

# Media Release



For immediate release – 17 May, 2023

## REIA AND REA GROUP LAUNCH CRUCIAL HOUSING INVESTMENT REPORT ON AUSTRALIAN PRIVATE RENTALS

As the Australian private rental system continues to record extreme pressure, Real Estate Industry of Australia (REIA) and REA Group, owner of realestate.com.au and data and insights company PropTrack, have launched the *State of the Market: Australian Private Rentals*, which highlights the role of rental properties as a critical component to our housing spectrum.

REIA President, Hayden Groves said the report, backed by PropTrack data, addresses the key issues facing renters and investors in a market that has reached crisis levels.

“Vacancy rates nationally sit just below 1.5% with advertised rents rising 6% for houses and 9% for units over the past year.

“Renters in Australia now make up around 30% of households and housing stock.

“They face a competitive market, applying on average for six rentals before securing a new rental home. 75% of successful applicants feel they have had to compromise on features in their rental.”

Mr Groves said that it is fair to say rental conditions are now the tightest on record driven by a change in household formation, a complete undersupply of quality rental stock, severe constraints on Australia’s home building industry and post-COVID 19 immigrations resuming in force.

“There are many factors driving this ‘perfect storm’ but often the key relationships within a rental transaction are completely overlooked in the broader mega and macro debate: that of renters, property investors and property managers.”

Mr Groves said with Adam Bandt’s continued push for a national rent freeze, it was more important than ever that decision makers understand who supplies the majority of Australia’s private rental market.

“An Australian property investor holds a mortgage and comes from a working household.”

“Investors are generally aged 35-65 years old with more 35-44-year-olds owning investment properties than 65-74-year-olds.

“70% of property investors only own a single investment property; and just under 20% own two investment properties.

“Less than 10% of all property investors own 3 or more properties.”

Mr Groves said property investment as an investment class had grown since 1980 where the cohort made up around 4% of tax filers with today investors making up 15% of tax filers.

REA Group Chief Customer Officer, Kul Singh said that currently, there is a raft of ongoing challenges facing renters across the country.

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"We need supply to meet the growing demand which is being further exacerbated by surging migration. The fastest way to increase supply would be to mobilise 'mum and dad' investors who have demonstrated their willingness to provide rental stock to the one in three Australians that rent.

"Finding ways to incentivise them to participate instead of penalising them would go a long way in building confidence and creating stability in the property investment market. We also need to address the current challenges in attracting and retaining property managers that are critical to managing the growing rental sector.

"Challenges present opportunities to think differently and create meaningful change. We continue to engage our customers, government and industry groups to find new approaches to realise the immense possibilities ahead of us all and reimagine what's possible."

## **ENDS**

For any further information please contact Olwyn Conrau, REIA Media Consultant, 0413 600 350 [olwyn.conrau@reia.com.au](mailto:olwyn.conrau@reia.com.au)

For any PropTrack enquiries, please contact Sophie Flavell, REA Group's Media and Partnerships Manager, 0438 089 165, [sophie.flavell@rea-group.com](mailto:sophie.flavell@rea-group.com)

Established in 1924, REIA is a federated body of State & Territory Real Estate Institutes representing 85% of Australian real estate agencies. We are a national advocate for the Australian real estate industry which is made up of 46,793 Australian businesses that employs 133,360 Australians. For more information visit [www.reia.com.au](http://www.reia.com.au)