Rental Report

December quarter 2017



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The Rental Report provides key statistics on the private rental market in Victoria. The major source for the statistics presented in the Rental Report is the Residential Tenancies Bond Authority which collects data on all rental bonds lodged under the *Residential Tenancies Act 1997* (Vic).

Overview

Trends in rents

The Melbourne Rent Index (MRI) increased by 1.7 per cent in the December quarter. In the twelve months to December 2017, the MRI increased by 4.5 per cent. This annual rate of increase is above that in the twelve months to December 2016 (3.8%) but below the long term average annual increase (over the past ten years) (4.2%).

The Regional Rent Index (RRI) increased by 0.8 per cent in the December quarter. In the twelve months to December 2017, the RRI increased by 2.6 per cent. This annual rate of increase is below that in the twelve months to December 2016 (2.8%) and below the long-term average annual increase (3.8%).

Rent Indices at a glance

|  |  |  |  |
| --- | --- | --- | --- |
|  | Median Rent (per week) | Quarterly Change\* | Annual Change\* |
| Metropolitan Melbourne | $405 | 1.7% | 4.5% |
| Regional Victoria | $300 | 0.8% | 2.6% |
| Victoria | $390 | 1.6% | 4.2% |

*\* Percentage change figures are calculated from relevant Rent Index*

New Lettings

Across the state, the total number of new lettings this quarter was 50,145, a decrease of 6.7 per cent since the December quarter 2016. In metropolitan Melbourne the number of new lettings decreased by 5.5 per cent since the December quarter 2016. In regional Victoria the number of new lettings decreased by 11.2 per cent since the December quarter 2016. Metropolitan Melbourne accounted for 80.8 per cent of all new lettings in Victoria.

Active bonds

At the end of the December quarter 2017, the total number of active bonds held in Victoria was 579,186, an increase of 3.2 per cent on the size of the rental market in the same quarter of 2016. This is the lowest increase in active bonds since December 2005. The average annual growth in the rental market over the last ten years is 5.8 per cent.

Turnover

The quarterly turnover rate for metropolitan Melbourne was 8.3 per cent, slightly higher than the rate in the December quarter 2016 (8.2%). The quarterly turnover rate in regional Victoria was 9.3 per cent, lower than the rate in the December quarter 2016 (9.5%).

Investor lending

Lending to residential property investors in Victoria was $10.176 billion in the December quarter 2017, 1.8 per cent higher than in the December quarter 2016.

Vacancy rates

The metropolitan trend vacancy rate for December 2017 was 2.2 per cent, compared with 2.1 per cent for September 2017 and 2.3 per cent for December 2016. The regional trend vacancy rate for December 2017 was 1.7 per cent, compared with 2.0 per cent for September 2017 and 2.4 per cent for December 2016.

Rental Affordability

The proportion of all new lettings that were affordable across the state decreased to 15.1 per cent in the December quarter, compared with 15.5 per cent in the September quarter 2017 and 17.3 per cent in the December quarter 2016.

In Metropolitan Melbourne, the proportion of affordable new lettings decreased in December 2017 to 5.9 per cent, compared with 6.0 per cent in the September quarter 2017 and 7.3 per cent in the December quarter 2016.

In Regional Victoria, the proportion of affordable rental lettings decreased to 53.6 per cent, compared with 55.8 per cent in the September quarter 2017 and 56.5 per cent in the December quarter 2016.

Current Rents

Rent Indices

Table 1 shows median rents, rent indices and changes in the rent indices at December 2017. The Metropolitan Rent Index (MRI) increased by 1.7 per cent in the December quarter. The median rent for Melbourne increased by $5 to $405 per week. The Regional Rent Index (RRI) increased by 0.8 per cent in the December quarter and the median rent for Regional Victoria increased by $10 to $300 per week.

The Rent Indices are a better measure of changes in rents over time than the simple median price measure because the indices control for changes from quarter to quarter in the share of new lettings between both geographic areas and property types. (Median rents represent the mid-point in the distribution of all rents with fifty per cent of rents at or above the median and fifty per cent at or below the median. A number of properties on the median rent can disguise overall changes in rents over time.)

Table 1: Median rents and rent indices

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Median Rent (per week)** | **Rent Index** | **Quarterly Change\*** | **Annual Change\*** |
| Metropolitan Melbourne | $405 | 230.1 | 1.7% | 4.5% |
| Regional Victoria | $300 | 219.6 | 0.8% | 2.6% |
| Victoria | $390 | 226.4 | 1.6% | 4.2% |

*\* Percentage change figures are calculated from relevant Rent Index*

Figure 1 shows the annual percentage change in the Metropolitan Rent Index and the Regional Rent Index over the past 10 years.

Figure 1: Metropolitan Rent Index and Regional Rent Index - annual percentage change

Metropolitan Rent Index

The annual increase of 4.5 per cent in the MRI to the December quarter 2017 is above that of a year ago (3.8%).The annual change in the MRI is below the long term (10 years) average of 4.2 per cent.

In the December quarter, the MRI increased by 1.7 per cent, compared with no change in the previous quarter and a 0.8 per cent increase in the December quarter last year.

Regional Rent Index

The annual increase of 2.6 per cent in the RRI to the December quarter 2017 is below that of a year ago (2.8%) and well below the long term average increase of 3.8 per cent. The annual change in the RRI has remained below the long term average since the March quarter of 2012.

In the December quarter, the RRI increased by 0.8 per cent compared with a 0.5 per cent increase in the last quarter and a 1.2 per cent increase in the December quarter last year.

Median rents by region

Table 2 shows the median rents for new lettings in the December quarter 2017 for 14 statistical regions in Victoria (9 in metropolitan Melbourne and 5 in regional Victoria).

In metropolitan Melbourne, median rents ranged from $370 per week for Western Melbourne, South Eastern Melbourne and Mornington Peninsula to $480 for Inner Melbourne. In regional Victoria median rents ranged from $270 per week for Gippsland to $340 per week for Barwon-South West.

In the December quarter, the median rent in Metropolitan Melbourne increased in Inner Melbourne (3.2%), North Eastern Melbourne (2.6%), South Eastern Melbourne (1.4%) and Outer Eastern Melbourne (1.3%). In other regions it remained steady. In regional Victoria, the median rent only increased in Barwon-South West (4.6%). It decreased in Loddon-Mallee (-1.7%) but remained steady in Gippsland, Goulburn-Ovens-Murray and Central Highlands-Wimmera.

Table 2: Median rents by statistical region

|  |  |  |  |
| --- | --- | --- | --- |
| **Region** | **Median Rent** | **Quarterly Change\*** | **Annual Change\*** |
| **Metropolitan Melbourne** |  |  |  |
| Inner Melbourne | $480 | 3.2% | 6.7% |
| Inner Eastern Melbourne | $450 | 0.0% | 4.7% |
| Southern Melbourne | $450 | 0.0% | 2.3% |
| Western Melbourne | $370 | 0.0% | 5.7% |
| North Western Melbourne | $390 | 0.0% | 5.4% |
| North Eastern Melbourne | $390 | 2.6% | 6.8% |
| Outer Eastern Melbourne | $400 | 1.3% | 5.3% |
| South Eastern Melbourne | $370 | 1.4% | 5.7% |
| Mornington Peninsula | $370 | 0.0% | 4.2% |
| **Regional Victoria** |  |  |  |
| Barwon-South West | $340 | 4.6% | 6.3% |
| Gippsland | $270 | 0.0% | 1.9% |
| Goulburn-Ovens-Murray | $280 | 0.0% | 0.0% |
| Loddon-Mallee | $285 | -1.7% | 1.8% |
| Central Highlands-Wimmera | $280 | 0.0% | 3.7% |

*\* Percentage change figures are calculated from median rents in the region*

Over the 12 months to the December quarter, the median rent in metropolitan Melbourne increased in all regions, ranging from 2.3 per cent in Southern Melbourne to 6.8 per cent in North Eastern Melbourne. In regional Victoria, the median rent increased in four of the five regions, ranging from 1.8 per cent in Loddon-Mallee to 6.3 per cent in Barwon-South West. It remained steady in Goulburn-Ovens-Murray.

Median rents by major property types

Table 3 provides the median rents for new lettings in the December quarter 2017 for the six major property types for metropolitan Melbourne and regional Victoria as well as the quarterly and annual change in the relevant Rent Index for each property type.

In metropolitan Melbourne, the highest median rent is for three-bedroom flats ($450 per week). The lowest median rent is for one-bedroom flats ($360 per week). In the December quarter, the Rent Index has increased for all property types except for two-bedroom houses (-0.4%), with increases ranging from 0.9 per cent for one-bedroom flats to 3.1 per cent for four-bedroom houses. Over the twelve months to December quarter, the property type Rent Index in metropolitan Melbourne increased in for property types, with increases ranging from 3.5 per cent for two-bedroom houses to 5.4 per cent for one-bedroom flats.

In regional Victoria, the highest median rent is for four-bedroom houses ($380 per week). The lowest median rent is for one-bedroom flats ($180 per week). In the December quarter, the Rent Index increased for all property types except for one-bedroom flats (-1.0%), with increases ranging from 0.4 per cent for three-bedroom houses to 4.0 per cent for three-bedroom flats. Over the twelve months to the December quarter, the property type Rent Index increased for all property types except one-bedroom flats (-0.3%), with increases ranging from 1.0 per cent for two-bedroom flats to 4.6% per cent for two-bedroom houses.

Note: The metropolitan Melbourne medians reflect the geographic distribution of different property types. Houses tend to be the dominant rental property type in outer metropolitan areas, whereas flats are more prevalent in areas closer to the centre of Melbourne.

Table 3: Median rents by major property types

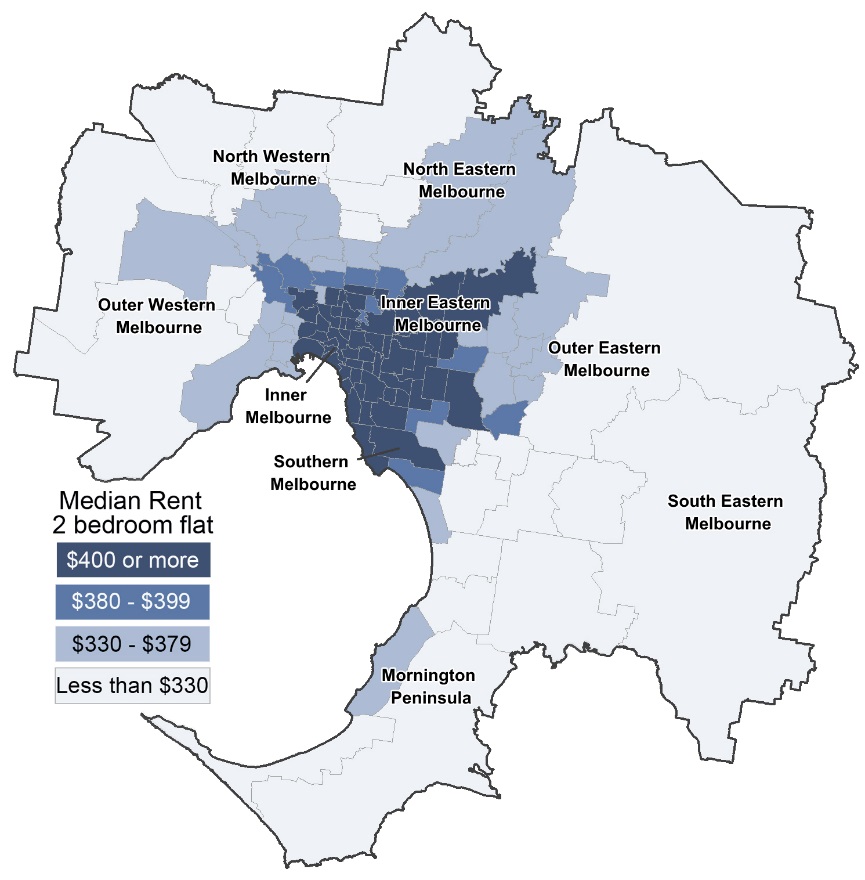
|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Property Type** | **Median Rent** | **Quarterly Change\*** | **Annual Change\*** |
| Metropolitan Melbourne | 1 Bed Flat | $360 | 0.9% | 5.4% |
| 2 Bed Flat | $420 | 1.4% | 5.3% |
| 3 Bed Flat | $450 | 2.0% | 3.9% |
| 2 Bed House | $420 | -0.4% | 3.5% |
| 3 Bed House | $395 | 2.2% | 3.8% |
| 4 Bed House | $440 | 3.1% | 4.1% |
| Regional Victoria | 1 Bed Flat | $180 | -1.0% | -0.3% |
| 2 Bed Flat | $245 | 1.0% | 1.0% |
| 3 Bed Flat | $320 | 4.0% | 3.3% |
| 2 Bed House | $260 | 0.5% | 4.6% |
| 3 Bed House | $300 | 0.4% | 3.0% |
| 4 Bed House | $380 | 1.0% | 2.1% |

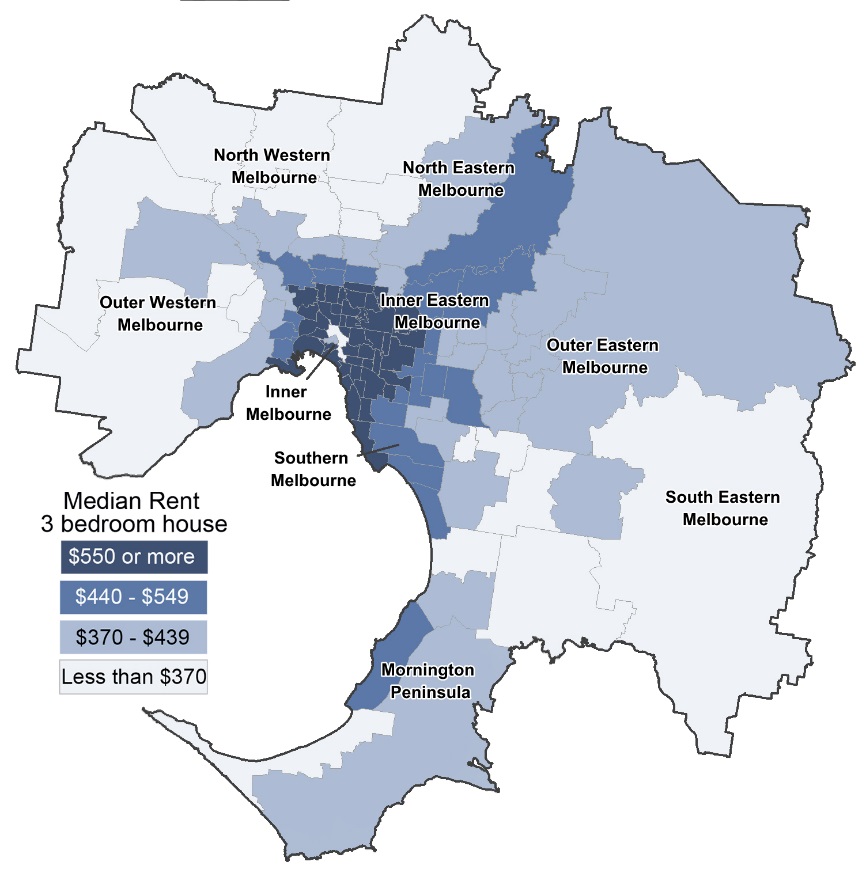
\* Percentage change figures are calculated from relevant Rent Index

Moving annual median rents by suburb or town

Table 11 shows the moving annual median rents for suburbs and towns across Victoria by major property type. (Note that the medians in Table 11 are moving *annual* medians, not quarterly medians, and that the annual percentage change is calculated from these moving annual medians.)

Figure 2 and Figure 3 show the moving annual median rents in metropolitan Melbourne for two-bedroom flats and for three-bedroom houses, respectively. They show the pattern of concentration of the highest median rents in Inner Melbourne, large portions of Inner Eastern Melbourne and Southern Melbourne and the inner parts of North Western Melbourne and North Eastern Melbourne.

Figure 2: Moving annual median rents by suburb for two-bedroom flats, Metropolitan Melbourne

Figure 3: Moving annual median rents by suburb for three-bedroom houses, Metropolitan Melbourne

For two-bedroom flats in metropolitan Melbourne, the moving annual median rents to the December quarter increased in all suburbs except Albert Park-Middle Park-West St Kilda where it remained steady. The suburbs with the highest increases were Armadale (14.3%), Thornbury (11.1%), Burwood-Ashburton (10.0%), St Albans-Deer Park (9.1%), Balwyn (8.9%), Vermont-Forest Hill-Burwood East (8.6%), Dromana-Portsea (8.6%) and Carlton-Parkville (8.3%).

For two-bedroom flats in regional Victoria, the towns with the highest increases in moving annual median rents to the December quarter were Wangaratta (9.0%), North Geelong (7.1%) and Warragul (6.1%). The towns with decreases in moving annual median rents were Sale-Maffra (-5.1%), Seymour (-4.8%), Portland (-2.9%), Torquay (-2.9%), North Bendigo (-2.0%), Geelong-Newcomb (-1.7%) and Moe-Newborough (-1.2%). Seven towns remaining steady were Mount Clear-Buninyong, Wendouree-Alfredton, Golden Square-Kangaroo Flat, Echuca, Morwell, Shepparton and Warrnambool.

For three-bedroom houses in metropolitan Melbourne, the suburbs with the highest increases in moving annual median rents to the December quarter were Toorak (20.6%), Heidelberg-Heidelberg West (10.3%), West Footscray (9.1%), Elwood (8.5%), St Kilda (8.2%), Carlton North (8.2%), Clayton (7.5%) and Pascoe Vale-Coburg North (7.2%). The suburbs with decreases in moving annual median rents were Malvern (-8.9%), Port Melbourne (-6.7%), Carnegie (-1.8%), Carlton-Parkville (-0.7%), Fitzroy North-Clifton Hill (-0.7%) and Hampton-Beaumaris (-0.7%). Five suburbs remaining steady were Armadale, Richmond-Burnley, Balwyn, Doncaster East-Donvale and Keilor.

For three-bedroom houses in regional Victoria, the towns with the highest increases in moving annual median rents to the December quarter were Warragul (6.7%), Castlemaine (6.3%), Corio (5.9%), Ocean Grove-Barwon Heads (5.4%) and Newtown (5.3%). Only one town had a decrease in moving annual median rents, Echuca (-1.5%). Six towns remaining steady were Wendouree-Alfredton, Flora Hill-Bendigo East, Golden Square-Kangaroo Flat, Moe-Newborough, Sale-Maffra and Warrnambool

Where are median rents highest? Where are median rents lowest?

Table 4 provides the highest and lowest median rents in both metropolitan Melbourne and regional Victoria.

Table 4: Highest and lowest moving annual median rents in metropolitan Melbourne and regional Victoria

| Where are median rents highest? | | Where are median rents lowest? | |
| --- | --- | --- | --- |
| **2-bedroom flat** |  |  |  |
| **Metropolitan Melbourne** |  |  |  |
| Docklands | $600 | Melton | $255 |
| Port Melbourne | $585 | Pakenham | $280 |
| CBD-St Kilda Rd | $580 | Dandenong | $290 |
| Fitzroy | $575 | Whittlesea | $290 |
| Southbank | $570 | Werribee-Hoppers Crossing | $295 |
| **Regional Victoria** |  |  |  |
| Torquay | $330 | Moe-Newborough | $163 |
| Ocean Grove-Barwon Heads | $310 | Portland | $170 |
| Belmont-Grovedale | $300 | Morwell | $180 |
| Newtown | $300 | Hamilton | $190 |
| North Geelong | $300 |  |  |
| **3-bedroom house** |  |  |  |
| **Metropolitan Melbourne** |  |  |  |
| Toorak | $1,025 | Melton | $310 |
| Albert Park-Middle Park-West St Kilda | $920 | Pakenham | $340 |
| East Melbourne | $900 | St Albans-Deer Park | $340 |
| South Yarra | $900 | Werribee-Hoppers Crossing | $340 |
| Brighton | $888 |  |  |
| Elwood | $855 |  |  |
| **Regional Victoria** |  |  |  |
| Torquay | $460 | Morwell | $230 |
| Newtown | $400 | Portland | $248 |
| Ocean Grove-Barwon Heads | $390 | Hamilton | $250 |
| Belmont-Grovedale | $365 | Moe-Newborough | $250 |
| Herne Hill-Geelong West | $360 |  |  |
| Lara | $360 |  |  |

An expanded version of Table 11 containing extra property types as well as lower and upper quartile information can be found in the Rental Report December Quarter 2017 data tables available for download from the Office of Housing website: <https://dhhs.vic.gov.au/publications/rental-report>.

Rental availability

New Lettings

The number of new lettings provides an indicator of the overall availability of rental housing for a specific period. A new letting can result from two main sources: turnover in existing rental housing or new additions to the stock of rental housing.

Table 5 shows the total number of new rental lettings for the December quarter 2017. Across the state the total number of new lettings was 50,145, a decrease of 6.7 per cent on the same quarter of 2016. Metropolitan Melbourne recorded a decrease of 5.5 per cent in new lettings and regional Victoria a decrease of 11.2 per cent on the same quarter of last year. Metropolitan Melbourne accounted for 80.8 per cent of all new lettings in Victoria.

Table 5: New lettings for metropolitan Melbourne, regional Victoria and Victoria

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Dec-17** | **Dec-16** | **Change** |
| Metropolitan Melbourne | 40,500 | 42,862 | -5.5% |
| Regional Victoria | 9,645 | 10,865 | -11.2% |
| Victoria | 50,145 | 53,727 | -6.7% |

Table 6 lists the total number of new lettings across each of the 14 statistical regions. In the twelve months to December quarter 2017, the number of new lettings decreased in all of the nine metropolitan regions, ranging from a decrease of 2.2 per cent in the North Western Melbourne region to a decrease of 9.8 per cent in the Inner Eastern Melbourne region.

In regional Victoria, all regions also recorded an annual decrease in the number of new lettings, ranging from a decrease of 8.9 per cent in the Loddon-Mallee region to a decrease of 13.0 per cent in the Goulburn-Ovens-Murray region.

Table 6: New lettings for statistical regions Victoria

|  |  |  |  |
| --- | --- | --- | --- |
| **Region** | **Dec-17** | **Dec-16** | **Change** |
| **Metropolitan Melbourne** |  |  |  |
| Inner Melbourne | 9,895 | 10,451 | -5.3% |
| Inner Eastern Melbourne | 5,147 | 5,705 | -9.8% |
| Southern Melbourne | 3,617 | 3,925 | -7.8% |
| Western Melbourne | 5,755 | 6,096 | -5.6% |
| North Western Melbourne | 4,205 | 4,299 | -2.2% |
| North Eastern Melbourne | 3,974 | 4,224 | -5.9% |
| Outer Eastern Melbourne | 2,087 | 2,169 | -3.8% |
| South Eastern Melbourne | 3,785 | 3,878 | -2.4% |
| Mornington Peninsula | 2,035 | 2,115 | -3.8% |
| **Regional Victoria** |  |  |  |
| Barwon-South West | 2,854 | 3,226 | -11.5% |
| Gippsland | 1,706 | 1,952 | -12.6% |
| Goulburn-Ovens-Murray | 1,820 | 2,092 | -13.0% |
| Loddon-Mallee | 1,755 | 1,926 | -8.9% |
| Central Highlands-Wimmera | 1,510 | 1,669 | -9.5% |

Active Bonds

The number of active bonds provides an indicator of the total stock of rental housing, based on the total number of bonds held by the RTBA at a given point in time.

At the end of the December quarter 2017, the total number of active bonds held in Victoria was 579,186, an increase of 3.2 per cent on the size of the rental market in the same quarter of 2016. This is the lowest increase in active bonds since December 2005. The average annual growth in the rental market over the last ten years is 5.8 per cent.

At the end of the December quarter 2017, the total number of active bonds held in Victoria was 579,186, an increase of 3.2 per cent on the size of the rental market over the same quarter of 2016. The average annual increase in the rental market over the last ten years is 5.8 per cent. In the December quarter 2017, the annual increase in active bonds in metropolitan Melbourne (3.8%) continues to be higher than for regional Victoria (0.6%), a trend started in the March quarter 2010.

Figure 4 shows trends in active bonds for the past five years. The annual increase in active bonds continues to reduce from a high of 7.9 per cent in the June quarter 2012. While the average annual increase in the number active bonds over the past 10 years is 5.8 per cent, the average increase over the past two years has been lower (4.8%).

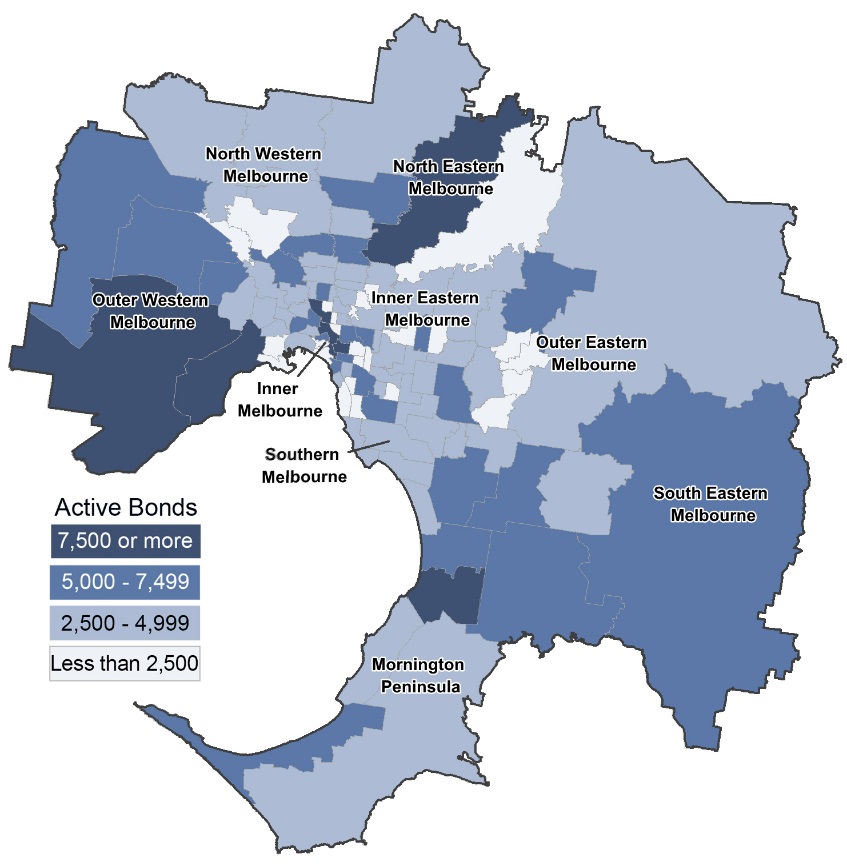
Table 14 below shows the number of active bonds for each local government area in December 2017 and, the change in active bonds in the past twelve months and over the past five years. The largest numbers of active bonds in metropolitan Melbourne are in the municipalities of Melbourne (48,401 - 10.3% of metropolitan Melbourne bonds), Moreland (23,730 – 5.1%), Stonnington (22,569 - 4.8%), Port Phillip (21,416 - 4.6%), Glen Eira (21,012 - 4.5%), Wyndham (20,106 - 4.3%), Boroondara (19,833 – 4.2%), Casey (18,920 - 4.0%) and Darebin (18,778 - 4.0%). Over the five-year period to December 2017, the highest increases have been mainly in municipalities on the fringe of metropolitan Melbourne. The highest increases were in Melbourne (57.9%), Hume (53.2%), Whittlesea (48.4%), Melton (45.1%), Casey (42.8%), Nillumbik (41.8%), Wyndham (39.8%) and Cardinia (36.7%). The lowest increases have been in the municipalities of Port Phillip (8.4%), Mornington Peninsula (11.4%), Yarra Ranges (11.7%), Hobsons Bay (15.0%) and Frankston (15.1%).

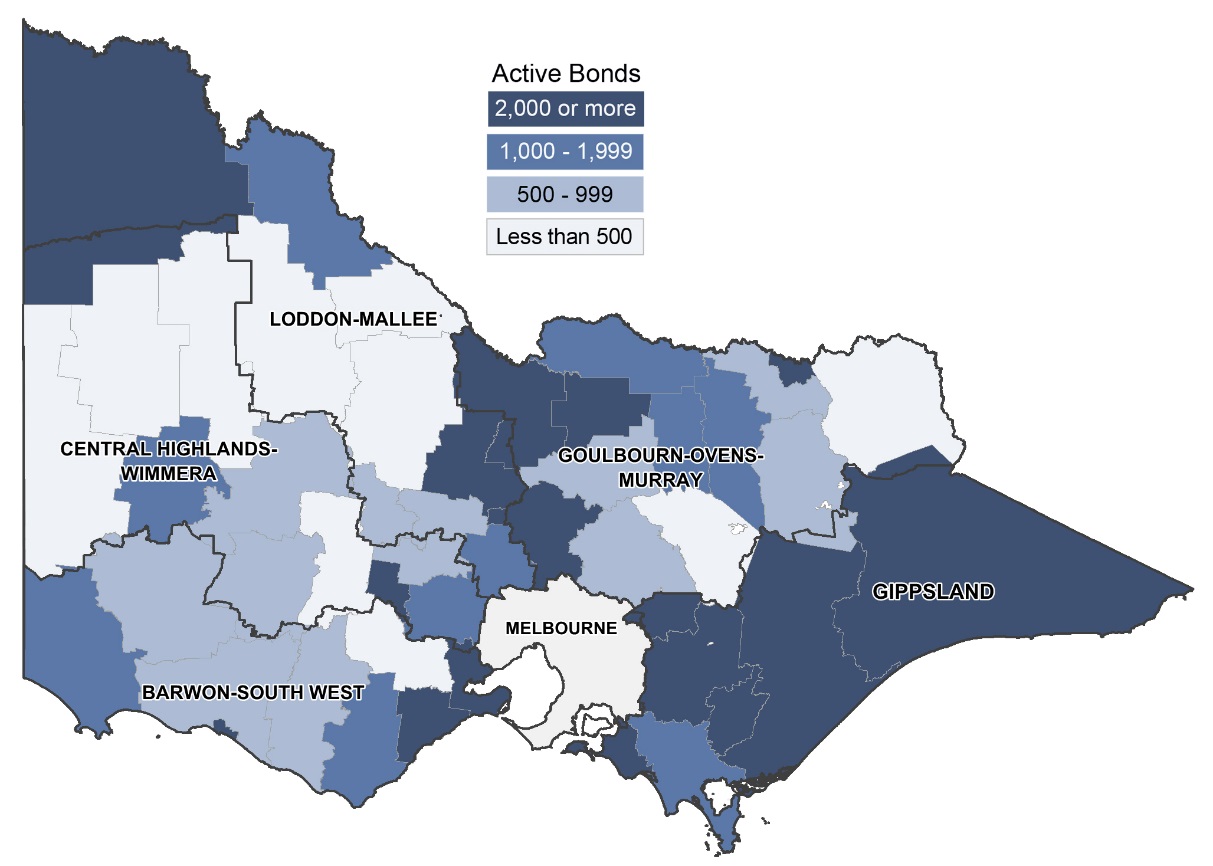
The largest numbers of active bonds in regional Victoria are in the municipalities of Greater Geelong (21,785 - 19.6% of regional Victoria bonds), Ballarat (10,850 - 9.7%), Greater Bendigo (10,147 - 9.1%), Latrobe (6,152 - 5.5%), Greater Shepparton (5,181 - 4.7%) and Mildura (4,835 - 4.3%). Over the past five years, the highest increases have been in the municipalities of Mitchell (34.3%), Baw Baw (28.8%), Greater Geelong (26.7%), Golden Plains (26.1%), Greater Bendigo (23.1%), Moorabool (22.8%) and Ballarat (22.2%). The number of active bonds has decreased in Queenscliffe (-5.8%), Swan Hill (-3.7%), Gannawarra (-3.6%), Yarriambiack (-0.4%) and Benalla   
(-0.3%) while the lowest increases have been in the municipalities of Northern Grampians (1.5%), Campaspe (1.7%), Alpine (2.1%) and Towong (4.5%).

Figure 5a illustrates the distribution of active bonds by suburb for metropolitan Melbourne. Figure 5b illustrates the distribution of active bonds by local government area for regional Victoria.

Figure 4: Total active residential bonds, Victoria - annual percentage change

Figure 5: Number of active bonds (Metropolitan Melbourne and Regional Victoria)

***Metropolitan Melbourne by suburb***

***Regional Victoria by Local Government Area***

Turnover and length of tenancy

The number of bond refunds in a quarter, if expressed as a percentage of all bonds held, can be used to provide an estimate of the ‘turnover rate’ in the rental market. The ‘turnover rate’ is an important indicator of the level of natural vacancies which are occurring in the market due to tenancies ending.

Table 7 shows the turnover rate and, the median length of tenancy (based on bond refunds during the quarter) for both metropolitan Melbourne and regional Victoria.

For the December quarter 2017, the quarterly turnover rate for metropolitan Melbourne was 8.3 per cent (that is, 8.3 per cent of all bonds were refunded in the quarter), compared to 8.2 per cent a year earlier. The turnover rate in regional Victoria for the December quarter 2017 was 9.3 per cent, compared to 9.5 per cent in the same quarter last year.

The median length of tenancy for bonds refunded in the December quarter 2017 was 19 months for metropolitan Melbourne and 17 months for regional Victoria.

Table 7: Turnover and tenancy duration

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Dec 2017** | **Dec 2016** |
| Metropolitan Melbourne | Turnover rate | 8.3% | 8.2% |
|  | Median tenancy duration | 19 months | 19 months |
| Regional Victoria | Turnover rate | 9.3% | 9.5% |
|  | Median tenancy duration | 17 months | 16 months |

Notes:

1. Turnover rate is the number of bond refunds (moving annual total) as % of total active bonds.

2. Median tenancy duration (months) is the period from bond lodgment date to bond claim date for refunds in that quarter.

Table 8 shows the median length of tenancy and turnover by dwelling size for both metropolitan Melbourne and regional Victoria. In metropolitan Melbourne one-bedroom dwellings have the lowest median length of tenancy (15 months) and the highest turnover rates (10.2%). In regional Victoria, one-bedroom dwellings have the lowest median length of tenancy (15 months) and four-bedroom plus dwellings have the highest turnover rate higher (10.2%).

Table 8: Median tenancy duration and turnover by dwelling size

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Metropolitan Melbourne** | | **Regional Victoria** | |
|  | **Duration (months)** | **Turnover** | **Duration (months)** | **Turnover** |
| 1 bedroom | 15 | 10.2% | 15 | 9.2% |
| 2 bedrooms | 20 | 8.4% | 17 | 8.9% |
| 3 bedrooms | 21 | 7.8% | 17 | 9.4% |
| 4+ bedrooms | 19 | 8.1% | 16 | 10.2% |
| All properties | 19 | 8.3% | 17 | 9.3% |

Investor finance

Loan approvals for the purchase or construction of dwellings for purposes of investment (not owner-occupation) provide a measure of investor activity levels in the Victorian housing market.

Figure 6 presents a summary of lending for housing investment in Victoria over the past five years.

In the December quarter 2017, the lending to investors in Victoria was $10.176 billion which was 33.6 per cent of the total lending for the purchase or construction of dwellings. Lending to investors was 1.8 per cent higher than the level of lending in the same quarter of 2016 but was 2.4 per cent lower than the level in the last quarter.

Figure 6: Lending to investors in residential housing, Victoria ($2017 December)

Note: Lending to investors in the March quarter 2013 and June quarter 2013 is an estimate - see Note 6

Vacancy Rate

Figure 7 shows the trend vacancy rate over the past five years for metropolitan Melbourne and regional Victoria.

The trend vacancy rate for metropolitan Melbourne has remained steady over the past three months. In December 2017, it was 2.2 per cent, compared with a rate of 2.1 per cent in September 2017 and 2.3 per cent in December 2016. The average vacancy rate for the four years from January 2000 to December 2004 was 3.8 per cent, for the seven years from January 2005 to December 2012 was 1.7 per cent and for the last two years has been 2.4 per cent. The trend vacancy rate reached its lowest point of 1.0 per cent in early 2008.

The trend vacancy rate for Regional Victoria for December 2017 was 1.7 per cent, compared with a rate of 2.0 per cent in September 2017 and 2.4 per cent in December 2016. The December 2017 rate is the lowest rate since March 2012.

Figure 7: Rental vacancy rate

Rental Market Affordability

This section of the Rental Report provides a summary of the affordability of rental housing for lower income households in Victoria. The method used in this section measures the supply of affordable new lettings based on RTBA data. The affordability benchmark used is that no more than 30 per cent of gross income is spent on rent. Lower income households are defined as those receiving Centrelink incomes.

Overall trends

In the December quarter 2017, 15.1 per cent of all new lettings across the state were affordable to lower income households. This series first began to be measured in March 2000 and the proportion of affordable new lettings reached its lowest levels at 14.9 per cent in March 2017.

Figure 8 shows the trend in these figures over the past five years for Victoria, metropolitan Melbourne and regional Victoria.

Figure 8: Affordable rentals as percent of all rentals

In the December quarter 2017, 5.9 per cent of all new lettings in metropolitan Melbourne were affordable to lower income households. This compares with a rate of 6.0 per cent in the previous quarter and 7.3 per cent in the same quarter of 2016. The availability of affordable housing has generally declined from a high in the September quarter 2005 (30.2% of dwellings) to a low of 5.8 per cent in the March quarter 2017.

In Regional Victoria, the proportion of affordable dwellings has generally declined from a high of 82.7 per cent in the September quarter 2002 to reach a new low of 53.6 per cent in the December quarter 2017 (since this series first began to be measured). This compares with a rate of 55.8 per cent in the previous quarter and 56.5 per cent in the same quarter of 2016.

Trends by household type

In metropolitan Melbourne, the availability of affordable rental lettings varies between different types of households. The rental affordability situation for different low-income households is summarised in Table 9.

Due to a limited supply of affordable one-bedroom dwellings, low-income single person households face the most difficulties in accessing affordable rental housing. Across Melbourne, just 0.3 per cent of one-bedroom dwellings let in the December quarter were affordable to low-income singles. For a single parent with one child on Centrelink income, 1.7 per cent of two-bedroom dwellings across Melbourne were affordable. A couple on Newstart with two dependent children could afford 6.1 per cent of three-bedroom new lettings in Melbourne in the December quarter. A couple on Newstart with four dependent children could afford 22.5 per cent of four-bedroom new lettings in Melbourne in the December quarter. For larger families, the supply of affordable three and four-bedroom dwellings is better and reflects the predominantly outer suburban location of this size of dwelling.

Table 9: Rental affordability by indicative households on Centrelink incomes

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Household type** |  | **Singles on Newstart** | **Single Parent with 1 child** | **Couple on Newstart with 2 children** | **Couple on Newstart with 4 children** | **Total** |
| Assumed property size |  | 1 bedroom | 2 bedroom | 3 bedroom | 4+ bedroom |  |
| Weekly income  (net of RA) |  | $269 | $566 | $782 | $993 |  |
| Affordable weekly rent |  | $150 | $250 | $315 | $390 |  |
| Affordable rentals (number) | Metropolitan | 18 | 249 | 809 | 1,317 | 2,393 |
| Regional | 166 | 1,342 | 2,674 | 985 | 5,167 |
| State total | 184 | 1,591 | 3,483 | 2,302 | 7,560 |
| Affordable rentals (% of total) | Metropolitan | 0.3% | 1.7% | 6.1% | 22.5% | 5.9% |
| Regional | 28.7% | 53.7% | 55.8% | 55.5% | 53.6% |
| State total | 2.4% | 9.5% | 19.3% | 30.1% | 15.1% |

Trends by region

Table 10 shows the availability of affordable lettings for each of the statistical regions of Victoria. In metropolitan Melbourne, Western Melbourne (19.4%) has the highest proportion of new lettings affordable to lower income households, with South Eastern Melbourne (13.1%) and Mornington Peninsula (8.2%) also having relatively high proportions. Western Melbourne has the highest number and proportion of three-bedroom lettings (390 or 14.4%) and four-bedroom lettings (661 or 43.1%). Western Melbourne has the highest number (67) whereas Mornington Peninsula has the highest proportion (7.3%) of affordable two-bedroom lettings. Southern Melbourne (0.7%), Inner Melbourne (0.9%) and Inner Eastern Melbourne (1.1%) have the lowest proportions of affordable new lettings.

In regional Victoria, Gippsland (67.7%) has the highest proportion of affordable new lettings while Barwon-South West (30.4%) has the lowest proportion.

Trends by Local Government Area

Table 13 provides data on the number of new lettings affordable to households on Centrelink incomes for all Victorian Local Government Areas (LGA).

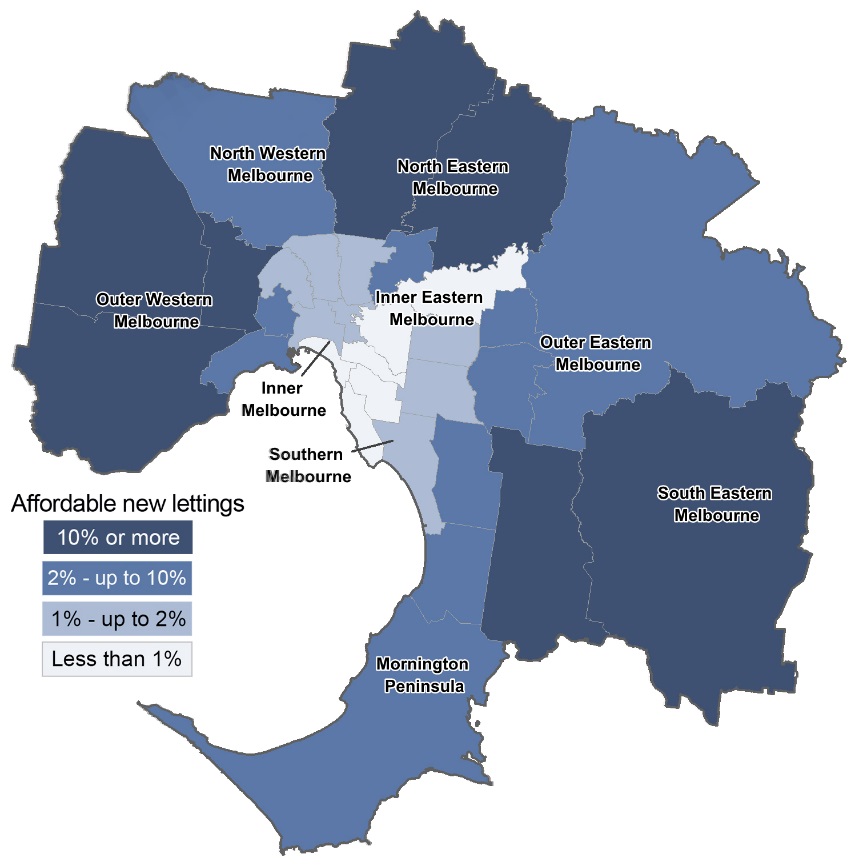
Figures 9, drawn from Table 13, show the proportion of affordable dwellings in each local government area (LGA) across metropolitan Melbourne and regional Victoria.

LGAs with the highest proportion of affordable dwellings in metropolitan Melbourne are Melton (37.4%), Cardinia (28.0%), Wyndham (27.2%), Nillumbik (22.7%), Brimbank (15.3%) and Casey (12.3%). The LGAs with lowest proportion are Bayside, Boroondara, Glen Eira, Manningham, Port Phillip and Stonnington (all with less than 1.0%) and, Darebin, Kingston, Melbourne, Monash, Moonee Valley, Moreland, Whitehorse and Yarra (all with less than 2.0%).

The LGAs with the highest proportion of affordable dwellings in regional Victoria are Hindmarsh, Loddon, Pyrenees, West Wimmera and Yarriambiack (all with 100%) and, Buloke, Gannawarra, Glenelg, Northern Grampians and Southern Grampians (all above 90%). The LGAs with the lowest proportion of affordable dwellings are Queenscliffe (0.0%), Surf Coast (1.5%), Macedon Ranges (9.0%), Greater Geelong (21.8%) and Mount Alexander (26.8%).

Figure 9: Affordable dwellings (Metropolitan Melbourne and Regional Victoria)

***Metropolitan Melbourne***



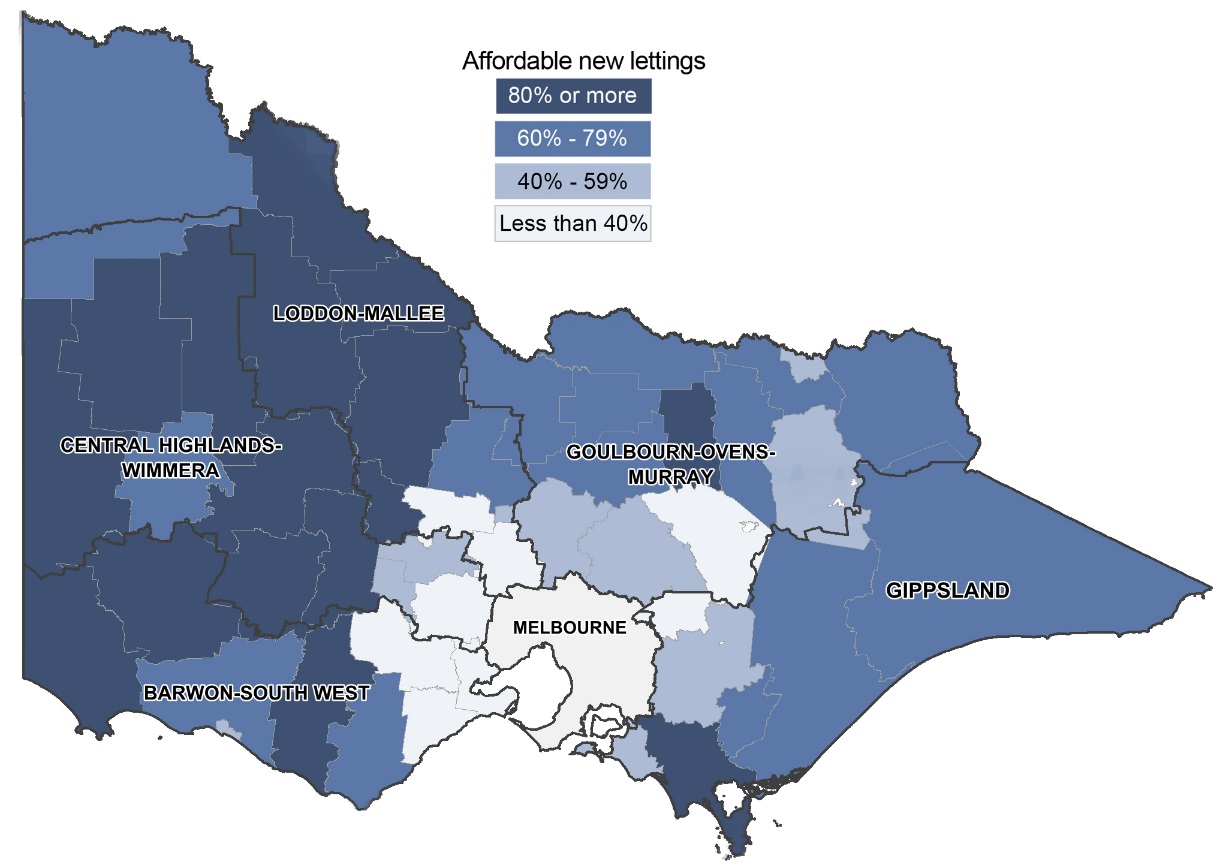
***Regional Victoria***

Table 10: Affordable lettings for indicative households on Centrelink incomes

(See Table 9 for indicative households)

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Region** | **1 Bedroom** | | **2 Bedroom** | | **3 Bedroom** | | **4+ Bedroom** | | **Total** | |
| **#** | **%** | **#** | **%** | **#** | **%** | **#** | **%** | **#** | **%** |
| Inner Melbourne | 12 | 0.3% | 38 | 0.8% | 23 | 2.2% | 14 | 8.2% | 87 | 0.9% |
| Inner Eastern Melbourne | 1 | 0.1% | 14 | 0.7% | 20 | 1.2% | 21 | 2.4% | 56 | 1.1% |
| Southern Melbourne | - | 0.0% | 10 | 0.6% | 8 | 0.8% | 7 | 1.6% | 25 | 0.7% |
| Western Melbourne | 1 | 0.4% | 67 | 5.4% | 390 | 14.4% | 661 | 43.1% | 1,119 | 19.4% |
| North Western Melbourne | 3 | 0.5% | 12 | 0.7% | 65 | 4.5% | 79 | 15.3% | 159 | 3.8% |
| North Eastern Melbourne | - | 0.0% | 14 | 1.0% | 39 | 2.6% | 170 | 27.9% | 223 | 5.6% |
| Outer Eastern Melbourne | 1 | 1.2% | 11 | 2.0% | 27 | 2.5% | 22 | 6.0% | 61 | 2.9% |
| South Eastern Melbourne | - | 0.0% | 45 | 5.5% | 161 | 9.0% | 291 | 28.6% | 497 | 13.1% |
| Mornington Peninsula | - | 0.0% | 38 | 7.3% | 76 | 7.2% | 52 | 14.9% | 166 | 8.2% |
| Metropolitan Melbourne | 18 | 0.3% | 249 | 1.7% | 809 | 6.1% | 1,317 | 22.5% | 2,393 | 5.9% |
| Barwon-South West | 15 | 8.4% | 192 | 27.3% | 478 | 34.2% | 181 | 31.6% | 866 | 30.4% |
| Gippsland | 41 | 35.7% | 284 | 67.3% | 606 | 70.5% | 224 | 72.7% | 1,155 | 67.7% |
| Goulburn-Ovens-Murray | 40 | 34.5% | 344 | 69.6% | 544 | 62.1% | 222 | 66.5% | 1,150 | 63.2% |
| Loddon-Mallee | 36 | 46.2% | 303 | 61.7% | 532 | 60.0% | 184 | 61.5% | 1,055 | 60.1% |
| Central Highlands-Wimmera | 34 | 37.8% | 219 | 56.6% | 514 | 66.7% | 174 | 66.4% | 941 | 62.3% |
| ***Regional Victoria*** | ***166*** | ***28.7%*** | ***1,342*** | ***53.7%*** | ***2,674*** | ***55.8%*** | ***985*** | ***55.5%*** | ***5,167*** | ***53.6%*** |
| ***Victoria*** | ***184*** | ***2.4%*** | ***1,591*** | ***9.5%*** | ***3,483*** | ***19.3%*** | ***2,302*** | ***30.1%*** | ***7,560*** | ***15.1%*** |

Table 11: Moving annual median rents for suburbs/town by major property type

| **Suburb/town** | **1 Bed Flat** | | | **2 Bed Flat** | | | **2 Bed House** | | | **3 Bed House** | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Count** | **Median** | **Annual % change** | **Count** | **Median** | **Annual % change** | **Count** | **Median** | **Annual % change** | **Count** | **Median** | **Annual % change** |
| **Inner Melbourne** | | | | | | | | | | | | |
| Albert Park-Middle Park-West St Kilda | 242 | $350 | 6.1% | 225 | $480 | 0.0% | 134 | $655 | 1.1% | 117 | $920 | 2.4% |
| Armadale | 256 | $370 | 15.6% | 433 | $480 | 14.3% | 33 | $640 | 6.7% | 70 | $850 | 0.0% |
| Carlton North | 71 | $340 | 0.0% | 91 | $480 | 6.7% | 91 | $550 | 5.8% | 78 | $728 | 8.2% |
| Carlton-Parkville | 3,141 | $360 | 7.5% | 1,206 | $520 | 8.3% | 51 | $540 | 8.0% | 56 | $745 | -0.7% |
| CBD-St Kilda Rd | 5,093 | $410 | 6.5% | 4,821 | $580 | 5.5% | 16 | $430 | -9.1% | - | - | - |
| Collingwood-Abbotsford | 692 | $395 | 3.9% | 789 | $520 | 4.0% | 119 | $575 | 4.5% | 80 | $748 | 6.9% |
| Docklands | 1,131 | $450 | 4.7% | 1,388 | $600 | 6.6% | - | - | - | - | - | - |
| East Melbourne | 215 | $400 | 5.3% | 181 | $550 | 0.9% | - | - | - | - | - | - |
| East St Kilda | 519 | $320 | 6.7% | 857 | $420 | 5.0% | 58 | $578 | 5.1% | 72 | $725 | 0.7% |
| Elwood | 554 | $330 | 3.1% | 896 | $450 | 2.3% | 36 | $628 | 4.7% | 58 | $855 | 8.5% |
| Fitzroy | 207 | $400 | 1.3% | 194 | $575 | 4.5% | 67 | $585 | -2.5% | 31 | $790 | 5.3% |
| Fitzroy North-Clifton Hill | 255 | $360 | 2.9% | 272 | $485 | 2.1% | 165 | $570 | 1.8% | 112 | $725 | -0.7% |
| Flemington-Kensington | 426 | $360 | 12.5% | 551 | $400 | 2.6% | 146 | $483 | 1.7% | 145 | $595 | 6.3% |
| North Melbourne-West Melbourne | 1,340 | $375 | 7.1% | 961 | $500 | 4.2% | 95 | $550 | 11.1% | 72 | $700 | 2.9% |
| Port Melbourne | 301 | $430 | 0.0% | 493 | $585 | 2.6% | 111 | $600 | 7.1% | 148 | $793 | -6.7% |
| Prahran-Windsor | 1,123 | $340 | 3.0% | 746 | $500 | 6.8% | 197 | $600 | 1.7% | 132 | $780 | 2.0% |
| Richmond-Burnley | 904 | $390 | 5.4% | 901 | $545 | 4.8% | 342 | $598 | 1.7% | 286 | $750 | 0.0% |
| South Melbourne | 405 | $400 | 0.0% | 385 | $550 | 5.8% | 84 | $575 | -0.5% | 45 | $850 | 2.4% |
| South Yarra | 1,703 | $385 | 4.3% | 1,534 | $540 | 4.9% | 81 | $640 | 6.7% | 109 | $900 | 5.9% |
| Southbank | 939 | $440 | 2.3% | 1,457 | $570 | 1.8% | - | - | - | - | - | - |
| St Kilda | 1,411 | $360 | 2.9% | 1,279 | $475 | 5.6% | 43 | $600 | 4.3% | 63 | $750 | 8.2% |
| Toorak | 209 | $335 | 4.7% | 309 | $490 | 6.5% | 14 | $665 | 3.9% | 46 | $1,025 | 20.6% |
| *Inner Melbourne - Total* | *21,137* | *$390* | *6.8%* | *19,969* | *$540* | *6.9%* | *1,898* | *$580* | *4.5%* | *1,745* | *$750* | *0.0%* |
| **Inner Eastern Melbourne** | | | | | | | | | | | | |
| Balwyn | 123 | $360 | 2.9% | 362 | $430 | 8.9% | 37 | $405 | -3.6% | 217 | $550 | 0.0% |
| Blackburn | 126 | $345 | 4.5% | 222 | $400 | 2.6% | 37 | $390 | 2.6% | 284 | $435 | 1.2% |
| Box Hill | 598 | $285 | 9.6% | 843 | $410 | 3.8% | 78 | $400 | 3.1% | 291 | $460 | 2.2% |
| Bulleen-Templestowe-Doncaster | 172 | $360 | 2.9% | 607 | $435 | 6.1% | 30 | $420 | 10.5% | 411 | $460 | 2.2% |
| Burwood-Ashburton | 317 | $230 | 2.2% | 266 | $440 | 10.0% | 68 | $400 | 0.5% | 300 | $478 | 3.9% |
| Camberwell-Glen Iris | 293 | $340 | 3.0% | 787 | $440 | 4.8% | 48 | $520 | 5.1% | 220 | $650 | 2.4% |
| Canterbury-Surrey Hills-Mont Albert | 24 | $368 | 2.8% | 356 | $423 | 7.1% | 31 | $450 | 4.7% | 105 | $630 | 5.0% |
| Chadstone-Oakleigh | 113 | $355 | 2.9% | 372 | $400 | 4.4% | 46 | $400 | 6.7% | 233 | $450 | 4.7% |
| Clayton | 383 | $260 | 0.0% | 650 | $380 | 5.6% | 50 | $373 | -1.8% | 206 | $430 | 7.5% |
| Doncaster East-Donvale | 27 | $350 | 0.0% | 192 | $400 | 2.6% | 16 | $393 | 2.1% | 282 | $450 | 0.0% |
| East Hawthorn | 337 | $350 | 0.0% | 485 | $440 | 2.3% | 43 | $580 | 7.4% | 79 | $725 | 0.7% |
| Glen Waverley-Mulgrave | 58 | $350 | -6.2% | 209 | $400 | 2.6% | 34 | $390 | 0.0% | 701 | $445 | 2.3% |
| Hawthorn | 1,064 | $310 | 5.1% | 902 | $440 | 3.5% | 50 | $573 | 4.2% | 86 | $703 | 0.4% |
| Kew | 90 | $370 | 0.0% | 567 | $420 | 2.4% | 53 | $520 | 4.0% | 165 | $650 | 3.5% |
| Mount Waverley | 21 | $350 | 11.1% | 140 | $400 | 2.6% | 26 | $395 | 3.9% | 295 | $450 | 2.3% |
| Nunawading-Mitcham | 92 | $325 | 3.2% | 319 | $375 | 7.1% | 50 | $385 | 4.1% | 237 | $430 | 4.9% |
| Vermont-Forest Hill-Burwood East | 19 | $300 | 2.4% | 200 | $380 | 8.6% | 21 | $395 | 9.7% | 354 | $435 | 6.1% |
| *Inner Eastern Melbourne - Total* | *3,857* | *$320* | *6.7%* | *7,479* | *$415* | *3.8%* | *718* | *$420* | *5.0%* | *4,466* | *$460* | *2.2%* |
| **Southern Melbourne** | | | | | | | | | | | | |
| Aspendale-Chelsea-Carrum | 59 | $300 | 9.1% | 519 | $365 | 4.3% | 55 | $390 | 5.4% | 386 | $450 | 2.3% |
| Bentleigh | 186 | $300 | 3.4% | 711 | $420 | 6.3% | 108 | $450 | 5.9% | 470 | $538 | 5.5% |
| Brighton | 86 | $400 | 2.6% | 356 | $530 | 2.9% | 23 | $620 | 12.7% | 122 | $888 | 1.5% |
| Brighton East | - | - | - | 74 | $450 | 3.4% | 24 | $527 | 10.3% | 122 | $675 | 3.1% |
| Carnegie | 341 | $295 | 5.4% | 546 | $430 | 7.5% | 29 | $450 | 0.0% | 74 | $550 | -1.8% |
| Caulfield | 591 | $290 | 0.0% | 862 | $433 | 0.7% | 67 | $500 | 10.4% | 161 | $650 | 0.2% |
| Cheltenham | 158 | $330 | 6.5% | 705 | $400 | 6.7% | 92 | $440 | 2.3% | 506 | $520 | 5.1% |
| Elsternwick | 229 | $320 | 8.5% | 310 | $440 | 4.8% | 16 | $520 | 4.4% | 54 | $703 | 3.4% |
| Hampton-Beaumaris | 160 | $340 | -1.4% | 385 | $475 | 5.6% | 51 | $520 | 6.1% | 222 | $695 | -0.7% |
| Malvern | 112 | $355 | 1.4% | 206 | $443 | 3.0% | 17 | $600 | 0.8% | 54 | $750 | -8.9% |
| Malvern East | 396 | $280 | 3.7% | 370 | $425 | 4.9% | 39 | $465 | 1.1% | 101 | $595 | 0.8% |
| Mentone-Parkdale-Mordialloc | 263 | $290 | 1.0% | 621 | $390 | 2.6% | 42 | $430 | 2.4% | 194 | $525 | 1.0% |
| Murrumbeena-Hughesdale | 226 | $290 | 3.6% | 332 | $415 | 3.8% | 20 | $448 | 9.3% | 84 | $498 | 4.8% |
| *Southern Melbourne - Total* | *2,814* | *$300* | *1.7%* | *5,997* | *$420* | *5.0%* | *583* | *$460* | *2.2%* | *2,550* | *$550* | *0.0%* |
| **Outer Western Melbourne** | | | | | | | | | | | | |
| Altona | 77 | $270 | 8.0% | 616 | $340 | 6.3% | 134 | $350 | 6.1% | 1,409 | $380 | 5.6% |
| Footscray | 390 | $270 | 8.0% | 494 | $370 | 5.7% | 121 | $430 | 4.1% | 154 | $470 | 4.4% |
| Keilor East-Avondale Heights | 216 | $340 | 6.3% | 448 | $395 | 5.3% | 39 | $380 | 5.6% | 383 | $415 | 5.1% |
| Melton | 38 | $320 | 1.9% | 115 | $255 | 2.0% | 32 | $260 | 0.0% | 970 | $310 | 6.9% |
| Newport-Spotswood | 54 | $273 | 1.1% | 155 | $350 | 2.9% | 100 | $450 | 4.7% | 245 | $520 | 4.0% |
| St Albans-Deer Park | 47 | $230 | 9.5% | 341 | $300 | 9.1% | 66 | $313 | 7.9% | 1,001 | $340 | 4.6% |
| Sunshine | 124 | $230 | 4.5% | 291 | $300 | 3.4% | 83 | $320 | 6.7% | 631 | $350 | 6.1% |
| Sydenham | - | - | - | 147 | $340 | 0.9% | 48 | $348 | 6.1% | 881 | $380 | 2.7% |
| Werribee-Hoppers Crossing | 46 | $268 | 9.4% | 507 | $295 | 5.4% | 143 | $305 | 5.2% | 2,469 | $340 | 4.6% |
| West Footscray | 164 | $250 | 2.0% | 407 | $350 | 2.9% | 127 | $380 | 4.1% | 312 | $420 | 9.1% |
| Williamstown | 77 | $325 | 12.1% | 141 | $375 | 7.1% | 52 | $478 | 2.8% | 134 | $610 | 3.7% |
| Yarraville-Seddon | 156 | $275 | 5.8% | 251 | $360 | 4.3% | 239 | $470 | 4.4% | 322 | $530 | 6.0% |
| *Outer Western Melbourne - Total* | *1,395* | *$275* | *10.0%* | *3,913* | *$330* | *3.1%* | *1,184* | *$380* | *5.6%* | *8,911* | *$355* | *2.6%* |
| **North Western Melbourne** | | | | | | | | | | | | |
| Broadmeadows-Roxburgh Park | 57 | $250 | 13.6% | 229 | $335 | 4.7% | 67 | $320 | 7.4% | 752 | $350 | 5.1% |
| Brunswick | 467 | $330 | 0.0% | 699 | $440 | 4.8% | 246 | $500 | 0.0% | 212 | $650 | 4.8% |
| Coburg-Pascoe Vale South | 184 | $320 | 5.6% | 446 | $390 | 5.4% | 159 | $440 | 4.8% | 347 | $500 | 4.2% |
| Craigieburn | 11 | $260 | -7.1% | 164 | $320 | 6.7% | 78 | $320 | 3.2% | 703 | $360 | 2.9% |
| East Brunswick | 378 | $360 | 2.9% | 447 | $460 | 2.2% | 79 | $520 | 2.4% | 87 | $670 | 3.4% |
| Essendon | 420 | $310 | 3.3% | 895 | $380 | 5.6% | 114 | $400 | 8.1% | 371 | $450 | 2.3% |
| Gladstone Park-Tullamarine | 16 | $238 | -10.2% | 138 | $330 | 3.8% | 12 | $340 | 6.3% | 234 | $370 | 5.7% |
| Keilor | - | - | - | - | - | - | - | - | - | 26 | $400 | 0.0% |
| Moonee Ponds-Ascot Vale | 292 | $310 | 10.7% | 518 | $400 | 6.7% | 174 | $470 | 6.8% | 260 | $550 | 0.4% |
| Oak Park-Glenroy-Fawkner | 58 | $260 | 2.0% | 628 | $350 | 2.9% | 121 | $350 | 6.1% | 553 | $390 | 4.0% |
| Pascoe Vale-Coburg North | 70 | $210 | -2.3% | 413 | $370 | 2.8% | 106 | $393 | 8.3% | 252 | $445 | 7.2% |
| Sunbury | 13 | $230 | 4.5% | 138 | $315 | 5.0% | 31 | $315 | 4.0% | 373 | $350 | 6.1% |
| West Brunswick | 412 | $300 | 11.1% | 476 | $375 | 4.7% | 53 | $470 | -2.1% | 85 | $560 | 3.7% |
| *North Western Melbourne - Total* | *2,379* | *$315* | *5.0%* | *5,194* | *$375* | *4.2%* | *1,243* | *$420* | *5.0%* | *4,255* | *$390* | *5.4%* |
| **North Eastern Melbourne** | | | | | | | | | | | | |
| Bundoora-Greensborough-Hurstbridge | 309 | $280 | 3.7% | 641 | $350 | 2.9% | 112 | $350 | 6.1% | 991 | $395 | 3.9% |
| Eltham-Research-Montmorency | 28 | $295 | 18.0% | 146 | $360 | 2.9% | 33 | $410 | 17.1% | 201 | $450 | 4.7% |
| Fairfield-Alphington | 204 | $290 | 1.8% | 228 | $390 | 6.8% | 31 | $470 | -2.1% | 95 | $620 | 3.5% |
| Heidelberg-Heidelberg West | 109 | $340 | 13.3% | 423 | $385 | 6.9% | 130 | $350 | 5.1% | 356 | $430 | 10.3% |
| Ivanhoe-Ivanhoe East | 119 | $365 | 4.3% | 338 | $420 | 7.7% | 29 | $450 | 4.7% | 94 | $555 | 4.7% |
| Mill Park-Epping | 70 | $290 | 3.6% | 301 | $320 | 3.2% | 99 | $325 | 3.2% | 869 | $360 | 2.9% |
| Northcote | 438 | $330 | 10.0% | 429 | $470 | 6.8% | 159 | $560 | 7.7% | 190 | $650 | 4.8% |
| Preston | 278 | $320 | 6.7% | 621 | $390 | 2.6% | 147 | $420 | 5.0% | 296 | $470 | 4.4% |
| Reservoir | 234 | $293 | 2.8% | 744 | $345 | 4.5% | 158 | $350 | 5.1% | 467 | $390 | 6.8% |
| Thomastown-Lalor | 41 | $290 | 3.6% | 279 | $320 | 3.2% | 38 | $333 | 4.1% | 522 | $350 | 2.9% |
| Thornbury | 353 | $290 | 5.5% | 461 | $400 | 11.1% | 90 | $493 | 1.6% | 148 | $575 | 4.5% |
| Whittlesea | 13 | $270 | 3.8% | 75 | $290 | 3.6% | 47 | $310 | 5.1% | 403 | $350 | 2.9% |
| *North Eastern Melbourne - Total* | *2,196* | *$300* | *5.3%* | *4,686* | *$365* | *4.3%* | *1,073* | *$380* | *8.6%* | *4,632* | *$385* | *4.1%* |
| **Outer Eastern Melbourne** | | | | | | | | | | | | |
| Bayswater | - | - | - | 214 | $340 | 4.6% | 15 | $350 | 9.4% | 216 | $385 | 4.1% |
| Boronia | 35 | $290 | 11.5% | 274 | $350 | 1.4% | 32 | $340 | 3.0% | 240 | $385 | 4.1% |
| Croydon-Lilydale | 92 | $260 | 2.8% | 544 | $350 | 2.9% | 92 | $355 | 2.9% | 940 | $400 | 2.6% |
| Ferntree Gully | 11 | $280 | 14.3% | 116 | $340 | 3.0% | 14 | $343 | 0.9% | 271 | $400 | 5.3% |
| Ringwood | 64 | $298 | 6.4% | 617 | $350 | 2.9% | 74 | $370 | 5.7% | 428 | $400 | 0.5% |
| Rowville | - | - | - | 46 | $380 | 1.9% | - | - | - | 237 | $420 | 5.0% |
| Wantirna-Scoresby | 38 | $330 | 3.1% | 99 | $375 | 4.2% | 20 | $388 | 10.9% | 422 | $405 | 3.8% |
| Yarra Ranges | 57 | $250 | 11.1% | 90 | $313 | 4.3% | 132 | $330 | 6.5% | 506 | $380 | 1.3% |
| *Outer Eastern Melbourne - Total* | *316* | *$270* | *1.9%* | *2,000* | *$350* | *2.9%* | *384* | *$350* | *2.9%* | *3,260* | *$400* | *3.9%* |
| **South Eastern Melbourne** | | | | | | | | | | | | |
| Berwick | - | - | - | 99 | $325 | 4.8% | 29 | $340 | 3.0% | 724 | $370 | 2.8% |
| Cranbourne | 33 | $270 | 10.2% | 169 | $300 | 1.7% | 90 | $310 | -3.1% | 1,336 | $360 | 2.9% |
| Dandenong | 190 | $250 | 4.2% | 863 | $290 | 1.8% | 82 | $330 | 10.0% | 444 | $380 | 5.6% |
| Dandenong North-Endeavour Hills | 59 | $260 | 8.3% | 236 | $318 | 6.7% | 56 | $295 | 1.7% | 670 | $350 | 2.9% |
| Narre Warren-Hampton Park | 22 | $250 | 7.8% | 201 | $315 | 3.3% | 54 | $320 | 1.6% | 1,176 | $360 | 2.9% |
| Noble Park | 176 | $223 | 1.4% | 504 | $320 | 3.2% | 39 | $330 | 6.5% | 332 | $360 | 2.9% |
| Pakenham | 16 | $225 | -6.3% | 207 | $280 | 3.7% | 70 | $300 | 3.4% | 992 | $340 | 3.0% |
| Springvale | 133 | $254 | 8.1% | 515 | $345 | 2.4% | 54 | $340 | 5.6% | 554 | $380 | 2.7% |
| *South Eastern Melbourne - Total* | *635* | *$240* | *4.3%* | *2,794* | *$310* | *3.3%* | *474* | *$320* | *4.9%* | *6,228* | *$360* | *2.9%* |
| **Mornington Peninsula** | | | | | | | | | | | | |
| Dromana-Portsea | 28 | $243 | 5.7% | 210 | $315 | 8.6% | 209 | $310 | 6.9% | 907 | $365 | 4.3% |
| Frankston | 358 | $230 | 4.5% | 714 | $300 | 3.4% | 114 | $335 | 5.3% | 918 | $380 | 5.6% |
| Hastings-Flinders | 12 | $273 | -0.7% | 183 | $300 | 3.4% | 53 | $310 | 0.0% | 355 | $370 | 5.7% |
| Mt Eliza-Mornington-Mt Martha | 19 | $270 | 15.9% | 232 | $356 | 1.7% | 46 | $370 | 5.7% | 480 | $450 | 4.7% |
| Seaford-Carrum Downs | 37 | $230 | -7.6% | 272 | $320 | 6.7% | 63 | $330 | 3.1% | 775 | $360 | 2.9% |
| *Mornington Peninsula - Total* | *454* | *$235* | *4.4%* | *1,611* | *$310* | *3.3%* | *485* | *$325* | *8.3%* | *3,435* | *$375* | *4.2%* |
| **Geelong** | | | | | | | | | | | | |
| Belmont-Grovedale | 123 | $230 | -4.2% | 420 | $300 | 3.4% | 104 | $310 | 3.3% | 788 | $365 | 4.3% |
| Corio | 51 | $190 | 1.6% | 113 | $260 | 2.0% | 133 | $240 | 4.3% | 524 | $270 | 5.9% |
| Geelong-Newcomb | 163 | $240 | 9.1% | 325 | $295 | -1.7% | 154 | $300 | 0.0% | 497 | $330 | 3.1% |
| Herne Hill-Geelong West | 121 | $210 | 5.0% | 156 | $280 | 3.7% | 92 | $330 | 6.5% | 280 | $360 | 2.9% |
| Lara | - | - | - | 52 | $290 | 3.6% | 16 | $290 | -3.3% | 159 | $360 | 2.9% |
| Newtown | 47 | $220 | 4.8% | 129 | $300 | 1.7% | 40 | $330 | -2.9% | 123 | $400 | 5.3% |
| North Geelong | 53 | $200 | 5.3% | 130 | $300 | 7.1% | 79 | $300 | 7.1% | 337 | $330 | 0.6% |
| *Geelong - Total* | *565* | *$215* | *2.4%* | *1,325* | *$290* | *3.6%* | *618* | *$300* | *3.4%* | *2,708* | *$340* | *3.0%* |
| **Ballarat** | | | | | | | | | | | | |
| Ballarat | 91 | $180 | 9.1% | 263 | $250 | 2.0% | 253 | $250 | 0.0% | 827 | $290 | 3.6% |
| Mount Clear-Buninyong | - | - | - | 39 | $240 | 0.0% | 15 | $240 | -7.7% | 110 | $310 | 3.3% |
| Sebastopol-Delacombe | 49 | $250 | 38.9% | 163 | $230 | 0.9% | 80 | $240 | 0.0% | 334 | $275 | 1.9% |
| Wendouree-Alfredton | 93 | $160 | 0.0% | 156 | $230 | 0.0% | 101 | $250 | 4.2% | 579 | $300 | 0.0% |
| *Ballarat - Total* | *243* | *$170* | *3.0%* | *621* | *$240* | *2.1%* | *449* | *$250* | *0.0%* | *1,850* | *$290* | *3.6%* |
| **Bendigo** | | | | | | | | | | | | |
| Bendigo | 35 | $185 | 2.8% | 128 | $250 | 4.2% | 92 | $260 | 4.0% | 238 | $298 | 1.0% |
| Flora Hill-Bendigo East | 51 | $160 | -11.1% | 285 | $240 | 2.1% | 92 | $260 | 2.0% | 467 | $300 | 0.0% |
| Golden Square-Kangaroo Flat | 30 | $200 | 2.6% | 101 | $250 | 0.0% | 67 | $250 | -3.8% | 333 | $290 | 0.0% |
| North Bendigo | 13 | $170 | -8.1% | 160 | $245 | -2.0% | 94 | $250 | 2.0% | 430 | $285 | 1.8% |
| *Bendigo - Total* | *129* | *$176* | *-2.2%* | *674* | *$245* | *2.1%* | *345* | *$255* | *2.0%* | *1,468* | *$295* | *1.7%* |
| **Other Regional Centres** | | | | | | | | | | | | |
| Bairnsdale | 13 | $165 | -8.3% | 90 | $238 | 3.5% | 58 | $250 | 0.0% | 212 | $300 | 3.4% |
| Benalla | 24 | $150 | 0.0% | 109 | $200 | 2.6% | 36 | $230 | 4.5% | 143 | $270 | 3.8% |
| Castlemaine | - | - | - | 28 | $278 | 3.0% | 65 | $300 | 3.4% | 125 | $340 | 6.3% |
| Echuca | 22 | $150 | -6.3% | 123 | $250 | 0.0% | 19 | $280 | 0.0% | 194 | $320 | -1.5% |
| Hamilton | 31 | $140 | 3.7% | 56 | $190 | 5.6% | 35 | $200 | -4.8% | 168 | $250 | 4.2% |
| Horsham | 44 | $230 | 31.4% | 161 | $210 | 5.0% | 38 | $233 | 16.5% | 291 | $270 | 1.9% |
| Mildura | 80 | $180 | -5.3% | 292 | $205 | 2.5% | 109 | $250 | 6.4% | 626 | $300 | 3.4% |
| Moe-Newborough | 96 | $130 | -3.7% | 108 | $163 | -1.2% | 60 | $193 | 1.6% | 233 | $250 | 0.0% |
| Morwell | 41 | $155 | 6.9% | 139 | $180 | 0.0% | 85 | $190 | 5.6% | 304 | $230 | 4.5% |
| Ocean Grove-Barwon Heads | - | - | - | 73 | $310 | 3.3% | 30 | $343 | 14.3% | 200 | $390 | 5.4% |
| Portland | 22 | $160 | 3.2% | 70 | $170 | -2.9% | 31 | $200 | -10.3% | 154 | $248 | 3.3% |
| Sale-Maffra | 88 | $160 | -5.9% | 198 | $223 | -5.1% | 73 | $235 | 2.2% | 397 | $280 | 0.0% |
| Seymour | - | - | - | 30 | $200 | -4.8% | 12 | $265 | 10.4% | 93 | $270 | 4.7% |
| Shepparton | 146 | $170 | 0.0% | 408 | $220 | 0.0% | 112 | $240 | -4.0% | 750 | $290 | 3.6% |
| Swan Hill | 62 | $145 | 3.6% | 105 | $225 | 2.3% | 26 | $225 | 4.7% | 151 | $275 | 3.8% |
| Torquay | 13 | $280 | 12.0% | 60 | $330 | -2.9% | 31 | $410 | 9.9% | 237 | $460 | 2.2% |
| Traralgon | 56 | $163 | -1.2% | 182 | $225 | 2.3% | 80 | $255 | 2.0% | 548 | $290 | 1.8% |
| Wangaratta | 40 | $169 | 2.4% | 144 | $218 | 9.0% | 46 | $240 | 0.0% | 298 | $285 | 1.8% |
| Warragul | 12 | $195 | 6.6% | 91 | $260 | 6.1% | 40 | $260 | 4.0% | 203 | $320 | 6.7% |
| Warrnambool | 75 | $190 | 2.7% | 344 | $240 | 0.0% | 81 | $280 | 3.7% | 426 | $320 | 0.0% |
| Wodonga | 71 | $170 | 0.0% | 306 | $230 | 4.5% | 61 | $250 | 0.0% | 576 | $310 | 3.3% |
| *Other Regional Centres Total* | *959* | *$160* | *0.0%* | *3,117* | *$220* | *0.0%* | *1,128* | *$250* | *4.2%* | *6,329* | *$290* | *0.0%* |

Table 12: Median rents for local government areas by DHS region, by major property type

| **LGA** | **1 Bed Flat** | | | **2 Bed Flat** | | | **2 Bed House** | | | **3 Bed House** | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Count** | **Median** | **Annual % change** | **Count** | **Median** | **Annual % change** | **Count** | **Median** | **Annual % change** | **Count** | **Median** | **Annual % change** |
| Colac-Otway | - | - | - | 15 | $230 | -1.3% | 12 | $275 | 22.2% | 51 | $300 | 7.1% |
| Corangamite | - | - | - | - | - | - | - | - | - | 27 | $240 | -4.0% |
| Glenelg | - | - | - | 17 | $170 | 6.3% | - | - | - | 50 | $230 | 0.0% |
| Greater Geelong | 131 | $220 | 4.8% | 321 | $300 | 3.4% | 158 | $310 | 6.9% | 840 | $350 | 6.1% |
| Moyne | - | - | - | - | - | - | - | - | - | 26 | $250 | -16.7% |
| Queenscliffe | - | - | - | - | - | - | - | - | - | - | - | - |
| Southern Grampians | - | - | - | 11 | $181 | 9.7% | - | - | - | 45 | $250 | 8.7% |
| Surf Coast | - | - | - | - | - | - | 10 | $353 | -0.6% | 81 | $440 | -2.2% |
| Warrnambool | 17 | $200 | 0.0% | 74 | $250 | 4.2% | 16 | $285 | 1.8% | 100 | $308 | -3.8% |
| ***Barwon-South West*** | ***177*** | ***$210*** | ***1.0%*** | ***454*** | ***$285*** | ***1.8%*** | ***223*** | ***$300*** | ***11.1%*** | ***1,221*** | ***$344*** | ***7.5%*** |
| Ararat | - | - | - | 16 | $220 | 12.8% | 14 | $220 | 10.0% | 49 | $250 | 4.2% |
| Ballarat | 52 | $173 | 4.8% | 139 | $250 | 4.2% | 88 | $260 | 4.0% | 412 | $295 | 3.5% |
| Golden Plains | - | - | - | - | - | - | - | - | - | 11 | $350 | 9.4% |
| Hepburn | - | - | - | 13 | $300 | 5.3% | 20 | $293 | -3.3% | 25 | $330 | 6.5% |
| Hindmarsh | - | - | - | - | - | - | - | - | - | 12 | $180 | 0.0% |
| Horsham | - | - | - | 26 | $225 | 12.5% | - | - | - | 68 | $280 | 3.7% |
| Moorabool | - | - | - | 10 | $275 | 12.2% | - | - | - | 53 | $340 | 9.7% |
| Northern Grampians | 12 | $120 | - | 18 | $160 | 0.0% | - | - | - | 21 | $235 | 6.8% |
| Pyrenees | - | - | - | - | - | - | - | - | - | - | - | - |
| West Wimmera | - | - | - | - | - | - | - | - | - | - | - | - |
| Yarriambiack | - | - | - | - | - | - | - | - | - | 11 | $180 | 4.0% |
| ***Grampians*** | ***88*** | ***$160*** | ***-3.0%*** | ***228*** | ***$240*** | ***2.1%*** | ***159*** | ***$250*** | ***4.2%*** | ***671*** | ***$290*** | ***3.6%*** |
| Buloke | - | - | - | - | - | - | - | - | - | - | - | - |
| Campaspe | 13 | $130 | - | 44 | $243 | 5.7% | 13 | $200 | -23.1% | 75 | $285 | -5.0% |
| Central Goldfields | - | - | - | 19 | $200 | - | - | - | - | 26 | $240 | 2.1% |
| Gannawarra | - | - | - | - | - | - | - | - | - | 34 | $210 | 5.0% |
| Greater Bendigo | 23 | $160 | -11.1% | 157 | $245 | 2.1% | 87 | $260 | 0.0% | 371 | $300 | 1.7% |
| Loddon | - | - | - | - | - | - | - | - | - | 10 | $190 | - |
| Macedon Ranges | - | - | - | 16 | $343 | 11.7% | 16 | $360 | 24.1% | 60 | $380 | 5.6% |
| Mildura | 23 | $160 | -15.8% | 73 | $205 | -2.4% | 33 | $250 | 6.4% | 173 | $290 | 0.0% |
| Mount Alexander | - | - | - | - | - | - | 16 | $288 | 0.0% | 43 | $350 | 9.4% |
| Swan Hill | 16 | $148 | 5.7% | 24 | $218 | -0.9% | - | - | - | 34 | $280 | 3.7% |
| ***Loddon Mallee*** | ***90*** | ***$150*** | ***-11.8%*** | ***345*** | ***$230*** | ***0.0%*** | ***187*** | ***$250*** | ***0.0%*** | ***835*** | ***$295*** | ***0.0%*** |
| Alpine | - | - | - | 15 | $230 | 9.5% | - | - | - | 29 | $300 | 3.4% |
| Benalla | - | - | - | 14 | $190 | -2.6% | - | - | - | 32 | $275 | 1.9% |
| Greater Shepparton | 30 | $168 | 0.0% | 100 | $220 | 0.0% | 25 | $230 | -5.3% | 193 | $290 | 1.8% |
| Indigo | - | - | - | - | - | - | 10 | $240 | - | 22 | $303 | 8.2% |
| Mansfield | - | - | - | - | - | - | - | - | - | 21 | $350 | 20.7% |
| Mitchell | - | - | - | 16 | $245 | -3.2% | - | - | - | 77 | $320 | 8.5% |
| Moira | 12 | $120 | 9.1% | 33 | $220 | 0.0% | - | - | - | 67 | $280 | 2.6% |
| Murrindindi | - | - | - | - | - | - | 10 | $255 | - | 29 | $300 | 1.7% |
| Strathbogie | - | - | - | 14 | $240 | - | - | - | - | 32 | $280 | 0.0% |
| Towong | - | - | - | - | - | - | - | - | - | 13 | $250 | 5.0% |
| Wangaratta | 10 | $165 | -10.8% | 29 | $210 | -2.8% | 10 | $245 | 6.5% | 67 | $270 | -5.3% |
| Wodonga | 16 | $175 | - | 64 | $235 | 2.2% | 17 | $270 | 3.8% | 134 | $320 | 3.2% |
| ***Hume*** | ***102*** | ***$170*** | ***3.0%*** | ***307*** | ***$225*** | ***2.3%*** | ***115*** | ***$240*** | ***0.0%*** | ***716*** | ***$300*** | ***3.4%*** |
| Bass Coast | - | - | - | 23 | $270 | 8.0% | 19 | $260 | 8.3% | 68 | $293 | 1.0% |
| Baw Baw | - | - | - | 32 | $268 | 1.9% | 18 | $263 | -4.4% | 109 | $320 | 6.7% |
| East Gippsland | 13 | $180 | 2.9% | 54 | $230 | 0.0% | 36 | $250 | 4.2% | 114 | $290 | 0.0% |
| Latrobe | 51 | $150 | 0.0% | 85 | $195 | 3.7% | 42 | $200 | 0.0% | 288 | $250 | 0.0% |
| South Gippsland | 10 | $173 | - | 13 | $230 | -6.1% | 13 | $240 | 3.0% | 54 | $260 | 0.0% |
| Wellington | 21 | $160 | 6.7% | 48 | $220 | 0.0% | 21 | $220 | 0.0% | 118 | $263 | 1.2% |
| ***Gippsland*** | ***110*** | ***$165*** | ***6.5%*** | ***255*** | ***$225*** | ***0.0%*** | ***149*** | ***$240*** | ***2.1%*** | ***751*** | ***$280*** | ***3.7%*** |
| Banyule | 83 | $305 | -4.7% | 301 | $370 | 4.2% | 55 | $370 | 9.5% | 283 | $435 | 8.8% |
| Brimbank | 41 | $225 | 0.0% | 185 | $320 | 4.9% | 45 | $320 | 3.2% | 483 | $350 | 2.9% |
| Darebin | 273 | $310 | 3.3% | 543 | $390 | 8.3% | 134 | $455 | 1.1% | 263 | $480 | 9.1% |
| Hobsons Bay | 35 | $295 | 9.3% | 162 | $350 | 6.1% | 49 | $440 | -2.2% | 233 | $450 | 7.1% |
| Hume | 19 | $255 | 15.9% | 142 | $325 | 4.8% | 43 | $330 | 5.1% | 539 | $360 | 2.9% |
| Maribyrnong | 173 | $270 | 3.8% | 342 | $370 | 5.7% | 114 | $430 | 4.9% | 207 | $475 | 5.6% |
| Melbourne | 2,134 | $415 | 6.4% | 1,924 | $570 | 7.5% | 68 | $510 | 2.0% | 72 | $700 | 7.7% |
| Melton | - | - | - | 47 | $325 | 8.3% | 15 | $330 | 11.9% | 430 | $343 | 3.9% |
| Moonee Valley | 261 | $325 | 14.0% | 447 | $395 | 3.9% | 71 | $465 | 5.7% | 176 | $498 | 10.7% |
| Moreland | 360 | $330 | 10.0% | 686 | $395 | 6.8% | 177 | $450 | 7.1% | 367 | $465 | 3.3% |
| Nillumbik | - | - | - | 29 | $360 | 5.9% | - | - | - | 86 | $380 | 2.7% |
| Whittlesea | 28 | $290 | 3.6% | 159 | $320 | 3.2% | 37 | $320 | 3.2% | 431 | $360 | 2.9% |
| Wyndham | 13 | $270 | 12.5% | 132 | $300 | 3.4% | 44 | $310 | 3.3% | 703 | $350 | 4.5% |
| Yarra | 501 | $390 | 5.4% | 459 | $525 | 5.0% | 159 | $595 | 0.8% | 119 | $750 | 3.7% |
| ***North and West Metro*** | ***3,937*** | ***$380*** | ***8.6%*** | ***5,558*** | ***$430*** | ***7.5%*** | ***1,019*** | ***$440*** | ***4.8%*** | ***4,392*** | ***$380*** | ***5.6%*** |
| Boroondara | 315 | $350 | 2.9% | 677 | $450 | 5.9% | 50 | $520 | 3.0% | 207 | $650 | 4.3% |
| Knox | 24 | $303 | -1.6% | 164 | $360 | 5.9% | 18 | $345 | 4.5% | 354 | $400 | 2.6% |
| Manningham | 35 | $350 | 0.0% | 177 | $430 | 2.4% | 13 | $430 | 16.2% | 150 | $480 | 6.7% |
| Maroondah | 30 | $300 | -4.2% | 211 | $350 | 1.4% | 29 | $380 | 8.6% | 186 | $400 | 2.6% |
| Monash | 98 | $315 | 8.6% | 321 | $390 | 1.3% | 43 | $375 | -1.3% | 314 | $442 | 1.6% |
| Whitehorse | 281 | $350 | 25.0% | 512 | $420 | 7.7% | 66 | $400 | 3.9% | 316 | $450 | 5.9% |
| Yarra Ranges | 25 | $260 | 13.0% | 71 | $350 | 7.7% | 36 | $345 | 7.8% | 239 | $400 | 5.3% |
| ***Eastern Metro*** | ***808*** | ***$330*** | ***3.1%*** | ***2,133*** | ***$400*** | ***2.6%*** | ***255*** | ***$390*** | ***5.4%*** | ***1,766*** | ***$435*** | ***3.6%*** |
| Bayside | 62 | $378 | 8.0% | 245 | $470 | 4.4% | 27 | $540 | -1.8% | 142 | $688 | -1.7% |
| Cardinia | - | - | - | 54 | $290 | 3.6% | 20 | $300 | -3.2% | 279 | $350 | 2.9% |
| Casey | 23 | $270 | 8.0% | 139 | $315 | 1.6% | 60 | $305 | -1.6% | 769 | $360 | 2.9% |
| Frankston | 95 | $245 | 7.9% | 250 | $315 | 5.0% | 40 | $340 | 7.9% | 395 | $375 | 4.2% |
| Glen Eira | 445 | $300 | 1.7% | 713 | $430 | 2.4% | 60 | $490 | 4.3% | 201 | $600 | 7.1% |
| Greater Dandenong | 118 | $250 | 8.7% | 417 | $320 | 6.7% | 38 | $340 | 13.3% | 333 | $370 | 4.2% |
| Kingston | 128 | $295 | 3.5% | 438 | $390 | 6.8% | 43 | $400 | -1.2% | 270 | $475 | 2.2% |
| Mornington Peninsula | 12 | $250 | 7.3% | 142 | $330 | 10.0% | 70 | $320 | 6.7% | 427 | $395 | 3.9% |
| Port Phillip | 620 | $378 | 8.0% | 813 | $500 | 4.2% | 95 | $620 | 15.2% | 125 | $800 | -5.9% |
| Stonnington | 724 | $375 | 4.2% | 792 | $510 | 5.2% | 90 | $600 | 1.2% | 139 | $775 | 3.3% |
| ***Southern Metro*** | ***2,232*** | ***$345*** | ***4.5%*** | ***4,003*** | ***$420*** | ***5.0%*** | ***543*** | ***$430*** | ***4.9%*** | ***3,080*** | ***$390*** | ***5.4%*** |

Table 13: Affordable lettings for Local Government Areas

(See Note 8 on method)

| **LGA** | **1 Bedroom** | | **2 Bedrooms** | | **3 Bedrooms** | | **4+ Bedrooms** | | **Total** | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **#** | **%** | **#** | **%** | **#** | **%** | **#** | **%** | **#** | **%** |
| Alpine | 1 | 12.5% | 15 | 65.2% | 20 | 62.5% | 5 | 71.4% | 41 | 58.6% |
| Ararat | 3 | 75.0% | 25 | 83.3% | 41 | 78.8% | 12 | 85.7% | 81 | 81.0% |
| Ballarat | 9 | 17.0% | 119 | 51.3% | 324 | 66.1% | 112 | 60.5% | 564 | 58.8% |
| Banyule | 0 | 0.0% | 2 | 0.5% | 9 | 2.0% | 11 | 8.0% | 22 | 2.1% |
| Bass Coast | 0 | 0.0% | 19 | 32.8% | 60 | 54.1% | 29 | 63.0% | 108 | 47.8% |
| Baw Baw | 1 | 11.1% | 20 | 40.0% | 54 | 43.2% | 48 | 57.8% | 123 | 46.1% |
| Bayside | 0 | 0.0% | 1 | 0.4% | 0 | 0.0% | 1 | 0.7% | 2 | 0.3% |
| Benalla | 3 | 37.5% | 18 | 90.0% | 35 | 92.1% | 9 | 90.0% | 65 | 85.5% |
| Boroondara | 0 | 0.0% | 3 | 0.4% | 1 | 0.3% | 3 | 1.5% | 7 | 0.4% |
| Brimbank | 0 | 0.0% | 26 | 10.7% | 86 | 12.9% | 59 | 35.8% | 171 | 15.3% |
| Buloke | 0 | 0.0% | 5 | 100.0% | 9 | 100.0% | 4 | 100.0% | 18 | 94.7% |
| Campaspe | 11 | 84.6% | 39 | 68.4% | 53 | 64.6% | 13 | 54.2% | 116 | 65.9% |
| Cardinia | 0 | 0.0% | 5 | 6.2% | 45 | 13.8% | 139 | 53.1% | 189 | 28.0% |
| Casey | 0 | 0.0% | 10 | 4.8% | 76 | 8.3% | 131 | 21.1% | 217 | 12.3% |
| Central Goldfields | 3 | 60.0% | 21 | 87.5% | 28 | 96.6% | 5 | 83.3% | 57 | 89.1% |
| Colac-Otway | 1 | 14.3% | 15 | 55.6% | 35 | 59.3% | 14 | 82.4% | 65 | 59.1% |
| Corangamite | 1 | 33.3% | 9 | 81.8% | 27 | 96.4% | 6 | 66.7% | 43 | 84.3% |
| Darebin | 0 | 0.0% | 9 | 1.2% | 7 | 1.8% | 3 | 4.5% | 19 | 1.3% |
| East Gippsland | 2 | 15.4% | 64 | 70.3% | 88 | 69.8% | 47 | 85.5% | 201 | 70.5% |
| Frankston | 0 | 0.0% | 28 | 9.4% | 38 | 7.4% | 31 | 18.3% | 97 | 9.0% |
| Gannawarra | 1 | 50.0% | 13 | 92.9% | 33 | 97.1% | 4 | 100.0% | 51 | 94.4% |
| Glen Eira | 0 | 0.0% | 3 | 0.4% | 2 | 0.5% | 2 | 1.2% | 7 | 0.4% |
| Glenelg | 0 | 0.0% | 19 | 90.5% | 50 | 98.0% | 16 | 100.0% | 85 | 91.4% |
| Golden Plains | 0 | 0.0% | 4 | 57.1% | 4 | 33.3% | 2 | 13.3% | 10 | 29.4% |
| Greater Bendigo | 10 | 43.5% | 139 | 54.9% | 289 | 63.0% | 97 | 69.3% | 535 | 61.1% |
| Greater Dandenong | 0 | 0.0% | 30 | 6.3% | 39 | 8.3% | 21 | 17.8% | 90 | 7.6% |
| Greater Geelong | 3 | 2.3% | 70 | 14.3% | 238 | 24.7% | 117 | 31.0% | 428 | 21.8% |
| Greater Shepparton | 6 | 19.4% | 100 | 75.8% | 143 | 66.8% | 39 | 67.2% | 288 | 66.2% |
| Hepburn | 1 | 50.0% | 11 | 31.4% | 10 | 37.0% | 9 | 81.8% | 31 | 41.3% |
| Hindmarsh | 2 | 100.0% | 6 | 100.0% | 12 | 100.0% | 3 | 100.0% | 23 | 100.0% |
| Hobsons Bay | 0 | 0.0% | 5 | 2.1% | 9 | 2.7% | 3 | 5.1% | 17 | 2.6% |
| Horsham | 1 | 16.7% | 21 | 65.6% | 64 | 79.0% | 11 | 73.3% | 97 | 72.4% |
| Hume | 1 | 4.3% | 2 | 0.8% | 46 | 7.1% | 69 | 20.2% | 118 | 9.3% |
| Indigo | 2 | 100.0% | 12 | 66.7% | 14 | 58.3% | 6 | 60.0% | 34 | 63.0% |
| Kingston | 0 | 0.0% | 6 | 1.2% | 6 | 1.4% | 1 | 0.9% | 13 | 1.1% |
| Knox | 0 | 0.0% | 2 | 1.1% | 7 | 1.4% | 10 | 5.6% | 19 | 2.2% |
| Latrobe | 27 | 52.9% | 104 | 81.3% | 249 | 81.4% | 52 | 80.0% | 432 | 78.5% |
| Loddon | 0 | 0.0% | 0 | 0.0% | 10 | 100.0% | 3 | 100.0% | 13 | 100.0% |
| Macedon Ranges | 0 | 0.0% | 2 | 6.1% | 7 | 9.0% | 6 | 12.5% | 15 | 9.0% |
| Manningham | 0 | 0.0% | 1 | 0.5% | 2 | 0.8% | 3 | 1.6% | 6 | 0.9% |
| Mansfield | 0 | 0.0% | 4 | 33.3% | 5 | 21.7% | 6 | 60.0% | 15 | 32.6% |
| Maribyrnong | 1 | 0.6% | 13 | 2.6% | 13 | 4.3% | 6 | 11.8% | 33 | 3.2% |
| Maroondah | 1 | 3.3% | 2 | 0.8% | 7 | 2.2% | 7 | 6.6% | 17 | 2.4% |
| Melbourne | 8 | 0.4% | 21 | 1.0% | 13 | 3.6% | 5 | 11.9% | 47 | 1.0% |
| Melton | 0 | 0.0% | 10 | 15.2% | 141 | 27.2% | 237 | 53.4% | 388 | 37.4% |
| Mildura | 10 | 43.5% | 90 | 84.1% | 120 | 63.8% | 46 | 70.8% | 266 | 69.5% |
| Mitchell | 0 | 0.0% | 10 | 41.7% | 42 | 45.2% | 54 | 67.5% | 106 | 53.0% |
| Moira | 10 | 83.3% | 34 | 81.0% | 54 | 72.0% | 22 | 73.3% | 120 | 75.5% |
| Monash | 1 | 1.0% | 5 | 1.3% | 10 | 1.8% | 9 | 3.0% | 25 | 1.9% |
| Moonee Valley | 0 | 0.0% | 6 | 1.1% | 6 | 2.2% | 6 | 7.8% | 18 | 1.5% |
| Moorabool | 1 | 16.7% | 3 | 17.6% | 20 | 30.3% | 18 | 72.0% | 42 | 36.8% |
| Moreland | 2 | 0.5% | 7 | 0.7% | 14 | 2.5% | 4 | 4.1% | 27 | 1.3% |
| Mornington Peninsula | 0 | 0.0% | 10 | 4.5% | 38 | 7.0% | 21 | 11.7% | 69 | 7.2% |
| Mount Alexander | 0 | 0.0% | 5 | 20.8% | 10 | 22.7% | 7 | 53.8% | 22 | 26.8% |
| Moyne | 0 | 0.0% | 5 | 45.5% | 18 | 69.2% | 10 | 90.9% | 33 | 68.8% |
| Murrindindi | 0 | 0.0% | 11 | 61.1% | 19 | 61.3% | 3 | 50.0% | 33 | 56.9% |
| Nillumbik | 0 | 0.0% | 1 | 2.6% | 6 | 5.0% | 63 | 44.7% | 70 | 22.7% |
| Northern Grampians | 13 | 100.0% | 25 | 96.2% | 22 | 100.0% | 4 | 100.0% | 64 | 98.5% |
| Port Phillip | 2 | 0.3% | 6 | 0.6% | 1 | 0.4% | 2 | 4.5% | 11 | 0.6% |
| Pyrenees | 0 | 0.0% | 4 | 100.0% | 5 | 100.0% | 2 | 100.0% | 11 | 100.0% |
| Queenscliffe | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| South Gippsland | 3 | 30.0% | 21 | 80.8% | 49 | 87.5% | 13 | 81.3% | 86 | 79.6% |
| Southern Grampians | 6 | 85.7% | 18 | 94.7% | 43 | 95.6% | 2 | 100.0% | 69 | 94.5% |
| Stonnington | 1 | 0.1% | 4 | 0.4% | 4 | 1.5% | 9 | 11.8% | 18 | 0.9% |
| Strathbogie | 0 | 0.0% | 16 | 69.6% | 23 | 69.7% | 3 | 100.0% | 42 | 62.7% |
| Surf Coast | 0 | 0.0% | 1 | 5.0% | 1 | 1.1% | 1 | 1.2% | 3 | 1.5% |
| Swan Hill | 12 | 75.0% | 28 | 90.3% | 27 | 73.0% | 12 | 75.0% | 79 | 79.0% |
| Towong | 1 | 100.0% | 2 | 100.0% | 10 | 76.9% | 2 | 66.7% | 15 | 78.9% |
| Wangaratta | 4 | 40.0% | 34 | 87.2% | 57 | 77.0% | 12 | 63.2% | 107 | 75.4% |
| Warrnambool | 4 | 23.5% | 51 | 54.3% | 61 | 53.0% | 12 | 29.3% | 128 | 47.9% |
| Wellington | 8 | 38.1% | 56 | 81.2% | 105 | 78.4% | 35 | 81.4% | 204 | 76.4% |
| West Wimmera | 1 | 100.0% | 0 | 0.0% | 4 | 100.0% | 0 | 0.0% | 5 | 100.0% |
| Whitehorse | 0 | 0.0% | 5 | 0.9% | 7 | 1.4% | 7 | 3.6% | 19 | 1.2% |
| Whittlesea | 0 | 0.0% | 1 | 0.4% | 17 | 3.2% | 93 | 35.5% | 111 | 10.5% |
| Wodonga | 2 | 12.5% | 49 | 58.3% | 69 | 47.9% | 48 | 64.9% | 168 | 52.8% |
| Wyndham | 0 | 0.0% | 11 | 5.8% | 141 | 16.6% | 356 | 43.6% | 508 | 27.2% |
| Yarra | 1 | 0.2% | 7 | 1.0% | 6 | 3.2% | 0 | 0.0% | 14 | 1.0% |
| Yarra Ranges | 0 | 0.0% | 7 | 6.3% | 14 | 5.0% | 5 | 6.0% | 26 | 5.2% |
| Yarriambiack | 3 | 100.0% | 5 | 100.0% | 11 | 100.0% | 4 | 100.0% | 23 | 100.0% |
| ***Total*** | ***184*** | ***2.4%*** | ***1,591*** | ***9.5%*** | ***3,483*** | ***19.3%*** | ***2,302*** | ***30.1%*** | ***7,560*** | ***15.1%*** |

Table 14: Active bonds by local government area

| **LGA** | **Dec 2017** | **% change** | |  | **LGA** | **Dec 2017** | **% change** | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **1 year** | **5 years** | **1 year** | **5 years** |
| Alpine | 779 | -2.4% | 2.1% |  | Mansfield | 389 | -0.3% | 19.3% |
| Ararat | 721 | 0.0% | 15.4% |  | Maribyrnong | 12,574 | 2.0% | 32.2% |
| Ballarat | 10,850 | -0.2% | 22.2% |  | Maroondah | 8,985 | 3.8% | 25.9% |
| Banyule | 11,770 | 5.3% | 26.1% |  | Melbourne | 48,401 | 6.9% | 57.9% |
| Bass Coast | 2,860 | -2.7% | 15.7% |  | Melton | 11,538 | 7.7% | 45.1% |
| Baw Baw | 3,010 | 1.6% | 28.8% |  | Mildura | 4,835 | 0.6% | 5.8% |
| Bayside | 7,896 | 0.8% | 21.8% |  | Mitchell | 2,500 | 1.8% | 34.3% |
| Benalla | 1,014 | -5.8% | -0.3% |  | Moira | 1,896 | 0.4% | 13.8% |
| Boroondara | 19,833 | 1.5% | 19.7% |  | Monash | 16,515 | 2.3% | 21.1% |
| Brimbank | 15,256 | 3.3% | 22.6% |  | Moonee Valley | 12,397 | 4.0% | 23.2% |
| Buloke | 174 | 0.6% | 19.2% |  | Moorabool | 1,588 | 2.1% | 22.8% |
| Campaspe | 2,204 | 0.0% | 1.7% |  | Moreland | 23,730 | 4.6% | 32.0% |
| Cardinia | 7,141 | 6.1% | 36.7% |  | Mornington Peninsula | 10,928 | -0.2% | 11.4% |
| Casey | 18,920 | 7.8% | 42.8% |  | Mount Alexander | 921 | -1.9% | 7.7% |
| Central Goldfields | 789 | -2.4% | 14.2% |  | Moyne | 640 | -0.3% | 6.3% |
| Colac-Otway | 1,293 | -0.9% | 13.3% |  | Murrindindi | 647 | 2.1% | 10.8% |
| Corangamite | 688 | 1.2% | 5.7% |  | Nillumbik | 3,140 | 0.9% | 41.8% |
| Darebin | 18,778 | 3.0% | 21.8% |  | Northern Grampians | 668 | -1.5% | 1.5% |
| East Gippsland | 2,949 | -0.7% | 15.1% |  | Port Phillip | 21,416 | -0.5% | 8.4% |
| Frankston | 13,413 | 1.3% | 15.1% |  | Pyrenees | 192 | -5.4% | 7.3% |
| Gannawarra | 487 | -4.7% | -3.6% |  | Queenscliffe | 114 | 4.6% | -5.8% |
| Glen Eira | 21,012 | 2.4% | 20.9% |  | South Gippsland | 1,332 | -3.8% | 11.7% |
| Glenelg | 1,165 | -4.4% | 9.9% |  | Southern Grampians | 912 | -1.2% | 8.1% |
| Golden Plains | 401 | -1.2% | 26.1% |  | Stonnington | 22,569 | 1.5% | 23.3% |
| Greater Bendigo | 10,147 | 0.9% | 23.1% |  | Strathbogie | 531 | 1.0% | 11.8% |
| Greater Dandenong | 15,537 | 2.4% | 22.9% |  | Surf Coast | 2,185 | 4.2% | 17.5% |
| Greater Geelong | 21,785 | 3.4% | 26.7% |  | Swan Hill | 1,295 | -1.3% | -3.7% |
| Greater Shepparton | 5,181 | -1.0% | 10.9% |  | Towong | 255 | -2.3% | 4.5% |
| Hepburn | 776 | -1.0% | 7.6% |  | Wangaratta | 1,954 | 0.4% | 15.8% |
| Hindmarsh | 271 | 2.3% | 5.0% |  | Warrnambool | 3,238 | -2.4% | 10.8% |
| Hobsons Bay | 8,125 | 1.6% | 15.0% |  | Wellington | 2,744 | 0.7% | 11.5% |
| Horsham | 1,607 | 3.3% | 7.4% |  | West Wimmera | 87 | 14.5% | 19.2% |
| Hume | 13,558 | 7.0% | 53.2% |  | Whitehorse | 16,032 | 5.3% | 30.5% |
| Indigo | 752 | 0.1% | 6.7% |  | Whittlesea | 12,744 | 5.6% | 48.4% |
| Kingston | 13,738 | 2.5% | 18.1% |  | Wodonga | 4,003 | 0.3% | 15.0% |
| Knox | 10,122 | 6.0% | 31.0% |  | Wyndham | 20,106 | 8.1% | 39.8% |
| Latrobe | 6,152 | 0.9% | 11.1% |  | Yarra | 17,270 | 0.9% | 33.9% |
| Loddon | 191 | 3.8% | 14.4% |  | Yarra Ranges | 6,641 | 1.3% | 11.7% |
| Macedon Ranges | 1,928 | 0.4% | 17.3% |  | Yarriambiack | 237 | 0.0% | -0.4% |
| Manningham | 7,721 | 5.9% | 29.7% |  | **Total** | **579,143** | **3.2%** | **26.4%** |

Notes

**1. Major data source**

The Rental Report provides the most accurate information on the private rental market in Victoria. The data come from records kept by the Residential Tenancies Bond Authority (RTBA). The RTBA is responsible for receiving, registering and refunding all bonds associated with private residential leases in Victoria.

**2. Rent indices methodology**

The Rent Indices have been developed because of strong seasonality in the rental data, especially in metropolitan areas. The share of new rental lettings, accounted for by different suburbs and/or property types, can show significant variation over the course of a typical year. A simple median price measure will tend to reflect those compositional shifts and be pushed higher or lower as a result.

The method used to calculate the Rent Indices used in this report is based on the methodology proposed by Nalini Prasad and Anthony Richards in their paper ‘Measuring housing price growth — using stratification to improve median based measures’, Research Discussion Paper 2006–4, Reserve Bank of Australia.

The method uses stratification to control for compositional change. Two variables have been used to stratify the RTBA data: geography (suburbs for metropolitan Melbourne and LGAs for regional Victoria) and dwelling type/size (the six major property types as used in Table 3).

For each of the major property types, metropolitan suburbs were ranked by median weekly rent for the five year period 2002/03 to 2006/07. From this ranking 6 median rent based strata were derived for each property type, from least expensive to most expensive. The size of each strata was made, as far as possible, equal on the basis of the number of new lettings. This method yielded 36 strata for the metropolitan market. For regional Victoria the number of strata derived for each property type was 4, yielding a total of 24 strata. Median rents for each of the 60 strata were produced and the arithmetic mean of the strata medians for each property type calculated. To produce aggregate metropolitan and regional figures the six dwelling type means were then weighted together (based on the average number of new lettings for each property type over the past five years) and this aggregated mean converted to an index with June quarter 1999 = 100.

A detailed methodology paper is available on request.

*Reviewing the strata for the Metropolitan Rent Index*

In the March 2009 Rental Report, the Metropolitan Rent Index (MRI) was adjusted resulting from a review of the strata on which it is based. Growth in many suburbs, predominantly on Melbourne’s fringe, along with shifts in stock composition, prompted this review of the strata. The strata were reviewed in line with the process outlined above but using the latest property and rental prices.

To avoid a sudden shift in the indices due to this change, the new index was linked to the old index back to March 2009. The change has had a small but noticeable effect on the MRI over that time. In light of this change, MRI values viewed in editions of the Rental Report between March 2009 and December 2010 will differ from those cited in the current and future editions that relate to those earlier years.

To re-reference the Metropolitan Rent Index (MRI) from the June quarter 1999 to the March quarter 2009 the index for the March quarter was divided by 100 (176.8/100 = 1.768) and all index numbers were subsequently adjusted by this figure. To then link the two index series the index number for June 2009 is the multiple of 100 and the ratio of the weighted median for June 2009 and the weighted median for March 2009 (the link period) (100 \* $337/$335 = 100.6) which is then adjusted by the factor derived above (100.6\*1.768 = 177.9). Note that this is equivalent to the simpler calculation of the multiple of the pre-review link period index and the ratio of the weighted median for June 2009 and the weighted median for March 2009 (176.8 \* $337/$335 = 177.9).

**3. Median rents**

The rent figures included in the Rental Report are weekly median rents. Median rents represent the mid point in the distribution of all rents. Fifty per cent of rents are higher than the median and fifty per cent are below the median.

**4. Rental report geography**

The Rental Report presents statistics at four main geographic levels:

Metropolitan Melbourne and Regional Victoria

Regions

Local Government Areas, and

Suburbs and towns

The Regions used for the Rental Report are derived from the Australian Bureau of Statistics (ABS) Australian Standard Geographical Classification (ASGC) Statistical Regions (ABS Ref 1216.0). There are fourteen statistical regions in Victoria (9 metropolitan and 5 regional). The Mornington Peninsula is a metropolitan region.

Local Government Areas have been included because there are many administrative uses for housing market statistics, particularly in local government housing strategies (Tables 12 & 13).

The suburbs and towns are derived from the Victorian Gazetted localities. Suburbs have been combined into synthetic suburbs where the distribution of rental properties is insufficient for regular statistical reporting of median rents for at least two-bedroom flats or three-bedroom houses. In combining suburbs, consideration was given to joining with adjacent suburbs of similar housing market characteristics (for example, Albert Park, Middle Park and West St Kilda have been combined into one). For towns, only those large enough to sustain regular statistical reporting have been included.

**5. Tenancy duration and turnover**

Tenancy duration is measured (in months) from bond lodgement date to bond claim date for refunds made in the current quarter. The turnover rate is calculated based on bond refunds (moving annual total) as a percentage of total active bonds. Median tenancy duration represents the midpoint in the distribution of all tenancies terminated in the quarter - fifty per cent of tenancies were longer than the median and fifty per cent shorter than the median.

**6. Investor finance**

Figure 6 on lending to investors in residential housing in Victoria is constructed from data produced by the ABS. Lending to investors is derived from ‘Lending Finance, Australia (Cat. No. 5671.0), Table 20, Commercial Finance Commitments, Fixed Loans & Revolving Credit: State (Vic), Original’. Finance for owner-occupied housing is derived from ‘Housing Finance, Australia (Cat. No. 5609.0), Table 10b, Housing Finance Commitments (Owner Occupation), by Purpose: State, Original’. The monthly values are smoothed to dampen random fluctuations using the Henderson 13 term moving average. These values are converted in current dollars using the Consumer Price Index.

In December 2011, February 2013 and June 2013, the Australian Bureau of Statistics (ABS) did not provide data for one of the components of investor finance. Since this ABS series began in January 1985, it is rare that data for a component is not provided. In these months, the ABS provided data for Australia as a whole but not for three States/Territories (Victoria, Northern Territory and the Australian Capital Territory). Data for Northern Territory and the Australian Capital Territory is regularly not provided and the amount attributed to these Territories can be calculated. To derive an estimate for Victoria for December 2011, February 2013 and June 2013, the median proportion of the Australian total attributed to the two Territories was deducted from the Australian total and the difference attributed to Victoria. The financial commitment to the construction of dwellings for rent/resale attributed to the two Territories has been approximately 5% of the Australian total. The resulting amount attributed to Victoria is estimated at $225m for December 2011 and $157 for June 2013. The financial commitment to the purchase of dwellings for rent/resale (by other) attributed to the two Territories has been approximately 1.6% of the Australian total and the resulting amount attributed to Victoria in February 2013 is estimated at $307m.

**7. Vacancy rate**

The rental vacancy rate is calculated monthly by the Real Estate Institute of Australia based on a survey of real estate agents and measures the proportion of all rental properties managed by agents which are unlet at a given point in time. The Vacancy Rate chart shows a smoothed vacancy rate using the Henderson 13 term moving average. The Henderson averages are calculated by the ABS as a form of weighted moving mean to dampen random fluctuations in the data and highlight the trend.

The Real Estate Institute of Australia did not collect data on vacancy rates for January 2012. For the purposes of calculating the Henderson 13 term moving average, an average of December 2011 and February 2012 was used.

**8. Rental market affordability - methods used**

*Fitting statutory income households to dwellings by bedroom number*

These calculations show the distribution of private rental properties in Victoria affordable to households on statutory incomes by bedroom number for newly leased properties during the current quarter. It shows the number of properties by region that were affordable for different bedroom numbers, and the proportion of that municipality’s stock of those properties. For example, if there are 100 one-bedroom properties deemed to be affordable in Port Phillip, and there are 1000 one-bedroom properties leased during that quarter, then the percentage of affordable one-bedroom properties in Port Phillip during the quarter will be 10.0 per cent.

*Calculating affordability – net rent method*

The assessment of affordable supply is based on the number of suitably-sized properties that are within 30 per cent of gross income for low-income households. The rental thresholds are taken from the household incomes for whom that number of bedrooms is a minimum and may have been rounded up to the nearest $5 increment. For one-bedroom properties, we have taken the income of singles on Newstart allowance; for two-bedroom properties, we have taken a single parent pensioner with one child aged under 5; for three-bedroom properties we have taken a couple on Newstart with two children; and for four-bedroom properties, we have taken a couple on Newstart with four children.

The method used in these calculations assumes rent assistance is fully offset against the weekly rent by subtracting rent assistance from the rent and then calculating the resulting rent as a proportion of the Centrelink income. This is the net-rent method which treats rent assistance as a housing payment, not an income supplement. Other methods are available, such as used by the Australian Institute of Health and Welfare.

**9. Cells with no data**

Where tables have cells with no data (particularly Table 11 and Table 12), this is because we have limited the reporting of median rents to cells with at least 10 cases to report. A blank cell, therefore, means there may have been no lettings, or fewer than 10 for the year to that quarter (Table 11) or that quarter (Table 12).

**10. Spreadsheets**

Tables 1–14 are available for download in Excel format from the Department of Health and Human Services website: <https://dhhs.vic.gov.au/publications/rental-report>

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