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RENTS AND THE IMPACT ON PROPERTY MANAGEMENT

The Real Estate Institute of Australia has already publicly stated that it understands how tenants are feeling at this time and that it has a responsibility and duty of care to look after, not only their interests, but that of the property owners and those managing and maintaining the properties.

REIA president Adrian Kelly reiterates there are some 3.3 million properties that are rented/available for rent across Australia.

“At the current median rent in Australia, this means that some \$1,419 million would be collected each week to pay the owner, their bank and tradespeople to undertake repairs and maintenance,” said Mr Kelly.

“There are some 70,000 property managers, principals, real estate agents and representatives across Australia.

“Banks have already indicated they are offering customers the option to defer home loan repayments for up to six months.

“The calls to place a moratorium on evictions without offering any way for tenants to meet their rental payments means those maintaining and managing rental properties are at risk of not having any safety net for their incomes.”

Mr Kelly said in the case of property managers across Australia, some \$141 million per week is at risk.

“Whilst some agencies have a business that covers sales and rentals there are many that are 100 per cent reliant on rentals for their commission-based income,” said Mr Kelly.

“Even for those that have the diversified income stream as sales contract, the reliance on rental commissions will increase.

“The impact is greater in regional areas particularly those that were impacted by the fires and floods at the beginning of the year.

Mr Kelly said the situation was further exacerbated by the inconsistent calls to offer assistance to commercial property tenants.

“The REIA has proposed a package of rental support to be administered through the current arrangement for payment through the Corona Virus Supplement direct to property management agencies.

“If Government were to accept this it would mean a proportional payment could then be directed to the agency which would have enabled them to pay staff, their own rent and outgoings.

“With the Corona Stimulus Package a couple with two children paying 30% of their Centrelink payment plus rent assistance would be able to pay \$473 per week and still have \$912 per week to live on.

“This is well above the Australian median rent of \$430.

“It is only in Sydney and Melbourne that the median rents are higher at \$510 and \$500 respectively.”

Listen in to Adrian Kelly being interviewed on Radio National Drive ABC regarding the tenancy situation.

<https://www.abc.net.au/radionational/programs/drive/rn-drive-26th-march/12094060>

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The Real Estate Institute of Australia (REIA) is the national professional association for real estate agents in Australia.

For further information or to speak with REIA President Adrian Kelly please contact Samantha Elley via media@reia.com.au or 0413 986 068.