

RENT TRACKER

Welcome to the first issue of the Tenants' Union of NSW's Rent Tracker. With Rent Tracker, we bring multiple sources of information together to give tenants, journalists and other interested people a clear and easy way to understand rent movements in New South Wales.

Issue **1**
2016

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There are more tenants than ever before, with bonds held in the Rental Bond Board rising much more quickly than the population.

Key Stats: March 2016

Bonds Held	Yearly Increase	
Greater Sydney	537,709	4.92%
Rest of NSW	235,129	2.22%

Median Rents:

Houses	Yearly Increase	
Greater Sydney	\$520	3.00%
Rest of NSW	\$330	4.21%

Median Rents:

Units	Yearly Increase	
Greater Sydney	\$500	5.00%
Rest of NSW	\$240	3.13%

Value of all bonds Held \$1.28 billion

Source: Rent and Sales Reports, Consumer Price Index

We are also in a relatively slow period of rent increases for new leases. Over the last 20 years, new rents have generally increased at an average of around 8% across Sydney and 5% across the rest of New South Wales. Over the last five

years, and particularly the last year, new rents have slowed and are now increasing by closer to 3% per year. However, there are some areas where rents are still rising very rapidly. Someone looking to rent a house in Willoughby, Randwick or Woollahra will be looking at \$100 more a week than a year ago. Likewise, the median unit in Camden is \$62 more expensive than last year!

The areas experiencing the highest growth in bonds held are at geographically opposite ends of the city. There are 21% more bonds held this year for Botany Bay's units (with a jump in rents of 11%). Meanwhile in Camden, where it's almost all houses, there are 12% more bonds being held.

Regional areas of the state are generally much more stable than the capital. NSW rents excluding Sydney over the last 20 years have increased a little more than 6% a year, and in the last 12 months have increased by 3%.

About This Publication

Why track rents?

Many media articles discussing rent prices are relying on data generated by research houses, running as commercial businesses, funded in various ways by the property industry. The research houses, and the journalists reporting their research, create narratives which seek to guide readers on what to expect from the rental market in the future.

With *Rent Tracker*, we hope to bring multiple sources of information together and add one more voice to give tenants, journalists and others a clear idea of what is happening with rents in New South Wales.

Data

We are using 5 data sources in this project. New South Wales is fortunate compared to other areas of Australia in that we have an authoritative source of data for new rent prices. This is the [Rent and Sales Report](#), published by the NSW Government based on the lodgements of new bonds with the Rental Bond Board. This is a crucial publication for those of us in NSW with an interest in accurate knowledge of our state's renting system. This publication is the key data series we will refer to, and hope to encourage greater reliance on.

The Australian Bureau of Statistics' *Consumer Price Index* also includes a component which measures rents in capital cities. As well as advertised rents, this research also takes into account sitting tenants' rents, as advised by real estate agents.

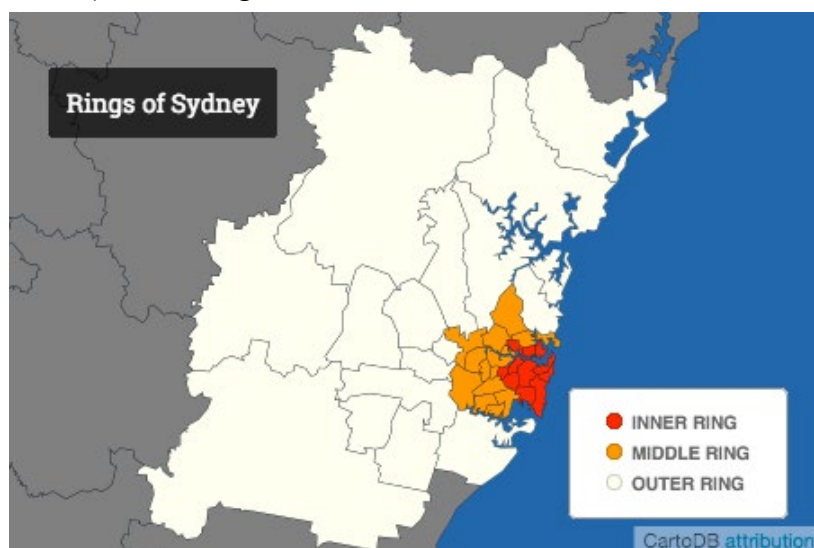
We will compare these two sources of information to a number of other data sources that use advertised rents as their source of information.

The three data sources we will compare are currently known as Core Logic RP Data's *Rental Review*, Domain Group/Australian Property Monitors' *Rental Report* and SQM Research's *Weekly Asking Rents Index*. These three groups are in generally friendly competition with each other. Correspondence is welcomed from them.

The data we will look at is made publicly available through the businesses' own websites. We will report on those public records and attempt to collate them. They may offer other products to subscribers, but it is the public information that is reported in the media, and is therefore the data of most interest to us.

The Rent & Sales Rings of Sydney

The Rent and Sales Report divides Sydney by population and geography into three rings - Inner, Middle and Outer, to constitute Greater Sydney. This is the definition we also use. The Illawarra, and Lower Hunter regions are then also added to complete the Greater Metropolitan Region.



Rent Tracker Index

Rent Tracker Index is a creation of the Tenants' Union to help make sense of media reporting of rents. It demonstrates the difference in movements of rents advertised by landlords compared to the actual rents paid by tenants.

Data sources

The *Advertised Rents* index combines the SQM Research *Weekly Asking Rents Index* for Greater Sydney, and Domain-APM's data series for Greater Sydney, using both their houses and their units measures as separate lines of data. We intend to include Core Logic-RP Data's data series in future publications.

Figure 1 shows the actual figures SQM, Domain-APM and the *Rent and Sales Report* reported new rents for units over the period December 2010 to March 2016. Figure 2 does the same for houses.

The *Actual Rents* index uses the All Dwellings, All Bedrooms series published in the *Rent and Sales Report Trend* for Greater Sydney, and the Sydney Rents component of the Australian Bureau of Statistics *Consumer Price Index*.

The Rents Component takes a sample of rents from agents across Sydney, and therefore represents a mix of new and established rents. Figure 3 demonstrates the Rents Component when applied to the median rent in Sydney in 1990.

Creating the Index

The two asking rent measures and the two actual rents measures have been indexed back to December 2010 to cover the last five years.

If rents increased with inflation over the period of the index, they would appear as a flat line at the 1.00 mark.

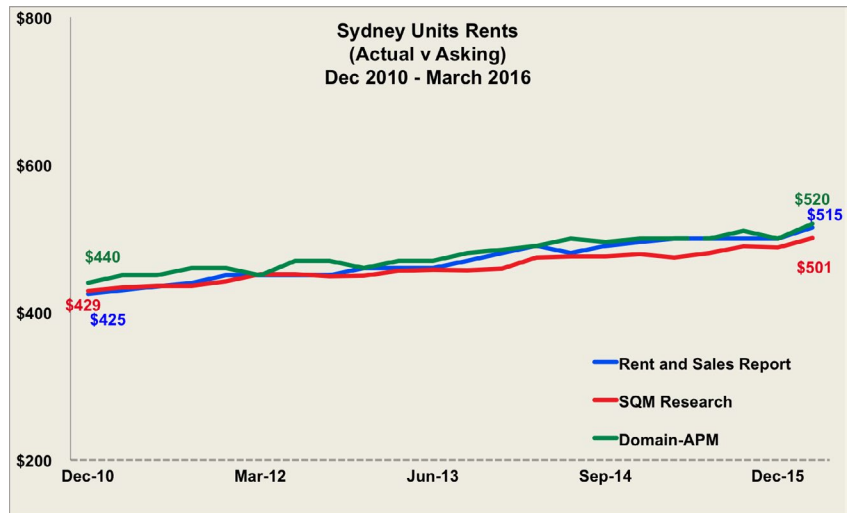


Figure 1

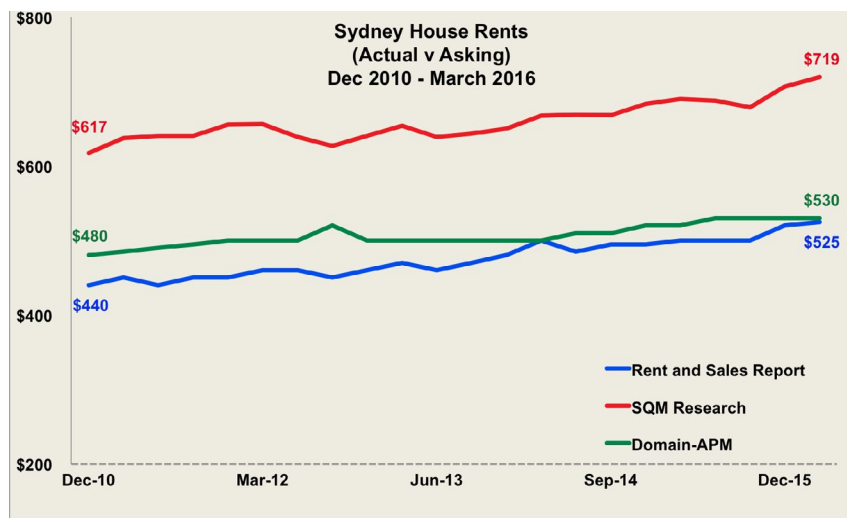


Figure 2

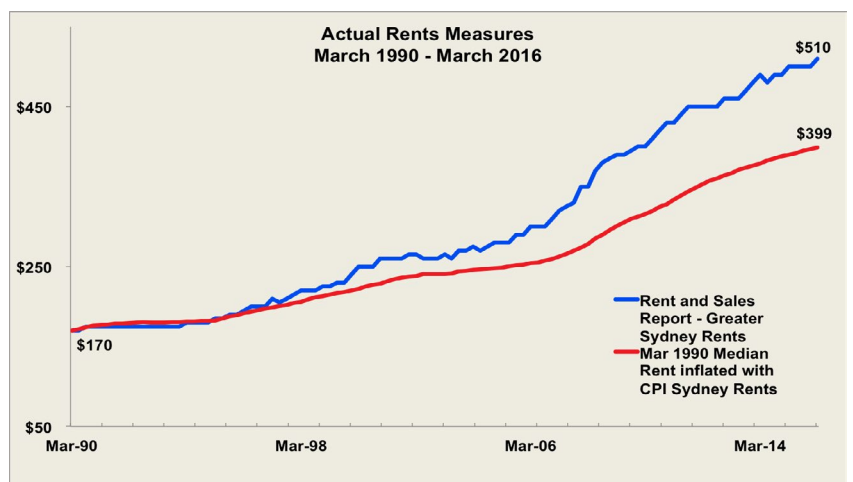


Figure 3

Advertised rents are generally higher than actual rents, but this chart brings both down to the same level at the start point in December 2010, to allow for better comparison of relevant movements over time. Figure 4 shows the movements across quarters and appears to show actual rents tending to move in the quarter before asking rents show the same kind of movement. Figure 5 demonstrates the annual change.

Results

The full Rent Tracker Index shows us that over the last five years, measuring advertised rents has broadly reflected actual rent movements. However, it appears that advertised rents pick up trends a quarter late, and are generally underestimating the actual size of those movements. The *Advertised Rents* series describes rents moving half as fast as Actual Rents

One explanation for this might be that landlords and agents are advertising rents at a more optimistic level than they are ultimately receiving for the property and actual rents are being dragged up in a rubber-band effect.

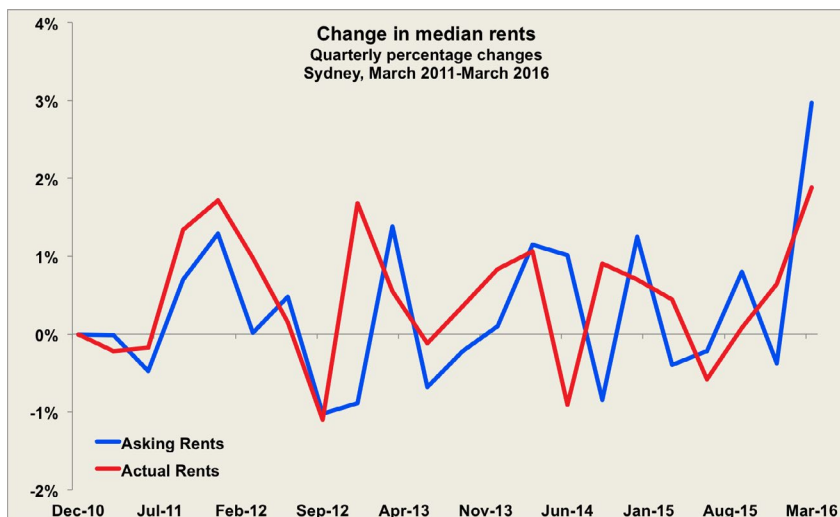


Figure 4

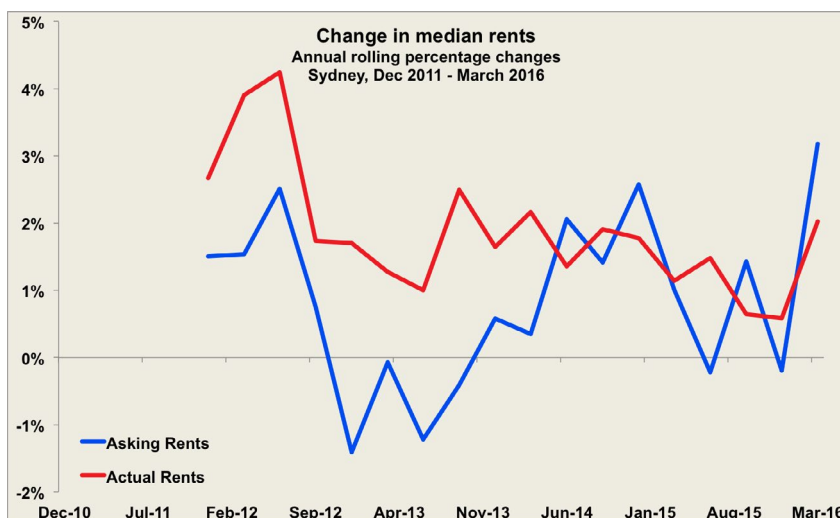
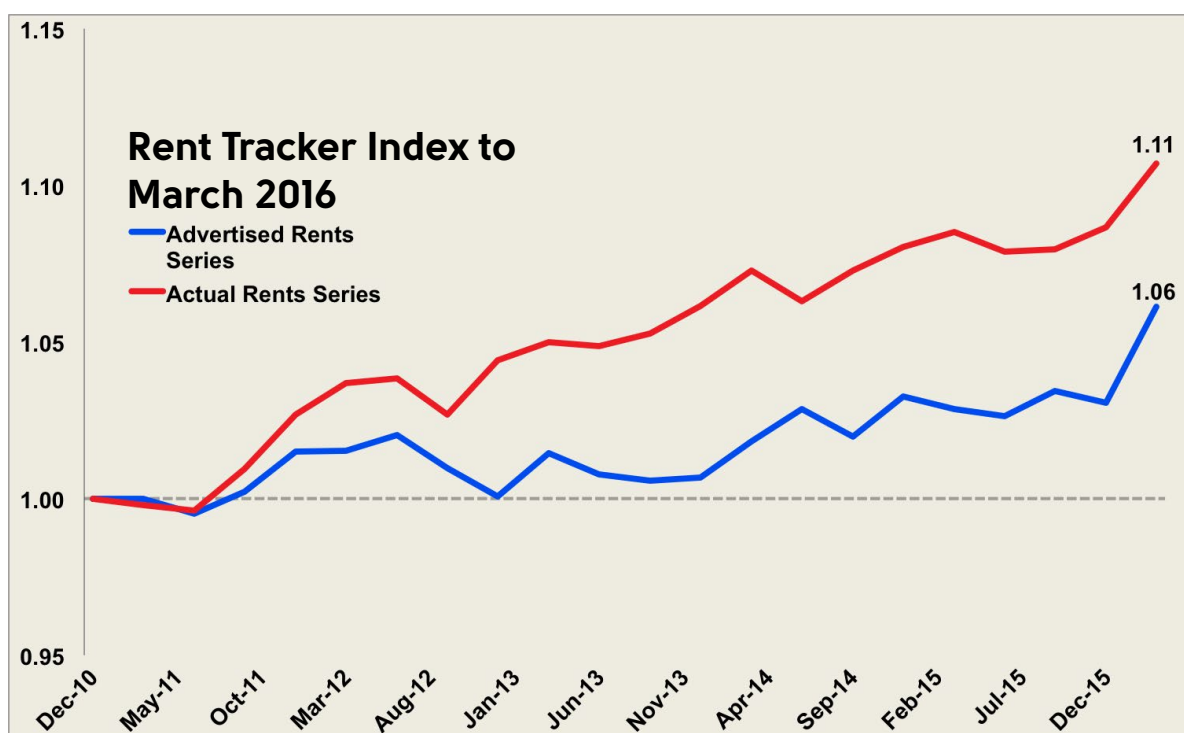


Figure 5



NSW Rents Over Time

The tables and charts over the following pages are here to help contextualise the Rent and Sales Report. The report has been running for 26 years, and is a deep and powerful data set.

Inflation and Rents

Where would rents be if rents had risen in line with the cost of living generally? The answer is that housing would be a lot cheaper! Median units would be more than \$200 per week cheaper than now, and houses similarly reduced, though not by quite as much. The prices would also be more distinct - rather than the \$10 per week difference between units and houses, they would be nearly \$40 apart.

This is largely due to rented properties in the more expensive

Then and Now- Sydney Rents

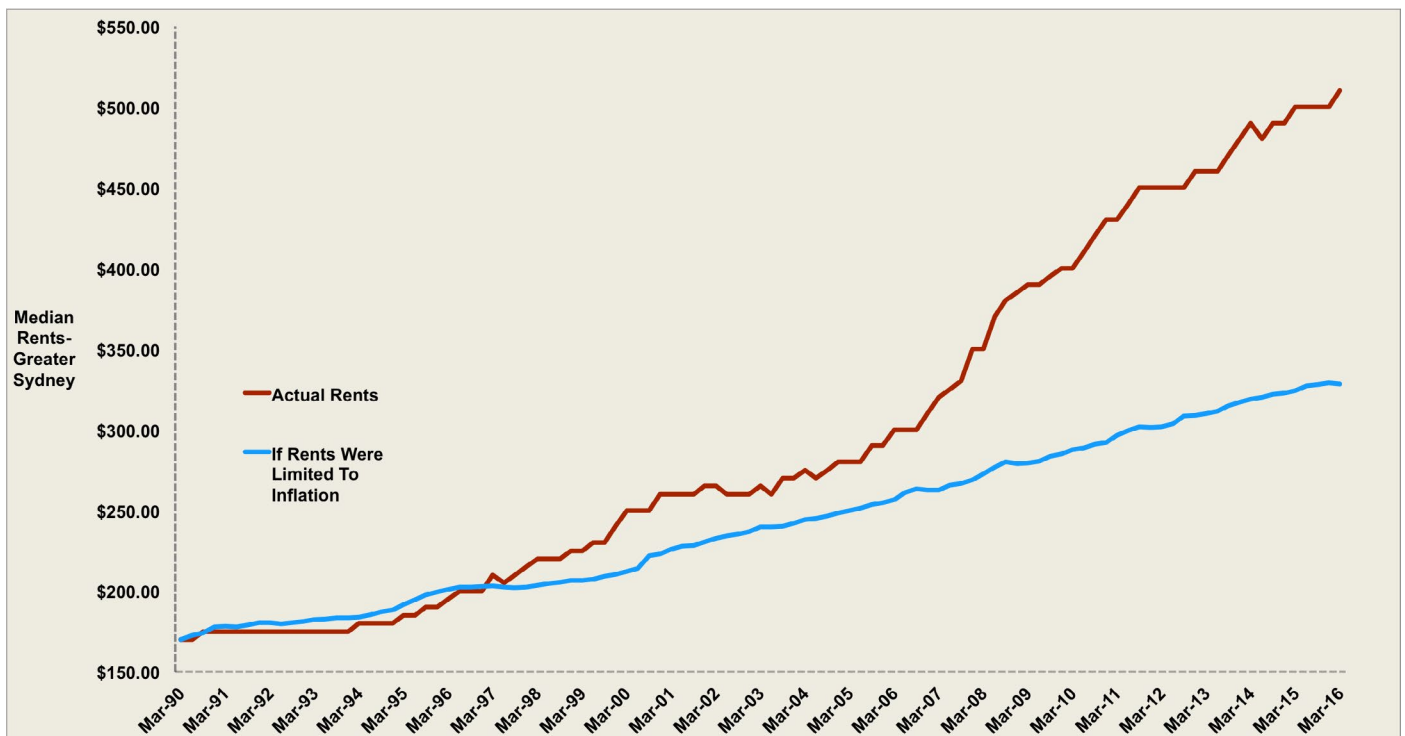
Greater Sydney	Units	Adjusted for inflation (\$2016)
Mar 1990	\$160	\$309
Mar 2016	\$515	\$515
Increase:	222%	67%

Greater Sydney	Houses	Adjusted for inflation (\$2016)
Mar 1990	\$190	\$367
Mar 2016	\$525	\$525
Increase:	176%	43%

Source: Rent and Sales Reports, Consumer Price Index

Inner Ring being largely units, outweighing the less expensive houses in the outer ring.

As shown in the long graph below, at different periods since March 1990, rents have actually risen more slowly than inflation. This was particularly true for the first half of 1990s and the first few years of the 21st century.



Source: Rent and Sales Reports, Consumer Price Index

Bonds & Rents over time

Looking at the bond data gives context for rent levels. For instance, in the generally more expensive Inner Ring of Sydney the majority of rented dwellings are units, which in large part accounts for the high cost of units compared to houses across the city.

Note: There are approximately a third of all bonds which were not identified as units or houses on their

bond lodgment form. These are included in the All Dwellings count.

For the rents tables we have chosen two bedroom units and three bedroom houses because of the consistent use of those data sets over time, as well as the high proportion of all dwellings they represent.

They are listed by Local Government Areas, with summaries for the Inner, Middle and Outer Rings, and the rest of the Greater Metropolitan Region.

Units	Bonds Held Mar 2016	Increase over the last year	5 years average yearly increase	10 years average yearly increase	20 years average yearly increase
SYD Inner Ring	101623	4.99%	3.10%	1.65%	4.53%
SYD Middle Ring	77228	8.06%	5.48%	3.51%	5.00%
SYD Outer Ring	52120	5.05%	3.34%	2.39%	4.07%
Newcastle	5170	2.68%	1.09%	0.99%	1.71%
Wollongong	7726	1.72%	1.17%	1.43%	2.46%
Rest of NSW	46833	1.19%	0.86%	1.42%	2.62%
Total NSW	290691	5.03%	3.22%	2.17%	4.06%

Houses	Bonds Held Mar 2016	Increase over the last year	5 years average yearly increase	10 years average yearly increase	20 years average yearly increase
SYD Inner Ring	10798	5.77%	1.62%	1.53%	2.66%
SYD Middle Ring	26371	4.14%	2.89%	1.37%	1.69%
SYD Outer Ring	82031	6.13%	4.08%	2.36%	4.10%
Newcastle	6451	2.02%	1.88%	0.45%	2.19%
Wollongong	5441	2.80%	1.72%	1.75%	3.36%
Rest of NSW	94892	2.34%	2.81%	3.02%	4.60%
Total NSW	225967	4.08%	3.14%	2.37%	3.76%

All Dwellings	Bonds Held Mar 2016	Increase over the last year	5 years average yearly increase	10 years average yearly increase	20 years average yearly increase
SYD Inner Ring	179110	4.17%	2.45%	1.64%	2.97%
SYD Middle Ring	157731	5.49%	4.52%	3.28%	3.79%
SYD Outer Ring	201068	5.21%	3.67%	2.65%	4.27%
Newcastle	20330	3.44%	1.87%	2.02%	3.09%
Wollongong	18665	2.58%	1.83%	2.03%	2.64%
Rest of NSW	196134	2.06%	2.42%	3.12%	4.14%
Total NSW	772993	4.11%	3.12%	2.60%	3.73%

Source: Rent and Sales Report

Median Rents All Units	March 2016 New Bonds	March 2016 Median Rent	Increase over the last year	5 years average yearly increase	10 years average yearly increase	20 years average yearly increase
Inner Ring LGAs	10345	600	5.26%	4.00%	7.14%	8.64%
Ashfield	350	460	3.95%	4.21%	8.40%	8.94%
Botany Bay	419	550	-1.79%	4.44%	12.00%	10.71%
Lane Cove	419	550	10.00%	5.00%	8.33%	8.10%
Leichhardt	336	528	5.50%	3.84%	7.02%	11.48%
Marrickville	659	460	4.55%	4.21%	9.17%	10.33%
Mosman	251	580	5.45%	3.67%	6.69%	7.08%
North Sydney	1195	600	4.35%	4.00%	7.14%	6.54%
Randwick	1359	600	4.35%	4.00%	7.65%	8.64%
Sydney	3993	620	3.33%	2.96%	6.76%	8.48%
Waverley	833	680	4.62%	4.73%	8.89%	9.78%
Woollahra	531	665	2.31%	2.93%	7.50%	7.79%
Middle Ring LGAs	8039	490	1.03%	4.50%	7.50%	9.00%
Auburn	676	480	4.35%	4.00%	6.55%	11.00%
Bankstown	301	400	1.27%	2.86%	7.02%	5.81%
Burwood	258	500	-1.96%	4.84%	7.86%	8.16%
Canterbury	691	380	1.33%	3.75%	10.00%	7.67%
Canada Bay	867	600	2.56%	3.53%	6.67%	7.00%
Hunters Hill	44	550	22.22%	4.44%	8.33%	7.79%
Hurstville	353	450	4.65%	3.68%	8.18%	8.24%
Kogarah	281	465	-1.06%	3.25%	6.61%	7.24%
Ku-Ring-Gai	363	600	0.00%	1.82%	9.05%	7.77%
Manly	399	675	7.14%	5.00%	7.76%	9.67%
Parramatta	1194	430	1.18%	3.24%	7.55%	7.65%
Rockdale	730	499	-0.20%	4.95%	8.48%	8.86%
Ryde	935	470	2.17%	5.07%	8.80%	8.93%
Strathfield	327	500	2.04%	3.26%	6.67%	8.16%
Willoughby	620	580	3.57%	3.20%	5.89%	6.15%
Outer Ring LGAs	4970	420	5.00%	4.00%	7.50%	8.55%
The Hills	330	515	0.98%	4.52%	8.07%	11.61%
Blacktown	319	370	2.78%	3.13%	7.62%	8.70%
Blue Mountains	66	315	10.53%	8.00%	8.53%	8.70%
Camden*	18	400	18.52%	7.35%	7.39%	10.09%
Campbelltown	165	350	6.06%	5.69%	11.21%	9.00%
Fairfield	270	320	0.00%	3.27%	9.39%	7.31%
Gosford	350	340	0.00%	4.29%	7.00%	6.33%
Hawkesbury	54	318	9.48%	5.40%	7.64%	6.34%
Holroyd	481	400	0.00%	2.54%	7.39%	7.12%
Hornsby	492	500	6.38%	4.39%	6.95%	7.82%
Liverpool	496	380	8.57%	5.33%	11.11%	9.62%
Penrith	208	310	3.33%	4.31%	8.24%	7.40%
Pittwater	139	550	5.77%	3.40%	7.74%	8.75%
Sutherland	678	450	2.27%	3.08%	7.31%	7.16%
Warringah	646	547	4.19%	4.31%	7.09%	8.68%
Wollondilly*	18	325	17.12%	6.00%	9.70%	9.77%
Wyong	240	315	5.00%	4.23%	8.26%	8.13%
Rest of Greater Metropolitan Region	2016	325	1.56%	3.21%	8.06%	8.54%
Kiama	31	350	1.45%	5.00%	7.50%	7.50%
Lake Macquarie	198	300	3.45%	5.00%	7.14%	8.64%
Maitland	92	270	0.00%	1.60%	7.42%	7.27%
Newcastle	624	340	3.03%	2.11%	7.89%	9.17%
Port Stephens	98	280	0.00%	0.74%	5.77%	7.17%
Shellharbour	69	320	8.47%	7.83%	10.00%	8.91%
Wollongong	825	340	1.49%	4.29%	8.38%	8.60%

Source: Rent and Sales Report

*denotes too small sample size, estimated median rent.

Median Rents All houses	March 2016 New Bonds	March 2016 Median Rent	Increase over the last year	5 years average yearly increase	10 years average yearly increase	20 years average yearly increase
Inner Ring LGAs	1195	875	2.94%	4.65%	8.62%	8.89%
Ashfield	58	750	2.74%	5.21%	11.43%	9.42%
Botany Bay	50	760	4.11%	4.13%	10.54%	9.07%
Lane Cove	58	900	-10.00%	1.69%	7.31%	7.68%
Leichhardt	206	835	4.38%	5.69%	8.56%	9.03%
Marrickville	211	800	6.67%	6.67%	11.05%	11.00%
Mosman*	56	1675	-1.47%	5.77%	7.63%	8.14%
North Sydney	68	970	-13.00%	0.42%	5.90%	6.41%
Randwick	163	998	9.62%	4.94%	10.36%	9.67%
Sydney	173	797	-5.12%	5.30%	8.75%	8.74%
Waverley	82	1300	2.77%	4.76%	8.06%	9.21%
Woollahra	70	1395	18.72%	-2.56%	1.16%	8.41%
Middle Ring LGAs	2318	600	3.45%	3.08%	7.91%	7.00%
Auburn	128	500	0.00%	2.22%	9.23%	8.16%
Bankstown	382	500	0.00%	3.81%	8.52%	6.90%
Burwood	35	650	8.33%	1.85%	7.57%	8.00%
Canterbury	223	580	5.45%	4.17%	8.71%	8.18%
Canada Bay	121	750	0.00%	4.19%	9.23%	8.89%
Hunters Hill	27	900	-14.29%	4.83%	3.43%	7.41%
Hurstville	127	600	9.09%	4.00%	8.75%	8.04%
Kogarah	85	570	5.56%	0.73%	6.29%	5.56%
Ku-Ring-Gai	242	1000	0.00%	3.39%	6.67%	7.05%
Manly	79	1250	4.17%	5.13%	8.94%	10.63%
Parramatta	338	500	2.04%	3.26%	8.52%	7.50%
Rockdale	149	600	3.45%	1.82%	8.18%	7.24%
Ryde	198	665	0.76%	5.09%	8.47%	7.79%
Strathfield	50	700	7.69%	5.00%	10.00%	6.76%
Willoughby	134	1100	10.28%	6.67%	8.33%	9.25%
Outer Ring LGAs	7365	480	4.35%	4.30%	8.46%	7.97%
The Hills	463	650	2.77%	3.64%	7.57%	7.04%
Blacktown	1188	450	2.27%	3.68%	8.00%	7.86%
Blue Mountains	255	420	2.44%	4.00%	8.26%	8.13%
Camden	369	510	2.00%	3.45%	7.59%	8.78%
Campbelltown	540	420	2.44%	3.50%	8.26%	7.35%
Fairfield	356	450	1.12%	3.08%	8.75%	7.16%
Gosford	566	470	4.44%	5.41%	7.57%	8.06%
Hawkesbury	196	463	5.11%	5.00%	7.79%	8.21%
Holroyd	264	480	0.52%	4.00%	8.46%	7.47%
Hornsby	303	660	0.76%	4.00%	7.37%	7.22%
Liverpool	569	500	2.04%	3.26%	7.86%	8.51%
Penrith	731	450	4.65%	4.32%	8.00%	7.50%
Pittwater	116	993	10.28%	5.13%	8.05%	9.18%
Sutherland	335	660	1.54%	3.16%	7.37%	7.69%
Warringah	244	900	5.88%	3.38%	8.00%	8.24%
Wollondilly	110	450	12.50%	5.71%	9.57%	8.64%
Wyong	760	400	5.26%	5.00%	7.39%	7.90%
Rest of Greater Metropolitan Region	3055	400	2.56%	2.86%	6.67%	7.90%
Kiama	43	500	4.17%	5.97%	7.86%	8.89%
Lake Macquarie	667	400	2.56%	2.86%	7.02%	8.33%
Maitland	342	380	3.40%	1.71%	5.20%	7.67%
Newcastle	726	400	0.00%	2.38%	6.33%	7.90%
Port Stephens	318	400	5.26%	2.86%	6.67%	8.33%
Shellharbour	206	460	9.52%	4.21%	8.40%	8.53%
Wollongong	526	470	5.62%	4.74%	7.41%	8.06%

Regional Rents

The following tables show two bedroom units and three bedroom houses median rents across 15 Local Government Areas containing the most populous regional centres in New South Wales.

We have restricted our analysis here to 15 regional centres due to the small numbers of bonds lodged in a quarter in

some areas of New South Wales. The Rent and Sales Report does contain all Local Government Areas across the state.

Unlike the Sydney Greater Metropolitan Region, data prior to 1998 is no longer easily accessible. We intend to include older data in future editions.

2 bedroom units	Median Rent Mar 2016	Increase over the last year	5 years average yearly increase	10 years average yearly increase
Albury	205	0.00%	4.12%	4.64%
Coffs Harbour	295	5.36%	4.58%	7.88%
Wagga Wagga	235	2.17%	1.61%	6.21%
Port Macquarie-Hastings	290	3.57%	5.22%	6.11%
Tamworth Regional	250	0.00%	5.00%	6.13%
Orange	250	8.70%	2.73%	4.71%
Wingecarribee	330	13.79%	6.40%	10.63%
Dubbo	230	4.55%	7.06%	7.69%
Bathurst Regional	250	0.00%	4.10%	4.71%
Shoalhaven	280	3.70%	8.00%	8.67%
Lismore	230	-4.17%	0.67%	5.33%
Greater Taree	223	1.14%	5.18%	5.08%
Ballina	318	5.83%	3.09%	5.12%
Armidale Dumaresq	240	0.00%	4.00%	6.00%
Goulburn Mulwaree	220	0.00%	5.14%	6.30%

3 bedroom houses	Median Rent Mar 2016	Increase over the last year	5 years average yearly increase	10 years average yearly increase
Albury	300	1.69%	2.64%	3.04%
Coffs Harbour	310	0.00%	2.14%	4.09%
Wagga Wagga	335	-4.29%	1.61%	5.58%
Port Macquarie-Hastings	330	0.00%	0.95%	4.67%
Tamworth Regional	440	4.76%	3.78%	5.71%
Orange	340	6.25%	4.29%	7.00%
Wingecarribee	320	3.23%	4.62%	6.84%
Dubbo	320	6.67%	1.33%	4.55%
Bathurst Regional	405	3.85%	4.55%	6.53%
Shoalhaven	320	6.67%	4.85%	6.00%
Lismore	320	-3.03%	2.07%	4.55%
Greater Taree	315	1.61%	4.23%	5.75%
Ballina	320	3.23%	1.33%	3.91%
Armidale Dumaresq	395	3.95%	2.57%	5.80%
Goulburn Mulwaree	420	10.53%	5.45%	9.09%

Source: Rent and Sales Report

Sources:

Family and Community Services, 1995-2016, *Rent and Sales Report Nos. 35, 36, 75, 95, 111, 115.*

Rent and Sales Reports are available here: <http://www.housing.nsw.gov.au/about-us/reports-plans-and-papers/rent-and-sales-reports>

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