

# Rental Report

September quarter 2011

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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)*.

## What's new?

In this edition of the Rental Report, we have renumbered some tables/figures and introduced some new information, particularly on regional Victoria.

\*Table 4 has been expanded with highest and lowest medians for both metropolitan Melbourne and for regional Victoria.

\*Figure 5b is a new map of the number of active bonds in regional Victoria.

\*Table 7 provides median tenancy duration as well as average or mean tenancy duration.

\*Table 8 is a new table on tenancy duration (median) and turnover by dwelling size.

\*Figures 9a and 9b are two new maps on rental market affordability in metropolitan Melbourne and regional Victoria.

\*Methodological notes in the text have been moved to 'Notes'.

## Trends in rents

In the twelve months to September 2011, the Metropolitan Rent Index (MRI) increased by 4.2 per cent. This annual rate of increase is below that of September 2010 (5.6 per cent) and below the average for the past decade (5.7 per cent).

The annual percentage change in the Regional Rent Index (RRI) for the September quarter was 6.0 per cent and below that of a year ago (7.1 per cent). The annual rate of increase in the RRI has been higher than the MRI since the June quarter 2009 and the ten year average increase is now 5.7 per cent, equal to the MRI ten year average increase.

## Rental supply trends

### New Lettings

Metropolitan Melbourne accounted for 79 per cent of all new lettings in Victoria. Across the state, the total number of new lettings this quarter was 46,460, an increase of 5.2 per cent over the September quarter 2010. In metropolitan Melbourne the number of new lettings increased by 6.3 per cent over the September quarter 2010. In regional Victoria the number of new lettings increased by 1.2 per cent.

### Rent Indices at a glance:

	Median Rent p.w	Quarterly Change*	Annual Change*
Melbourne	\$350	0.4%	4.2%
Regional Victoria	\$250	0.9%	6.0%
Victoria	\$330	0.5%	4.4%

\* percentage change figures are calculated from relevant Rent Index.'

## Active bonds

At the end of the September quarter 2011, the total number of active bonds held in Victoria was 409,447, which represents a growth of 4.9 per cent on the size of the rental market over the same quarter of 2010. The average annual growth in the rental market over the last ten years is 4.3 per cent.

## Turnover

Turnover continues to remain constant. The quarterly turnover rate for metropolitan Melbourne was 9.5 per cent (that is, 9.5 per cent of all bonds were refunded in the quarter). The quarterly turnover rate in regional Victoria was 10.5 per cent.

## Investor lending

Lending to residential property investors in Victoria has increased to \$5.89 billion in the September quarter 2011, 8.2 per cent below lending levels in the same quarter of 2010.

## Vacancy rates

The trend metropolitan vacancy rate continues upward. In September 2011 it was 2.5 per cent compared with 1.6 per cent in September 2010. Regional vacancy rates also continued their upward trend at 1.7 per cent in September 2011 compared with 0.9 per cent in the same period last year.



## Rental Affordability

Rental affordability in Victoria continues to be low. Across the state 20.4 per cent of all new lettings were affordable, down from 21.2 per cent in the September quarter 2010.

Metropolitan Melbourne continues to register low levels of rental affordability at 10.2 per cent, the highest since December 2009 (11.4 per cent).

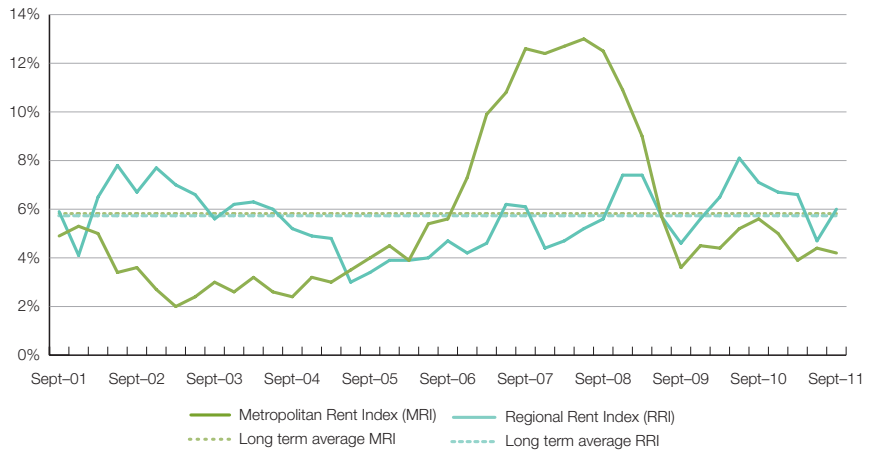
# Current rents

## Rent Indices

The Rent Indices control for changes from quarter to quarter in the share of new lettings between both geographic areas and property types. They are a better measure of changes in rents over time than the simple median price measure.

Figure 1 shows trends in the Metropolitan Rent Index (MRI) and the Regional Rent Index (RRI) over the past 10 years and Table 1 provides aggregate level rent indices and median rents information for the September quarter 2011.

**Figure 1: Metropolitan Rent Index and Regional Rent Index — annual percent change**



**Table 1: Median rents and rent indices (Sept quarter 2011)**

	Median Rent	Rent Index	Quarterly Change*	Annual Change*
<b>Melbourne</b>	\$350	196.0	0.4%	4.2%
<b>Regional Victoria</b>	\$250	190.4	0.9%	6.0%
<b>Victoria</b>	\$330	193.0	0.5%	4.4%

\* percentage change figures are calculated from relevant Rent Index.

## Current rents

### Metropolitan Rent Index

The annual increase in the MRI for the September quarter 2011 of 4.2 per cent was below that of a year ago (5.6 per cent). In comparison to previous years, the situation for renters has improved, with the annual increase of the MRI well below the peak for the past decade in the June quarter 2008 (13.0 per cent) but it is yet to return to the levels of the early to mid-2000s where the annual increase of the MRI for the September quarter was 3.0 per cent in 2003 and 2.4 per cent in 2004. However, it is still below the average for the past decade (5.7 per cent).

The quarterly rate of increase in the MRI was 0.4 per cent, well below that of the previous quarter (1.8 per cent) and slightly lower than the quarterly increase for the same quarter a year ago (0.6 per cent).

### Regional Rent Index

Conditions for regional renters remain difficult even though the annual rate of RRI increase in September quarter 2011 (6.0 per cent) is below that of the same period last year (7.1 per cent). The annual rate of increase in the RRI has been above that of the MRI since June quarter 2009 and the ten year average increase is now 5.7 per cent, equal to the MRI ten year average increase.

## Current median rents

### Median rents by region

Table 2 shows the median rents for new lettings in the September quarter for the 14 statistical regions used in this report.

Median rents in metropolitan Melbourne range from \$300 per week for the Western Melbourne region to \$420 for the Inner Melbourne region. In regional Victoria the highest median rent was recorded in the Barwon South West region (\$285 per week).

The highest annual percentage increase in median rents in metropolitan Melbourne was in Outer Eastern region (6.3 per cent), while Western Melbourne region had no annual increase.

For regional Victoria, the highest annual increase was in the Loddon-Mallee region (8.7 per cent), while the lowest increase was in the Gippsland region (4.3 per cent).

**Table 2: Median rents by statistical region (Sept quarter 2011)**

Region	Median Rent	Quarterly Change	Annual Change
Inner Melbourne	\$420	0.0%	5.0%
Inner Eastern Melbourne	\$385	1.3%	1.3%
Southern Melbourne	\$385	1.3%	1.3%
Western Melbourne	\$300	0.0%	0.0%
North Western Melbourne	\$340	0.0%	3.0%
North Eastern Melbourne	\$340	0.0%	3.0%
Outer Eastern Melbourne	\$340	0.0%	6.3%
South Eastern Melbourne	\$315	1.6%	5.0%
Mornington Peninsula	\$305	-1.6%	3.4%
Barwon-South West	\$285	1.8%	7.5%
Gippsland	\$240	-4.0%	4.3%
Goulburn-Ovens-Murray	\$230	0.0%	4.5%
Loddon-Mallee	\$250	4.2%	8.7%

### Median rents by major property types

Table 3 provides the median rents for new lettings in September 2011 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.

The metropolitan Melbourne median for two bedroom flats (\$350 per week) is similar to that for two and three bedroom houses (\$360 and \$340 per week respectively).

Annual increases for new lettings in metropolitan Melbourne property types ranged from 2.8 per cent for four bedroom houses, to 5.3 per cent for two bedroom flats.

In regional Victoria, the annual rent increases for new lettings ranged from 3.7 per cent for one bedroom flats to 7.5 per cent for two bedroom flats.

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 (Sept quarter 2011)**

	Property Type	Median Rent	Quarterly Change*	Annual Change*
<b>Melbourne</b>	1 Bed Flat	\$300	0.8%	4.4%
	2 Bed Flat	\$350	1.2%	5.3%
	3 Bed Flat	\$380	0.1%	3.3%
	2 Bed House	\$360	-0.6%	4.1%
	3 Bed House	\$340	-0.7%	3.5%
	4 Bed House	\$380	0.7%	2.8%
<b>Regional Victoria</b>	1 Bed Flat	\$150	0.0%	3.7%
	2 Bed Flat	\$210	1.8%	7.5%
	3 Bed Flat	\$280	1.6%	5.2%
	2 Bed House	\$220	1.7%	7.2%
	3 Bed House	\$260	0.0%	5.1%
	4 Bed House	\$340	2.3%	6.8%

\* percentage change figures are calculated from relevant Rent Index.

### Moving annual median rents by suburb or town

Figure 2 and Figure 3 show the moving annual median rents in 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, inner parts of the North Western and North Eastern Melbourne regions and the Inner Eastern and Southern Melbourne regions.

Table 11 (see page 16) 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.)

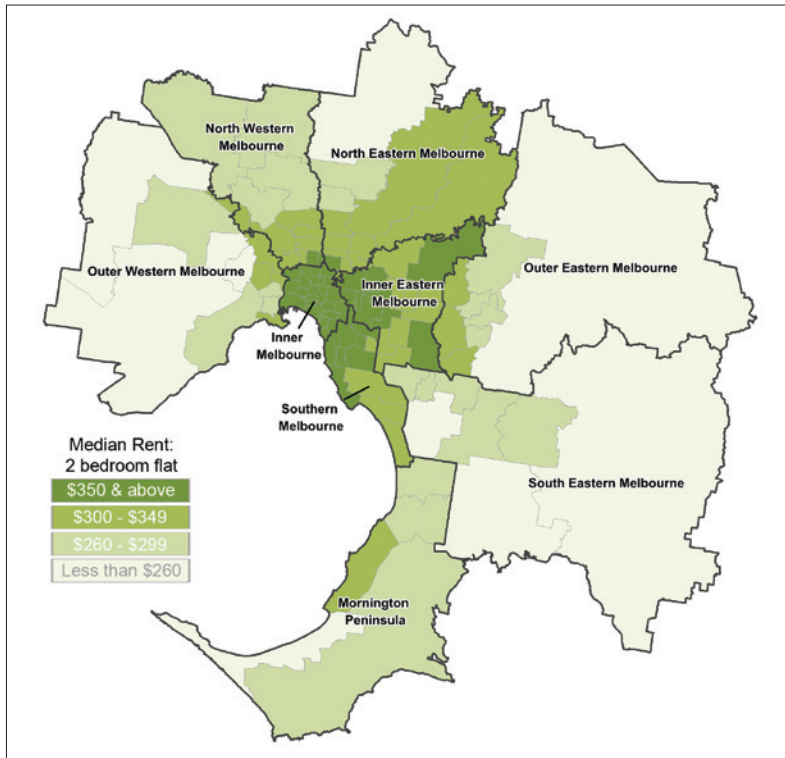
For two bedroom flats in the metropolitan area the suburbs with the highest annual increases in moving annual median rents to September quarter were Fitzroy (17.4 per cent), North Melbourne-West Melbourne (15.8 per cent), Northcote (14.3 per cent), Dromana-Portsea (13.6 per cent), Brighton

(12.5 per cent), Mt Eliza-Mornington-Mt Martha (11.1 per cent), Sunshine (11.1 per cent) and East Brunswick (10.8 per cent). Moving annual median rents for two bedroom flats decreased in Thornbury (-3.1 per cent) and Brighton East (-2.6 per cent).

For regional Victoria the towns with the highest annual increases in moving median rents for two bedroom flats to September quarter were North Bendigo (18.9 per cent), Seymour (16.7 per cent) Bendigo (13.5 per cent), Mount Clear-Buninyong (12.8 per cent), Corio (12.2 per cent), Ocean Grove-Barwon Heads (12.0 per cent), Castlemaine (11.9 per cent), Torquay (11.7 per cent), Lara (10.9 per cent), Wendouree-Alfredton (10.5 per cent), Morwell (10.3 per cent) and, Ballarat and Flora Hill-Bendigo East (10.0 per cent).

The highest annual increases in moving median rents for three bedroom houses in metropolitan Melbourne to September quarter were Brunswick (14.7 per cent), Richmond-Burnley (13.5 per cent), Prahran-Windsor (13.3 per cent), Malvern East (11.6 per cent), Williamstown (10.4 per cent) and Northcote (10.0 per cent).

**Figure 2: Moving annual median rents for 2 bedroom flats in metropolitan Melbourne (Sept quarter 2011)**

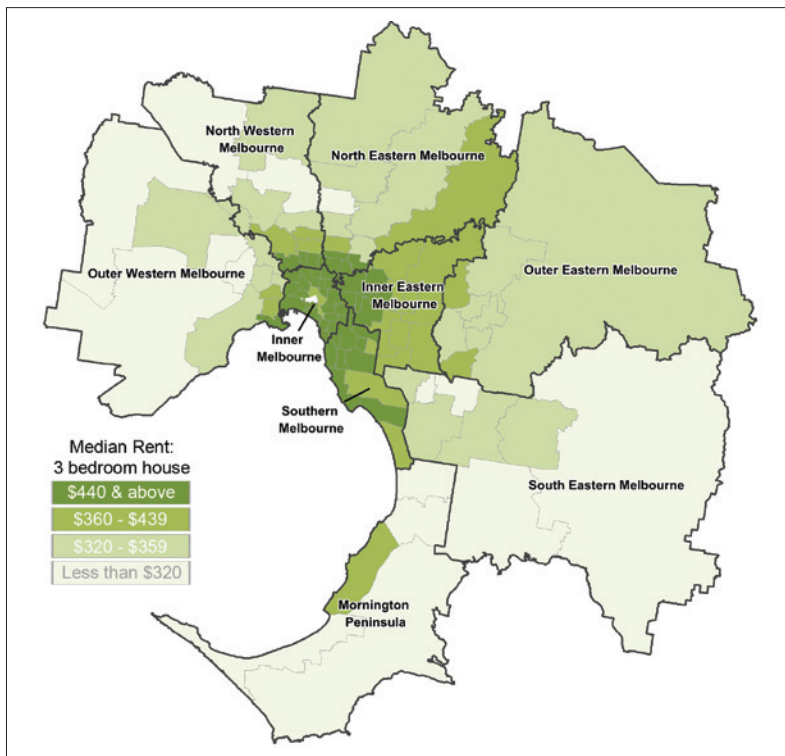


Moving annual median rents for three bedroom houses decreased in Toorak (-12.8 per cent), East Melbourne (-8.3 per cent), Ivanhoe-Ivanhoe East (-4.3 per cent), East Brunswick (-3.8 per cent) Keilor (-2.9 per cent) and Port Melbourne (-1.1 per cent).

For regional Victoria, the towns with the highest annual increases in moving median rents for three bedroom houses to September quarter were Seymour (15.0 per cent), Ocean Grove-Barwon Heads (13.3 per cent), Newtown (13.2 per cent), Castlemaine (12.0 per cent), Herne Hill-Geelong West (10.7 per cent) and Belmont-Grovedale (10.0 per cent).

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

**Figure 3: Moving annual median rents for 3 bedroom houses in metropolitan Melbourne (Sept quarter 2011)**



**Table 4: Highest and lowest median rents in metropolitan Melbourne and regional Victoria (Sept quarter 2011)**

### 2 bedroom flats

<b>Melbourne</b>			
Where are median rents highest?		Where are median rents lowest?	
Docklands	\$575	Melton	\$220
Port Melbourne	\$550	Werribee-Hoppers Crossing	\$240
Southbank	\$550	Cranbourne	\$250
Fitzroy	\$540	Dandenong	\$250
CBD-St Kilda Rd	\$515	Dromana-Portsea	\$250
South Melbourne	\$500	Pakenham	\$250
		St Albans-Deer Park	\$250
		Sunshine	\$250
<b>Regional Victoria</b>			
Ocean Grove-Barwon Heads	\$280	Moe-Newborough	\$135
Newtown	\$270	Morwell	\$160
Geelong-Newcombe	\$268	Horsham	\$170
Torquay	\$268	Mildura	\$170
Belmont-Grovedale	\$260	Portland	\$170
		Wangaratta	\$170
		Seymour	\$175

### 3 bedroom houses

<b>Melbourne</b>			
Where are median rents highest?		Where are median rents lowest?	
East Melbourne	\$825	Melton	\$260
Toorak	\$780	Werribee-Hoppers Crossing	\$280
Albert Park-Middle Park-West St	\$750	St Albans-Deer Park	\$290
Brighton	\$725	Dromana-Portsea	\$295
Malvern	\$725		
<b>Regional Victoria</b>			
Torquay	\$370	Morwell	\$190
Newtown	\$368	Moe-Newborough	\$203
Ocean Grove-Barwon Heads	\$340	Horsham	\$220
Belmont-Grovedale	\$330	Portland	\$220
Herne Hill-Geelong West	\$310		
Warrnambool	\$310		

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 September quarter 2011 data tables available for download from the Office of Housing website: [www.dhs.vic.gov.au/about-the-department/documents-and-resources/research,-data-and-statistics/current-rental-report](http://www.dhs.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 September quarter 2011. Metropolitan Melbourne accounted for 79 per cent of all new lettings in Victoria. Across the state the total number of new lettings was 46,460, an increase of 5.2 per cent on the same quarter of 2010. Metropolitan Melbourne recorded an increase of 6.3 per cent in new lettings and regional Victoria an increase of 1.2 per cent on the same quarter of last year.

Table 6 lists the total number of new lettings across each of the 14 statistical regions. Eight of the nine metropolitan regions recorded increases in the number of new lettings on the same quarter of 2010. Inner Melbourne was the only metropolitan region to register a decline in the number of new lettings between September quarter 2010 and September quarter 2011 (-1.8 per cent).

In regional Victoria, four of the five regions had increases in new lettings since the September quarter of 2010. Loddon-Mallee was the only region to register a decline in new lettings over the last year (-3.1 per cent).

### 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 September quarter 2011, the total number of active bonds held in Victoria was 409,447, an increase of 4.9 per cent on the size of the rental market over the same quarter of 2010. The average annual increase in the rental market over the last ten

**Table 5: Overall new lettings for Melbourne, regional Victoria and Victoria (Sept quarter 2011)**

	Sept-11	Sept-10	Change
Melbourne	36,485	34,326	6.3%
Regional Victoria	9,975	9,857	1.2%
Victoria	46,460	44,183	5.2%

**Table 6: New lettings for statistical regions Victoria (Sept quarter 2011)**

	Sept-11	Sept-10	Change
Inner Melbourne	8,661	8,822	-1.8%
Inner Eastern Melbourne	4,658	4,268	9.1%
Southern Melbourne	3,327	3,107	7.1%
Western Melbourne	5,571	4,992	11.6%
North Western Melbourne	3,354	3,116	7.6%
North Eastern Melbourne	3,591	3,235	11.0%
Outer Eastern Melbourne	1,942	1,790	8.5%
South Eastern Melbourne	3,127	2,899	7.9%
Mornington Peninsula	2,254	2,097	7.5%
Barwon-South West	2,731	2,697	1.3%
Gippsland	1,985	1,966	1.0%
Goulburn-Ovens-Murray	2,056	1,980	3.8%
Loddon-Mallee	1,755	1,811	-3.1%
Central Highlands-Wimmera	1,448	1,403	3.2%

years is 4.3 per cent. The number of active bonds continued to increase at a faster rate in Melbourne (5.1 per cent) than in regional Victoria (4.2 per cent), continuing a trend started in September quarter 2009.

Figure 4 shows trends in active bonds for the past five years. For the past two quarters (June and September) the rate of increase in active bond numbers has remained at 4.9 per cent, above the average increase for the past ten years (4.3 per cent) but below the average increase for the past five years (5.7 per cent).

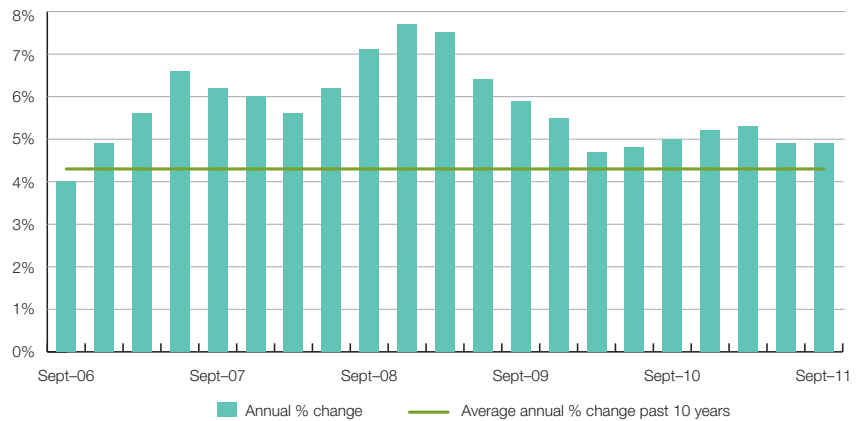
Figure 5a illustrates the distribution of active bonds by suburb for metropolitan Melbourne. Suburbs with the highest supply of rental housing as indicated by active tenancies are Werribee-Hoppers Crossing (3.0 per cent of



active metropolitan bonds), the CBD-St Kilda Road precinct (2.9 per cent), Altona (2.2 per cent), Frankston (2.0 per cent), St Kilda (1.8 per cent), South Yarra (1.7 per cent), Carlton-Parkville (1.7 per cent), Bundoora-Greensborough-Hurstbridge (1.6 per cent) and Croydon-Lilydale (1.6 per cent). The map highlights the availability of rental housing in some outer/fringe metropolitan suburbs as well as the more traditional inner urban areas.

Figure 5b illustrates the distribution of active bonds by local government area (LGA) for regional Victoria. LGAs with the highest supply of rental housing as indicated by active tenancies are Greater Geelong (17.7 per cent of active bonds in regional Victoria), Ballarat (9.0 per cent), Greater Bendigo (8.5 per cent), La Trobe (5.8 per cent), Greater Shepparton (4.9 per cent), Mildura (4.7 per cent), Wodonga (3.6 per cent) and Surf Coast (3.3 per cent).

**Figure 4: Total active residential rental bonds, Victoria — annual percent change (Sept 2006 – Sept 2011)**



**Figure 5a: Number of active bonds by suburb for metropolitan Melbourne (Sept quarter 2011)**

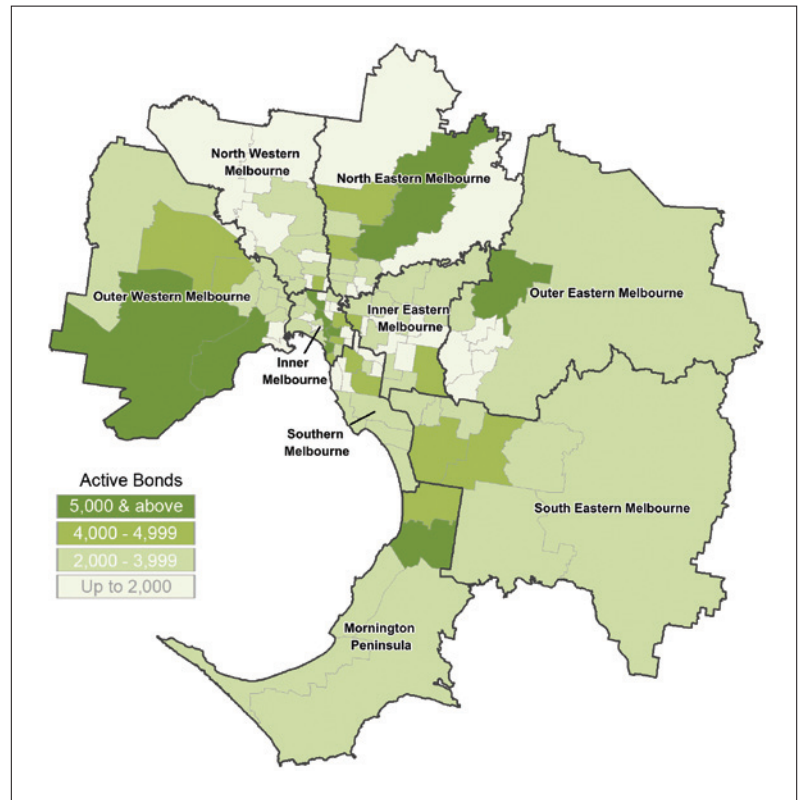
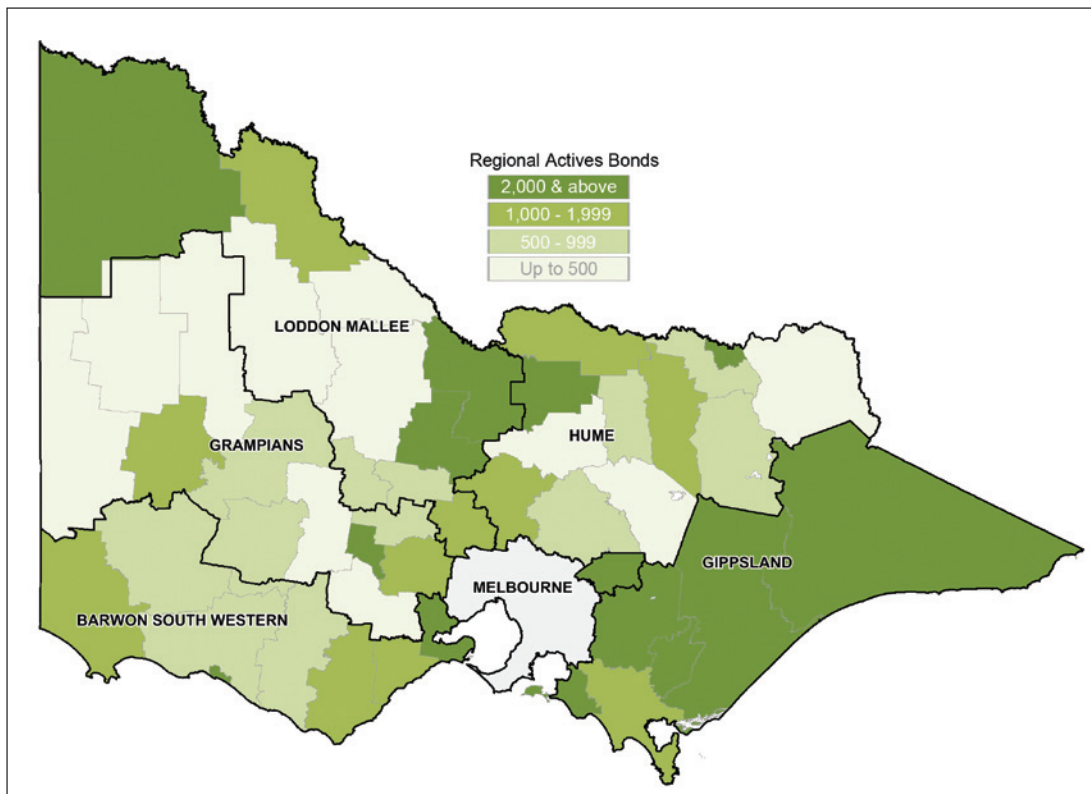


Figure 5b: Number of active bonds by Local Government Area for regional Victoria (Sept quarter 2011)



### 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 average and median length of tenancies (based on bond refunds during the quarter) for both metropolitan Melbourne and regional Victoria. For the September quarter 2011 the quarterly turnover rate for metropolitan Melbourne was 9.5 per cent (that is, 9.5 per cent of all bonds were refunded in the quarter), which is slightly higher than the rate of a year earlier (9.4 per cent).

The turnover rate in regional Victoria has been consistently higher than the Metropolitan area but the gap is closing. For the September

quarter 2011 the regional turnover rate was 10.5 per cent, which is slightly lower than the rate of a year earlier (10.6 per cent).

The median rather than the mean or average is a better measure of tenancy duration and has been added to this Rental Report. The median length of tenancy for bonds refunded in the September quarter 2011 was 17 months for metropolitan Melbourne and 15 months for regional Victoria.

Table 7: Tenancy duration and turnover (Sept quarter 2011)

		Sept-11	Sept-10
<b>Melbourne</b>	Average (mean) tenancy duration	26.1	26.2
	Turnover rate	9.5%	9.4%
	Median tenancy duration	17	17
<b>Regional Victoria</b>	Average (mean) tenancy duration	22.4	22.3
	Turnover rate	10.5%	10.6%
	Median tenancy duration	15	15

**Notes:**

1. Average and median duration (months) from bond lodgement date to bond claim date for refunds in that quarter
2. Bond refunds (moving annual total) as % of total active bonds
3. Median tenancy duration was first reported in September quarter 2011



**Table 8: Median tenancy duration and turnover by dwelling size (Sept quarter 2011)**

	Metropolitan Melbourne		Regional Victoria	
	Duration	Turnover	Duration	Turnover
<b>1 bedroom</b>	14	12.0%	14	10.5%
<b>2 bedrooms</b>	18	9.5%	15	10.1%
<b>3 bedrooms</b>	18	9.1%	15	10.5%
<b>4+ bedrooms</b>	16	9.8%	15	10.3%
<b>All properties</b>	17	9.8%	15	10.3%

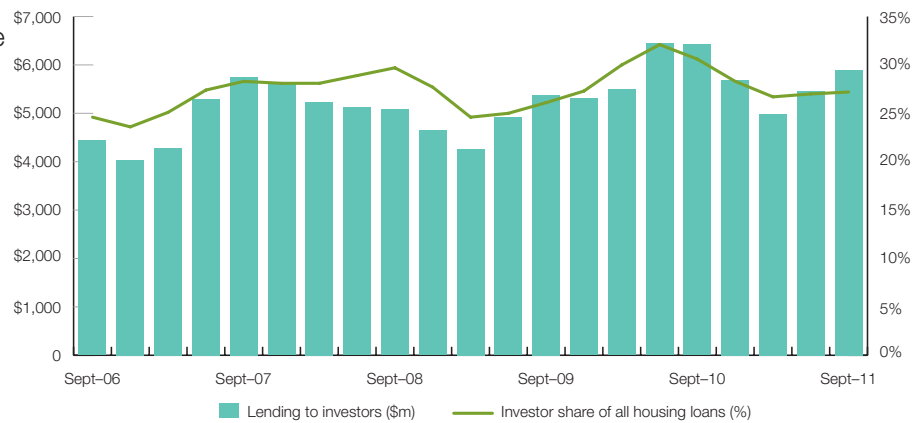
Table 8 is a new table which shows the median length of tenancies and turnover by dwelling size for both metropolitan Melbourne and regional Victoria. The table shows that for 1-bedroom dwellings the median length of tenancies is lower (14 months) and the turnover rate higher (12.0 per cent in metropolitan Melbourne and 10.5 per cent in regional Victoria).

### 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 September quarter 2011, lending to investors in Victoria was \$5.89 billion which was 27.2 per cent of the total lending for the purchase or construction of dwellings. This is 8.2 per cent lower than the level of lending to investors in the same quarter of 2010 and but 7.8 per cent higher than last quarter.

**Figure 6: Lending to investors in residential housing, Victoria**



### Vacancy Rate

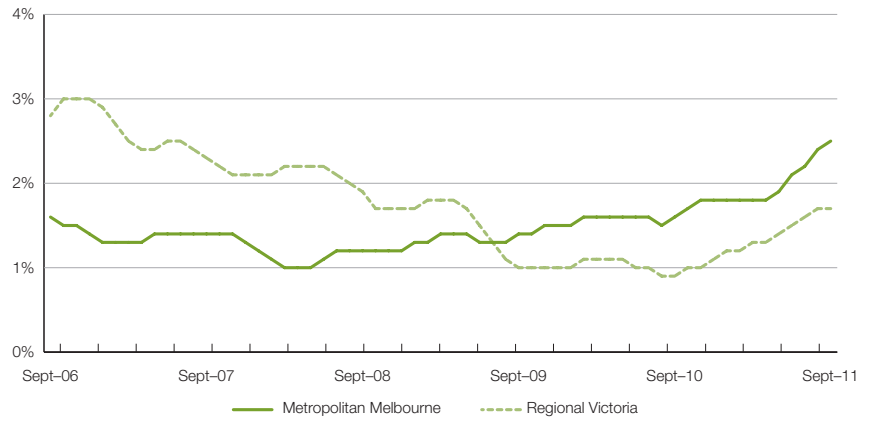
Figure 7 shows the trend vacancy rate over the past five years for metropolitan Melbourne and regional Victoria.

The trend vacancy rate for metropolitan Melbourne continues upwards. In September 2011 it was 2.5 per cent - higher than in September last year (1.6 per cent) and higher than in June 2011 (2.1 per cent). The trend vacancy rate reached its lowest point in early 2008. The current vacancy rate remains low in historical terms and is indicative of an ongoing tight supply situation. The average vacancy rate for the period January 2000 to December 2005 was 3.6 per cent but from January 2006 to the current quarter, the average vacancy rate has been 1.5 per cent.



Regional Victoria’s trend vacancy rate also continues upward at 1.7 per cent in September 2011 compared with 0.9 per cent in September last year and 1.5 per cent in June 2011. However, it still continues below the trend metropolitan rate. From May 2005 to July 2009 regional Victoria’s trend rate was above the metropolitan rate. Since that time the regional trend rate has been on average 0.5 per cent below the metropolitan rate.

**Figure 7: Rental vacancy rate – trend**



## 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 September quarter 2011, 20.4 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.

From the September quarter 2005 (30.2 per cent) to the March quarter 2011 (7.0 per cent) the availability of affordable housing in metropolitan Melbourne has generally declined. The past two quarters, however, have shown some recovery with 10.2 per cent of dwellings let in the September quarter affordable. This figure is above the same quarter 2010 (9.1 per cent) as well as the June quarter 2011 (9.5 per cent).

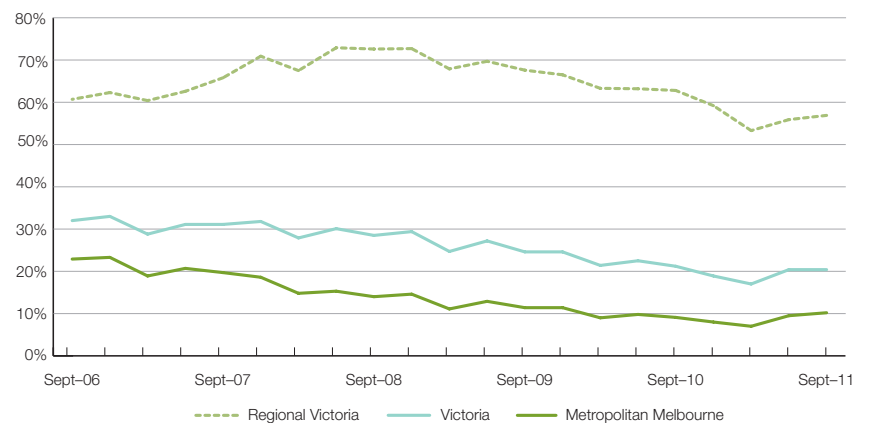
Regional Victoria has followed a similar trend. From a high of 82.7 per cent in September quarter 2002 to a low of 53.3 per cent in March quarter 2011. Again, the past two

quarters have shown some recovery with 56.9 per cent of dwellings affordable in the September quarter, below that of the same quarter in 2010 (62.8 per cent) but above the previous quarter (55.9 per cent).

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 0.5 per cent of one bedroom dwellings let in the September 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 (Sept quarter 2011)**

Household type		Singles on Newstart	Single Parent with 1 child	Couple on Newstart with 2 children	Couple on Newstart with 4 children	Total
<b>Assumed property size</b>		<b>1 bedroom</b>	<b>2 bedroom</b>	<b>3 bedroom</b>	<b>4+ bedroom</b>	-
Weekly income (net of RA)		\$237	\$486	\$698	\$902	-
Affordable weekly rent		\$130	\$215	\$280	\$350	-
<b>Affordable rentals (number)</b>	Metropolitan	27	258	1,763	1,357	3,405
	Regional	212	1,339	2,968	779	5,298
	State total	239	1,597	4,731	2,136	8,703
<b>Affordable rentals (% of total)</b>	Metropolitan	0.5%	2.3%	14.2%	32.9%	10.2%
	Regional	35.8%	50.3%	61.8%	62.0%	56.9%
	State total	4.0%	11.4%	27.5%	39.7%	20.4%



For a single parent with one child on Centrelink income, the proportion of two bedroom dwellings across Melbourne which were affordable was 2.3 per cent. 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. A couple on Newstart with four dependent children would be able to afford 32.9 per cent of four bedroom new lettings in Melbourne in the September quarter up from 26.2 per cent in the previous quarter.

### Trends by region

Table 10 shows the availability of affordable lettings for each of the statistical regions of Victoria. These affordability figures show the higher cost of housing in Melbourne.

In regional terms, the Western, South Eastern and Mornington Peninsula regions of metropolitan Melbourne consistently have the highest proportion of new lettings which are affordable to lower income households. In regional Victoria, the Barwon-South West region has the lowest availability of affordable rentals.

### 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, are two new maps which shows the proportion of affordable dwellings in each local government area (LGA) across metropolitan Melbourne and regional Victoria. LGAs with highest proportion of affordable dwellings in metropolitan Melbourne are Melton (55.0 per cent), Wyndham (54.2 per cent),

Cardinia (35.2 per cent) and Brimbank (30.7 per cent). The LGAs with lowest proportion are Boroondara, Manningham, Port Phillip, Bayside, Melbourne, Stonnington, Yarra, Whitehorse, Moreland, Glen Eira and Moonee Valley (all with less than 2.0 per cent)

The LGAs with the highest proportion of affordable dwellings in regional Victoria are Buloke and West Wimmera (100 per cent), Yarriambiack, Hindmarsh, Northern Grampians, Loddon, Gannawarra and Central Goldfields (all above 90 per cent). The LGAs with the lowest proportion of affordable dwellings are Surf Coast, Macedon Ranges, Queenscliffe, Greater Geelong and Warrnambool (all with less than 30.0 per cent).

**Figure 9a: Affordable dwellings in metropolitan Melbourne (Sept quarter 2011)**

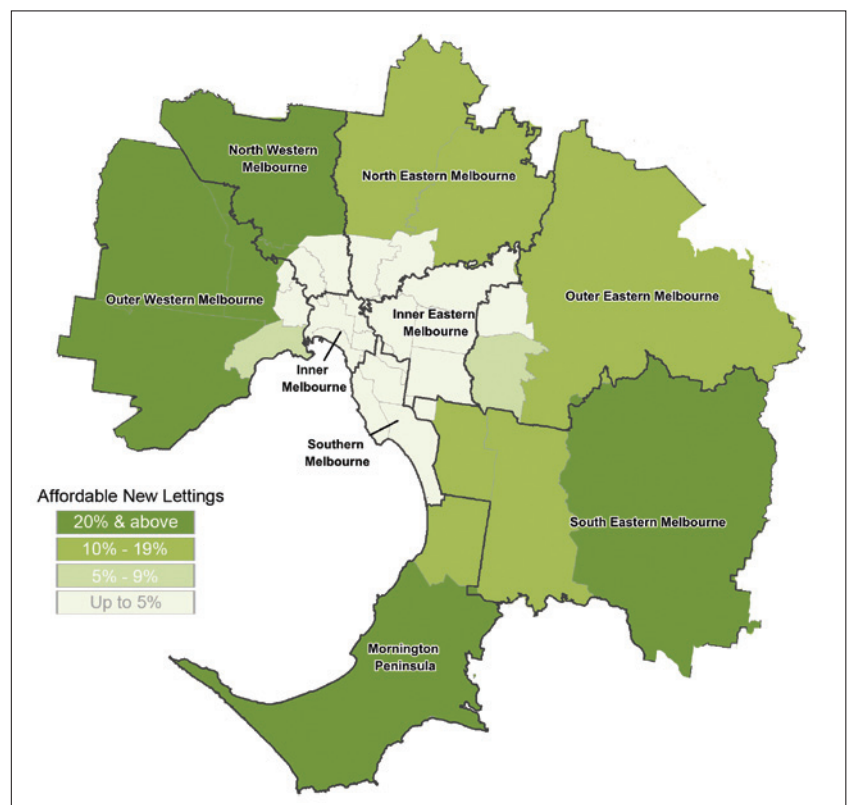


Figure 9b: Affordable dwellings in regional Victoria (Sept quarter 2011)

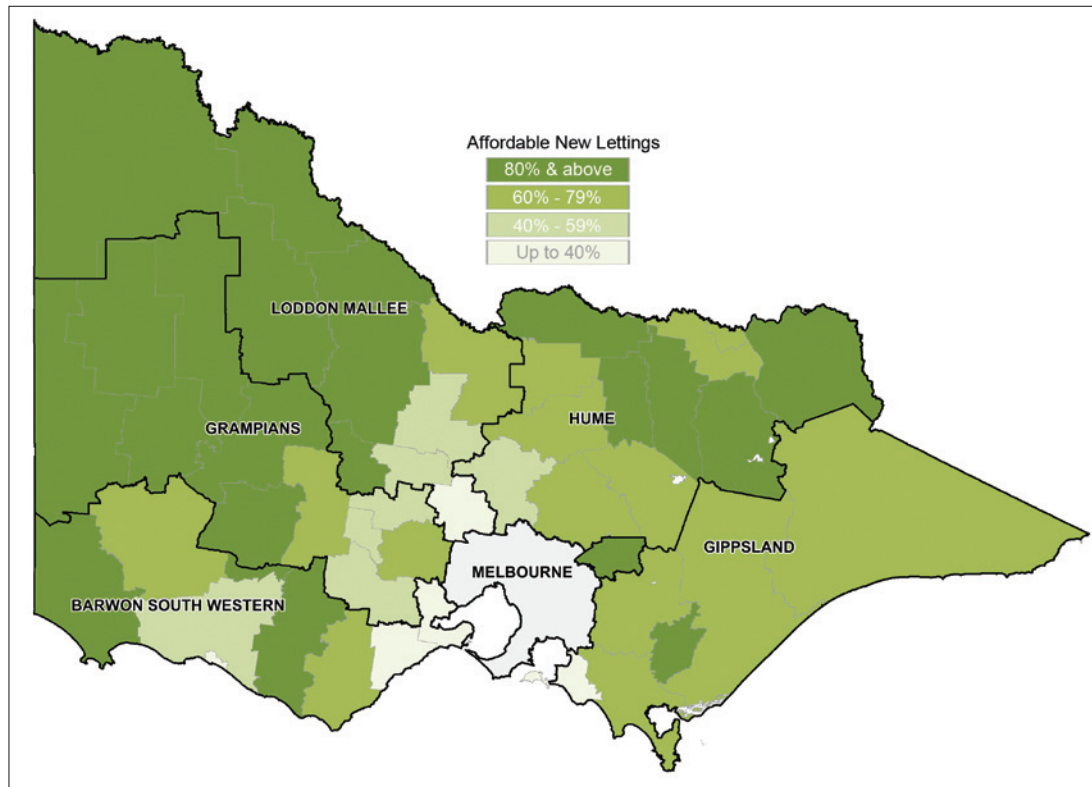


Table 10: Affordable lettings for indicative households (see table 9) on Centrelink incomes (Sept quarter 2011)

Region	1 Bedroom		2 Bedroom		3 Bedroom		4+ Bedroom		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Inner Melbourne	4	0.1%	32	0.9%	17	1.9%	12	7.2%	65	0.9%
Inner Eastern Melbourne	6	1.0%	11	0.7%	29	1.8%	22	3.5%	68	1.6%
Southern Melbourne	1	0.2%	21	1.6%	14	1.5%	16	5.9%	52	1.7%
Western Melbourne	5	1.8%	75	7.0%	884	33.9%	775	66.4%	1,739	34.0%
North Western Melbourne	1	0.2%	16	1.4%	97	8.0%	100	34.5%	214	6.9%
North Eastern Melbourne	2	0.5%	11	0.9%	101	7.1%	82	19.8%	196	5.7%
Outer Eastern Melbourne	4	7.0%	14	2.7%	63	6.3%	34	12.1%	115	6.2%
South Eastern Melbourne	1	0.9%	30	4.7%	252	17.0%	227	37.3%	510	18.0%
Mornington Peninsula	3	4.2%	48	9.1%	306	25.5%	89	28.9%	446	21.2%
<i>Metropolitan Melbourne</i>	27	0.5%	258	2.3%	1,763	14.2%	1,357	32.9%	3,405	10.2%
Barwon-South West	21	11.0%	194	26.1%	528	40.0%	114	36.9%	857	33.5%
Gippsland	56	46.7%	291	60.9%	678	70.8%	189	69.5%	1,214	66.4%
Goulbourn-Ovens-Murray	50	55.6%	418	68.0%	713	75.0%	204	72.1%	1,385	71.4%
Loddon-Mallee	38	44.2%	237	52.4%	542	62.2%	142	69.3%	959	59.4%
Central Highlands-Wimmera	47	44.3%	199	53.2%	507	72.0%	130	69.1%	883	64.4%
<i>Regional Victoria</i>	212	35.8%	1,339	50.3%	2,968	61.8%	779	62.0%	5,298	56.9%
<i>Victoria</i>	239	4.0%	1,597	11.4%	4,731	27.5%	2,136	39.7%	8,703	20.4%

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

Sept Quarter 2011	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
<b>Inner Melbourne</b>												
Albert Park-Middle Park-West St Kilda	254	\$320	6.7%	169	\$430	7.5%	87	\$530	1.8%	74	\$750	7.1%
Armadale	163	\$300	5.3%	254	\$385	4.1%	32	\$535	7.0%	42	\$645	1.6%
Carlton North	45	\$295	3.5%	107	\$400	5.3%	68	\$478	3.9%	52	\$600	0.0%
Carlton-Parkville	1787	\$311	2.6%	672	\$450	1.1%	44	\$465	8.1%	34	\$630	1.2%
CBD-St Kilda Rd	2574	\$380	2.7%	2196	\$515	3.0%	-	-	-	-	-	-
Collingwood-Abbotsford	207	\$310	12.7%	176	\$478	3.9%	81	\$460	2.2%	56	\$565	2.7%
Docklands	335	\$435	6.1%	466	\$575	4.5%	-	-	-	-	-	-
East Melbourne	178	\$360	2.9%	219	\$480	3.2%	-	-	-	14	\$825	-8.3%
East St Kilda	436	\$280	5.7%	705	\$371	6.0%	48	\$500	4.0%	54	\$628	7.4%
Elwood	526	\$300	3.4%	813	\$400	5.3%	21	\$550	10.0%	73	\$700	0.7%
Fitzroy	184	\$350	16.7%	166	\$540	17.4%	56	\$498	3.8%	40	\$650	0.0%
Fitzroy North-Clifton Hill	113	\$280	3.7%	197	\$400	2.6%	119	\$470	4.4%	85	\$600	4.3%
Flemington-Kensington	247	\$295	9.3%	520	\$370	2.8%	158	\$410	2.5%	109	\$500	6.4%
North Melbourne-West Melbourne	513	\$290	3.6%	606	\$417	15.8%	73	\$470	11.9%	41	\$550	0.0%
Port Melbourne	275	\$415	5.1%	449	\$550	5.8%	108	\$533	12.2%	94	\$688	-1.1%
Prahran-Windsor	698	\$295	5.4%	544	\$420	7.7%	34	\$500	3.1%	95	\$680	13.3%
Richmond-Burnley	548	\$320	6.7%	509	\$475	4.4%	275	\$500	9.9%	175	\$650	13.5%
South Melbourne	207	\$390	1.8%	194	\$500	4.2%	77	\$520	11.8%	40	\$695	6.9%
South Yarra	1086	\$330	3.1%	827	\$450	4.7%	74	\$520	6.1%	57	\$700	0.7%
Southbank	381	\$415	1.2%	657	\$550	7.8%	-	-	-	-	-	-
St Kilda	1185	\$320	6.7%	913	\$410	3.8%	39	\$530	7.6%	44	\$600	3.4%
Toorak	215	\$300	5.3%	262	\$430	7.5%	-	-	-	37	\$780	-12.8%
<b>Inner Melbourne — Total</b>	<b>12,157</b>	<b>\$330</b>	<b>3.1%</b>	<b>11,621</b>	<b>\$457</b>	<b>3.9%</b>	<b>1,511</b>	<b>\$490</b>	<b>8.9%</b>	<b>1,221</b>	<b>\$640</b>	<b>6.7%</b>
<b>Inner Eastern Melbourne</b>												
Balwyn	11	\$300	7.1%	210	\$355	2.2%	54	\$378	-0.5%	230	\$480	6.7%
Blackburn	30	\$230	6.7%	135	\$335	8.1%	39	\$340	0.0%	255	\$385	4.1%
Box Hill	349	\$231	-1.7%	487	\$330	3.1%	71	\$350	0.7%	287	\$395	2.6%
Bulleen-Templestowe-Doncaster	56	\$261	4.4%	199	\$340	4.6%	27	\$320	0.0%	338	\$393	3.4%
Burwood-Ashburton	165	\$230	2.2%	118	\$350	0.0%	80	\$370	5.7%	274	\$400	0.0%
Camberwell-Glen Iris	225	\$280	12.0%	589	\$370	5.7%	60	\$420	8.4%	233	\$560	9.8%
Canterbury-Surrey Hills-Mont Albert	15	\$255	-1.0%	282	\$360	2.9%	40	\$378	5.0%	101	\$530	9.3%
Chadstone-Oakleigh	45	\$270	-10.0%	219	\$340	6.3%	63	\$340	0.0%	241	\$390	5.1%
Clayton	209	\$265	1.9%	535	\$320	6.7%	43	\$320	-1.2%	234	\$360	2.9%
Doncaster East-Donvale	15	\$270	28.6%	113	\$350	4.5%	24	\$340	3.0%	232	\$388	4.9%
East Hawthorn	130	\$300	7.1%	248	\$370	0.0%	31	\$470	6.8%	65	\$620	9.7%
Glen Waverley-Mulgrave	31	\$340	36.0%	176	\$350	6.9%	23	\$340	9.7%	630	\$380	5.6%
Hawthorn	893	\$265	3.9%	761	\$380	2.7%	67	\$470	-0.5%	89	\$650	0.0%
Kew	52	\$330	3.1%	397	\$370	5.7%	52	\$440	8.6%	154	\$545	7.9%
Mount Waverley	12	\$250	8.7%	109	\$335	4.7%	30	\$350	6.1%	272	\$380	0.0%
Nunawading-Mitcham	18	\$220	-4.3%	229	\$305	5.2%	52	\$320	3.2%	217	\$365	1.4%
Vermont-Forest Hill-Burwood East	-	-	-	98	\$320	6.7%	26	\$330	1.5%	335	\$380	2.7%
<b>Inner Eastern Melbourne — Total</b>	<b>2,266</b>	<b>\$260</b>	<b>4.0%</b>	<b>4,905</b>	<b>\$350</b>	<b>2.9%</b>	<b>782</b>	<b>\$365</b>	<b>4.3%</b>	<b>4,187</b>	<b>\$400</b>	<b>3.9%</b>
<b>Southern Melbourne</b>												
Aspendale-Chelsea-Carrum	48	\$238	13.1%	523	\$300	3.4%	62	\$315	5.0%	327	\$370	5.7%
Bentleigh	158	\$250	4.2%	435	\$350	3.7%	135	\$385	6.9%	403	\$450	4.7%
Brighton	34	\$310	-3.1%	235	\$450	12.5%	33	\$490	5.4%	127	\$725	3.6%
Brighton East	-	-	-	49	\$370	-2.6%	32	\$443	4.2%	96	\$590	2.6%
Carnegie	331	\$250	4.2%	393	\$350	4.5%	21	\$405	14.9%	62	\$493	9.6%
Cauffield	326	\$260	4.0%	585	\$375	4.2%	80	\$430	7.5%	147	\$550	0.0%
Cheltenham	61	\$240	9.1%	410	\$328	9.3%	74	\$399	13.8%	325	\$430	7.5%
Elsternwick	161	\$265	6.0%	215	\$375	5.6%	11	\$480	18.5%	48	\$578	3.2%
Hampton-Beaumaris	87	\$325	8.3%	262	\$400	5.3%	61	\$450	5.9%	200	\$595	4.4%
Malvern	79	\$295	3.5%	162	\$380	0.0%	19	\$500	0.0%	36	\$725	9.8%
Malvern East	279	\$250	4.2%	251	\$370	7.2%	33	\$410	2.5%	121	\$530	11.6%
Mentone-Parkdale-Mordialloc	220	\$250	6.4%	446	\$325	8.3%	28	\$345	-1.4%	163	\$450	4.7%
Murrumbidgee-Hughesdale	210	\$260	7.2%	224	\$345	1.5%	34	\$370	-1.3%	98	\$415	2.5%
<b>Southern Melbourne — Total</b>	<b>2,000</b>	<b>\$255</b>	<b>4.1%</b>	<b>4,190</b>	<b>\$350</b>	<b>2.9%</b>	<b>623</b>	<b>\$400</b>	<b>8.1%</b>	<b>2,153</b>	<b>\$460</b>	<b>2.2%</b>
<b>Outer Western Melbourne</b>												
Altona	60	\$213	1.4%	450	\$280	5.3%	94	\$290	3.6%	1233	\$320	0.0%
Footscray	266	\$210	7.7%	329	\$300	0.0%	110	\$340	6.3%	147	\$350	0.0%
Keilor East-Avonvale Heights	49	\$230	4.5%	230	\$323	7.7%	37	\$320	4.9%	286	\$350	2.9%
Melton	34	\$276	-4.8%	122	\$220	6.0%	51	\$230	2.2%	932	\$260	4.0%
Newport-Spotswood	75	\$240	11.6%	121	\$290	4.5%	81	\$380	11.8%	207	\$395	3.3%
St Albans-Deer Park	33	\$190	-2.6%	259	\$250	6.4%	55	\$255	5.2%	894	\$290	3.6%
Sunshine	144	\$200	5.3%	194	\$250	11.1%	83	\$260	0.0%	606	\$300	3.4%
Sydenham	-	-	-	91	\$280	7.7%	39	\$290	3.6%	863	\$330	4.8%
Werribee-Hoppers Crossing	24	\$200	2.6%	347	\$240	6.7%	82	\$250	4.2%	1753	\$280	3.7%
West Footscray	163	\$215	13.2%	280	\$300	5.3%	112	\$300	5.3%	287	\$325	1.6%
Williamstown	40	\$255	2.0%	118	\$315	8.6%	51	\$400	8.1%	131	\$530	10.4%
Yarraville-Seddon	147	\$220	4.8%	253	\$290	1.8%	194	\$375	4.2%	270	\$410	3.8%
<b>Outer Western Melbourne — Total</b>	<b>1,041</b>	<b>\$210</b>	<b>5.0%</b>	<b>2,794</b>	<b>\$275</b>	<b>5.8%</b>	<b>989</b>	<b>\$304</b>	<b>4.8%</b>	<b>7,609</b>	<b>\$300</b>	<b>3.4%</b>
<b>North Western Melbourne</b>												
Broadmeadows-Roxburgh Park	22	\$200	0.0%	93	\$285	1.8%	38	\$288	2.9%	642	\$315	5.0%
Brunswick	462	\$270	8.0%	568	\$365	7.4%	175	\$425	7.6%	167	\$545	14.7%
Coburg-Pascoe Vale South	150	\$280	3.7%	290	\$335	4.7%	149	\$350	0.0%	290	\$400	0.0%
Craigieburn	-	-	-	32	\$283	4.8%	33	\$300	3.4%	477	\$330	3.1%
East Brunswick	121	\$330	33.3%	206	\$410	10.8%	39	\$430	7.5%	44	\$500	-3.8%
Essendon	229	\$255	6.3%	498	\$315	5.0%	86	\$350	2.9%	284	\$370	5.7%
Gladstone Park-Tullamarine	14	\$225	-6.3%	120	\$273	1.1%	-	-	-	213	\$320	0.0%
Keilor	-	-	-	-	-	-	-	-	-	21	\$340	-2.9%
Moonee Ponds-Ascot Vale	149	\$250	4.2%	369	\$340	3.0%	128	\$390	2.6%	200	\$458	1.8%
Oak Park-Glenroy-Fawkner	43	\$220	7.3%	395	\$300	5.3%	105	\$300	3.4%	455	\$340	3.0%
Pascoe Vale-Coburg North	49	\$190	0.0%	252	\$320	6.5%	91	\$330	5.6%	182	\$360	5.9%
Sunbury	-	-	-	84	\$263	9.6%	26	\$260	8.3%	338	\$300	3.4%
West Brunswick	240	\$250	4.2%	259	\$315	5.0%	35	\$400	6.0%	53	\$465	3.3%
<b>North Western Melbourne — Total</b>	<b>1,488</b>	<b>\$255</b>	<b>6.3%</b>	<b>3,170</b>	<b>\$320</b>	<b>6.7%</b>	<b>912</b>	<b>\$350</b>	<b>0.0%</b>	<b>3,366</b>	<b>\$340</b>	<b>3.0%</b>

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

Sept Quarter 2011	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
<b>North Eastern Melbourne</b>												
Bundoora-Greensborough-Hurstbridge	283	\$230	0.0%	427	\$310	3.3%	125	\$310	3.3%	790	\$350	1.4%
Eitham-Research-Montmorency	28	\$220	7.3%	158	\$310	6.9%	44	\$330	6.5%	181	\$380	4.1%
Fairfield-Alphington	189	\$250	0.0%	159	\$330	3.1%	30	\$390	1.3%	65	\$500	0.0%
Heidelberg-Heidelberg West	52	\$280	14.3%	281	\$330	3.1%	106	\$310	0.0%	251	\$350	0.0%
Ivanhoe-Ivanhoe East	57	\$270	8.0%	183	\$330	3.1%	23	\$390	6.8%	95	\$440	-4.3%
Mill Park-Epping	-	-	-	171	\$290	5.5%	48	\$300	3.4%	872	\$330	0.0%
Northcote	229	\$270	8.0%	268	\$400	14.3%	142	\$450	2.3%	136	\$550	10.0%
Preston	158	\$230	10.8%	361	\$340	3.8%	132	\$345	1.5%	238	\$390	2.6%
Reservoir	190	\$260	5.1%	603	\$300	7.1%	171	\$300	1.7%	391	\$330	3.1%
Thomastown-Lalor	33	\$250	8.7%	155	\$265	7.1%	27	\$290	13.3%	499	\$310	3.3%
Thornbury	342	\$250	4.2%	304	\$310	-3.1%	87	\$400	2.4%	137	\$450	7.0%
Whittlesea	-	-	-	14	\$253	nd	-	-	-	177	\$340	3.0%
<b>North Eastern Melbourne — Total</b>	<b>1,578</b>	<b>\$250</b>	<b>4.2%</b>	<b>3,084</b>	<b>\$317</b>	<b>5.7%</b>	<b>944</b>	<b>\$330</b>	<b>3.1%</b>	<b>3,832</b>	<b>\$350</b>	<b>2.9%</b>
<b>Outer Eastern Melbourne</b>												
Bayswater	16	\$200	nd	164	\$290	9.4%	14	\$280	3.7%	169	\$340	6.3%
Boronia	14	\$218	nd	178	\$295	5.4%	42	\$300	11.1%	196	\$340	6.3%
Croydon-Lilydale	78	\$207	2.2%	416	\$290	5.5%	70	\$300	3.4%	754	\$350	6.1%
Ferntree Gully	15	\$200	12.7%	94	\$285	5.6%	19	\$290	7.4%	179	\$340	6.3%
Ringwood	58	\$173	-17.6%	467	\$300	7.1%	69	\$310	3.3%	334	\$360	5.9%
Rowville	-	-	-	-	-	-	-	-	-	250	\$370	5.7%
Wantirna-Scoresby	-	-	-	55	\$320	3.2%	17	\$320	nd	301	\$350	2.9%
Yarra Ranges	58	\$200	11.1%	94	\$255	6.3%	138	\$280	7.7%	471	\$330	6.5%
<b>Outer Eastern Melbourne — Total</b>	<b>252</b>	<b>\$200</b>	<b>0.0%</b>	<b>1,474</b>	<b>\$295</b>	<b>6.5%</b>	<b>375</b>	<b>\$295</b>	<b>5.4%</b>	<b>2,654</b>	<b>\$350</b>	<b>6.1%</b>
<b>South Eastern Melbourne</b>												
Berwick	-	-	-	75	\$285	6.5%	35	\$300	5.3%	459	\$340	6.3%
Cranbourne	-	-	-	120	\$250	6.4%	35	\$260	0.0%	666	\$310	6.9%
Dandenong	77	\$210	5.0%	670	\$250	4.2%	50	\$273	1.1%	355	\$320	3.2%
Dandenong North-Endeavour Hills	21	\$200	-9.1%	165	\$260	3.6%	45	\$260	2.2%	570	\$300	3.4%
Narre Warren-Hampton Park	-	-	-	152	\$268	5.1%	25	\$285	9.6%	911	\$320	6.7%
Noble Park	169	\$195	2.6%	344	\$270	3.8%	37	\$280	12.0%	319	\$310	3.3%
Pakenham	13	\$200	8.1%	135	\$250	8.7%	67	\$250	3.1%	944	\$300	3.4%
Springvale	79	\$200	5.3%	370	\$280	3.7%	43	\$290	6.0%	473	\$323	0.9%
<b>South Eastern Melbourne — Total</b>	<b>373</b>	<b>\$200</b>	<b>2.6%</b>	<b>2,031</b>	<b>\$260</b>	<b>4.0%</b>	<b>337</b>	<b>\$275</b>	<b>5.8%</b>	<b>4,697</b>	<b>\$310</b>	<b>3.3%</b>
<b>Mornington Peninsula</b>												
Dromana-Portsea	24	\$193	-10.2%	147	\$250	13.6%	232	\$250	4.2%	753	\$295	7.3%
Frankston	146	\$185	8.8%	640	\$260	7.2%	101	\$270	3.8%	900	\$315	6.8%
Hastings-Flinders	-	-	-	161	\$260	8.3%	56	\$270	8.0%	416	\$310	8.8%
Mt Eliza-Mornington-Mt Martha	19	\$240	24.7%	234	\$300	11.1%	58	\$320	7.6%	416	\$370	5.7%
Seaford-Carrum Downs	52	\$205	13.9%	261	\$270	8.0%	48	\$278	11.2%	705	\$310	5.1%
<b>Mornington Peninsula — Total</b>	<b>251</b>	<b>\$195</b>	<b>8.3%</b>	<b>1,443</b>	<b>\$265</b>	<b>8.2%</b>	<b>495</b>	<b>\$260</b>	<b>4.0%</b>	<b>3,190</b>	<b>\$310</b>	<b>5.1%</b>
<b>Geelong</b>												
Belmont-Grovedale	95	\$175	16.7%	291	\$260	6.1%	71	\$290	11.5%	544	\$330	10.0%
Corio	33	\$175	9.4%	74	\$230	12.2%	92	\$215	10.3%	371	\$250	8.7%
Geelong-Newcombe	129	\$200	11.1%	244	\$268	7.2%	131	\$280	12.0%	345	\$300	9.1%
Herne Hill-Geelong West	141	\$170	9.7%	166	\$258	9.8%	68	\$288	10.8%	235	\$310	10.7%
Lara	15	\$165	nd	71	\$255	10.9%	14	\$278	8.0%	171	\$300	5.3%
Newtown	48	\$163	1.9%	98	\$270	8.0%	40	\$275	1.9%	140	\$368	13.2%
North Geelong	53	\$165	6.5%	104	\$253	1.2%	61	\$256	6.7%	259	\$300	9.1%
<b>Geelong — Total</b>	<b>514</b>	<b>\$175</b>	<b>9.4%</b>	<b>1,048</b>	<b>\$260</b>	<b>8.3%</b>	<b>477</b>	<b>\$265</b>	<b>6.0%</b>	<b>2,065</b>	<b>\$300</b>	<b>7.1%</b>
<b>Ballarat</b>												
Ballarat	99	\$140	3.7%	284	\$220	10.0%	214	\$230	9.5%	718	\$260	8.3%
Mount Clear-Buninyong	14	\$140	nd	46	\$220	12.8%	18	\$220	15.8%	95	\$285	9.6%
Sebastopol-Delacombe	54	\$145	-3.3%	134	\$200	5.3%	39	\$220	15.8%	219	\$250	6.4%
Wendouree-Alfredton	82	\$138	6.2%	124	\$210	10.5%	66	\$220	0.0%	409	\$270	8.0%
<b>Ballarat — Total</b>	<b>249</b>	<b>\$140</b>	<b>3.7%</b>	<b>588</b>	<b>\$215</b>	<b>10.3%</b>	<b>337</b>	<b>\$220</b>	<b>4.8%</b>	<b>1,441</b>	<b>\$260</b>	<b>6.1%</b>
<b>Bendigo</b>												
Bendigo	32	\$150	3.4%	92	\$210	13.5%	75	\$250	13.6%	212	\$270	8.0%
Flora Hill-Bendigo East	35	\$140	7.7%	272	\$220	10.0%	85	\$240	7.9%	400	\$280	7.7%
Golden Square-Kangaroo Flat	18	\$150	0.0%	115	\$210	0.0%	40	\$220	2.3%	308	\$270	8.0%
North Bendigo	15	\$140	3.7%	102	\$226	18.9%	66	\$215	7.5%	302	\$260	6.1%
<b>Bendigo — Total</b>	<b>100</b>	<b>\$145</b>	<b>3.6%</b>	<b>581</b>	<b>\$220</b>	<b>10.0%</b>	<b>266</b>	<b>\$230</b>	<b>7.0%</b>	<b>1,222</b>	<b>\$270</b>	<b>8.0%</b>
<b>Other Regional Centres</b>												
Bairnsdale	14	\$155	10.7%	75	\$200	8.1%	43	\$230	15.0%	165	\$260	6.1%
Benalla	41	\$140	7.7%	96	\$183	1.7%	51	\$190	11.8%	172	\$230	4.5%
Castlemaine	-	-	-	34	\$235	11.9%	48	\$250	8.7%	119	\$280	12.0%
Echuca	35	\$120	2.1%	152	\$200	2.6%	33	\$220	10.0%	196	\$250	0.0%
Hamilton	25	\$120	6.7%	48	\$180	0.0%	30	\$200	8.1%	113	\$250	8.7%
Horsham	38	\$125	13.6%	154	\$170	3.0%	52	\$190	11.8%	303	\$220	2.3%
Mildura	76	\$130	4.0%	323	\$170	6.3%	103	\$195	2.6%	635	\$240	4.3%
Moe-Newborough	89	\$100	5.3%	130	\$135	3.8%	50	\$168	5.0%	226	\$203	6.8%
Morwell	51	\$115	4.5%	141	\$160	10.3%	115	\$165	10.0%	234	\$190	8.6%
Ocean Grove-Barwon Heads	14	\$185	2.8%	50	\$280	12.0%	37	\$290	5.5%	203	\$340	13.3%
Portland	24	\$138	10.4%	89	\$170	6.3%	35	\$200	8.1%	191	\$220	4.8%
Sale-Maffra	72	\$140	3.7%	172	\$190	2.7%	65	\$220	15.8%	267	\$250	4.2%
Seymour	15	\$125	11.9%	30	\$175	16.7%	12	\$200	12.7%	83	\$230	15.0%
Shepparton	97	\$135	1.9%	418	\$195	8.3%	111	\$200	0.0%	634	\$250	0.0%
Swan Hill	67	\$120	4.3%	129	\$195	0.5%	28	\$192	1.1%	171	\$230	0.0%
Torquay	16	\$230	15.0%	62	\$268	11.7%	28	\$300	8.1%	244	\$370	5.7%
Traralgon	70	\$130	8.3%	139	\$190	5.6%	87	\$230	4.5%	386	\$250	2.0%
Wangaratta	45	\$130	-3.7%	167	\$170	0.0%	46	\$200	2.6%	234	\$240	4.3%
Warragul	-	-	-	87	\$210	7.7%	33	\$231	10.0%	164	\$260	4.0%
Warrnambool	71	\$160	6.7%	349	\$230	4.5%	97	\$260	4.0%	457	\$310	3.3%
Wodonga	54	\$140	0.0%	350	\$195	2.6%	53	\$220	0.0%	510	\$265	3.9%
<b>Other Regional Centres — Total</b>	<b>927</b>	<b>\$130</b>	<b>4.0%</b>	<b>3,195</b>	<b>\$190</b>	<b>5.6%</b>	<b>1,171</b>	<b>\$205</b>	<b>5.1%</b>	<b>5,707</b>	<b>\$250</b>	<b>4.2%</b>

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

Sept Quarter 2011	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	10	\$163	6.6%	16	\$193	8.5%	17	\$220	2.3%	64	\$250	8.7%
Corangamite	-	-	-	-	-	-	19	\$190	-	34	\$220	10.0%
Glenelg	10	\$143	-	31	\$175	9.4%	17	\$165	-13.2%	65	\$220	4.8%
Greater Geelong	129	\$185	12.1%	276	\$265	8.2%	147	\$275	14.6%	722	\$300	7.1%
Moyne	-	-	-	-	-	-	12	\$250	-	24	\$260	4.0%
Queenscliffe	-	-	-	-	-	-	-	-	-	-	-	-
Southern Grampians	-	-	-	11	\$180	-2.7%	-	-	-	33	\$240	4.3%
Surf Coast	-	-	-	33	\$280	16.7%	12	\$280	12.0%	93	\$350	2.9%
Warrnambool	17	\$160	6.7%	90	\$230	4.5%	21	\$280	12.0%	115	\$310	3.3%
<b>Barwon South West</b>	<b>178</b>	<b>\$180</b>	<b>12.5%</b>	<b>469</b>	<b>\$250</b>	<b>8.7%</b>	<b>255</b>	<b>\$250</b>	<b>4.2%</b>	<b>1,152</b>	<b>\$297</b>	<b>8.0%</b>
Ararat	-	-	-	16	\$170	9.7%	-	-	-	46	\$235	17.5%
Ballarat	57	\$140	0.0%	133	\$220	10.0%	91	\$230	4.5%	330	\$268	7.0%
Golden Plains	-	-	-	-	-	-	-	-	-	16	\$273	9.0%
Hepburn	-	-	-	-	-	-	18	\$243	-4.9%	47	\$255	2.0%
Hindmarsh	-	-	-	-	-	-	-	-	-	17	\$150	0.0%
Horsham	10	\$135	-	31	\$175	9.4%	13	\$200	17.6%	78	\$210	2.4%
Moorabool	-	-	-	12	\$218	7.4%	-	-	-	56	\$280	7.7%
Northern Grampians	-	-	-	-	-	-	-	-	-	29	\$180	5.9%
Pyrenees	-	-	-	-	-	-	-	-	-	-	-	-
West Wimmera	-	-	-	-	-	-	-	-	-	-	-	-
Yarriambiack	-	-	-	-	-	-	-	-	-	21	\$150	-6.3%
<b>Grampians</b>	<b>97</b>	<b>\$135</b>	<b>-3.6%</b>	<b>214</b>	<b>\$200</b>	<b>5.3%</b>	<b>152</b>	<b>\$220</b>	<b>7.3%</b>	<b>653</b>	<b>\$250</b>	<b>4.2%</b>
Buloke	-	-	-	-	-	-	-	-	-	-	-	-
Campaspe	-	-	-	61	\$190	5.6%	17	\$220	25.7%	106	\$220	-2.2%
Central Goldfields	-	-	-	12	\$153	-	-	-	-	20	\$220	15.8%
Gannawarra	-	-	-	-	-	-	-	-	-	34	\$170	3.0%
Greater Bendigo	20	\$150	0.0%	142	\$230	15.0%	70	\$240	15.7%	339	\$280	7.7%
Loddon	-	-	-	-	-	-	-	-	-	13	\$160	-
Macedon Ranges	-	-	-	15	\$250	8.7%	15	\$265	17.8%	78	\$338	12.5%
Mildura	28	\$133	10.4%	73	\$175	6.1%	21	\$185	2.8%	199	\$250	8.7%
Mount Alexander	-	-	-	-	-	-	16	\$243	5.4%	41	\$290	11.5%
Swan Hill	15	\$120	4.3%	29	\$185	-4.6%	19	\$170	-	48	\$225	3.4%
<b>Loddon Mallee</b>	<b>87</b>	<b>\$135</b>	<b>3.8%</b>	<b>343</b>	<b>\$200</b>	<b>5.3%</b>	<b>178</b>	<b>\$220</b>	<b>12.8%</b>	<b>885</b>	<b>\$260</b>	<b>8.3%</b>
Alpine	-	-	-	18	\$178	4.4%	-	-	-	23	\$230	4.5%
Benalla	-	-	-	23	\$190	5.6%	14	\$183	7.4%	46	\$235	9.3%
Greater Shepparton	25	\$130	-3.7%	129	\$200	5.3%	34	\$210	-1.2%	187	\$250	2.0%
Indigo	-	-	-	12	\$155	-	-	-	-	31	\$245	6.5%
Mansfield	-	-	-	-	-	-	-	-	-	16	\$245	0.0%
Mitchell	-	-	-	32	\$235	5.6%	10	\$235	-	87	\$275	5.8%
Moira	-	-	-	38	\$180	5.9%	14	\$193	20.3%	80	\$230	4.5%
Murrindindi	-	-	-	-	-	-	10	\$213	-	28	\$228	-5.2%
Strathbogie	-	-	-	-	-	-	-	-	-	24	\$230	15.0%
Towong	-	-	-	-	-	-	-	-	-	21	\$180	-10.0%
Wangaratta	10	\$130	0.0%	43	\$170	-2.9%	12	\$215	19.4%	63	\$235	2.2%
Wodonga	11	\$150	7.1%	83	\$195	2.6%	11	\$220	-8.3%	137	\$260	0.0%
<b>Hume</b>	<b>74</b>	<b>\$130</b>	<b>0.0%</b>	<b>399</b>	<b>\$190</b>	<b>2.7%</b>	<b>131</b>	<b>\$205</b>	<b>2.5%</b>	<b>743</b>	<b>\$250</b>	<b>4.2%</b>
Bass Coast	-	-	-	23	\$300	-25.0%	31	\$260	4.0%	123	\$330	10.0%
Baw Baw	-	-	-	36	\$220	8.6%	21	\$230	9.5%	120	\$260	4.0%
East Gippsland	12	\$150	-	38	\$195	2.6%	27	\$220	12.8%	111	\$255	8.5%
Latrobe	50	\$115	0.0%	100	\$155	-3.1%	69	\$175	2.9%	270	\$210	0.0%
South Gippsland	-	-	-	19	\$220	4.8%	12	\$200	-	76	\$240	4.3%
Wellington	23	\$140	3.7%	47	\$195	6.8%	26	\$200	5.3%	114	\$230	4.5%
<b>Gippsland</b>	<b>105</b>	<b>\$130</b>	<b>-3.0%</b>	<b>263</b>	<b>\$190</b>	<b>4.4%</b>	<b>186</b>	<b>\$210</b>	<b>10.5%</b>	<b>814</b>	<b>\$250</b>	<b>6.4%</b>
Banyule	81	\$260	16.9%	289	\$330	3.1%	56	\$330	3.1%	265	\$359	2.5%
Brimbank	50	\$198	-1.3%	156	\$263	5.0%	55	\$260	-1.9%	513	\$300	0.0%
Darebin	231	\$260	4.0%	413	\$320	3.2%	152	\$363	0.7%	245	\$400	8.1%
Hobsons Bay	40	\$230	4.5%	150	\$280	1.8%	65	\$360	9.1%	230	\$350	6.1%
Hume	10	\$228	-	88	\$280	3.7%	28	\$290	3.6%	442	\$318	2.4%
Maribyrnong	143	\$225	12.5%	289	\$320	9.4%	99	\$340	3.8%	187	\$360	2.9%
Melbourne	1361	\$360	0.0%	1145	\$500	2.0%	63	\$450	4.7%	41	\$580	5.5%
Melton	-	-	-	26	\$225	8.3%	24	\$253	-5.6%	430	\$285	1.8%
Moonee Valley	144	\$260	4.0%	281	\$349	8.4%	92	\$380	7.0%	179	\$400	0.0%
Moreland	302	\$270	8.0%	508	\$340	3.0%	144	\$378	7.9%	291	\$380	5.6%
Nilumbik	-	-	-	16	\$305	1.5%	-	-	-	77	\$360	0.0%
Whittlesea	22	\$260	-3.7%	106	\$280	3.7%	24	\$290	6.4%	444	\$325	0.0%
Wyndham	10	\$203	12.5%	105	\$250	4.2%	27	\$255	2.0%	621	\$280	0.0%
Yarra	287	\$310	6.9%	328	\$480	9.1%	142	\$500	8.7%	104	\$600	3.4%
<b>North and West Metro</b>	<b>2,693</b>	<b>\$310</b>	<b>3.3%</b>	<b>3,900</b>	<b>\$355</b>	<b>1.4%</b>	<b>980</b>	<b>\$360</b>	<b>2.9%</b>	<b>4,069</b>	<b>\$325</b>	<b>1.6%</b>
Boroondara	360	\$279	-0.4%	569	\$380	4.1%	67	\$450	7.1%	200	\$550	4.8%
Knox	14	\$200	0.0%	120	\$300	7.1%	27	\$300	7.1%	280	\$350	2.9%
Manningham	29	\$238	-19.3%	75	\$350	4.5%	17	\$330	3.1%	131	\$395	3.9%
Maroondah	21	\$180	-19.1%	226	\$300	3.4%	30	\$300	1.7%	207	\$350	0.0%
Monash	84	\$275	8.9%	292	\$340	4.6%	42	\$350	0.0%	351	\$390	5.4%
Whitehorse	118	\$231	-0.9%	311	\$340	6.3%	74	\$360	5.1%	330	\$385	1.3%
Yarra Ranges	17	\$200	2.6%	66	\$275	5.8%	46	\$290	11.5%	238	\$333	3.9%
<b>Eastern Metro</b>	<b>643</b>	<b>\$263</b>	<b>5.0%</b>	<b>1,659</b>	<b>\$340</b>	<b>3.0%</b>	<b>303</b>	<b>\$345</b>	<b>1.5%</b>	<b>1,737</b>	<b>\$375</b>	<b>4.2%</b>
Bayside	37	\$320	-3.0%	189	\$400	6.7%	43	\$440	4.8%	130	\$600	12.1%
Cardinia	-	-	-	41	\$260	13.0%	22	\$278	11.0%	260	\$305	1.7%
Casey	10	\$193	-	114	\$270	3.8%	33	\$280	3.7%	623	\$320	3.2%
Frankston	50	\$195	5.4%	244	\$270	6.9%	31	\$270	4.9%	473	\$315	5.0%
Glen Eira	368	\$265	6.0%	547	\$365	4.3%	82	\$410	10.8%	185	\$480	2.7%
Greater Dandenong	79	\$205	2.5%	328	\$260	4.0%	36	\$280	3.7%	302	\$320	0.0%
Kingston	69	\$250	8.7%	416	\$320	6.7%	38	\$325	-1.5%	248	\$400	1.3%
Mornington Penin'a	17	\$220	0.0%	143	\$270	8.0%	94	\$260	2.0%	473	\$300	1.7%
Port Phillip	645	\$330	6.5%	731	\$430	4.9%	114	\$523	6.6%	95	\$750	7.1%
Stonnington	646	\$320	6.7%	547	\$425	6.3%	72	\$500	4.2%	103	\$640	6.7%
<b>Southern Metro</b>	<b>1,927</b>	<b>\$300</b>	<b>7.1%</b>	<b>3,300</b>	<b>\$350</b>	<b>0.0%</b>	<b>565</b>	<b>\$385</b>	<b>5.5%</b>	<b>2,892</b>	<b>\$330</b>	<b>3.1%</b>

Table 13: Affordable lettings for local government areas (see note 8 on 'method' page 21)

Sept Quarter 2011	1 Bedroom		2 Bedrooms		3 Bedrooms		4+ Bedrooms		Total	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Alpine	1	100.0%	21	77.8%	22	88.0%	6	75.0%	50	82.0%
Ararat	3	100.0%	20	76.9%	42	84.0%	3	75.0%	68	81.9%
Ballarat	19	32.8%	99	42.5%	253	67.8%	55	53.4%	426	55.5%
Banyule	0	0.0%	3	0.8%	11	2.8%	12	13.0%	26	2.8%
Bass Coast	0	0.0%	18	23.4%	83	39.7%	19	36.5%	120	34.1%
Baw Baw	1	14.3%	23	39.0%	83	65.9%	48	80.0%	155	61.5%
Bayside	0	0.0%	3	1.3%	1	0.4%	0	0.0%	4	0.67%
Benalla	5	62.5%	30	81.1%	39	83.0%	14	93.3%	88	82.2%
Boroondara	1	0.3%	4	0.6%	4	1.1%	0	0.0%	9	0.59%
Brimbank	1	1.9%	35	16.1%	210	30.0%	109	59.6%	355	30.7%
Buloke	2	100.0%	2	100.0%	8	100.0%	1	100.0%	13	100.0%
Campaspe	5	55.6%	51	65.4%	97	83.6%	27	87.1%	180	76.9%
Cardinia	0	0.0%	4	6.1%	83	27.1%	104	64.2%	191	35.2%
Casey	0	0.0%	4	2.7%	107	15.2%	90	25.6%	201	16.5%
Central Goldfields	1	33.3%	17	89.5%	21	100.0%	6	100.0%	45	91.8%
Colac-Otway	2	18.2%	18	54.5%	52	73.2%	4	80.0%	76	63.3%
Corangamite	1	50.0%	22	81.5%	34	89.5%	8	88.9%	65	85.5%
Darebin	1	0.4%	7	1.2%	20	5.6%	12	23.5%	40	3.2%
East Gippsland	4	30.8%	41	62.1%	99	75.0%	22	64.7%	166	67.8%
Frankston	1	2.0%	18	6.4%	126	20.7%	37	27.2%	182	16.9%
Gannawarra	1	50.0%	14	100.0%	33	94.3%	4	100.0%	52	94.5%
Glen Eira	1	0.3%	13	2.0%	1	0.3%	10	11.2%	25	1.71%
Glenelg	3	30.0%	40	83.3%	66	94.3%	14	82.4%	123	84.8%
Golden Plains	0	0.0%	2	66.7%	10	58.8%	3	21.4%	15	44.1%
Greater Bendigo	5	21.7%	72	33.3%	198	53.4%	53	65.4%	328	47.5%
Greater Dandenong	1	1.2%	21	5.6%	58	14.0%	33	39.3%	113	11.9%
Greater Geelong	7	5.1%	59	13.7%	260	32.0%	66	34.2%	392	24.9%
Greater Shepparton	15	55.6%	112	67.9%	159	72.9%	45	73.8%	331	70.3%
Hepburn	0	0.0%	10	40.0%	27	56.3%	6	75.0%	43	48.3%
Hindmarsh	7	87.5%	3	100.0%	17	100.0%	1	100.0%	28	96.6%
Hobsons Bay	0	0.0%	6	2.7%	22	7.0%	17	29.8%	45	7.0%
Horsham	6	54.5%	38	86.4%	70	82.4%	13	76.5%	127	80.9%
Hume	0	0.0%	9	7.0%	79	14.8%	90	48.1%	178	20.6%
Indigo	0	0.0%	14	77.8%	21	65.6%	7	70.0%	42	66.7%
Kingston	0	0.0%	7	1.5%	16	3.9%	4	5.3%	27	2.6%
Knox	1	6.7%	3	2.0%	20	5.0%	16	14.8%	40	6.0%
Latrobe	38	74.5%	145	84.8%	244	86.5%	58	74.4%	485	83.3%
Loddon	0	0.0%	2	66.7%	13	100.0%	3	100.0%	18	94.7%
Macedon Ranges	2	22.2%	3	10.0%	19	20.4%	13	31.7%	37	21.4%
Manningham	0	0.0%	0	0.0%	2	0.9%	1	0.9%	3	0.64%
Mansfield	0	0.0%	5	62.5%	13	76.5%	3	75.0%	21	70.0%
Maribyrnong	4	2.7%	10	2.4%	22	7.4%	7	18.4%	43	4.8%
Maroondah	2	9.5%	5	1.9%	8	2.6%	8	10.4%	23	3.5%
Melbourne	3	0.2%	15	1.1%	6	2.1%	4	7.5%	28	0.92%
Melton	0	0.0%	11	20.0%	266	48.5%	223	75.6%	500	55.0%
Mildura	14	50.0%	82	84.5%	184	80.0%	39	88.6%	319	79.9%
Mitchell	2	66.7%	16	37.2%	55	54.5%	24	52.2%	97	50.3%
Moira	8	100.0%	40	76.9%	76	86.4%	13	81.3%	137	83.5%
Monash	2	2.3%	6	1.8%	12	2.1%	15	7.2%	35	2.9%
Moonee Valley	0	0.0%	5	1.3%	9	3.4%	1	2.9%	15	1.79%
Moorabool	1	25.0%	7	36.8%	33	51.6%	43	93.5%	84	63.2%
Moreland	1	0.3%	4	0.5%	12	2.7%	9	12.9%	26	1.66%
Mornington Penin'a	2	9.5%	30	12.3%	180	30.5%	52	30.2%	264	25.7%
Mount Alexander	0	0.0%	6	26.1%	20	43.5%	8	80.0%	34	41.0%
Moyne	1	50.0%	6	40.0%	16	66.7%	4	66.7%	27	57.4%
Murrindindi	1	33.3%	9	47.4%	24	82.8%	5	50.0%	39	63.9%
Nillumbik	1	33.3%	0	0.0%	2	2.1%	23	22.1%	26	11.5%
Northern Grampians	5	71.4%	15	100.0%	30	96.8%	6	100.0%	56	94.9%
Port Phillip	0	0.0%	8	0.9%	3	1.4%	1	2.4%	12	0.66%
Pyrenees	1	100.0%	1	33.3%	7	87.5%	1	100.0%	10	76.9%
Queenscliffe	0	0.0%	0	0.0%	2	66.7%	0	0.0%	2	22.2%
South Gippsland	5	50.0%	18	58.1%	65	82.3%	18	85.7%	106	75.2%
Southern Grampians	2	40.0%	12	63.2%	29	85.3%	0	0.0%	43	71.7%
Stonnington	1	0.2%	5	0.8%	5	2.1%	4	6.7%	15	0.93%
Strathbogie	1	25.0%	7	46.7%	22	88.0%	3	100.0%	33	70.2%
Surf Coast	0	0.0%	4	8.3%	21	17.8%	7	21.2%	32	15.6%
Swan Hill	13	86.7%	39	81.3%	45	84.9%	15	100.0%	112	85.5%
Towong	1	100.0%	2	100.0%	20	87.0%	3	100.0%	26	89.7%
Wangaratta	7	70.0%	44	80.0%	59	84.3%	15	88.2%	125	82.2%
Warrambbool	5	27.8%	31	27.4%	38	28.8%	7	25.0%	81	27.8%
Wellington	8	32.0%	46	62.2%	103	80.5%	24	88.9%	181	71.3%
West Wimmera	0	0.0%	2	100.0%	6	100.0%	1	100.0%	9	100.0%
Whitehorse	3	2.3%	1	0.3%	9	1.8%	6	4.0%	19	1.63%
Whittlesea	0	0.0%	1	0.7%	68	12.1%	35	21.0%	104	11.5%
Wodonga	4	33.3%	67	69.8%	107	66.5%	39	66.1%	217	66.2%
Wyndham	0	0.0%	13	9.6%	361	50.1%	419	70.5%	793	54.2%
Yarra	0	0.0%	1	0.2%	5	2.6%	5	14.3%	11	1.02%
Yarra Ranges	1	4.8%	6	5.3%	36	12.3%	10	10.5%	53	10.2%
Yarriambiack	5	83.3%	4	100.0%	22	100.0%	2	100.0%	33	97.1%
<b>Total</b>	<b>239</b>	<b>4.0%</b>	<b>1,597</b>	<b>11.4%</b>	<b>4,731</b>	<b>27.5%</b>	<b>2,136</b>	<b>39.7%</b>	<b>8,703</b>	<b>20.4%</b>

## 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.

## 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.

## 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), 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 1–13 are available for download in Excel format from the Department of Human Services website [www.dhs.vic.gov.au](http://www.dhs.vic.gov.au)



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