



MEDIA RELEASE

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Government to blame for Rental Crisis

The Australian Landlords Association predicted the current rental crisis in its white paper “Safe as Houses” two years ago and sent a copy of the white paper to every state and federal housing minister and shadow minister. Apart from the NT Housing Minister, who provided a considered response on the unique challenges of housing in the NT, the most other ministers did was acknowledge receiving the whitepaper.

ALA National President Andrew Kent said, “Our main concern now is that amidst a crisis made by government, various politicians are suggesting responses to the crisis which only add to the problem. The underlying problem is an imbalance between supply and demand. We saw this in Victoria during COVID when renters choose to flee Melbourne for regional Victoria, resulting in a sharp decrease in regional rental vacancy rates, as well as a substantial increase in Melbourne vacancy rates, particularly in the inner city. At the time this was seen as a market adjustment rather than a crisis, even though it had the same impact on regional renters.”

“Renter preferences are also part of the current crisis, with property managers reporting a noticeable reduction in the number of occupants per rental contributing to an increased demand in the number of rental properties. The Federal Government’s decision to increase migration to record levels simply adds fuel to an already overheated market” according to Kent.

“Another major factor is that there are fewer properties available for rent. The reduction in property availability is due to landlords leaving the market. Over 80% of residential rental property is provided by mum and dad landlords, most of whom only own a single property. As predicted in our 2021 whitepaper, hostile government policy as well as policy uncertainty is causing landlords to exit the residential rental market, with a corresponding reduction in rental property availability. Every time a politician publicly contemplates legislation that is hostile to landlords, more landlords exit the market, so the problem gets worse.

The Queensland Treasurer’s failed attempt to increase land-tax revenue by including the value of property held outside of Queensland resulted in landlords exiting Queensland. The Greens’ numerous ill-conceived policies ranging from rental freezes to abolishing negative gearing are also contributing to the uncertainty and therefore the problem. Out of the public eye, several state governments are also trying to disguise their financial mismanagement by dramatically increasing land tax, again resulting in landlords leaving the market” said Kent.



“The fact is that the current crisis has been caused by a 2% shift in the balance of supply and demand and nearly 50% of all rental properties are negatively geared. The current crisis would pale into insignificance if even a tenth of those landlords decided to exit the market” stressed Kent.

According to Kent, “The Federal Government’s proposed Housing Australia Future Fund will do nothing to address the current crisis or prevent future market imbalance – it is just a tax-payer funded investment fund in disguise. The Australian Landlords Association has been calling for a Royal Commission into housing to inform appropriate government policy both now and into the future. Housing is too important to be left to politicians.”

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