

FOR IMMEDIATE RELEASE

Queensland's rental market in crisis

Queensland is in a period of severely low rental availability, record high rental prices, and an escalating rate of unmet housing need.

- Queensland has seen ten consecutive quarters of rental vacancy rates below 1% (The REIQ). The state average is 0.8%, with some markets as low as 0.4%.
- Queensland had the largest decline in rental affordability in Australia in 2022 (SGS Economics, National Rental Affordability Index) and its regional markets are the most unaffordable in the country.
- It has five of the top ten regions in Australia with unmet housing need (Community Housing Industry Association, UNSW City Futures)
- And today, an Urban Reform Institute report puts Brisbane 15th in a list of the least affordable major cities in the world.

At the same time, there have been ten successive interest rate rises by the RBA and insurance, building, and maintenance costs are all increasing.

Rental market intervention in this time of crisis

Q Shelter has long been calling for a reasonable approach to rental market intervention measures to achieve a 'healthy housing system' overall. Obviously, the single biggest impact we can make is a substantial boost to housing supply. While supply strategies are in the pipeline, we need other interventions to protect people from the risk of homelessness.

- There is a clear difference between proposing a rent freeze and looking at other forms of rental market intervention. Contributions in recent days have pointed to the possible unintended consequences that rent control measures might have on decreasing housing supply and disincentivising owners to maintain properties to an adequate standard. These are valid concerns.
- However, in our view, there is a **reasonableness test** to be applied. Queensland is one of the only states where **the rent can be increased twice a year**. There is also **no existing framework for managing rental increases**.

It's important we find solutions that achieve a fair and equitable balance — one that immediately addresses the fragility of the current rental market while also respecting the needs of investors and property owners.

A framework to guide rental increases could achieve this balance, and it should be a focus of the next round of tenancy law reform by the Queensland State Government. [Q Shelter is also a member of the Make Renting Fair in Queensland alliance which suggests a number of additional rental reforms.](#)

Impacts of discontinuing the National Rental Affordable Scheme (NRAS)

The Federal Government also needs to reconsider its role in the current rental market crisis. The discontinuation of the National Rental Affordability Scheme (NRAS) is having a huge impact, spilling thousands of Queenslanders into a crowded and unaffordable rental market. There are another 2,500 NRAS subsidies expiring in Queensland this year. Most of these people do not qualify for public housing. Q Shelter is pleased to hear the State Government is looking at options to purchase or acquire several of the expiring NRAS properties in conjunction with the community housing sector. However, this may not achieve a **net gain in supply** unless the Federal Government agrees to extend NRAS subsidies so that the State's resources can achieve an increase for those not yet housed.

Another important measure the Federal Government must consider in the lead up to the May Federal Budget is **increasing the rate of Commonwealth Rent Assistance (CRA)**. Discontinuing NRAS without any short term counterbalance, especially when new housing supply could take years to come into the market, could have a devastating impact on vulnerable renters.

Diversification of the rental market

In the longer term, we need greater diversification of rental housing providers in Australia. Currently, private investors supply almost all rental housing and when costs go up they are directly impacted. In the USA, Built-to-Rent (BtR) is the largest property asset class with institutions developing, financing, and owning larger numbers of rental products. This can protect price and diversify the rental market to manage market ebbs and flows. We need to **accelerate affordable Build-to-Rent projects here in Queensland** to strike this balance as quickly as possible.

Q Shelter looks forward to next week's Housing Round Table to discuss reasonable and practical measures in the rental market in this time of housing crisis.

ENDS

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About Q Shelter

For over 35 years, Q Shelter has worked as a peak body to improve housing outcomes for Queenslanders. Over this time, we have remained an unwavering voice for solutions through advocacy, strategic engagement and capacity building.