Australian Government
Department of Education

International students and the private rental market – available data

According to a Student Accommodation Council (SAC) report, international students only make up 4% of the total rental market.

- It has been heavily quoted that international students only account for 4% of the private rental market. This figure comes from the SAC report *Myth busting international students' role in the rental crisis*, April 2024, which cites ABS 2021 Census data (the 2021 Census was conducted in August, when COVID restrictions remained in place).

The 4% figure is 2021 data, a time with the lowest level of international students in recent history. Student numbers have increased substantially since August 2021

- According to ABS 2021 Census data, on Census night there were 363,900 student visa holders in Australia. 33.6% of these student visa holders lived in greater Sydney and 28.0% lived in greater Melbourne (ABS: Temporary visa holders in Australia).
- The Department of Home Affairs *Number of temporary visa holders in Australia* report (BP0019), 31 July 2024, shows 696,162 student visa holders in Australia. This represents a 91.3% increase in the number of student visa holders when compared to the 2021 census data from which the 4% figure was derived.
- All other things being equal, this means that the 4% national average figure based on the census would be more like 7% based on 31 July 2024 figures.

The 4% 2021 figure was a national average across all rental markets. In the inner areas of our capital cities, it was much higher in 2021, and will be even higher now

- The 4% figure was for the entire Australian rental market and does not reflect the heavily skewed residential location of international students, and the significant housing pressures in inner-city locations with a higher concentration of international students.
    - The same report showed 5 Local Government Areas (LGAs) where the proportion of international students exceeds 15% of the total renting population, and 13 LGAs which exceed 10%.
        - In 2021 these were: Adelaide (24%), Burwood (24%), Melbourne (21.8%), Strathfield (17.6%), Bayside (15.8%), Sydney (14.6%), Perth (14.4%), Hobart (13.4%), Monash (12.6%), Georges River (12%), Canning (11.9%), Cumberland (10.1%), and Whitehorse (10.1%)

- Meanwhile 406 LGAs, or 73% of the total, made almost no contribution to this national average, having international student numbers less than 1%.
- 90% of international higher education students enrolments are in the major cities of Australia (Sydney, Melbourne, Brisbane, Adelaide, Perth, Canberra)[1] .
- Given the growth experienced since the COVID low point, there are likely to be more heavily concentrated LGAs in Australia today, and with larger proportions of international students in the private rental market than existed in 2021.

Around 50% of all international students currently reside in the private rental market

- The 2022 Quality Indicators for Learning and Teaching (QILT) Student Experience Survey (SES) found 49.4% of international students in 2022 resided in privately rented housing (not including PBSA).
    - In contrast, only 9.4% of international students in 2022 resided in university or college halls of residence. An additional 5.7% were in a student house controlled by university and 5.8% in private halls or student hostels.
    - 24.4% were living with parents, other relatives or friends.
    - Only 3.1% were in a homestay arrangement.
- This would suggest that in July 2024, there would likely be at least 343,904 international students in the private rental market with a potential increase of 180,149 international students in the private rental market since 2021.
- SES Surveys from 2020 onwards all report a share of international students in the private rental market close to or above 50%.
- With the National Planning Level set at 270,000 for 2025, conservatively 135,000 new international students will enter the private rental market next year.

Even small impacts on the demand and supply of housing can impact on rents and housing affordability

- The Reserve Bank of Australia[2] estimated that a 1% increase in dwelling stock results in the cost of rentals decreasing by 2.5%.
- A 1% reduction in the demand for private rental properties has an equivalent impact as a 1% increase in dwelling stock and would result in a decrease of rental prices across the market, especially in inner cities.

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[1] Source: International student enrolment and commencement data by ABS SA4 - Department of Education, Australian Government (91% including Darwin).

[2] Reserve Bank of Australia research discussion paper RDP2019-01 "*A Model of the Australian Housing Market*". Trent Saunders and Peter Tulip

Evidence suggests a connection between rental prices and the presence of high numbers of international students

- Rents across Australia rose during the COVID-19 pandemic, but data from SQM research shows that rental prices for units in inner-city locations around most major university campuses dropped significantly from June 2019 to June 2021 when international student numbers were low and rose sharply in the 12 months following the return of students (see Appendix A). For example:
    - Inner-Melbourne (SA4 region) median rental price for a unit in early June 2019 was \$533. By early June 2021 it was \$382, and by June 2022 it rose again to \$489. June 2024 was \$633.
    - Sydney – Eastern Suburbs (SA4) was \$646 in 2019, fell to \$576 by 2021, and rose to \$670 in June 2022. \$941 as of June 2024.

Appendix A: Median weekly unit rental asking prices by SA4 equivalent regions

Region (SQM Regions mapped to ABS SA4)	All Units Rental Asking Price 2019	All Units Rental Asking Price 2020	All Units Rental Asking Price 2021	All Units Rental Asking Price 2022	All Units Rental Asking Price 2023	All Units Rental Asking Price 2024	2024 Total Student Visas Studying in SA4 as % Population
NSW / Sydney CBD	838	677	702	751	1011	1200	42.29%
VIC / Melbourne City	533	471	382	489	606	633	17.99%
WA / Perth City	442	432	475	522	647	720	12.35%
NSW / Eastern Suburbs	646	610	576	670	869	941	12.30%
QLD / Brisbane CBD	461	463	481	520	687	750	12.13%
QLD / West Brisbane	359	363	387	404	521	594	10.11%
SA / Adelaide City	443	430	427	437	521	560	9.16%
NSW / Inner West	525	491	450	504	682	735	6.35%
VIC / Inner East Melbourne	472	438	379	432	573	607	5.85%
NSW / Parramatta	458	450	404	456	579	658	4.06%
ACT / Belconnen	439	447	484	532	550	561	3.22%
ACT / Inner North	550	553	587	610	605	621	3.22%
NSW / Wollongong	400	384	418	466	518	567	2.41%
TAS / Central Hobart	393	400	426	478	489	478	2.28%
WA / South West Perth	326	353	409	434	513	656	2.20%
WA / South East Perth	306	321	369	406	488	587	2.12%
VIC / South East Melbourne	357	351	352	400	451	514	2.03%
QLD / Southern Brisbane	347	355	365	408	488	550	1.98%
VIC / Melbourne North	390	389	360	390	452	522	1.78%
WA / North West Perth	370	356	424	459	568	607	1.52%
SA / Southern Adelaide	313	322	345	375	419	553	1.51%
QLD / Toowoomba	289	297	334	346	400	407	1.22%
NSW / Central Coast	402	397	465	515	520	547	1.15%
VIC / Western Victoria	292	300	320	327	355	371	0.80%
QLD / Queensland North Coast	275	319	318	348	396	450	0.68%
QLD / Sunshine Coast	400	430	470	555	600	645	0.49%
NSW / Tamworth	228	250	249	280	298	306	0.48%
NSW / Northern Beaches	630	608	586	632	758	800	0.45%
NSW / North Coast NSW	374	400	450	484	507	538	0.20%
QLD / Queensland Central Coast	237	265	304	351	377	435	0.14%
NSW / Riverina Region	242	249	258	282	336	356	0.10%

Source: SQM Research (Median Rental Asking Price),
PRISMS and ABS – Regional Population (2024 Student Visas as a % of Population).