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Landlord Exodus: Victoria Likely to Lose Thousands of Rentals in the Next 12 Months - News Hub

MCG Quantity Surveyors

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South Yarra



LANDLORD EXODUS:
VICTORIA LIKELY TO LOSE
THOUSANDS OF RENTALS IN
THE NEXT 12 MONTHS



Victoria Likely to Lose Thousands of Rentals in the Next 12 Months Amid Investor Exodus

The Victorian rental market is facing a significant crisis, with new data revealing a concerning trend of declining investor activity and a net loss in rental properties. According to MCG Quantity Surveyors, the number of new investor loans has dropped dramatically, leading to a shortage in rental stock and increased pressure on the market.

“Victoria’s rental market is in a precarious position,” says Mike Mortlock, Managing Director of MCG Quantity Surveyors. “Over the last three months, investor loans in Victoria totalled 10,220, resulting in an annualised figure of 40,880. During the same period, annualised ex-rentals were calculated at 45,924. This means we’re looking at a net loss of 5,044 rental properties, a 1% decrease in the state’s private rental stock.”

The issue is not just about existing landlords exiting the market; potential new landlords are also wary of investing in Victoria. The trend suggests a broader reluctance among investors, exacerbated by policies and market conditions that dissuade investment in the state’s rental properties.

“Landlords are increasingly cautious about entering the Victorian market,” Mortlock continues. “It’s not just about those who are leaving. Many potential investors are now avoiding Victoria altogether, seeking opportunities in other states with more favourable conditions. This reluctance to invest is further shrinking the available rental stock, making it harder for tenants to find affordable housing.”

To address this crisis, it’s crucial to avoid the blame game and focus on constructive solutions. Demonising landlords can lead to a worsening situation for renters, who are already feeling the pinch of reduced rental availability and higher prices.

“We need to resist the temptation to point fingers at landlords,” Mortlock advises. “Blaming them as the bad guys will only exacerbate the problem, making things even worse for long-suffering renters. Instead, we should work on creating a more supportive environment for property investors, which in turn will help stabilise and grow the rental market.”

Mike Mortlock

Managing Director, MCG Quantity Surveyors

Phone: 0409 956 797

Email: mike@mcgqs.com.au

Website: www.mcgqs.com.au

