

# THE FUTURE OF THE RENTAL MARKET:

Realising the potential for a prosperous, healthy  
and sustainable system for South Australia



## Background and Purpose of the Symposium

The social and economic factors affecting how we live are rapidly changing for South Australia and as we move towards 2030, more and more South Australians will rely on the private rental market to find and make their home.

As we prepare for this future, it will be essential to ensure our rental sector is “fit for purpose” in delivering the conditions necessary for renters to live healthy and productive lives. This is true not only for renters, but for the State as a whole. Access to safe, affordable and secure homes is a key determinant of social and economic activity and the physical and mental health of the population.

In response to increasing pressures within South Australia’s rental sector, the Centre for Health in All Policies Research Translation (CHiAPRT), The Australian Centre for Social Innovation (TACSI), Uniting Communities and Junction Australia partnered to host the symposium: “The Future of Renting for a Prosperous, Healthy and Resilient South Australia”.

The purpose of the Symposium was to facilitate a forum where all stakeholders from South Australia’s rental system could come together to explore current challenges and identify opportunities for shared solutions – i.e. where might there be common ground for landlords, tenants, property managers, policy makers, among others, to work together towards a better rental system and market for all.

Key notes were delivered by:

- Professor Emma Baker Professor of Housing Research University of Adelaide
- Heather Holst, Victorian Commissioner for Residential Tenancies

Heather Holst also facilitated a panel discussion focussed on identifying shared opportunities and solutions for creating a rental system capable of supporting good lives for people who rent their home. This panel consisted of a broad and diverse set of stakeholders from across South Australia’s rental sector:

PANEL MEMBER	ORGANISATION	PERSPECTIVE
Mr Daniel Gannon	Executive Director Property Council of SA	Property Sector and landlords
Ms Alice Clark	CEO Shelter SA	Rights of tenants
MS Maria Palumbo	CEO Junction Australia	Community Housing Sector
Ms Emma Slape	CEO Turner Real Estate	Private sector and landlords
Ms Wei Gao	Lived Experience, SYC	Tenants

## Shared challenges and opportunities identified at the Symposium:

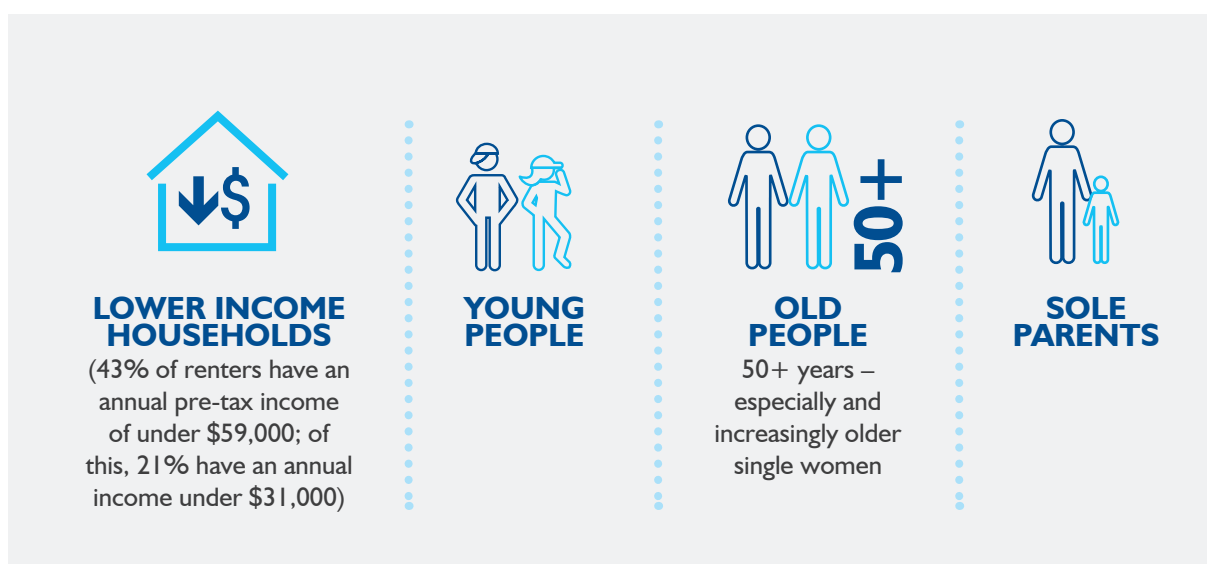
Due to pressures on social housing and declining rates of home ownership, the State will have to increasingly rely on the private rental market to provide homes to South Australians into the future.

At present, private sector renting is the fastest growing form of housing tenure in South Australia – increasing from under 20% in 1998 to over 30% in 2022 (≈50% increase). This coincides with decreasing rates of home ownership (from 40% of South Australian households in 1998, to under 30% in 2022).

### The experience of renting is becoming increasingly fraught, causing social and economic consequences for both individuals and the State:

- People are relying on renting for longer periods of their lives and for many, renting is life-long.
- South Australian vacancy rates are at record lows and currently the lowest in the nation – this is driving increasing unaffordability and compelling tenants to accept properties that are increasingly poorly maintained.
- The rental market often delivers unstable and insecure tenure – which has a direct and negative impact on the physical and mental health of South Australia’s renters.
- Due to growing social housing waitlists, increasing numbers of marginalised groups are being forced to access their home through the private rental market, which in many instances is compounding their experience of marginalisation.

This includes:



- Mould, leaks and the impact of very cold or hot temperatures ie: from a lack of thermal efficiency, are becoming major concerns for renters and are issues that often present in properties in poor condition. These concerning issues can directly affect the health and wellbeing of tenants.

**It is strategically important for the State – at a population level – to ensure our rental system delivers homes (beyond ‘housing’ and ‘shelter’) for all South Australians who rent their home.**

The World Health Organization states that access to stable, secure and affordable housing is an essential requirement for the health and wellbeing of individuals and communities. As such, we must consider housing to be essential to individual wellbeing and is considered to be one of the major determinants of health.

Housing is a human right. The [International Covenant on Economic, Social and Cultural Rights \(ICESCR\)](#) states that “Every person has the right to an adequate standard of living, which includes the right to adequate housing” (ICESCR, article 11). The right to housing is more than simply a right to shelter. It is a right to have somewhere to live that is adequate. Whether housing is adequate depends on a range of factors including:



**In addition to providing shelter and safe housing, ‘homes’ deliver three critical functions to the people who live in them:**

- **AGENCY** – stability and security of tenure; the control and freedom to choose when and where you move; freedom from financial overburden; a foundation for progressing and getting what you want out of life.
- **CONNECTION** – control over who comes into your home; opportunity to contribute to the lives of those who live round you and for them to be able to contribute to yours; freedom and stability to invest in your community.
- **IDENTITY** – the freedom to use your space to evolve your identity over time; practice your culture; do the routines, rituals and hobbies that make you who you are; a place to belong.




These three critical functions form the foundation for people to invest in, and improve their future. When any of them are absent, people’s potential is limited and disadvantage further entrenched. Given close to 30% of South Australian’s rent their home, ensuring our rental system delivers homes – beyond ‘housing’ and ‘shelter’ – is an investment in supporting our people, to make their future better than their present.




**Given the complexity of the current challenges, achieving this future will require us to take a public health approach to housing and renting in South Australia.**

Public health is concerned about the health and wellbeing of populations, beyond individual approaches to illness and disease. It looks to the causes of disease and illness, and acts to intervene and prevent or minimise their impact on people’s health. Good housing – or good ‘homes’ – is a key precondition for promoting health and health equity, preventing illness and building healthy and inclusive communities. Investing in the capacity of our rental sector to deliver good homes for South Australians will yield social and economic returns in the form of improved health, education and employment outcomes across generations, portfolios and governments.

**Shared opportunities for a better rental future: State Rental Housing Strategy**

The actions below summarise the opportunities to address the issues identified at the Symposium. These actions will be effectively progressed under the development of a State Rental Housing Strategy.

THE SHARED OPPORTUNITIES	HOW IT IMPROVES SOUTH AUSTRALIA’S RENTAL SYSTEM
<p><b>Improving flexibility in length of leases</b></p> 	<p>Key in supporting the provision of longer leases and greater security of tenure for tenants.</p> <p>Greater security of tenure gives tenants the stability and space necessary for investing in themselves, their futures and communities.</p> <p>Longer leases also give landlords an opportunity for securing a more stable return on their investment over the long term.</p> <p>Work towards this outcome could include:</p> <ul style="list-style-type: none"> <li>• Reviewing the Residential Tenancies Act</li> <li>• Work with REISA to establish best practice in property management (that meet the needs of both tenants, and landlords).</li> </ul>
<p><b>Develop a stronger voice for renters: - A renter’s union</b></p> 	<p>South Australia is one of the only states in Australia where renter’s rights and perspectives are not represented by a formal advocacy group.</p> <p>The development of a formal, organised renters union would help:</p> <ul style="list-style-type: none"> <li>• Balance the power between tenant and landlord voices.</li> <li>• Increase tenants’ voice and influence in policy development.</li> </ul>
<p><b>Improving the physical condition of SAs rental stock</b></p> 	<p>Better maintained rental stock increases the value of landlords’ investments and the living conditions of renters. For renters, poorly maintained houses often directly impact health (through damp, mould and cold, among other factors) and financial resilience (through high utilities bills as a result of poor thermal efficiency, lack of solar and lack of water capture).</p> <p>Work towards this outcome could include:</p> <ul style="list-style-type: none"> <li>• Development of incentives for landlords to maintain and improve their properties.</li> <li>• Development and implementation of minimum building standards.</li> </ul>

<p><b>Increase relationships and contact between landlords and tenants</b></p> 	<p>Landlords and renters both benefit from having a relationship with each other. These relationships help support:</p> <ul style="list-style-type: none"> <li>• An understanding and respect of each other’s needs.</li> <li>• Longer tenancies.</li> <li>• Resolution of minor disputes without resorting to SACAT.</li> </ul> <p>Work towards this outcome could include:</p> <ul style="list-style-type: none"> <li>• Reviewing the Residential Tenancies Act</li> <li>• Work with REISA to establish best practice in property management that meet the needs of both tenants, and landlords).</li> </ul>
<p><b>Investing in innovation to increase rental diversity</b></p> 	<p>As a result of the dominant landlord-property manager-tenant model in SA, there are many marginalised groups who either:</p> <ul style="list-style-type: none"> <li>• Are excluded from the rental system (i.e. can’t access a rental property) or</li> <li>• Experience increased marginalisation as a result of being homed within this model (without having access to a feasible alternative)</li> </ul> <p>We need to invest in creating a more diverse rental system that responds to and is inclusive of the diversity of the South Australian population – including lower income households, young people, older people (particularly older single women), sole parents, people recovering from mental distress, people living with disability, people exiting the homelessness system, among others.</p> <p>Work towards this outcome is likely to have to include:</p> <ul style="list-style-type: none"> <li>• The development of a state rental housing strategy</li> <li>• Financial investment from government and/or philanthropy</li> <li>• Partnerships between landlords, the real estate sector, government, social housing providers and people with renting lived experience</li> </ul>
<p><b>Supporting the conditions for the scale of build to rent</b></p> 	<p>Investing in the conditions for build to rent has potential to create greater opportunity for SA renters to access a home that provides longer term security of tenure and control in how they live in their home.</p> <p>At present, the Property Council is working with the government to consider tax reforms that strengthen the business case and viability of build to rent models.</p> <p>Further work needs to be done towards ensuring there are build to rent options developed that are not just targeted at higher income households but also meet the needs of lower-income households and other marginalised groups.</p>