

Rental Report

March quarter 2015

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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 (RTBA) 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 1.0 per cent in the March quarter. In the twelve months to March 2015, the MRI increased by 2.1 per cent. This annual rate of increase is above that of the March quarter 2014 (1.8%) but well below the long term average annual increase (over the past ten years) (5.2%).

The Regional Rent Index (RRI) increased by 2.4 per cent in the March quarter. In the twelve months to March 2015, the RRI increased by 2.2 per cent. This annual rate of increase is above that of the March quarter 2014 (1.7%) but well below the long-term average annual increase (4.3%).

Rental supply trends

New Lettings

Across the state, the total number of new lettings this quarter was 58,636 a decrease of 2.6 per cent over the March quarter 2014. In metropolitan Melbourne the number of new lettings decreased by 1.2 per cent over the March quarter 2014. In regional Victoria the number of new lettings decreased by 8.2 per cent over the March quarter 2014.

Metropolitan Melbourne accounted for 81 per cent of all new lettings in Victoria.

Active bonds

At the end of the March quarter 2015, the total number of active bonds held in Victoria was 507,832 an increase of 3.3 per cent on the size of the rental market in the same quarter of 2014. The average annual growth in the rental market over the last ten years is 5.7 per cent.

Turnover

The quarterly turnover rate for metropolitan Melbourne was 10.1 per cent, the same rate for the March quarter 2014. The quarterly turnover rate in regional Victoria was 10.4 per cent, slightly higher than the rate in the March quarter 2014 (10.3%).

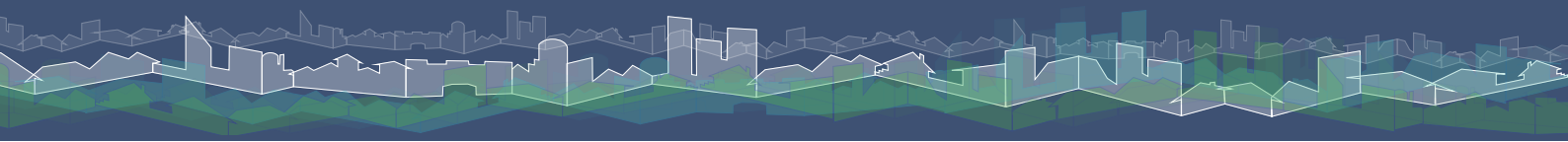
Investor lending

Lending to residential property investors in Victoria was \$8.69 billion in the March quarter 2015, 14.6 per cent higher than the March quarter 2014.

Rent Indices at a glance

	Median Rent p.w.	Quarterly Change*	Annual Change*
Melbourne	\$370	1.0%	2.1%
Regional Victoria	\$280	2.4%	2.2%
Victoria	\$350	1.2%	2.2%

* percentage change figures are calculated from relevant Rent Index.



Vacancy rates

The metropolitan vacancy rate has decreased slightly over the past quarter. For March 2015 the trend vacancy rate was 2.9 per cent compared with 3.0 per cent for December 2014. The regional vacancy rate has increased over the past quarter. For March 2015 the trend vacancy rate was 2.3 per cent compared with 2.1 per cent for December 2014.

Rental Affordability

The proportion of all new lettings that were affordable across the state decreased to 17.9 per cent in the March quarter compared with 22.2 per cent in the December quarter 2014. However, it is a slight increase on the March quarter 2014 (17.8%).

Metropolitan Melbourne continues to register very low levels of rental affordability. The proportion of affordable new letting in March 2015 was 8.3 per cent. This compares with 11.1 per cent in the December quarter 2014 and 8.1 per cent in the March quarter 2014.

The proportion of affordable rental lettings in Regional Victoria also decreased slightly to 59.1 per cent, compared with 62.2 per cent in the December quarter 2014. However, the proportion is higher than in the March quarter 2014 (56.2%).



Current rents

Rent Indices

Table 1 shows median rents, rent indices and changes in the rent indices at March 2015. The Metropolitan Rent Index (MRI) increased by 1.0 per cent in the March quarter. The median rent for Melbourne has remained stable at \$370 per week. Similarly, the Regional Rent Index (RRI) increased by 2.4 per cent in the March quarter and the median rent for Regional Victoria increased by \$5 to \$280 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.)

Figure 1 shows the annual percentage change and the long term (over the past 10 years) average change in the MRI and RRI.

Metropolitan Rent Index

The annual increase of 2.1 per cent in the MRI to the March quarter 2015 is above that of a year ago (1.8%). Over the past two years, the situation for renters has improved, with the annual increase of the MRI below the long term (10 years) average of 5.2 per cent.

In the March quarter, the MRI increased by 1.0 per cent, compared with a 0.3 per cent increase in the previous quarter and a 0.8 per cent increase in the March quarter 2014.

Regional Rent Index

The annual increase of 2.2 per cent in the RRI to the March quarter 2015 is above that of the same period last year (1.7%) and well below the long term average increase of 4.3 per cent.

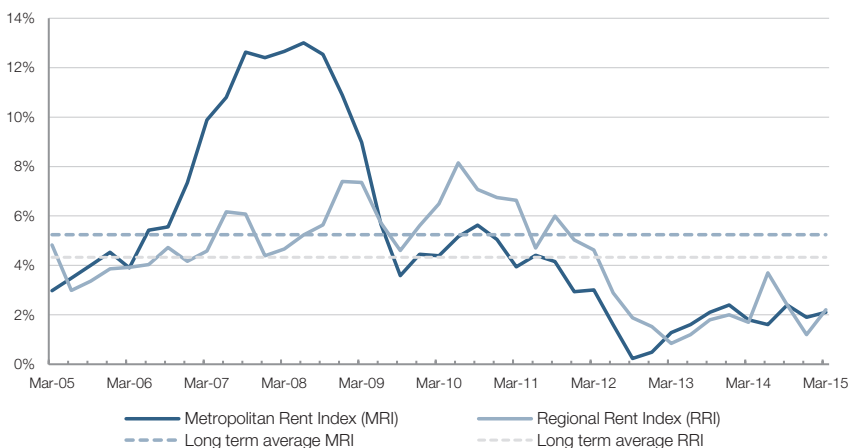
In the March quarter, the RRI increased by 2.4 per cent over the previous quarter compared with no increase in the last quarter and a 1.4 per cent increase in the March quarter last year.

Table 1: Median rents and rent indices

	Median Rent	Rent Index	Quarterly Change*	Annual Change*
Melbourne	\$370	208.0	1.0%	2.1%
Regional Victoria	\$280	207.0	2.4%	2.2%
Victoria	\$350	205.7	1.2%	2.2%

* percentage change figures are calculated from relevant Rent Index.

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



Median rents by region

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

In metropolitan Melbourne, median rents ranged from \$330 per week for Western Melbourne, South Eastern Melbourne and Mornington Peninsula to \$425 for Inner Melbourne. In regional Victoria median rents ranged from \$260 per week for Gippsland, Goulburn-Ovens-Murray and Central Highlands-Wimmera to \$300 per week for Barwon-South West.

In the March quarter, the median rent remained steady in Western Melbourne, North Western Melbourne, North Eastern Melbourne, Outer Eastern Melbourne, South Eastern Melbourne and Mornington Peninsula. It decreased in Inner Melbourne (-3.4%), Inner Eastern Melbourne (-2.4%) and Southern Melbourne (-1.2%). In regional Victoria the median rent increased in Gippsland (4.0%) and Loddon-Mallee (3.7%). It remained steady in Barwon-South West and decreased in Goulburn-Ovens-Murray (-1.9%) and Central Highlands-Wimmera (-1.9%).

Over the 12 months to the March quarter, the median rent for regions in metropolitan Melbourne increased in Western Melbourne (3.1%), South Eastern Melbourne (1.5%), Southern Melbourne (1.3%), Inner Melbourne (1.2%), Outer Eastern Melbourne (2.9%), Mornington Peninsula (1.5%) and Inner Eastern Melbourne (2.0%). It remained steady in North Eastern Melbourne and North Western Melbourne. For regional Victoria, median rents increased in Loddon-Mallee (3.7%) and Gippsland (4.0%). It remained steady in Goulburn-Ovens-Murray and Barwon-South West. It decreased Central Highlands-Wimmera (-1.9%).

Median rents by major property types

Table 3 provides the median rents for new lettings in the March quarter 2015 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.

Table 2: Median rents for new lettings by statistical region

Region	Median Rent	Quarterly Change	Annual Change
Metropolitan Melbourne			
Inner Melbourne	\$425	-3.4%	1.2%
Inner Eastern Melbourne	\$400	-2.4%	2.0%
Southern Melbourne	\$405	-1.2%	1.3%
Western Melbourne	\$330	0.0%	3.1%
North Western Melbourne	\$350	0.0%	0.0%
North Eastern Melbourne	\$350	0.0%	0.0%
Outer Eastern Melbourne	\$360	0.0%	2.9%
South Eastern Melbourne	\$330	0.0%	1.5%
Mornington Peninsula	\$330	0.0%	1.5%
Regional Victoria			
Barwon-South West	\$300	0.0%	0.0%
Gippsland	\$260	4.0%	4.0%
Goulburn-Ovens-Murray	\$260	-1.9%	0.0%
Loddon-Mallee	\$280	3.7%	3.7%
Central Highlands-Wimmera	\$260	-1.9%	-1.9%

* percentage change figures are calculated from median rents in the region.

Table 3: Median rents for new lettings by major property type

Property Type	Median Rent	Quarterly Change*	Annual Change*
Metropolitan Melbourne			
1 Bed Flat	\$315	-2.3%	1.6%
2 Bed Flat	\$390	2.4%	3.1%
3 Bed Flat	\$420	1.6%	2.1%
2 Bed House	\$400	2.4%	3.1%
3 Bed House	\$360	1.3%	1.8%
4 Bed House	\$420	-1.2%	0.6%
Regional Victoria			
1 Bed Flat	\$175	1.3%	4.4%
2 Bed Flat	\$230	2.6%	3.3%
3 Bed Flat	\$300	0.4%	0.2%
2 Bed House	\$240	0.5%	1.6%
3 Bed House	\$285	3.2%	2.7%
4 Bed House	\$350	1.5%	0.0%

* percentage change figures are calculated from median rents in the region.

In metropolitan Melbourne, the highest median rent is for three-bedroom flats (\$420 per week) and four-bedroom houses (\$420 per week). The lowest median rent is for one-bedroom flats (\$315 per week). The annual change in the property type Rent Index in metropolitan Melbourne ranged from an increase of 0.6 per cent for four-bedroom houses to 3.1 per cent for two-bedroom flats and two-bedroom houses. The quarterly change in the Rent Index shows that rents increased for all property types except one-bedroom flats (-2.3%) and four-bedroom houses (-1.2%).

In regional Victoria, the highest median rent is for four-bedroom houses (\$350 per week). The lowest median rent is for one-bedroom flats (\$175 per week). The annual change in the property type Rent Index ranged from steady for four-bedroom houses to an increase of 4.4 per cent for one-bedroom flats. The quarterly change in the Rent Index shows that rents have increased for all property types.

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.

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. Note that the legends for these figures are different from the previous quarter.

For two-bedroom flats in metropolitan Melbourne, the suburbs with the highest increases in moving annual median rents to the March quarter were Sydenham (9.7), Newport-Spotswood (9.1%), Rowville (8.5%), Sunshine (8.0%), Carlton North (7.5%) and Bayswater (6.7%). The suburbs with the largest decreases in moving annual median

Figure 2: Moving annual median rents by suburb for 2 bedroom flats in metropolitan Melbourne

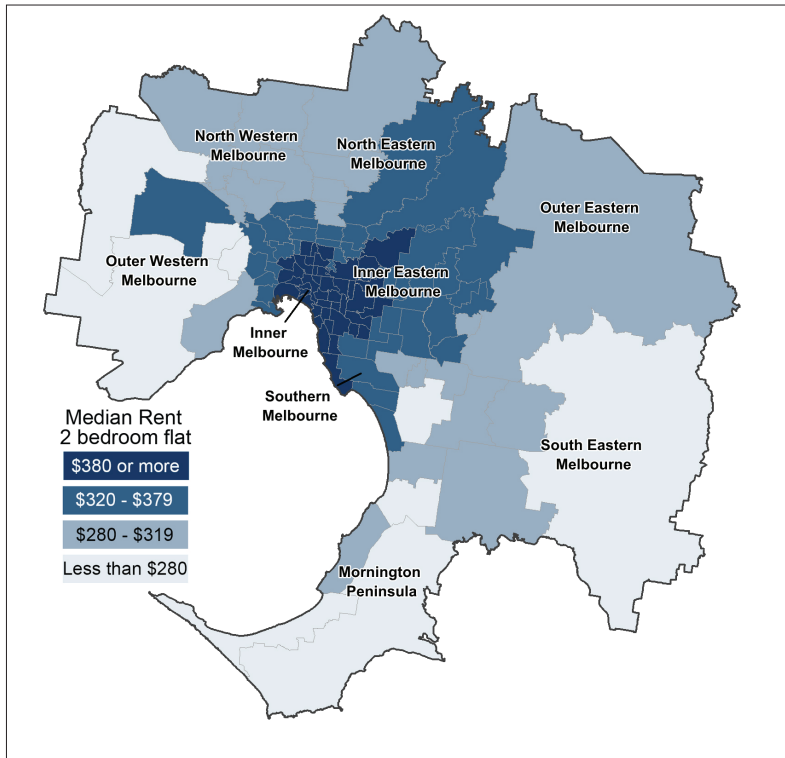
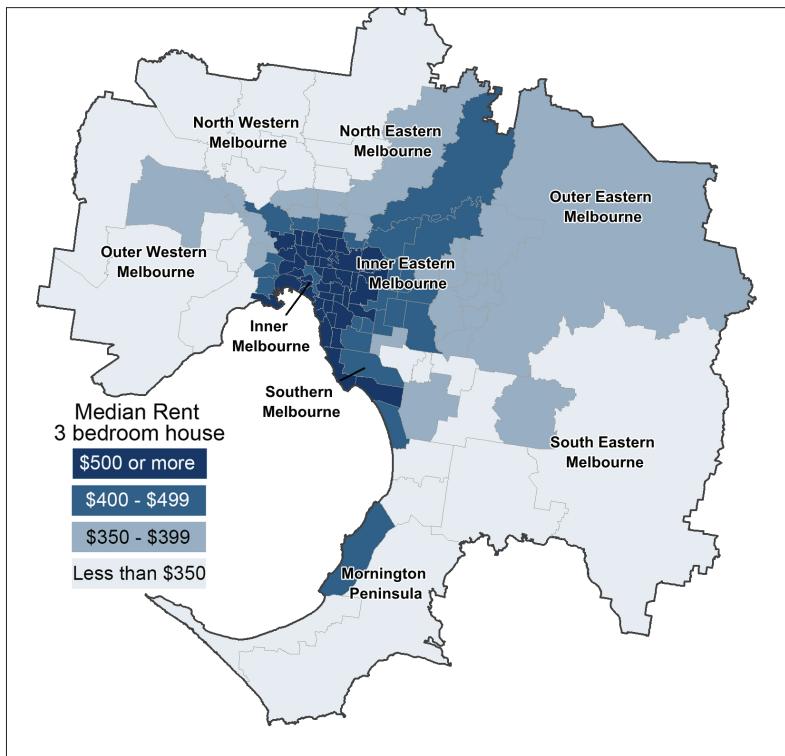


Figure 3: Moving annual median rents by suburb for 3 bedroom houses in metropolitan Melbourne



rents were South Melbourne (-3.8%), Blackburn (-2.7%), East Melbourne (-2.6%), Albert Park-Middle Park-West St Kilda (-2.4%) and East Brunswick (-2.4%).

For two-bedroom flats in regional Victoria, the towns with the highest increases in moving annual median rents to the March quarter were Horsham (14.2%), Torquay (10.0%), Mildura (8.3%), Castlemaine (8.0%) and Herne Hill-Geelong West (8.0%). The towns with decreases in moving annual median rents were Hamilton (-8.3%), Golden Square-Kangaroo Flat (-4.0%), Geelong-Newcomb (-1.8%) and Portland (-1.7%).

For three-bedroom houses in metropolitan Melbourne, the suburbs with the highest increases in moving annual median rents to the March quarter were Armadale (12.3%), East Melbourne (11.5%), Fairfield-Alphington (10.5%), Malvern (10.4%), Malvern East (10.0%), Caulfield (9.6%), Flemington-Kensington (8.7%), Elsternwick (8.3%), Brunswick (8.2%), Camberwell-Glen Iris (7.5%) and Toorak (7.4%). The suburbs with the largest decreases in moving annual median rents were Carnegie (-9.5%), Ivanhoe-Ivanhoe East (-5.4%), Brighton East (-4.0%), Canterbury-Surrey Hills-Mont Albert (-3.5%), Kew (-3.3%), Albert Park-Middle Park-West St Kilda (-3.0%), Keilor (-2.7%), Heidelberg-Heidelberg West (-2.6%) and North Melbourne-West Melbourne (-2.4%).

For three-bedroom houses in regional Victoria, the towns with the highest increases in moving annual median rents to the March quarter were Moe-Newborough (9.1%), Sale-Maffra (8.0%), Wangaratta (7.7%), Echuca (7.1%) and Wodonga (7.1%). The towns with decreases in moving annual median rents were Portland (-2.1%), Corio (-2.0%), Sebastopol-Delacombe (-1.9%), Flora Hill-Bendigo East (-1.7%) and Herne Hill-Geelong West (-1.5%).

**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 median rents in metropolitan Melbourne and regional Victoria**2 bedroom flats**

Where are median rents highest?		Where are median rents lowest?	
Melbourne			
Port Melbourne	\$570	Melton	\$240
Docklands	\$550	Werribee-Hoppers Crossing	\$260
Southbank	\$550	Dromana-Portsea	\$265
Fitzroy	\$530	Pakenham	\$265
CBD-St Kilda Rd	\$525		
Regional Victoria			
Torquay	\$330	Moe-Newborough	\$155
Ocean Grove-Barwon Heads	\$285	Morwell	\$165
Belmont-Grovedale	\$280	Portland	\$170
Geelong-Newcomb	\$280		
Newtown	\$280		

3 bedroom houses

Where are median rents highest?		Where are median rents lowest?	
Melbourne			
Toorak	\$1,020	Melton	\$275
East Melbourne	\$948	Werribee-Hoppers Crossing	\$300
Armadale	\$870	Pakenham	\$310
Albert Park-Middle Park-West St Kilda	\$800	St Albans-Deer Park	\$310
Brighton	\$800		
South Melbourne	\$800		
Regional Victoria			
Torquay	\$410	Morwell	\$210
Newtown	\$360	Portland	\$230
Ocean Grove-Barwon Heads	\$350	Moe-Newborough	\$240
Belmont-Grovedale	\$345		
Herne Hill-Geelong West	\$335		

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 March quarter 2015 data tables available for download from the Department of Human Services website: www.dhhs.vic.gov.au/about-the-department/documents-and-resources/research,-data-and-statistics/current-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 March quarter 2015. Across the state the total number of new lettings was 58,636, a decrease of 2.6 per cent on the same quarter of 2014. Metropolitan Melbourne recorded a decrease of 1.2 per cent in new lettings and regional Victoria a decrease of 8.2 per cent on the same quarter of last year. Metropolitan Melbourne accounted for 81 per cent of all new lettings in Victoria.

Table 6 lists the total number of new lettings across each of the 14 statistical regions. Only three of the nine metropolitan regions recorded annual increases in the number of new lettings. The change on the same quarter of 2014 ranged a decrease of 8.8 per cent for Mornington Peninsula to an increase of 3.9 per cent for South Eastern Melbourne.

In regional Victoria, all five regions had annual decreases in new lettings. The decreases since the March quarter 2014 ranged from 3.9 per cent in Loddon-Mallee to 9.7 per cent in Gippsland.

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 March quarter 2015, the total number of active bonds held in Victoria was 507,786, an increase of 3.3 per cent on the size of the rental market over the same quarter of 2014. The average annual increase

Table 5: Overall new lettings for Melbourne, regional Victoria and Victoria

	Mar-15	Mar-14	Change
Melbourne	47,514	48,068	-1.2%
Regional Victoria	11,122	12,112	-8.2%
Victoria	58,636	60,180	-2.6%

Table 6: New lettings for statistical regions Victoria

	Mar-15	Mar-14	Change
Metropolitan Melbourne			
Inner Melbourne	15,126	14,927	1.3%
Inner Eastern Melbourne	6,371	6,694	-4.8%
Southern Melbourne	4,123	4,380	-5.9%
Western Melbourne	5,711	5,827	-2.0%
North Western Melbourne	4,260	4,215	1.1%
North Eastern Melbourne	4,432	4,451	-0.4%
Outer Eastern Melbourne	1,922	1,941	-1.0%
South Eastern Melbourne	3,541	3,409	3.9%
Mornington Peninsula	2,028	2,224	-8.8%
Regional Victoria			
Barwon-South West	3,249	3,569	-9.0%
Gippsland	1,958	2,168	-9.7%
Goulburn-Ovens-Murray	2,101	2,300	-8.7%
Loddon-Mallee	2,058	2,141	-3.9%
Central Highlands-Wimmera	1,756	1,934	-9.2%

in the rental market over the last ten years is 5.7 per cent. In the March quarter 2015, the annual increase in active bonds in metropolitan Melbourne (3.6%) continues to be higher than for regional Victoria (2.1%), 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 7.8 per cent in the June quarter 2012. While the average annual increase in the number active bonds over the past 10 years is 5.7 per cent, the average increase over the past two years has been lower (5.1%).



Table 14 below shows the number of active bonds for each local government area in March 2015 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 (38,853 - 9.6% of metropolitan Melbourne bonds), Port Phillip (20,537 - 5.1%), Stonnington (20,360 - 5.0%), Moreland (20,324 - 5.0%), Glen Eira (18,672 - 4.6%), Boroondara (17,904 - 4.4%), Darebin (16,662 - 4.1%) and Wyndham (16,280 - 4.0%). Over the five year period to March 2015, the highest increases have been in municipalities on the fringe of metropolitan Melbourne in Nillumbik 87.1%, Melton 73.4%, Wyndham 71.0%, Cardinia 65.6%, Hume 64.7% and Whittlesea 63.4%; the lowest increases have been in the municipalities of Port Phillip (7.9%), Yarra Ranges (18.4%), Hobsons Bay (20.5%), Mornington Peninsula (21.4%), Boroondara (22.3%) and Monash (22.3%).

The largest numbers of active bonds in regional Victoria are in the municipalities of Greater Geelong (19,095 - 18.6% of regional Victoria bonds), Ballarat (9,795 - 9.5%), Greater Bendigo (9,247 - 9.0%), Latrobe (5,715 - 5.6%), Greater Shepparton (4,944 - 4.8%) and Mildura (4,565 - 4.4%). Over the past five years, the highest increases have been in the municipalities of Moorabool (54.1%), Pyrenees (50.0%), Mitchell (45.0%), Baw Baw (42.5%) and Buloke (37.7%).

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 rental bonds, Victoria — annual percent change

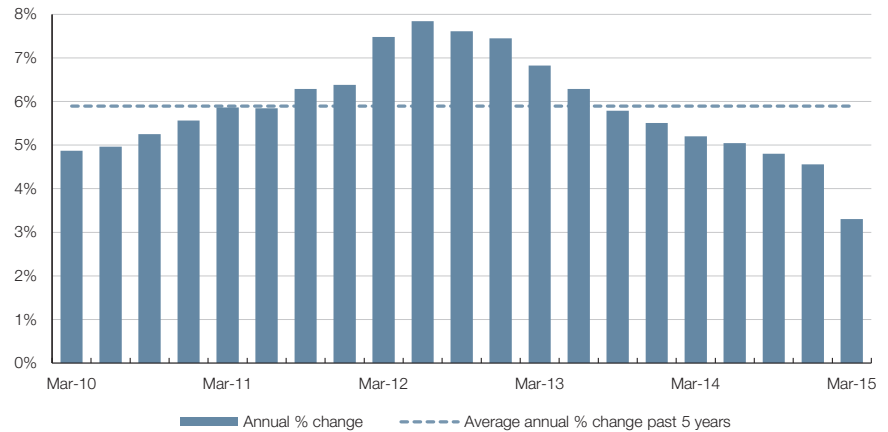


Figure 5a: Number of active bonds by suburb for metropolitan Melbourne

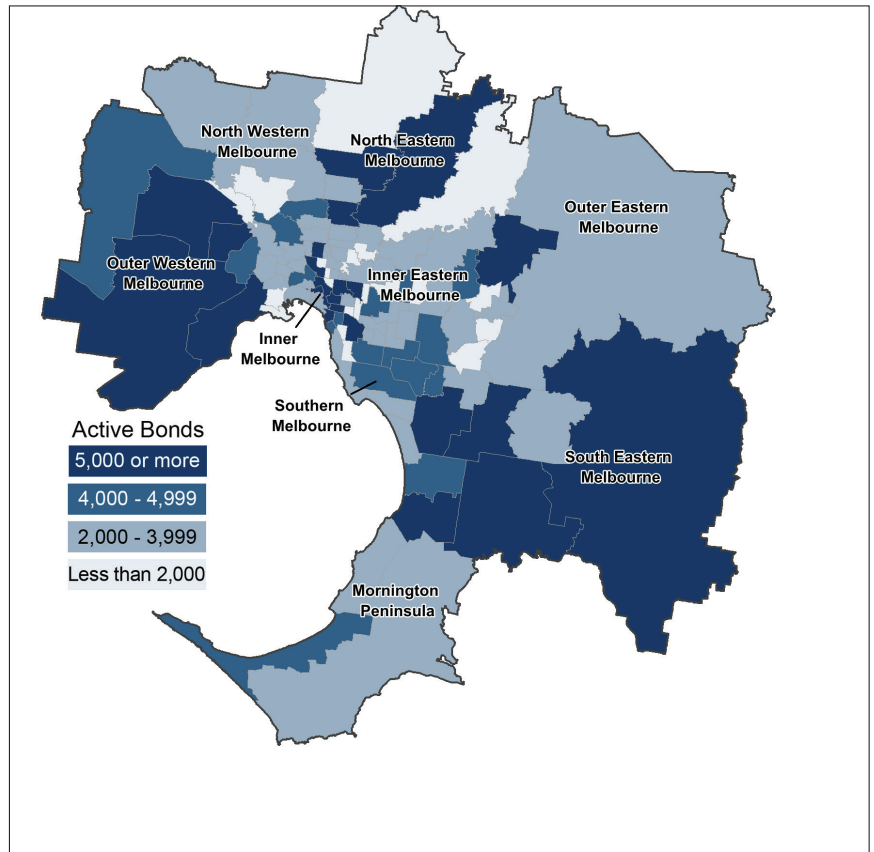
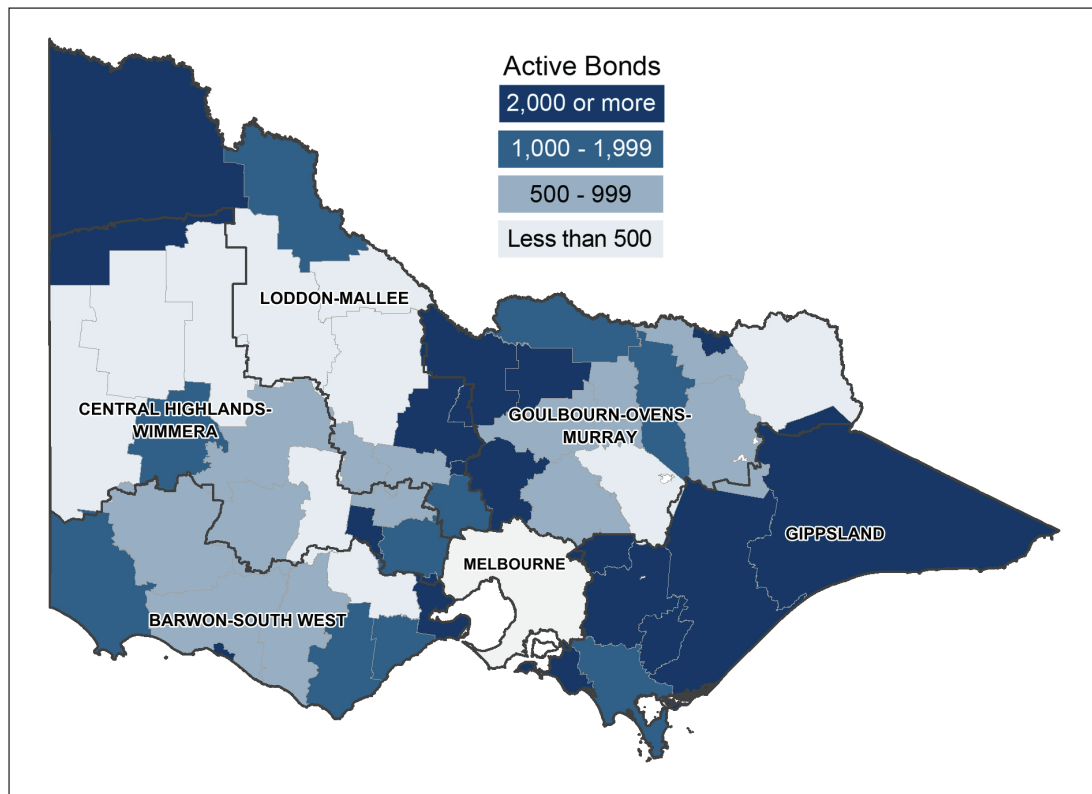


Figure 5b: Number of active bonds by Local Government Area for regional Victoria



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 March quarter 2015 the quarterly turnover rate for metropolitan Melbourne was 10.1 per cent (that is, 10.1 per cent of all bonds were refunded in the quarter)

Table 7: Turnover and tenancy duration

		Mar-15	Mar-14
Melbourne	Turnover rate	10.1%	10.1%
	Median tenancy duration	17 months	17 months
Regional Victoria	Turnover rate	10.4%	10.3%
	Median tenancy duration	15 months	15 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.

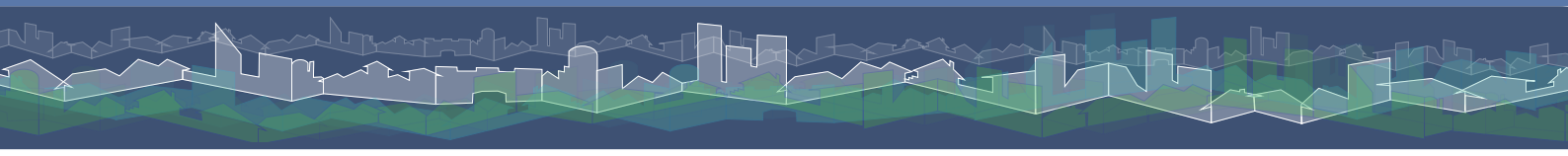


Table 8: Median tenancy duration (months) and turnover by dwelling size

	Metropolitan Melbourne		Regional Victoria	
	Median Duration	Turnover	Median Duration	Turnover
1 bedroom	13	14.6%	13	10.1%
2 bedrooms	18	9.8%	15	10.1%
3 bedrooms	20	8.8%	16	10.4%
4+ bedrooms	18	9.1%	15	10.9%
All properties	17	10.1%	15	10.4%

the same rate as a year earlier. The turnover rate in regional Victoria for the March quarter 2015 was 10.4 per cent, a slight increase compared with 10.3 per cent in the same quarter last year.

The median length of tenancy for bonds refunded in the March quarter 2015 was 17 months for metropolitan Melbourne and 15 months for regional Victoria.

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 (13 months) and the highest turnover rates (14.6%). In regional Victoria, one-bedroom dwellings also have the lowest median length of tenancy (13 months) and four-bedroom plus dwellings have the highest turnover rate higher (10.9%).

Investor finance

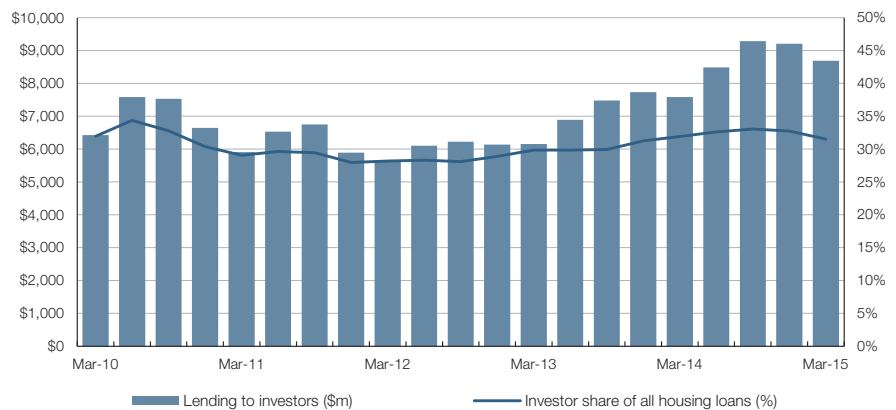
Loan approvals for the purchase or construction of dwellings for purposes of investment (not owner-occupation) provide a measure of investor activity levels in the Victorian housing market.

In the March quarter 2015, the lending to investors in Victoria was \$8.69 billion which was 31.5 per cent of the total lending for the purchase or construction of dwellings. This is

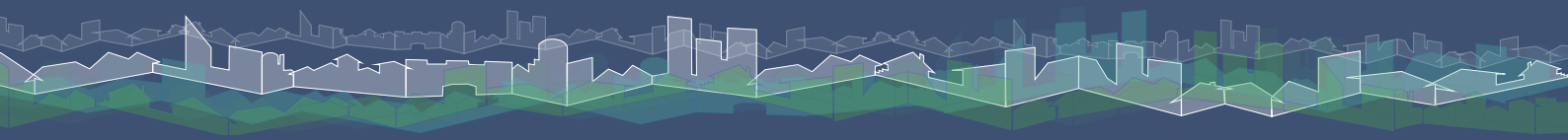
14.6 per cent higher than the level of lending to investors in the same quarter of 2014 but 5.6 per cent lower than the level in the last quarter.

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

Figure 6: Lending to investors in residential housing, Victoria



Note: Lending to investors in December quarter 2011, March quarter 2013 and June quarter 2013 is an estimate - see Note 6.



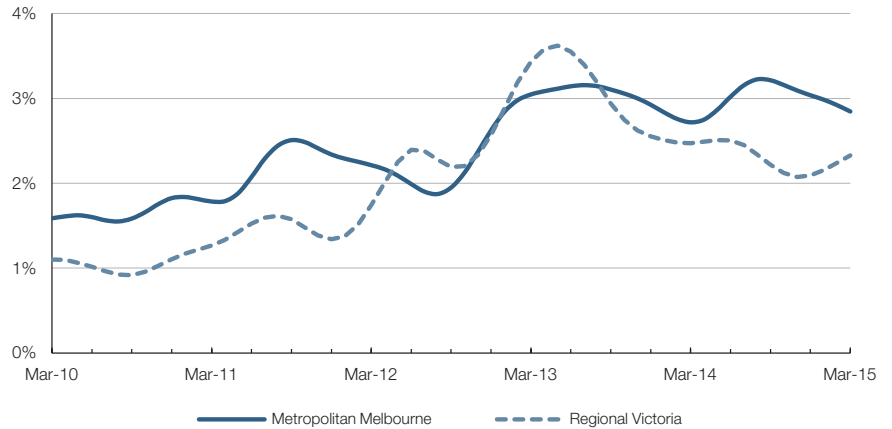
Vacancy Rate

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

In March 2015, the trend vacancy rate for metropolitan Melbourne was 2.8 per cent, the lowest rate since December 2012 (2.6 per cent). In March 2014 the rate was 2.7 per cent. The trend vacancy rate reached its lowest point of 1.0 per cent in early 2008. The average vacancy rate for the period January 2000 to December 2004 was 3.8 per cent but from January 2005 to the current quarter, the average vacancy rate has been 2.0 per cent.

For regional Victoria the trend vacancy rate was 2.3 per cent in March 2015. In December 2014 the rate was 2.1 per cent; in March 2014 it was 2.5 per cent. From August 2009 to April 2012, the regional Victorian rate was below the trend metropolitan rate. From May 2012 to June 2013, the regional vacancy rates were higher than the metropolitan rate. From August 2013 the trend vacancy rates of regional Victoria have been below that of Metropolitan Melbourne.

Figure 7: Rental vacancy rate – trend



Note: The Rental Vacancy Rate for January 2012 is an estimate - see Note 7.

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 the RTBA data used in this Report. 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 March quarter 2015, 17.9 per cent of all new lettings across the state were affordable to lower income households. Figure 8 shows the trend in these figures over the past five years for Victoria, metropolitan Melbourne and regional Victoria.

The availability of affordable housing in metropolitan Melbourne has generally declined from a high in the September quarter 2005 (30.2% of dwellings) to a low in the March quarter 2011 (7.4%). In the March quarter 2015, 8.3 per cent of dwellings were affordable, below that of the previous quarter (11.1%) and higher than that of same quarter in 2014 (8.1%).

Regional Victoria has followed a similar trend, from a high of 82.7 per cent in the September quarter 2002 to a low of 54.9 per cent in the March quarter 2012. In the March quarter

2015, 59.1 per cent of dwellings were affordable, below that of the previous quarter (62.2%) but slightly above that of the same quarter in 2014 (56.2%).

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 March quarter were affordable to low income singles.

Figure 8: Affordable rentals as percent of all rentals, Victoria

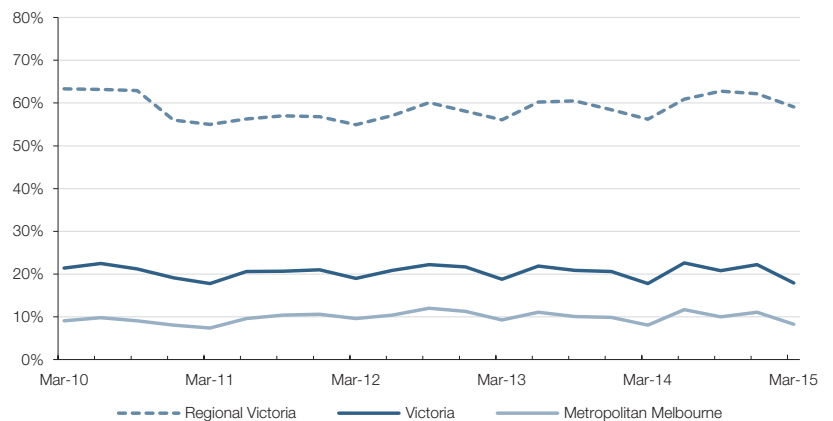


Table 9: Rental affordability by indicative households on Centrelink incomes

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)		\$258	\$544	\$752	\$969	-
Affordable weekly rent		\$145	\$240	\$305	\$380	-
Affordable rentals (number)	Metropolitan Melbourne	28	372	1,921	1,517	3,838
	Regional Victoria	180	1,634	3,357	1,169	6,340
	Victoria	208	2,006	5,278	2,686	10,178
Affordable rentals (% of total)	Metropolitan Melbourne	0.3%	2.3%	14.1%	31.5%	8.3%
	Regional Victoria	25.6%	54.7%	63.6%	66.3%	59.1%
	Victoria	1.8%	10.3%	27.9%	40.8%	17.9%



For a single parent with one child on Centrelink income, 2.3 per cent of two-bedroom dwellings across Melbourne were affordable. A couple on Newstart with two dependent children could afford 14.1 per cent of three-bedroom new lettings in Melbourne in the March quarter. A couple on Newstart with four dependent children could afford 31.5 per cent of four-bedroom new lettings in Melbourne in the March 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.

Trends by region

Table 10 shows the availability of affordable lettings for each of the statistical regions of Victoria. In metropolitan Melbourne, Western Melbourne (29.5%) has the highest proportion of new lettings affordable to lower income households, with South Eastern Melbourne (21.7%) and Mornington Peninsula (19.7%) also having relatively high proportions. Western Melbourne has the highest number and proportion of three-bedroom lettings (871 or 33.3%) and four-bedroom lettings (648 or 57.4%). Western Melbourne also has the highest number of affordable two-bedroom lettings (111). Inner Melbourne (0.7%), Inner Eastern Melbourne (1.4%) and Southern Melbourne (1.4%) have the lowest proportions of affordable new lettings.

In regional Victoria, Gippsland (71.3%) has the highest proportion of affordable new lettings while Barwon-South West (37.6%) has the lowest proportion.

Local Government Area Trends

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

Figures 9a and 9b, drawn from Table 13, show the proportion of affordable dwellings across metropolitan Melbourne and regional Victoria.

LGAs with the highest proportion of affordable dwellings in metropolitan Melbourne are Melton (51.7%), Wyndham (50.6%), Cardinia (42.0%), Nillumbik (31.2%) and Brimbank (29.0%). The LGAs with lowest proportion are Bayside, Boroondara, Manningham, Melbourne, Port Phillip, Stonnington and Yarra (all with less than 1.0 per cent) and, Glen Eira and Moonee Valley (both with less than 2.0 per cent).

The LGAs with the highest proportion of affordable dwellings in regional Victoria are Loddon, West Wimmera, Hindmarsh, Towong, Pyrenees and Yarriambiack (100%) and, Corangamite, Buloke, Central Goldfields and Northern Grampians (all above 90%). The LGAs with the lowest proportion of affordable dwellings are Surf Coast (11.9%), Macedon Ranges (19.4%) and Queenscliffe (25.0%).

Figure 9a: Affordable lettings in metropolitan Melbourne by local government area

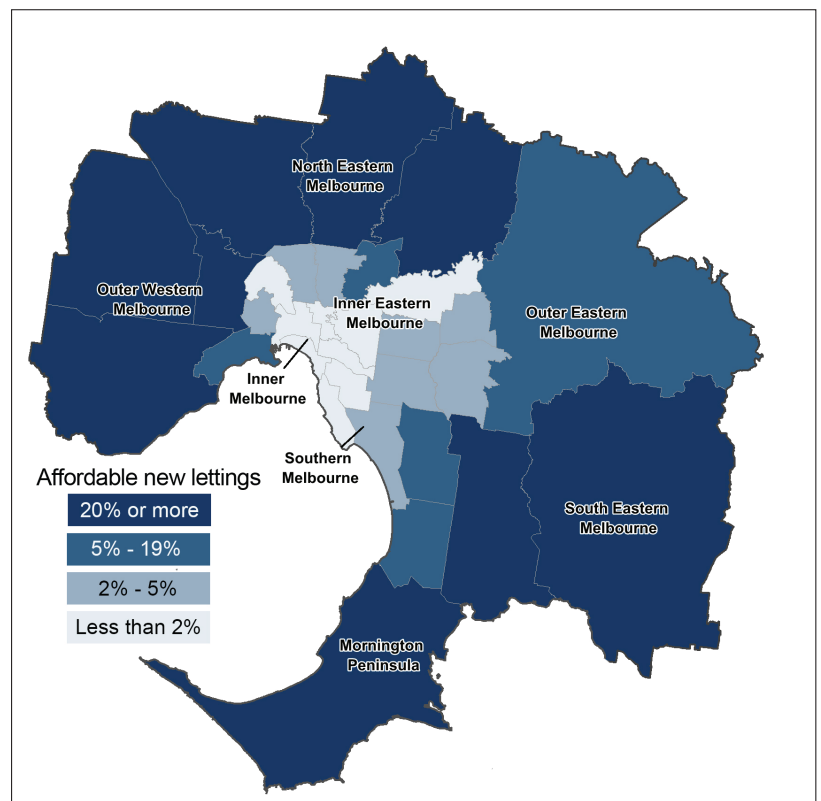


Figure 9b: Affordable lettings in regional Victoria by local government area

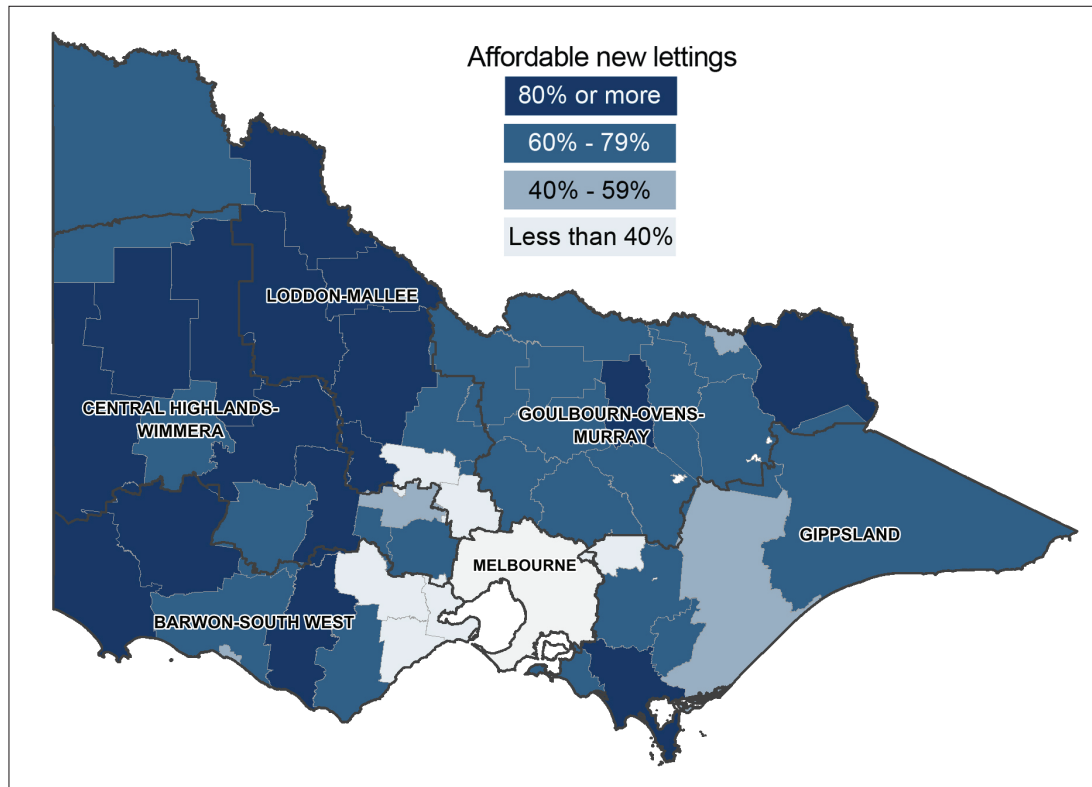


Table 10: Affordable lettings for indicative households (see table 9) on Centrelink incomes

Region	1 Bedroom		2 Bedroom		3 Bedroom		4+ Bedroom		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Inner Melbourne	9	0.1%	38	0.6%	33	2.8%	23	10.0%	103	0.7%
Inner Eastern Melbourne	2	0.2%	15	0.7%	37	1.8%	36	4.1%	90	1.4%
Southern Melbourne	-	0.0%	16	1.0%	25	2.2%	16	4.1%	57	1.4%
Western Melbourne	4	1.0%	111	8.0%	871	33.3%	648	57.4%	1,634	29.5%
North Western Melbourne	2	0.3%	20	1.2%	166	11.5%	142	38.9%	330	8.0%
North Eastern Melbourne	6	0.9%	26	1.7%	129	8.5%	243	45.3%	404	9.4%
Outer Eastern Melbourne	1	1.6%	10	1.8%	63	6.4%	28	10.3%	102	5.5%
South Eastern Melbourne	-	0.0%	58	7.0%	365	21.8%	308	43.8%	731	21.7%
Mornington Peninsula	4	3.7%	78	16.1%	232	22.3%	73	22.5%	387	19.7%
<i>Metropolitan Melbourne</i>	28	0.3%	372	2.3%	1,921	14.1%	1,517	31.5%	3,838	8.3%
Barwon-South West	23	9.2%	292	31.7%	646	44.0%	224	43.8%	1,185	37.6%
Gippsland	29	25.4%	315	67.5%	728	75.8%	242	80.7%	1,314	71.3%
Goulburn-Ovens-Murray	52	42.3%	423	73.1%	724	71.9%	237	73.1%	1,436	70.6%
Loddon-Mallee	27	30.0%	312	57.2%	640	64.6%	266	75.1%	1,245	62.9%
Central Highlands-Wimmera	49	39.5%	292	61.5%	619	72.7%	200	72.7%	1,160	67.2%
<i>Regional Victoria</i>	180	25.6%	1,634	54.7%	3,357	63.6%	1,169	66.3%	6,340	59.1%
<i>Victoria</i>	208	1.8%	2,006	10.3%	5,278	27.9%	2,686	40.8%	10,178	17.9%

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

March Quarter 2015	1 Bed Flat			2 Bed Flat			2 Bed House			3 Bed House		
	Count	Median	Ann % Ch	Count	Median	Ann % Ch	Count	Median	Ann % Ch	Count	Median	Ann % Ch
Inner Melbourne												
Albert Park-Middle Park-West St Kilda	278	\$320	0.0%	242	\$439	-2.4%	115	\$585	-1.3%	108	\$800	-3.0%
Armadale	175	\$310	3.3%	302	\$397	0.5%	37	\$600	9.1%	52	\$870	12.3%
Carlton North	54	\$320	1.6%	102	\$430	7.5%	91	\$535	2.9%	52	\$650	0.0%
Carlton-Parkville	2,712	\$330	0.3%	1,160	\$465	1.1%	35	\$490	-2.0%	52	\$710	-1.4%
CBD-St Kilda Rd	4,608	\$380	1.3%	3,886	\$525	1.0%	-	-	-	-	-	-
Collingwood-Abbotsford	632	\$360	-1.4%	526	\$500	6.4%	103	\$520	2.0%	64	\$673	6.3%
Docklands	586	\$420	2.4%	775	\$550	1.9%	-	-	-	-	-	-
East Melbourne	191	\$370	2.8%	181	\$495	-2.6%	-	-	-	20	\$948	11.5%
East St Kilda	520	\$290	0.0%	907	\$380	0.0%	45	\$550	0.0%	66	\$678	0.4%
Elwood	597	\$300	0.0%	977	\$420	2.4%	21	\$600	2.9%	56	\$793	1.7%
Fitzroy	212	\$360	9.1%	173	\$530	0.4%	82	\$575	8.5%	29	\$750	2.7%
Fitzroy North-Clifton Hill	221	\$320	3.2%	289	\$450	2.3%	156	\$530	3.9%	107	\$695	5.3%
Flemington-Kensington	298	\$310	3.3%	602	\$380	0.0%	182	\$450	2.3%	134	\$565	8.7%
North Melbourne-West Melbourne	1,089	\$303	1.0%	731	\$440	-2.2%	71	\$480	6.7%	74	\$605	-2.4%
Port Melbourne	349	\$410	0.0%	584	\$570	3.6%	100	\$535	-2.7%	93	\$780	1.3%
Prahran-Windsor	1,177	\$310	3.3%	817	\$450	2.3%	198	\$550	0.0%	161	\$695	3.3%
Richmond-Burnley	842	\$360	-1.4%	833	\$495	0.0%	318	\$560	5.7%	236	\$700	4.5%
South Melbourne	290	\$390	0.0%	370	\$500	-3.8%	95	\$550	3.8%	41	\$800	6.7%
South Yarra	1,601	\$350	0.0%	1,386	\$495	3.1%	86	\$600	5.3%	91	\$785	-1.9%
Southbank	909	\$420	5.0%	1,384	\$550	5.4%	-	-	-	-	-	-
St Kilda	1,420	\$330	1.5%	1,267	\$425	0.0%	42	\$555	4.7%	46	\$678	4.3%
Toorak	210	\$300	0.0%	319	\$440	-2.2%	16	\$545	-0.9%	48	\$1,020	7.4%
<i>Inner Melbourne — Total</i>	<i>18,971</i>	<i>\$350</i>	<i>0.0%</i>	<i>17,813</i>	<i>\$490</i>	<i>2.1%</i>	<i>1,809</i>	<i>\$550</i>	<i>5.8%</i>	<i>1,539</i>	<i>\$700</i>	<i>0.7%</i>
Inner Eastern Melbourne												
Balwyn	17	\$300	0.0%	263	\$380	4.1%	36	\$388	-5.4%	235	\$520	5.1%
Blackburn	68	\$300	0.0%	171	\$360	-2.7%	29	\$365	4.3%	248	\$400	1.3%
Box Hill	396	\$230	2.2%	632	\$360	2.9%	60	\$350	-5.4%	304	\$430	4.9%
Bulleen-Templestowe-Doncaster	82	\$350	0.0%	307	\$395	3.9%	22	\$348	-2.8%	406	\$429	4.6%
Burwood-Ashburton	295	\$215	-2.3%	160	\$395	2.6%	76	\$388	0.8%	276	\$450	5.4%
Camberwell-Glen Iris	302	\$300	3.4%	738	\$400	3.9%	63	\$465	1.1%	217	\$645	7.5%
Canterbury-Surrey Hills-Mont Albert	23	\$360	14.3%	344	\$390	2.6%	31	\$420	0.0%	127	\$550	-3.5%
Chadstone-Oakleigh	90	\$330	13.8%	263	\$355	1.4%	49	\$375	4.2%	293	\$415	3.8%
Clayton	375	\$245	6.5%	652	\$350	2.9%	24	\$360	4.3%	242	\$390	5.4%
Doncaster East-Donvale	23	\$335	-1.5%	133	\$365	1.4%	17	\$360	2.9%	262	\$430	7.0%
East Hawthorn	193	\$310	3.3%	352	\$395	1.3%	36	\$485	-6.7%	87	\$650	0.0%
Glen Waverley-Mulgrave	68	\$360	0.0%	207	\$375	0.0%	19	\$360	-2.2%	682	\$410	2.5%
Hawthorn	1,242	\$290	7.4%	929	\$400	2.6%	49	\$550	7.8%	92	\$678	1.5%
Kew	75	\$350	0.9%	479	\$390	2.6%	57	\$480	4.3%	136	\$580	-3.3%
Mount Waverley	12	\$215	-14.0%	127	\$360	0.0%	22	\$378	5.0%	336	\$418	-0.5%
Nunawading-Mitcham	92	\$307	-1.0%	298	\$350	6.1%	54	\$360	2.9%	216	\$390	0.0%
Vermont-Forest Hill-Burwood East	20	\$293	4.6%	120	\$350	0.6%	43	\$355	1.4%	338	\$400	2.6%
<i>Inner Eastern Melbourne — Total</i>	<i>3,373</i>	<i>\$280</i>	<i>6.9%</i>	<i>6,175</i>	<i>\$375</i>	<i>1.4%</i>	<i>687</i>	<i>\$390</i>	<i>0.0%</i>	<i>4,497</i>	<i>\$430</i>	<i>2.4%</i>
Southern Melbourne												
Aspendale-Chelsea-Carrum	58	\$250	-7.4%	485	\$330	0.0%	52	\$345	-1.4%	343	\$420	5.0%
Bentleigh	178	\$270	3.8%	562	\$370	4.2%	99	\$410	0.0%	504	\$478	1.7%
Brighton	51	\$315	-7.4%	350	\$495	0.0%	31	\$540	0.9%	125	\$800	5.3%
Brighton East	-	-	-	69	\$400	-2.0%	30	\$490	11.4%	114	\$600	-4.0%
Carnegie	344	\$265	0.0%	494	\$380	5.6%	26	\$435	3.6%	72	\$498	-9.5%
Caulfield	464	\$270	3.8%	799	\$395	1.3%	81	\$450	4.7%	171	\$625	9.6%
Cheltenham	93	\$310	6.9%	604	\$350	0.0%	67	\$410	3.8%	371	\$460	2.2%
Elsternwick	183	\$280	-1.1%	275	\$395	0.0%	23	\$510	7.4%	46	\$650	8.3%
Hampton-Beamaris	152	\$320	0.0%	399	\$420	2.4%	47	\$460	1.1%	220	\$660	1.5%
Malvern	125	\$320	3.2%	180	\$423	5.8%	25	\$575	4.5%	54	\$773	10.4%
Malvern East	362	\$265	1.9%	307	\$390	4.0%	32	\$450	2.3%	130	\$550	10.0%
Mentone-Parkdale-Mordialloc	243	\$265	1.9%	662	\$355	1.4%	41	\$380	-5.0%	201	\$500	0.0%
Murrumbidgee-Hughesdale	244	\$270	3.8%	330	\$390	5.4%	38	\$393	2.1%	100	\$457	1.6%
<i>Southern Melbourne — Total</i>	<i>2,505</i>	<i>\$275</i>	<i>3.8%</i>	<i>5,516</i>	<i>\$380</i>	<i>2.7%</i>	<i>592</i>	<i>\$430</i>	<i>3.6%</i>	<i>2,451</i>	<i>\$500</i>	<i>1.0%</i>
Outer Western Melbourne												
Altona	85	\$245	6.5%	616	\$300	3.4%	118	\$310	3.3%	1,235	\$345	4.5%
Footscray	431	\$250	9.6%	524	\$330	1.5%	126	\$380	4.1%	150	\$410	7.3%
Keilor East-Avonvale Heights	152	\$280	-6.7%	422	\$350	0.0%	44	\$350	1.4%	350	\$380	5.6%
Melton	37	\$301	1.0%	133	\$240	2.1%	39	\$245	2.1%	877	\$275	3.8%
Newport-Spotswood	60	\$260	8.3%	149	\$349	9.1%	87	\$390	-2.5%	225	\$480	6.7%
St Albans-Deer Park	39	\$200	0.0%	314	\$270	3.8%	57	\$280	7.7%	940	\$310	3.3%
Sunshine	145	\$210	5.0%	272	\$270	8.0%	67	\$280	0.4%	548	\$320	6.7%
Sydenham	-	-	-	156	\$340	9.7%	58	\$320	3.2%	932	\$350	2.9%
Werribee-Hoppers Crossing	41	\$240	20.0%	505	\$260	4.0%	94	\$275	5.4%	1,956	\$300	3.4%
West Footscray	210	\$245	6.1%	447	\$320	0.0%	105	\$330	1.5%	276	\$360	2.9%
Williamstown	61	\$270	1.9%	147	\$330	3.1%	53	\$443	-1.3%	146	\$560	1.8%
Yarraville-Seddon	134	\$243	8.0%	301	\$320	0.0%	206	\$430	1.2%	334	\$470	4.4%
<i>Outer Western Melbourne — Total</i>	<i>1,402</i>	<i>\$250</i>	<i>10.1%</i>	<i>3,986</i>	<i>\$300</i>	<i>1.7%</i>	<i>1,054</i>	<i>\$350</i>	<i>6.1%</i>	<i>7,969</i>	<i>\$320</i>	<i>3.2%</i>
North Western Melbourne												
Broadmeadows-Roxburgh Park	34	\$223	6.2%	162	\$300	0.0%	40	\$290	0.0%	629	\$320	0.0%
Brunswick	536	\$300	0.0%	788	\$395	0.0%	192	\$473	5.1%	163	\$595	8.2%
Coburg-Pascoe Vale South	164	\$300	7.1%	398	\$350	0.0%	137	\$395	3.9%	328	\$450	0.0%
Craigieburn	-	-	-	165	\$300	3.4%	67	\$300	0.0%	638	\$330	0.0%
East Brunswick	366	\$330	-1.8%	397	\$400	-2.4%	58	\$500	4.2%	67	\$600	3.8%
Essendon	320	\$280	5.7%	716	\$340	1.5%	86	\$380	0.0%	354	\$402	3.1%
Gladstone Park-Tullamarine	18	\$250	4.2%	145	\$300	3.4%	13	\$320	8.5%	253	\$340	3.0%
Keilor	-	-	-	-	-	-	-	-	-	26	\$360	-2.7%
Moonee Ponds-Ascot Vale	253	\$270	5.9%	464	\$362	3.4%	140	\$423	7.1%	247	\$500	2.0%
Oak Park-Glenroy-Fawkner	51	\$240	6.7%	599	\$320	6.3%	104	\$310	3.3%	440	\$350	2.9%
Pascoe Vale-Coburg North	84	\$250	25.6%	410	\$340	3.0%	74	\$350	6.1%	170	\$385	6.9%
Sunbury	-	-	-	140	\$280	0.0%	22	\$290	3.6%	374	\$320	1.6%
West Brunswick	318	\$260	2.0%	431	\$340	3.0%	46	\$450	12.5%	108	\$520	5.1%
<i>North Western Melbourne — Total</i>	<i>2,165</i>	<i>\$280</i>	<i>3.7%</i>	<i>4,820</i>	<i>\$340</i>	<i>0.0%</i>	<i>984</i>	<i>\$390</i>	<i>5.4%</i>	<i>3,797</i>	<i>\$350</i>	<i>2.9%</i>

Table 11: Moving annual median rents for suburbs/towns by major property type (cont.)

March Quarter 2015	1 Bed Flat			2 Bed Flat			2 Bed House			3 Bed House		
	Count	Median	Ann % Ch	Count	Median	Ann % Ch	Count	Median	Ann % Ch	Count	Median	Ann % Ch
North Eastern Melbourne												
Bundoora-Greensborough-Hurstbridge	334	\$219	-8.8%	591	\$325	1.6%	108	\$330	3.1%	881	\$360	2.9%
Eitham-Research-Montmorency	18	\$270	6.7%	173	\$340	6.3%	35	\$350	1.4%	187	\$405	1.3%
Fairfield-Alphington	210	\$275	1.9%	219	\$350	-4.4%	24	\$430	-4.4%	79	\$580	10.5%
Heidelberg-Heidelberg West	59	\$285	5.6%	394	\$345	1.5%	138	\$330	-1.5%	308	\$370	-2.6%
Ivanhoe-Ivanhoe East	59	\$285	1.8%	209	\$350	0.0%	31	\$400	-5.9%	92	\$473	-5.4%
Mill Park-Epping	64	\$270	-3.6%	283	\$300	1.7%	70	\$300	1.7%	837	\$340	1.5%
Northcote	319	\$290	5.5%	343	\$425	1.2%	145	\$500	3.5%	200	\$600	3.4%
Preston	245	\$270	-5.3%	478	\$350	0.0%	143	\$380	2.7%	303	\$420	5.0%
Reservoir	189	\$275	1.9%	725	\$315	1.6%	163	\$310	0.0%	397	\$350	2.9%
Thomastown-Lalor	33	\$260	0.0%	244	\$300	3.4%	29	\$300	7.1%	473	\$320	0.0%
Thornbury	365	\$260	0.0%	377	\$350	2.9%	82	\$450	4.7%	154	\$523	4.6%
Whittlesea	-	-	-	87	\$280	1.8%	36	\$295	1.7%	262	\$330	0.0%
<i>North Eastern Melbourne — Total</i>	1,899	\$270	0.0%	4,123	\$330	3.1%	1,004	\$350	0.0%	4,173	\$350	0.0%
Outer Eastern Melbourne												
Bayswater	14	\$268	34.0%	268	\$320	6.7%	18	\$315	6.8%	142	\$360	2.9%
Boronia	18	\$235	8.8%	191	\$320	3.2%	31	\$320	3.2%	197	\$350	0.0%
Croydon-Lilydale	74	\$239	11.2%	497	\$320	3.2%	110	\$328	2.5%	715	\$370	2.8%
Ferntree Gully	18	\$213	-0.9%	111	\$310	3.3%	17	\$320	6.7%	192	\$360	2.9%
Ringwood	53	\$250	0.0%	534	\$320	3.2%	76	\$323	0.0%	361	\$380	2.7%
Rowville	-	-	-	26	\$358	8.5%	-	-	-	242	\$380	1.3%
Wantirna-Scoresby	15	\$320	0.0%	77	\$350	3.9%	15	\$350	-1.4%	328	\$375	2.7%
Yarra Ranges	60	\$248	15.3%	107	\$290	6.2%	123	\$300	1.0%	523	\$350	0.0%
<i>Outer Eastern Melbourne — Total</i>	256	\$240	9.1%	1,811	\$320	3.2%	392	\$320	3.2%	2,700	\$366	1.7%
South Eastern Melbourne												
Berwick	12	\$215	14.4%	84	\$303	1.0%	29	\$320	3.2%	559	\$350	2.9%
Cranbourne	36	\$240	4.3%	162	\$280	5.7%	47	\$290	7.4%	941	\$330	3.1%
Dandenong	124	\$225	2.3%	840	\$270	1.9%	64	\$300	1.7%	395	\$350	2.9%
Dandenong North-Endeavour Hills	53	\$240	4.3%	196	\$285	1.8%	54	\$290	7.4%	669	\$320	3.2%
Narre Warren-Hampton Park	-	-	-	215	\$300	5.3%	45	\$305	7.0%	1,088	\$335	1.5%
Noble Park	198	\$210	5.0%	500	\$295	5.4%	28	\$298	5.3%	337	\$330	3.1%
Pakenham	15	\$170	-26.1%	197	\$265	1.9%	67	\$275	0.0%	955	\$310	0.0%
Springvale	94	\$233	3.6%	472	\$310	3.3%	41	\$305	5.2%	459	\$345	1.5%
<i>South Eastern Melbourne — Total</i>	539	\$220	0.0%	2,666	\$290	3.6%	375	\$300	5.3%	5,403	\$330	3.1%
Mornington Peninsula												
Dromana-Portsea	19	\$230	8.0%	202	\$265	4.7%	242	\$275	5.8%	891	\$320	3.2%
Frankston	244	\$215	2.4%	782	\$275	3.8%	104	\$285	1.8%	934	\$330	3.1%
Hastings-Flinders	15	\$240	40.4%	212	\$270	3.8%	49	\$285	1.8%	419	\$330	3.1%
Mt Eliza-Mornington-Mt Martha	19	\$220	0.0%	212	\$310	0.0%	38	\$328	0.9%	516	\$400	2.6%
Seaford-Carrum Downs	40	\$215	0.0%	268	\$290	3.6%	53	\$300	7.1%	758	\$325	1.6%
<i>Mornington Peninsula — Total</i>	337	\$215	2.4%	1,676	\$280	3.7%	486	\$280	1.8%	3,518	\$330	3.1%
Geelong												
Belmont-Grovedale	146	\$220	10.0%	368	\$280	0.0%	97	\$295	-1.7%	683	\$345	0.0%
Corio	38	\$185	2.8%	101	\$250	4.2%	128	\$225	2.3%	438	\$250	-2.0%
Geelong-Newcomb	169	\$260	15.6%	318	\$280	-1.8%	145	\$290	3.6%	423	\$315	5.0%
Herne Hill-Geelong West	150	\$200	2.6%	183	\$270	8.0%	77	\$300	3.4%	253	\$335	-1.5%
Lara	-	-	-	87	\$260	4.0%	13	\$280	0.0%	170	\$330	1.5%
Newtown	43	\$195	-2.5%	125	\$280	1.8%	49	\$310	3.3%	138	\$360	4.3%
North Geelong	63	\$190	5.6%	117	\$275	1.9%	70	\$278	3.0%	351	\$312	4.0%
<i>Geelong — Total</i>	618	\$205	5.1%	1,299	\$275	1.9%	579	\$280	0.0%	2,456	\$320	3.2%
Ballarat												
Ballarat	85	\$165	0.0%	291	\$240	3.9%	287	\$245	0.0%	750	\$275	1.9%
Mount Clear-Buninyong	11	\$165	3.1%	44	\$230	0.0%	16	\$250	2.0%	136	\$300	0.0%
Sebastopol-Delacombe	72	\$195	-17.0%	154	\$220	0.0%	72	\$240	0.0%	392	\$260	-1.9%
Wendouree-Alfredton	118	\$150	0.0%	151	\$220	0.0%	88	\$260	9.2%	525	\$280	0.0%
<i>Ballarat — Total</i>	286	\$160	0.0%	640	\$230	2.2%	463	\$245	2.1%	1,803	\$275	0.0%
Bendigo												
Bendigo	29	\$175	6.1%	143	\$230	0.0%	69	\$265	1.9%	253	\$290	0.0%
Flora Hill-Bendigo East	47	\$165	10.0%	315	\$235	0.0%	104	\$260	4.0%	487	\$295	-1.7%
Golden Square-Kangaroo Flat	18	\$163	0.0%	107	\$240	-4.0%	63	\$250	0.0%	367	\$290	1.8%
North Bendigo	19	\$165	0.0%	174	\$240	4.3%	95	\$240	-1.2%	482	\$280	1.8%
<i>Bendigo — Total</i>	113	\$168	1.8%	739	\$240	2.1%	331	\$250	0.0%	1,589	\$288	-0.7%
Other Regional Centres												
Bairnsdale	25	\$160	0.0%	113	\$230	6.0%	37	\$240	3.0%	190	\$280	1.8%
Benalla	34	\$150	15.4%	99	\$185	1.1%	39	\$210	10.5%	163	\$250	2.0%
Castlemaine	-	-	-	35	\$270	8.0%	61	\$295	5.4%	131	\$320	3.2%
Echuca	26	\$133	-11.3%	122	\$240	4.3%	28	\$258	12.2%	177	\$300	7.1%
Hamilton	20	\$140	3.7%	54	\$188	-8.3%	46	\$200	0.0%	137	\$250	0.0%
Horsham	44	\$188	4.4%	152	\$217	14.2%	31	\$215	13.2%	289	\$260	0.0%
Mildura	102	\$163	8.7%	307	\$195	8.3%	91	\$230	4.5%	572	\$270	3.8%
Moe-Newborough	73	\$115	0.0%	101	\$155	3.3%	49	\$185	5.7%	233	\$240	9.1%
Morwell	32	\$138	15.0%	133	\$165	2.5%	89	\$175	0.0%	302	\$210	5.0%
Ocean Grove-Barwon Heads	-	-	-	73	\$285	0.0%	33	\$305	1.7%	197	\$350	0.0%
Portland	19	\$155	3.3%	71	\$170	-1.7%	26	\$205	-2.4%	205	\$230	-2.1%
Sale-Maffra	69	\$160	6.7%	141	\$220	0.0%	71	\$220	2.3%	333	\$270	8.0%
Seymour	11	\$155	0.0%	34	\$185	1.6%	17	\$220	0.0%	95	\$250	4.2%
Shepparton	92	\$155	10.7%	397	\$210	5.0%	89	\$220	-4.3%	700	\$275	1.9%
Swan Hill	64	\$135	3.8%	98	\$213	1.4%	23	\$215	2.4%	157	\$260	4.0%
Torquay	20	\$225	-10.0%	66	\$330	10.0%	32	\$335	1.5%	243	\$410	3.0%
Traralgon	79	\$150	3.4%	171	\$215	7.5%	79	\$250	4.2%	395	\$280	3.7%
Wangaratta	61	\$150	7.1%	152	\$200	3.6%	52	\$238	3.5%	259	\$280	7.7%
Warragul	-	-	-	98	\$230	0.0%	47	\$245	0.0%	182	\$280	3.7%
Warrnambool	89	\$200	17.6%	404	\$230	0.0%	90	\$268	3.1%	500	\$300	0.0%
Wodonga	69	\$170	3.0%	361	\$215	2.4%	59	\$265	12.8%	592	\$300	7.1%
<i>Other Regional Centres — Total</i>	950	\$155	10.7%	3,182	\$215	7.5%	1,089	\$230	2.7%	6,052	\$280	3.7%

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

March Quarter 2015	1 Bed Flat			2 Bed Flat			2 Bed House			3 Bed House		
	count	Median	Ann % ch	count	Median	Ann % ch	count	Median	Ann % ch	count	Median	Ann % ch
Colac-Otway	11	\$190	15.2%	18	\$208	-1.0%	20	\$240	4.3%	64	\$260	0.0%
Corangamite	5	\$125	-	9	\$170	-12.8%	6	\$223	17.4%	35	\$235	2.2%
Glenelg	7	\$155	-	25	\$180	12.5%	13	\$190	-5.0%	59	\$235	6.8%
Greater Geelong	179	\$210	5.0%	407	\$280	1.8%	191	\$280	-2.8%	819	\$330	3.1%
Moyne	-	-	-	-	-	-	10	\$250	0.0%	26	\$250	-8.4%
Queenscliffe	-	-	-	-	-	-	-	-	-	-	-	-
Southern Grampians	5	\$150	25.0%	21	\$190	-6.4%	15	\$180	-10.0%	38	\$250	5.9%
Surf Coast	6	\$210	-7.9%	25	\$320	13.1%	14	\$350	9.4%	83	\$390	-1.3%
Warrambool	20	\$200	11.1%	85	\$240	4.3%	26	\$258	-4.4%	121	\$315	-1.6%
Barwon South West	234	\$200	2.6%	596	\$270	3.8%	296	\$270	-1.8%	1,247	\$320	3.2%
Ararat	-	-	-	16	\$193	-7.2%	12	\$215	7.5%	49	\$250	0.0%
Ballarat	70	\$168	5.0%	176	\$225	0.0%	126	\$245	-2.0%	474	\$280	0.0%
Golden Plains	-	-	-	8	\$275	1.9%	-	-	-	26	\$313	-2.2%
Hepburn	-	-	-	6	\$260	-	12	\$278	1.1%	35	\$300	0.0%
Hindmarsh	5	\$130	-	-	-	-	5	\$170	25.9%	22	\$170	-5.6%
Horsham	16	\$145	-51.8%	47	\$220	12.8%	6	\$188	-30.4%	67	\$260	-3.7%
Moorabool	7	\$180	-5.3%	13	\$230	4.5%	15	\$250	4.2%	57	\$300	3.4%
Northern Grampians	7	\$100	-13.0%	12	\$150	0.0%	7	\$175	2.9%	29	\$220	4.8%
Pyrenees	-	-	-	-	-	-	-	-	-	9	\$230	-2.1%
West Wimmera	-	-	-	-	-	-	-	-	-	-	-	-
Yarriambiack	-	-	-	-	-	-	-	-	-	19	\$170	3.0%
Grampians	115	\$155	-3.1%	280	\$222	0.9%	193	\$240	-4.0%	790	\$275	0.0%
Buloke	-	-	-	-	-	-	-	-	-	12	\$195	18.2%
Campaspe	10	\$135	-10.0%	42	\$215	2.4%	15	\$220	15.8%	85	\$280	16.7%
Central Goldfields	-	-	-	14	\$193	-3.5%	7	\$210	5.0%	32	\$240	0.0%
Gannawarra	-	-	-	5	\$175	12.9%	7	\$185	23.3%	28	\$205	20.6%
Greater Bendigo	31	\$170	3.0%	173	\$240	2.1%	98	\$250	0.0%	476	\$295	1.7%
Loddon	-	-	-	-	-	-	-	-	-	9	\$180	-1.6%
Macedon Ranges	5	\$210	-	25	\$300	-5.4%	9	\$295	-6.3%	74	\$350	2.9%
Mildura	18	\$153	0.0%	67	\$200	5.3%	41	\$240	10.1%	176	\$260	0.0%
Mount Alexander	-	-	-	14	\$280	15.2%	20	\$298	12.5%	43	\$310	0.0%
Swan Hill	12	\$135	0.0%	35	\$215	7.5%	12	\$200	-4.8%	45	\$250	0.0%
Loddon Mallee	85	\$155	0.0%	376	\$230	4.5%	214	\$245	2.1%	980	\$285	1.8%
Alpine	-	-	-	17	\$200	8.1%	18	\$210	-1.4%	42	\$270	3.8%
Benalla	8	\$150	15.4%	19	\$180	0.0%	11	\$225	25.0%	42	\$257	2.8%
Greater Shepparton	30	\$160	6.7%	107	\$210	5.0%	34	\$220	-4.3%	202	\$270	-1.8%
Indigo	-	-	-	14	\$220	15.8%	6	\$255	15.9%	36	\$280	7.7%
Mansfield	-	-	-	8	\$218	-2.2%	5	\$290	11.5%	20	\$280	-6.7%
Mitchell	-	-	-	30	\$250	13.6%	9	\$220	-8.3%	115	\$290	3.6%
Moira	16	\$118	18.0%	31	\$210	6.1%	13	\$200	-6.1%	76	\$263	5.2%
Murrindindi	-	-	-	8	\$243	27.9%	9	\$220	-10.2%	27	\$260	-7.1%
Strathbogje	5	\$200	-	7	\$200	-4.8%	7	\$220	0.0%	20	\$255	-5.6%
Towong	-	-	-	-	-	-	-	-	-	13	\$230	-6.1%
Wangaratta	14	\$140	-6.7%	38	\$203	1.5%	10	\$235	11.9%	72	\$280	5.7%
Wodonga	20	\$168	-1.2%	79	\$210	-2.3%	16	\$265	1.9%	140	\$300	1.7%
Hume	103	\$150	1.4%	359	\$210	3.4%	141	\$225	2.3%	805	\$280	3.7%
Bass Coast	8	\$195	-13.3%	20	\$235	-6.0%	19	\$250	8.7%	91	\$270	8.0%
Baw Baw	-	-	-	36	\$228	-0.9%	26	\$250	2.0%	140	\$295	5.4%
East Gippsland	9	\$165	3.1%	61	\$230	4.5%	28	\$235	6.8%	131	\$275	1.9%
Latrobe	41	\$150	22.0%	105	\$195	8.3%	51	\$200	9.3%	285	\$250	8.7%
South Gippsland	7	\$160	8.1%	19	\$240	6.7%	15	\$220	6.3%	61	\$250	0.0%
Wellington	28	\$160	11.9%	38	\$248	18.1%	24	\$215	7.5%	122	\$280	16.7%
Gippsland	97	\$160	6.7%	279	\$220	4.8%	163	\$225	7.1%	830	\$265	6.0%
Banyule	191	\$219	-0.5%	326	\$340	3.0%	82	\$335	-4.3%	302	\$378	-0.5%
Brimbank	50	\$210	3.4%	199	\$290	9.4%	44	\$280	0.0%	503	\$320	0.0%
Darebin	366	\$280	3.7%	603	\$350	2.9%	154	\$400	5.3%	290	\$420	5.0%
Hobsons Bay	42	\$260	4.0%	215	\$310	3.3%	56	\$378	2.2%	244	\$390	1.3%
Hume	14	\$238	0.0%	173	\$300	0.0%	44	\$300	0.0%	444	\$325	-1.5%
Maribyrnong	261	\$250	11.1%	409	\$340	3.0%	142	\$390	-2.5%	236	\$425	6.3%
Melbourne	4,418	\$360	2.9%	3,119	\$515	3.0%	84	\$505	3.1%	86	\$663	6.9%
Melton	6	\$295	-2.0%	62	\$335	24.1%	8	\$285	-1.7%	396	\$313	4.3%
Moonee Valley	214	\$275	1.9%	472	\$370	5.7%	103	\$420	7.7%	211	\$450	7.1%
Moreland	436	\$280	0.0%	804	\$352	0.6%	159	\$420	7.7%	362	\$430	7.5%
Nilumbik	13	\$270	-	16	\$338	5.6%	9	\$320	-8.6%	102	\$375	7.1%
Whittlesea	32	\$270	0.0%	170	\$300	3.4%	30	\$300	2.4%	367	\$330	0.0%
Wyndham	9	\$185	-17.8%	141	\$260	0.8%	33	\$285	9.6%	592	\$300	0.0%
Yarra	522	\$344	2.7%	569	\$490	8.9%	185	\$550	3.8%	122	\$700	7.5%
North and West Metro	6,574	\$330	0.0%	7,278	\$415	3.8%	1,133	\$400	2.6%	4,257	\$350	2.9%
Boroondara	636	\$275	1.9%	836	\$400	3.9%	65	\$475	-1.0%	262	\$580	0.0%
Knox	20	\$288	22.6%	158	\$330	3.1%	15	\$350	12.9%	281	\$370	2.8%
Manningham	41	\$350	0.0%	129	\$390	2.6%	6	\$365	-1.4%	167	\$430	2.4%
Maroondah	19	\$250	13.6%	220	\$320	2.9%	32	\$330	1.5%	180	\$388	4.9%
Monash	251	\$270	12.5%	447	\$360	1.4%	34	\$383	7.9%	414	\$420	5.0%
Whitehorse	382	\$225	0.0%	433	\$370	1.4%	63	\$370	-1.3%	386	\$420	5.0%
Yarra Ranges	17	\$230	9.5%	68	\$320	7.0%	41	\$310	3.3%	234	\$360	2.9%
Eastern Metro	1,366	\$260	6.1%	2,291	\$370	2.8%	256	\$370	2.8%	1,924	\$400	1.3%
Bayside	99	\$315	-8.2%	272	\$425	-3.0%	28	\$473	-5.4%	138	\$650	1.9%
Cardinia	6	\$205	-16.3%	74	\$270	3.8%	16	\$300	7.1%	261	\$320	3.2%
Casey	16	\$258	17.3%	113	\$295	1.7%	39	\$300	5.3%	700	\$340	3.0%
Frankston	86	\$210	-8.7%	230	\$280	3.7%	43	\$295	5.4%	376	\$330	3.1%
Glen Eira	514	\$275	5.8%	774	\$390	2.6%	72	\$430	2.4%	241	\$510	-1.9%
Greater Dandenong	127	\$220	2.3%	435	\$290	4.7%	43	\$315	5.0%	328	\$340	3.0%
Kingston	100	\$265	1.9%	467	\$345	1.5%	37	\$375	4.2%	267	\$440	2.3%
Mornington Penin'a	16	\$228	6.0%	141	\$280	-1.8%	63	\$290	3.9%	412	\$350	6.1%
Port Phillip	836	\$335	1.5%	884	\$468	4.0%	94	\$595	8.2%	76	\$810	6.6%
Stonnington	1,249	\$315	1.6%	929	\$450	2.3%	98	\$580	11.5%	155	\$700	0.0%
Southern Metro	3,049	\$300	0.0%	4,319	\$380	0.0%	533	\$415	3.8%	2,954	\$350	0.0%

Table 13: Affordable lettings for local government areas (see note 8 on 'method' page 22)

March Quarter 2015	1 Bedroom		2 Bedrooms		3 Bedrooms		4+ Bedrooms		Total	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Alpine	0	0.0%	31	86.1%	30	66.7%	9	75.0%	70	74.5%
Ararat	4	100%	22	78.6%	40	80.0%	9	64.3%	75	78.1%
Ballarat	20	25.6%	176	56.1%	389	71.2%	120	66.3%	705	63.0%
Banyule	0	0.0%	5	1.2%	29	6.5%	28	22.8%	62	5.2%
Bass Coast	0	0.0%	33	55.9%	117	77.5%	38	86.4%	188	69.9%
Baw Baw	2	40.0%	37	59.7%	105	68.6%	60	88.2%	204	70.8%
Bayside	0	0.0%	2	0.6%	2	0.8%	0	0.0%	4	0.5%
Benalla	2	25.0%	26	86.7%	49	94.2%	7	100%	84	86.6%
Boroondara	0	0.0%	5	0.5%	8	1.8%	1	0.5%	14	0.6%
Brimbank	0	0.0%	44	17.1%	208	30.8%	80	53.3%	332	29.0%
Buloke	3	75.0%	5	100%	13	100%	1	100%	22	95.7%
Campaspe	8	66.7%	43	72.9%	63	66.3%	12	66.7%	126	68.5%
Cardinia	0	0.0%	8	7.8%	123	37.8%	130	69.5%	261	42.0%
Casey	0	0.0%	1	0.6%	157	19.6%	145	35.4%	303	21.8%
Central Goldfields	0	0.0%	20	90.9%	35	97.2%	9	100%	64	92.8%
Colac-Otway	2	16.7%	27	71.1%	58	86.6%	12	80.0%	99	75.0%
Corangamite	3	60.0%	15	93.8%	37	92.5%	4	100%	59	90.8%
Darebin	2	0.5%	13	1.6%	28	6.2%	12	14.6%	55	3.2%
East Gippsland	2	16.7%	57	63.3%	106	74.1%	43	84.3%	208	70.3%
Frankston	4	4.3%	45	16.4%	110	21.2%	42	29.0%	201	19.5%
Gannawarra	0	0.0%	13	92.9%	25	89.3%	2	100%	40	88.9%
Glen Eira	1	0.2%	5	0.6%	12	2.7%	12	9.0%	30	1.5%
Glenelg	4	50.0%	35	92.1%	60	89.6%	16	94.1%	115	88.5%
Golden Plains	1	100%	1	10.0%	12	44.4%	5	50.0%	19	39.6%
Greater Bendigo	3	7.5%	138	50.4%	327	61.9%	169	77.2%	637	60.0%
Greater Dandenong	0	0.0%	47	9.5%	79	16.9%	32	32.3%	158	13.3%
Greater Geelong	6	3.2%	115	19.0%	337	35.2%	152	44.8%	610	29.2%
Greater Shepparton	10	30.3%	105	70.5%	164	71.6%	50	69.4%	329	68.1%
Hepburn	0	0.0%	6	33.3%	20	55.6%	8	80.0%	34	51.5%
Hindmarsh	5	100%	6	100%	22	100%	1	100%	34	100%
Hobsons Bay	0	0.0%	6	2.1%	24	7.1%	6	10.7%	36	5.0%
Horsham	10	52.6%	41	77.4%	51	67.1%	12	70.6%	114	69.1%
Hume	0	0.0%	6	2.5%	134	23.4%	116	57.7%	256	24.9%
Indigo	3	60.0%	11	55.0%	31	77.5%	15	88.2%	60	73.2%
Kingston	0	0.0%	11	2.1%	13	3.1%	3	3.8%	27	2.4%
Knox	1	4.3%	1	0.6%	19	4.9%	14	10.2%	35	4.8%
Latrobe	20	44.4%	127	80.4%	259	82.7%	55	77.5%	461	78.5%
Loddon	2	100%	1	100%	10	100%	1	100%	14	100%
Macedon Ranges	0	0.0%	4	10.8%	18	20.5%	10	29.4%	32	19.4%
Manningham	0	0.0%	1	0.7%	1	0.4%	2	1.1%	4	0.6%
Mansfield	0	0.0%	9	69.2%	13	65.0%	7	77.8%	29	65.9%
Maribyrnong	2	0.7%	17	2.9%	30	8.9%	8	12.3%	57	4.5%
Maroondah	0	0.0%	7	2.8%	12	3.8%	7	9.2%	26	3.9%
Melbourne	3	0.1%	23	0.7%	16	3.2%	16	16.3%	58	0.7%
Melton	0	0.0%	21	28.4%	231	45.3%	203	70.2%	455	51.7%
Mildura	7	38.9%	88	79.3%	152	79.6%	57	87.7%	304	79.0%
Mitchell	0	0.0%	22	53.7%	105	80.2%	52	85.2%	179	76.2%
Moira	14	82.4%	36	80.0%	68	73.9%	13	68.4%	131	75.7%
Monash	2	0.8%	2	0.4%	17	2.2%	16	5.3%	37	2.0%
Moonee Valley	2	0.9%	2	0.3%	10	2.9%	4	7.3%	18	1.5%
Moorabool	2	28.6%	15	51.7%	36	59.0%	34	94.4%	87	65.4%
Moreland	0	0.0%	12	1.2%	25	4.3%	20	18.2%	57	2.6%
Mornington Penin'a	0	0.0%	33	15.7%	122	23.3%	31	17.3%	186	20.0%
Mount Alexander	0	0.0%	4	11.8%	21	44.7%	3	37.5%	28	30.1%
Moyne	na	na	6	46.2%	21	80.8%	10	76.9%	37	71.2%
Murrindindi	0	0.0%	11	64.7%	23	79.3%	7	77.8%	41	73.2%
Nillumbik	4	21.1%	0	0.0%	13	10.5%	75	61.5%	92	31.2%
Northern Grampians	6	85.7%	18	94.7%	31	100%	8	100%	63	96.9%
Port Phillip	1	0.1%	7	0.7%	5	2.4%	4	12.1%	17	0.8%
Pyrenees	na	na	3	100%	9	100%	2	100%	14	100%
Queenscliffe	0	0.0%	0	0.0%	2	66.7%	na	na	2	25.0%
South Gippsland	2	28.6%	24	70.6%	59	90.8%	17	94.4%	102	82.3%
Southern Grampians	2	40.0%	30	83.3%	36	90.0%	10	100%	78	85.7%
Stonnington	3	0.2%	2	0.2%	14	4.0%	2	2.2%	21	0.8%
Strathogbie	0	0.0%	13	92.9%	20	80.0%	4	80.0%	37	75.5%
Surf Coast	0	0.0%	4	8.7%	17	17.9%	5	7.0%	26	11.9%
Swan Hill	12	92.3%	39	83.0%	38	79.2%	14	93.3%	103	83.7%
Towong	2	100%	4	100%	13	100%	na	na	19	100%
Wangaratta	9	64.3%	41	83.7%	58	76.3%	20	90.9%	128	79.5%
Warrambbool	4	17.4%	58	50.9%	64	45.1%	10	32.3%	136	43.9%
Wellington	3	10.0%	37	57.8%	82	60.7%	29	60.4%	151	54.5%
West Wimmera	1	100%	1	100%	3	100%	1	100%	6	100%
Whitehorse	0	0.0%	7	1.4%	9	1.6%	17	8.9%	33	2.0%
Whittlesea	0	0.0%	8	3.5%	59	12.4%	128	61.8%	195	20.7%
Wodonga	4	19.0%	71	69.6%	88	54.7%	41	56.2%	204	57.1%
Wyndham	2	15.4%	23	12.6%	376	52.2%	353	61.5%	754	50.6%
Yarra	1	0.2%	6	0.7%	4	1.8%	3	6.0%	14	0.9%
Yarra Ranges	0	0.0%	2	1.8%	32	11.3%	7	11.7%	41	8.6%
Yarriambiack	2	100%	5	100%	19	100%	5	100%	31	100%
Total	208	1.8%	2,006	10.3%	5,278	27.9%	2,686	40.8%	10,178	17.9%

Table 14: Active rental properties by local government area

Local Government Area	Mar 2015	% change		Local Government Area	Mar 2015	% change	
		1 year	5 years			1 year	5 years
Alpine	775	-0.3%	23.6%	Mansfield	354	7.3%	16.1%
Ararat	666	-3.5%	34.5%	Maribyrnong	11,073	5.2%	42.9%
Ballarat	9,795	3.3%	32.2%	Maroondah	7,757	3.2%	26.4%
Banyule	10,150	3.2%	31.4%	Melbourne	38,853	8.5%	54.8%
Bass Coast	2,785	1.8%	21.6%	Melton	9,378	5.6%	73.4%
Baw Baw	2,667	5.4%	42.5%	Mildura	4,565	1.6%	17.0%
Bayside	7,124	3.7%	27.1%	Mitchell	2,178	7.1%	45.0%
Benalla	998	-1.6%	19.7%	Moira	1,754	0.9%	14.6%
Boroondara	17,904	3.1%	22.3%	Monash	14,688	1.9%	22.3%
Brimbank	13,599	2.7%	39.3%	Moonee Valley	10,778	2.6%	25.6%
Buloke	146	-2.0%	37.7%	Moorabool	1,456	-0.1%	54.1%
Campaspe	2,130	-1.6%	5.3%	Moreland	20,324	5.1%	38.4%
Cardinia	6,083	4.6%	65.6%	Mornington Peninsula	10,463	1.1%	21.4%
Casey	15,262	6.2%	42.5%	Mount Alexander	879	2.0%	3.2%
Central Goldfields	733	2.9%	27.0%	Moyne	621	0.8%	21.5%
Colac-Otway	1,192	1.3%	16.1%	Murrindindi	616	0.2%	26.7%
Corangamite	630	-3.2%	4.0%	Nilumbik	2,716	6.6%	87.1%
Darebin	16,662	2.1%	24.2%	Northern Grampians	651	-0.6%	3.7%
East Gippsland	2,841	2.6%	21.7%	Port Phillip	20,537	-1.0%	7.9%
Frankston	12,526	1.8%	25.1%	Pyrenees	195	-1.0%	50.0%
Gannawarra	478	-5.2%	12.5%	Queenscliffe	112	-4.3%	-13.8%
Glen Eira	18,762	1.5%	23.0%	South Gippsland	1,308	3.2%	25.3%
Glenelg	1,153	1.0%	24.1%	Southern Grampians	854	-0.8%	15.9%
Golden Plains	370	0.0%	30.7%	Stonnington	20,360	3.0%	30.8%
Greater Bendigo	9,247	3.6%	32.0%	Strathbogie	500	-0.8%	29.2%
Greater Dandenong	13,629	3.0%	30.5%	Surf Coast	1,972	1.6%	27.7%
Greater Geelong	19,095	3.4%	33.3%	Swan Hill	1,276	-2.9%	8.7%
Greater Shepparton	4,944	0.9%	18.6%	Towong	238	-8.1%	16.7%
Hepburn	756	3.8%	17.4%	Wangaratta	1,780	1.7%	22.5%
Hindmarsh	259	0.0%	19.4%	Warrnambool	3,120	1.3%	21.7%
Hobsons Bay	7,519	0.8%	20.5%	Wellington	2,658	3.5%	23.9%
Horsham	1,479	-1.9%	11.5%	West Wimmera	76	8.6%	7.0%
Hume	10,680	6.3%	64.7%	Whitehorse	13,531	2.9%	31.3%
Indigo	719	-0.4%	10.8%	Whittlesea	10,291	6.9%	63.4%
Kingston	12,417	1.5%	25.8%	Wodonga	3,772	2.1%	31.6%
Knox	8,347	2.4%	27.8%	Wyndham	16,280	4.0%	71.0%
Latrobe	5,716	0.2%	15.2%	Yarra	14,982	6.0%	32.0%
Loddon	169	-1.7%	19.9%	Yarra Ranges	6,160	1.2%	18.4%
Macedon Ranges	1,756	4.4%	19.3%	Yarriambiack	240	3.4%	15.9%
Manningham	6,277	1.9%	28.0%	Total	507,786	3.3%	32.1%

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 2011 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. Average tenancy duration is the mean. Median tenancy duration represents the mid point 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 into 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 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 that quarter.

10. Spreadsheets

Tables 1–14 are available for download in Excel format from the Department of Human Services website: www.dhs.vic.gov.au



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For further information about the Rental Report contact the Centre for Human Services Research and Evaluation. Email chsre@dhhs.vic.gov.au Telephone enquiries: 03 9096 7045

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