

RENTAL SQUEEZE SEES GRANNY FLAT PUSH LEAVING UNSUSPECTING HOMEOWNERS VULNERABLE

A housing affordability expert has urged homeowners to rethink building a ‘granny flat’ if they’re keen for some extra rental income during these financially stressful times.

“With the June vacancy for rentals hitting an all-time low, many homeowners who seek to capitalise on the lack of rentals and at the same time boost their already stretched income think that the only way they can accommodate a paying tenant is to build a self-contained unit out the back in the form of a granny flat.

“But they quickly discover it’s not just a costly exercise, they’re not legally rentable in all states of Australia,” Ian Ugarte said.

“Councils heavily regulate this sector by setting onerous conditions that can be both difficult and expensive to meet.

“It’s generally far simpler and more cost-effective to just do a partial conversion of your home and convert your existing garage into a micro-apartment,” the Small is the New Big co-founder said.

Ugarte said that the old, outdated notion of ‘shared living’ has been knocked on its head during the pandemic as smarter ‘co-living’ trends are embraced to provide an almost immediate boost to a homeowner’s income, along with affordable housing for singles and couples.

“Instead of the unappealing prospect of opening up your entire home to a complete stranger, ‘shared living’ can mean making a partial conversion of a room, like the garage, to create an entirely separate living zone – complete with its own bedroom, bathroom, living room and kitchenette for a ‘tenant’.

“So, while a full renovation may be out of reach for many homeowners in the current climate, a partial conversion of a garage (with existing access points to the micro-apartment and communal areas in the main dwelling) can be completed for a fraction of the cost in about two weeks - with these costs easily recouped within the first year,” Ugarte explained.

The rental crisis extends across all states of Australia.

- Empty rentals in Sydney fell by 3.8 percent
- Melbourne's vacancy rate fell by 1.8 percent
- Brisbane and Adelaide vacancy rates were at their lowest level since Domain records began
- Canberra remains at a multi-year low
- Perth and Darwin are close to their lowest-ever point
- Hobart remained the tightest rental market in the country, despite experiencing a slight increase

“With more and more singles and couples looking for rental options across Australia, and fewer and fewer affordable options available to them than ever before, it’s time to rethink housing solutions and create rental options that can be implemented right now.

“It’s vital to preserve the relevant state-based policies and regulations that enable these sorts of partial renovations to ensure we can provide affordable housing opportunities wherever we can, all while easing mortgage stress for homeowners.

“It’s an obvious ‘win-win’ for all concerned,” Ugarte said.

For information on how homeowners can help ease the housing affordability crunch for singles and couples within weeks, contact Bec Derrington, 0408 062 354.

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Video footage of a garage conversion is available on request.