



The Case For Rent Controls

What Happened To Rental Affordability?

Australia is facing its worst ever housing crisis. According to PropTrack's 2024 Rental Affordability Report, rental affordability in Australia has fallen to its lowest level since at least 2008. SA rents have risen by 52% since COVID.

One of the drivers of this crisis is soaring rents, which disproportionately impacts people on income support, single parents, older women, and people with disabilities.

More and more people are having to choose between paying for housing and meeting basic needs such as food, healthcare, and utilities.

This crisis is not the result of individual failure, but of government failure. One important way of correcting this failure is through rent controls (or rent caps).

What Is The State Government Doing?

The South Australian Government, because of community pressure, has introduced some positive tenancy reforms, including a partial ban on rent-bidding, limiting rent increases to once a year, and ending "no-cause" evictions.

While these reforms are welcome, they do not address the core problem: unlimited rent increases. Limiting how often rent can rise doesn't protect the tenants if landlords are free to raise rents by any amount they want.

Despite repeated calls from advocates, researchers, and grassroots organisations, the State Government continues to refuse to consider any form of rent control that would meaningfully limit excessive rent rises.

What Are Rent Controls And Why Do They Matter?

Rent controls are policies that limit how much and how quickly rents can increase. They include both temporary rent freezes, and limiting rent rises to inflation, or some other defined figure.

Some versions of rent controls limit rent rises within tenancies, e.g., limit rent rises while the same person/people are renting a property. Other versions of rent controls also limit rent rises for properties, when they are being rented out to new tenants. We need both to make renting more affordable.

For years, Anti-Poverty Network SA has heard from renters across SA who have faced huge rent rises that have wrecked people's already-tight budgets – rent rises they had no ability to challenge, given their limited powers, and the very competitive rental market.



Controlling rent rises would give renters stability, and protection from huge and cruel rent increases.

Addressing The Rent-Control Myth

Some people claim that rent controls would make things worse for renters, because it would lead to investors selling their properties, meaning less rental stock available.

This is not necessarily true: evidence from countries with well-designed rent-cap schemes shows that these policies can improve affordability, without reducing the supply of rentals or discouraging the construction of new houses.

For instance, the ACT has a version of rent controls that allows rent increases linked to inflation, plus a fixed margin, that has improved affordability, without harming supply.

But we also need to remember: when investors sell their properties, these properties are either purchased by other investors – to be rented out – or are purchased by people looking for their own home, who want to leave the rental home. Investors selling their houses, does not mean those houses will disappear!!

Our Position

- An **immediate, temporary, 2-year rent-freeze** as an emergency measure to prevent further displacement during the current crisis, followed by
- The introduction of **strong rent controls, limiting rent rises to inflation** (with some exceptions, e.g., if a property has been renovated)

Of course, there is no silver bullet for fixing the crisis: we will also need, for instance, a massive expansion of public housing stock, over many years, and urgent action to get houses that have been kept empty long-term out into the rental market.

And we will need a well-designed system of rent controls. A scheme that covers all housing, including new dwellings, student housing, long-term accommodation, and residential parks. And there will need to be strong monitoring and enforcement. But with enough political will, we can do it. And in an emergency, we must.

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