

# RESEARCH DIRECTIONS

## Residential Property Investment

**Professor Graeme Newell and Dr Chyi Lin Lee of the School of Business, along with Dr Valerie Kupke of the University of South Australia are investigating ways to meet Australia's housing needs. This project is funded by the Australian Housing and Urban Research Institute (AHURI).**

'There has been a serious decline in rental affordability and availability in recent years,' says Dr Newell. 'A recent study has shown almost half of low-income households in the private rental market experienced rental stress where a significant proportion of their income had to be spent on rent alone. The National Rental Affordability Scheme, introduced in 2008 provides subsidies for low-income renters, but only goes some way to solving this problem. Multi-unit residential trusts (residential investment vehicles) allow institutional investment in the rental property market so that the supply of residential properties can be increased, along with affordable rents. This has been achieved successfully overseas, but the Australian market focuses on commercial, not residential property and without a suitable residential trust and large-scale investment in private property, rental stress will continue. This project will explore the opportunity to develop an effective residential investment strategy to expand the supply of affordable rental housing and help meet Australia's housing needs.'

The research will be conducted in two phases:

1. Examination of what has been done in other countries and evaluating their applicability to the Australian property market.
2. Developing a residential investment vehicle in Australia and modelling the likelihood of successful implementation. The project will be guided by ongoing input from Australian and international stakeholders via interviews, surveys, focus groups and conferences.



The residential investment vehicle developed in this study will address structures within the housing system, such as finance, support services and tenure arrangements that enable households to access housing as their needs change over time. Implementing the innovative delivery of affordable housing and encouraging large-scale investment in the private property rental market will help reduce rental stress and make rental housing more affordable and accessible in Australia.

**Project Title:** The opportunity of residential property investment vehicles in enhancing affordable rental housing supply.

**Funding has been set at:** \$85,578

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**AHURI** Australian Housing  
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