New price metric reveals the true cost of renting in Australian cities

Rent.com.au launches new measurement of rental costs per room in major cities

Thursday 20 Oct, 2016: Melbourne is one of the cheapest places in Australia to rent an apartment or house - but not an individual room, according to a new rental price metric launched today by Rent.com.au.

The Rent.com.au median room price metric shows that Sydney has the highest rental prices per room at almost $250 a week, followed by Canberra, Darwin and Melbourne.

City (metro area)	Median Room/wk	Median Property/wk
Sydney	$248	$520
Canberra	$183	$430
Darwin	$175	$470
Melbourne	$163	$380
Brisbane	$150	$400
Hobart	$135	$330
Perth	$130	$380
Adelaide	$125	$340

Rent.com.au CEO Greg Bader said the new price metric was a different way to look at the cost of a Rental, more accurate in a sense for people that share a home with others

"Much of the existing data about rental properties and prices is based on metrics developed for homeowners, like dwelling price. We've introduced the median room price metric, it goes someway to levelling the distortion around the type of property (flat, unit, house) and hope it provides another view that can be used by Australian renters," said Mr Bader.

"There are significant differences. For example, the data based on dwellings shows that it costs the same to rent per week in Perth and Melbourne. But that's not really true. The reality is that it costs renters more than $30 extra per room in Melbourne each week.

"The difference between Adelaide and Sydney is more than $120 per room. That extra cost per room has a serious impact for families as well as people who are looking to share a home with other renters. These are the sort numbers - designed specifically for renters, not homeowners - that have so far been hidden from view."

Mr Bader said Rent.com.au was dedicated to developing new services designed specifically for Australia's growing number of renters.

"So much of the public discussion around real estate in Australia is focused on owning property, but there's about 7 million people in Australia who rent their homes and we want them to be represented as well," Mr Bader said.

Housing affordability

A recent Rent.com.au survey found that long-term security and rental affordability were two of the biggest concerns held by Australian renters, and that families were the most common kind of renters - accounting for 40% of tenants.

Corrabare, NSW mother of three Tabatha, 43, said she had to move further out from the city as rental prices in metro areas increased.

"I'm in a position now where I've got a roof over my head, but for how long?" Tabatha said.

"I've moved 19 times since 2006. I moved house the day my 7-year-old was born. She's never had stability. I've taught my kids to respect where they live and I take care of the property, but I don't have a chance compared to renters with no kids."

More interviews with renter case studies are available on request.

About Rent.com.au

Rent.com.au is Australia's number one website dedicated to renters and rental property, and a leading advocate for the country's growing number of rental tenants. With a suite of services dedicated solely to rental properties, Rent.com.au helps renters, agents and landlords find the right fit.

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Rent.com.au Quarterly Report – October 2016

With thousands of listings added daily by both private landlords and property agents, Rent.com.au has one of the broadest databases of rental properties in Australia today. Rent.com.au has compiled a report based on property listing data from the July - September quarter (Q3) which illustrates the shift in median rental property prices (both metro and regional), rental affordability and search trends.

Metro summary

The average median rent across the country remained marginally stable at $404 for Q3 with only a 0.3 per cent increase from Quarter 2 (Q2).

Only one of the top Australian capitals saw an increase in median rent; Adelaide recorded a 3 per cent increase in its median rent from $330 in Q2 to $340 in Q3. Conversely, Sydney recorded a decrease; the New South Wales capital saw rents drop 1.9 per cent from Q2 to Q3, with median rents now sitting at $520.

Sydney still is the most expensive Australian city with affordability per room sitting at $248/pw whilst Perth is the most affordable capital city for renters at a median of $130/pw

By looking at dwelling type, Sydney continued to be skewed towards apartments comprising 58.6 per cent, while Perth's property makeup was 73.8 per cent houses.

Looking at Rent.com.au's Q3 search data, which is indicative of suburb desirability, Melbourne CBD was the highest searched suburb, followed by Adelaide, Perth and Sydney CBD. This indicates Australia's inner CBD areas are hot across all major capitals.

National observations

Change in median rent from Q2 to Q3				
LOCATIONS	Q2	Q3	% change	Median/rm
Sydney metro	$530	$520	↓1.9%	$248
Brisbane metro	$400	$400	0%	$150
Melbourne metro	$380	$380	0%	$163
Perth metro	$380	$380	0%	$130
Adelaide metro	$330	$340	↑3%	$125
Canberra metro	$450	$430	↓4.4%	$183
Darwin metro	$440	$470	↑6.8%	$175
Hobart metro	$260	$260	0%	$135
National	$415.70	$417.10	↑0.3%	$167.70

Rank	Top searches	
	Suburb	State
1	Melbourne CBD	VIC
2	Adelaide CBD	SA
3	Perth CBD	WA
4	Sydney CBD	NSW
5	Blacktown	NSW
6	Gold Coast	QLD
7	Brisbane	QLD
8	Parramatta	NSW
9	Liverpool	NSW
10	Southport	QLD

Rents across the regions

On a regional level, both Queensland and Western Australia saw an increase in their median rent across the quarter to $340 and $350, accordingly. Median rents remained healthy across the rest of the country, with no change in prices for NSW ($350), SA ($250) and Victoria ($270).

Renters could find the cheapest rentals in SA's regional areas in Q3, with a median rent of $250 per week.
-ends-

This report has been calculated from data specific to property listings activated on Rent.com.au between July and September 2016. Additional data is available on request.

For further information, please contact:
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About Rent.com.au

Rent.com.au is Australia's #1 website dedicated to rental property. As increasing numbers of Australians choose renting as a conscious lifestyle and investment choice, rent.com.au is set to become the home for renters in Australia. Focusing exclusively on the rental market for Australia's growing number of renters (30 % of the population), rent.com.au is today ranked one of the top 10 property websites in the country and is focused on delivering excellent services for renters and marketers of rental properties. Rent.com.au was established in 2007 and listed on the Australian Securities Exchange in June 2015. (ASX:RNT)

State and territory breakdown

NEW SOUTH WALES

- Median rent:
    - Sydney, which was the most expensive city for renters in September 2016 with a median weekly rent of $542, also recorded a decrease in the median rent, quarter to quarter.
    - Sydney is still the most expensive city for renters, with asking median rents at $520 in Q3, despite the $10 decrease quarter-to-quarter.
    - Properties in New South Wales (NSW) regional areas showed the median rent remained consistent between Q2 and Q3 at $350 per week.
- Affordability:
    - The median price per room in Sydney in Q3 was $248.
    - The top 5 most affordable suburbs were: Carramar ($300), Appin ($315), Blackett ($320), Emerton ($320) and Cabramatta ($330), while the top 5 most expensive suburbs in NSW in Q3 were: Seaforth ($1,200), South Coogee ($1,200), Castlecrag ($1,195), Barangaroo ($1,025) and Caringbah South ($1,025).

QUEENSLAND

- Median rent:
    - Queensland's regional areas saw the second highest increase in median rents, a $10 increase from $330 in Q2 to $340 in Q3.
    - QLD's capital, Brisbane, recorded an average median rent of $400 in Q3, consistent with the median rent in Q2.
    - Brisbane metro's median rent was just $6.25 less than the national average.
- Affordability:
    - The median price per room in Brisbane in Q3 was $150.
    - The top 5 most affordable suburbs were: Russell Island ($245), Macleay Island ($285), Woodridge ($290), Logan Central ($300) and Caboolture South ($300), while the top 5 most expensive suburbs in QLD in Q3 were: Newport ($650), Chapel Hill ($650), Reedy Creek ($590), Burleigh Waters ($585) and Brisbane CBD ($580).

VICTORIA

- Median rent:
    - Properties in Victoria (VIC) regional areas showed the median rent remained consistent between Q2 and Q3 at $270 per week.
    - Melbourne metro rentals saw no change in median rent from Q3 to Q2, sitting at $380.
    - Melbourne's property market makeup in Q3 was 43.4 per cent apartments and 56.5 per cent houses.
- Affordability:
    - The median price per room in Melbourne in Q3 was $163.
    - The top five most affordable suburbs were: Corio ($235), Norlane ($245), Ballan ($265), St Leonards ($270) and Frankston North ($280), while the top 5 most expensive suburbs in VIC in Q3 were: Albert Park ($700), Black Rock ($650), Clifton Hill ($630), Brighton East ($608) and North Melbourne ($590).

WESTERN AUSTRALIA

- Median rent:
    - Western Australia's (WA) regional areas saw a small increase of 1.45 per cent between the quarters, increasing from $345 to $350.
    - Perth's property market makeup in Q3 was 73.8 per cent houses, the highest number across the country.
    - Perth metro rentals saw no change in median rent from Q3 to Q2, sitting at $380.
- Affordability:
    - The median price per room in Perth in Q3 was $130.
    - The top five cheapest suburbs were: Safety Bay ($280), Wembley ($280), Girrawheen ($283), Armadale ($288) and Osborne Park ($290), while the top 5 most expensive suburbs in WA in Q3 were: Mount Claremont ($880), City Beach ($875), Gwelup ($650), North Fremantle ($645) and Stirling ($638).

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SOUTH AUSTRALIA

- Median rent:
    - Adelaide median rents rose 3.03 per cent from $330 in Q2 to $340 in Q3. Apartments and houses were the cheapest to rent in SA for the Q3 period. The median rent for apartments was $190 per week, while houses would set a renter back $255 per week.
    - Properties in South Australia (SA) regional areas showed the median rent remained consistent between Q2 and Q3 at $250 per week.
    - Adelaide showed it had the lowest percentage makeup of apartments in Q3 – only 25 per cent, with the remaining 75 per cent houses. Adelaide also recorded the highest percentage of house listings across the country.
    - Renters could find the cheapest regional rentals in SA during Q3, with a median rent of $250 per week.
- Affordability:
    - The median price per room in Sydney in Q3 was $125.
    - The top five most affordable suburbs were: Elizabeth Vale ($206), Elizabeth Grove ($225), Elizabeth South ($240), Devon Park ($243) and Elizabeth North ($255), while the top 5 most expensive suburbs in SA in Q3 were: Burnside ($583), West Lakes ($463), Eastwood ($450), Adelaide CBD ($450) and Kent Town ($450).

NORTHERN TERRITORY

- Median rent:
    - Darwin apartments and houses experienced an overall 6.8 per cent rise in median rent to $470 in Q3 from $440 in Q2
    - The Northern Territory (NT) saw the largest increase in rent overall in regional areas, rising 7.1 per cent in Q3 to $450 per week, from $420 (Q2).
    - The most expensive apartments in regional Australia could be found in the NT for $440 per week.

- Affordability:
    - The median price per room in Darwin in Q3 was $175.

AUSTRALIAN CAPITAL TERRITORY

- Median rent:
    - Median rents in Canberra dropped 4.4 per cent from $450 in Q2 to $430 in Q3.
    - Properties in Australian Capital Territory's (ACT) regional areas showed the median rent remained consistent between Q2 and Q3 at $450.
    - The ACT was in line with the NT as the two most expensive states to find rentals in Q3 at a median rent of $450 per week.
- Affordability:
    - The median price per room in Canberra in Q3 was $183.