



# MAYORAL MEMO - 10 JANUARY 2024

Today I want to talk about an increasingly pressing issue: the surge in rental prices, locally and across Australia. The situation in Dubbo reflects a national trend, where a combination of factors has led to a challenging housing market for renters.

Australia's rental market is undergoing a significant shift. The country is grappling with ultra-low vacancy rates, currently below 1.5 per cent in 80 per cent of precincts. This tightening market is a primary driver of rental price increases. A combination of factors, including low supply of new dwellings, high demand, and a rising population, has created a perfect storm. With the Intergenerational Report projecting a population growth of 13.1 million (50 per cent) over the next 40 years, the imbalance between housing supply and demand is likely to persist.

Across the nation, rental prices increased by 8.3 per cent in calendar year 2023 on the back of a 9.5 per cent increase in 2022 and 9.6 per cent in 2021. 31 per cent of household income was dedicated to rental payments.

In Sydney, the median house rent increased last year by 13.6 per cent to \$750 per week. Melbourne; Perth and Adelaide saw increases of 14.6; 12.7 and 12.0 per cent respectively.

In Dubbo, we are witnessing similar trends, although not at the same levels. According to the REA Group, the current median rental price for a house in Dubbo is \$460, well below that in Sydney, with an increase of 2.2 per cent over the last year. This growth is on the back of increasing demand for rental properties as more people move to the region and a limited supply. While this signifies Dubbo's growing appeal, it also underscores the need for sustainable housing solutions. The challenge is to balance the city's attractiveness as a destination with the availability of affordable housing options.

As Mayor, I don't have the power to direct landlords to charge less or direct developers to build more. However, as a Council, we can facilitate conditions that encourage development and increase housing supply. Our Developer Forums play an important role in the education process to ensure developers are aware of the huge opportunities that exist. We can also create an approval process as streamlined as legally possible for new developments. Importantly, we can look at the possibility of differing densities of housing as the median people per household has reduced from 4.53 to 2.54 over the last 110 years. New construction methods are also being explored and we need to be able to certify these.

The challenge is to meet the growth in demand with a suitable supply of housing. This is a difficult challenge, but I prefer to see it as an opportunity. If the problem is difficult to solve, the communities who solve it first and best are in a great position.

**Councillor Mathew Dickerson**  
**Mayor of Dubbo Regional Council**

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