victorians were living in boarding or rooming houses in 2016



rooming houses were registered during 2018/19

↑ 6.7% compared to 2017/18

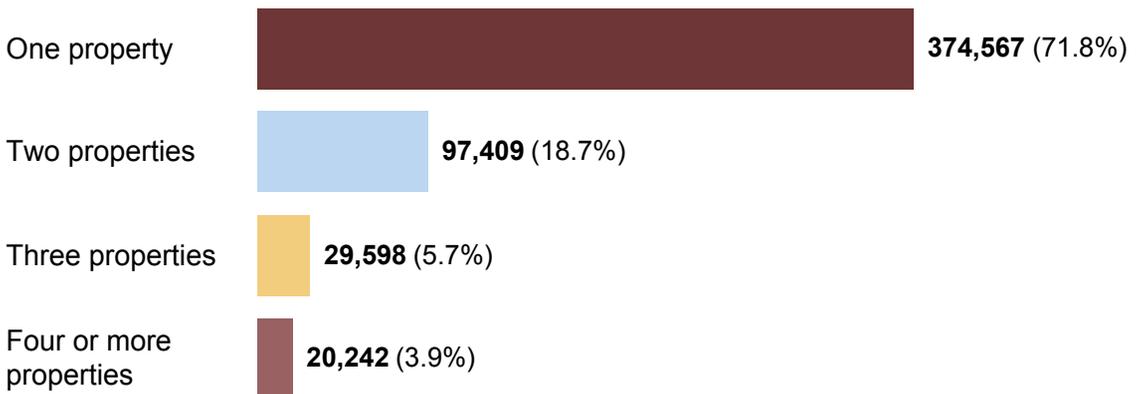
Who are people renting from?

Investors accounted for 28.3% of all new housing finance in 2019



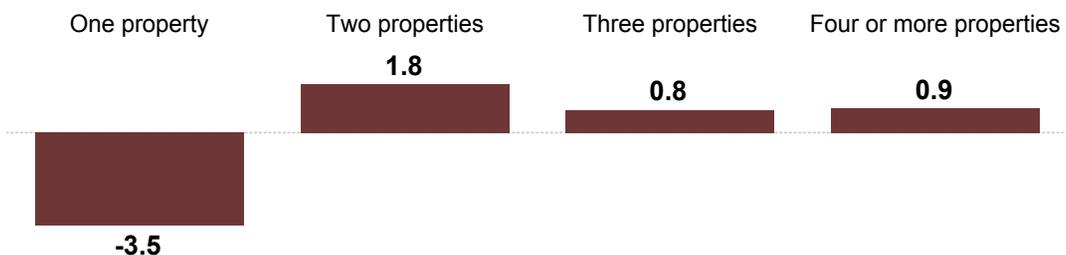
↓ 1.8 percentage points from last year, when investors made up 30.1% of housing finance

Landlords by number of rental property interests, 2017



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

Percentage point change over 15 years (2002 - 2017)





67.0% of rental properties in 2016 were rented through a real estate agent

Profiles of registered property managers, February 2020

33.5% of property managers are licenced real estate agents and 66.5% are agents' representatives



50.4% of property managers were male

Almost one third of all property managers (30.3%) were aged between 26 and 35 years

What is renting like?

145,770

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



39.5%

of Commonwealth Rent Assistance recipients paid more than 30% of their income in rent in 2019

That's **43.9%**

of all lower-income rental households

↑ 0.8

percentage points compared to the previous year (38.7%)

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



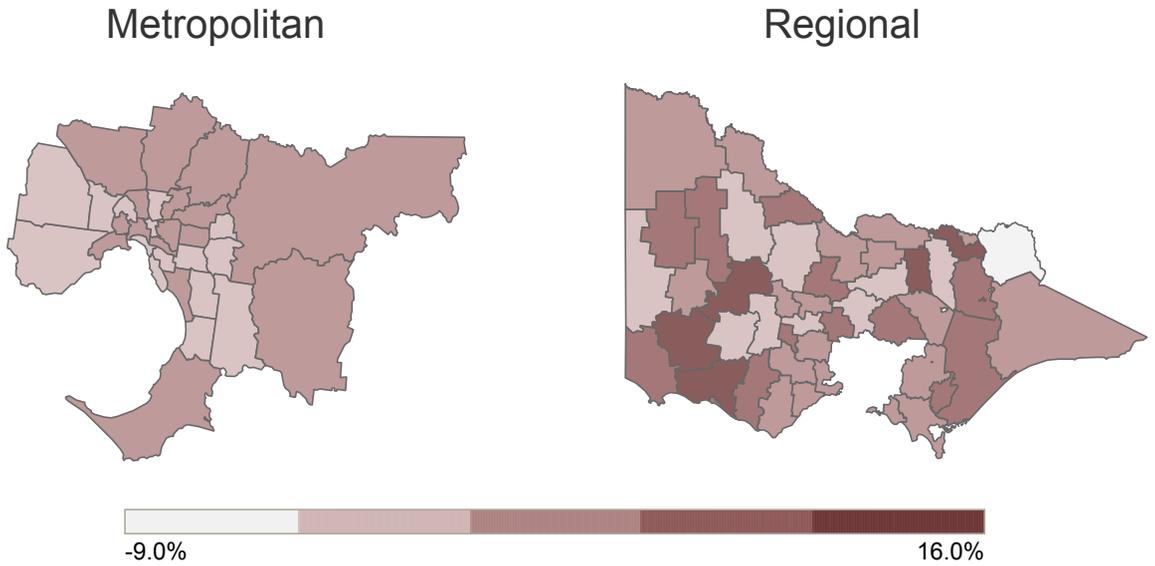
8,929 people were considered homeless due to living in severely overcrowded dwellings in 2016.

Proportion of new private rentals that were affordable

■ Metro ■ Regional ■ Victoria

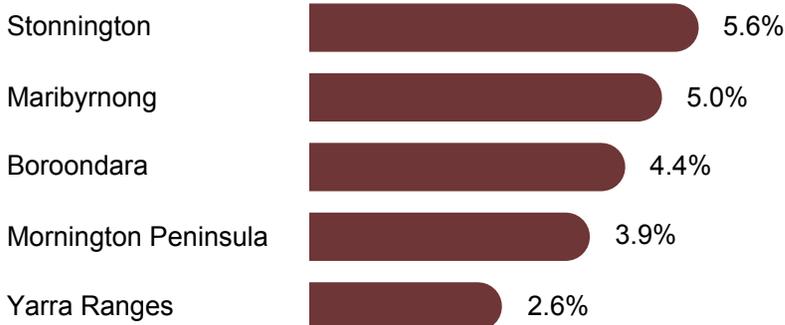


Change in median rent (dollars) by Local Government Area (percentage change from September 2018 to September 2019)



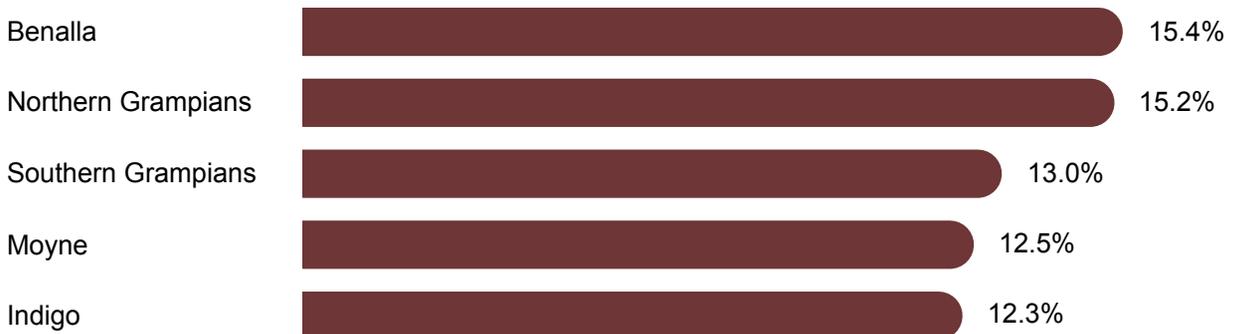
Note higher percentages and darker maroon indicates median rents (\$) have increased. Negative percentages indicate median rents (\$) have decreased.

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



The greatest rental increases were in Regional Victoria

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



The number of bonds that were greater than 4 weeks rent in 2018/19 was 198,870

That's up from 117,097 in 2017/18



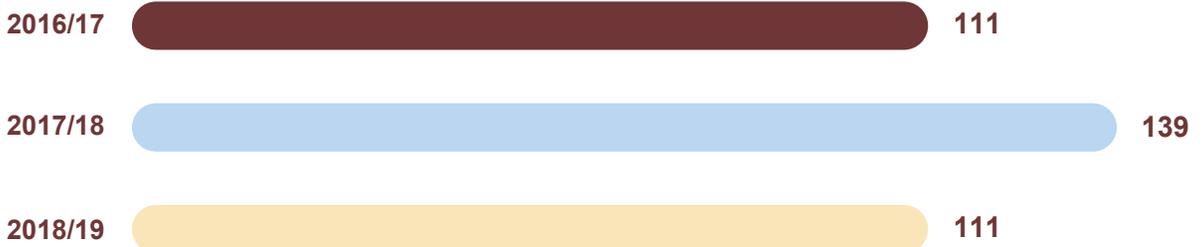
In 2018/19 there were 68,900 assignments by bond transfer

↑ by 4.1% compared to 2017/18

Rental vacancy rate movement

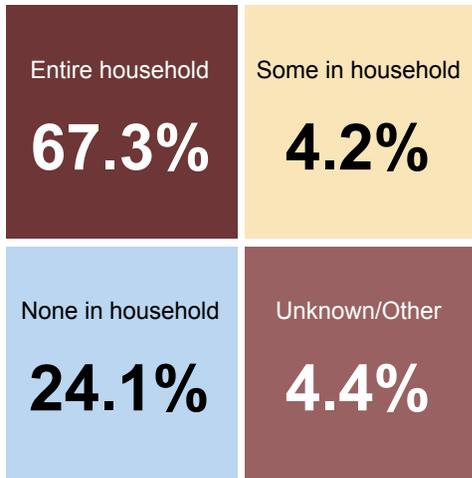


Accommodation complaints made to the Victorian Equal Opportunity and Human Rights Commission, 2018/19



55% of accommodation complaints during 2018/19 were disability discrimination

Proportion of renters that moved in last 5 years



The median length of a tenancy in 2019 was approximately 18.5 months*

* or 566 days

Median length of a tenancy in days



The number of longer fixed-term tenancy agreements (5 or more years) as of February 2020

140



2,701 'No fault' eviction applications were made to Victorian Civil & Administrative Tribunal (VCAT) in 2019

72.4% 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	479	24.5%
End of fixed term tenancy	445	22.8%
Premises to be sold	303	15.5%
Termination after death of sole tenant	229	11.7%
Premises to be occupied by landlord or landlord's family	217	11.1%
Repairs (repair, renovate or reconstruct the premises)	149	7.6%
Other	133	6.8%

15,837 'At fault' eviction applications were made to VCAT in 2019

86.4% of those applications proceeded to a hearing



95.5% of 'At fault' eviction applications that proceeded to a hearing were due to non-payment of rent

The remaining 4.5% 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

What happens when there is a problem?

51% of Victorian renters experienced an issue during their tenancy

11% of renters say their property was in poor condition or not maintained



28% of renters say their maintenance issues were not attended to

Total number of rental queries to Consumer Affairs Victoria (CAV) 2018/19

56,490

Top 3 rental types for enquiries

Private Rental	53,419
Public Housing	1,288
Rooming Houses	1,029

Top five complaints reported to CAV

1. Repairs and maintenance - 1,206

2. Bonds - 608

3. Termination rights - 190

4. Unregistered rooming houses - 134

5. Rent and receipts - 93



CAV resolved 1,438 renting disputes in 2019 through Front Line Compliance and Resolution

CAV issued 16 infringement notices under the tenancy law in 2018/19



These include:

- **Duty to pay bond to Authority - 11**
- **Standards for rooming houses - 4**
- **Bond form lodgment - 1**

14,861
complaints were
received by
Tenants Victoria
during the 2018/19
financial year

Top five issues reported to Tenants Victoria

1. Compensation - 15.7%

2. Repairs - 15.2%

3. Bond refund - 9.8%

4. Privacy/quiet enjoyment - 8.0%

5. Notice to vacate - 7.7%

Top five issues reported to TAAP

1. Possession or notice to vacate - 31.8%

2. Compensation claims - 11.6%

3. Bond claims - 10.4%

4. Rent arrears - 10.4%

5. Lease breaking - 7.0%

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

TAAP assisted with 5,831 tenancy matters during 2018/19

↑ 12% from 2017/18





Victoria Legal Aid provided 2,519 complex residential tenancy services during 2018/19*

(* includes grants, advice, duty lawyer services and other minor work)

... and provided 4,177 legal information and referral services on landlord and tenant issues

Applications to VCAT by Applicant type, 2018/19

52,412
applications to
VCAT in the 2018/19
financial year

	#	%
Estate agents/Property managers	31,973	61.0%
Private landlords	3,830	7.3%
Public housing	8,628	16.5%
Tenants or residents	6,693	12.8%
Other (Rooming house owners/Caravan park owners)	1,288	2.5%

Approximately 25 - 30% of hearings are contested at VCAT



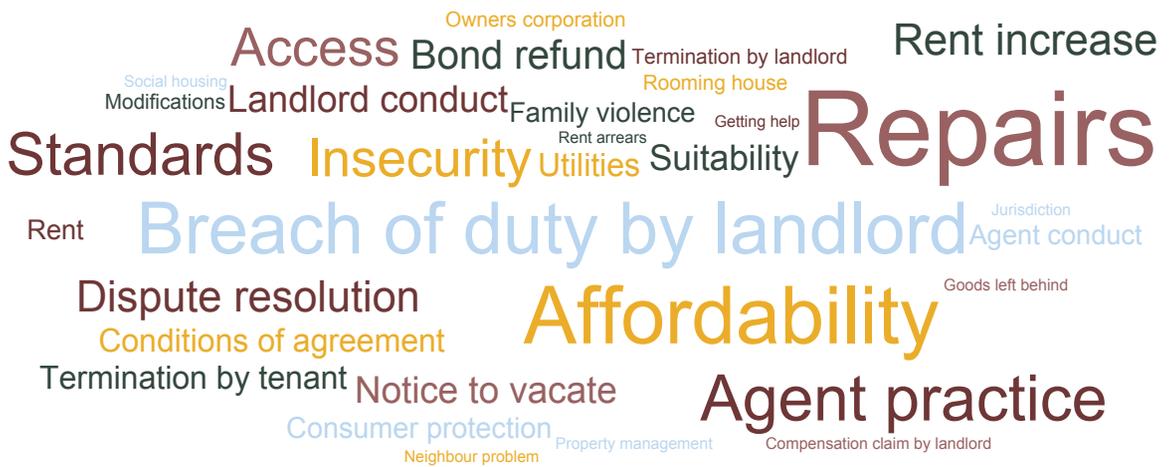
The overall customer satisfaction with the VCAT process was 86.4% for 2019

That is an increase of 0.3% from 2018

What systemic issues have been identified?

"I contacted many government agencies to make complaints but it didn't seem to be worth it in the end financially. Renters need to be treated better and have more rights to live in a safe home..."

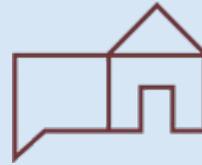
"My personal experience has been that most repairs requested are not completed within a reasonable timeframe, and that rent increases are still applied even if repairs are not completed."



"The real estate agents have varied greatly... It seems that regardless of the level of interest of the property owner, real estate agents are not held accountable for how they treat tenants."

"The cost [of renting] increased substantially over that time and it is becoming unaffordable for me even though I am earning a healthy salary."

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; and Liss Ralston at Swinburne University, who provided customised data and valuable insights to assist in the development of this paper

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

Copyright © 2020 State of Victoria, Australia

Renting in Victoria: Snapshot
June 2020
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/4.0. 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.