

OpenVoiceNews Australia

Transparent. Unbiased. Yours.

Rentvesting Gains Ground as Soaring Home Prices Push Buyers to Invest Smarter

July 22, 2025

— Categories: Real Estate



As home prices across Australia hit record highs, a growing number of buyers are turning to *rentvesting*, a strategy allowing them to invest in more affordable areas while continuing to rent in pricier neighborhoods where they prefer to live. This trend is offering a practical path to wealth-building, especially for younger families priced out of the market in their communities.

Rentvesting, a combination of “renting” and “investing,” is quickly becoming a go-to method for Australians aiming to balance lifestyle with financial growth. For families like Anant and

Sweta Shah, both in their mid-thirties, buying a home in the area where they currently live in Brisbane's Chapel Hill is simply out of reach. With median home prices in the area soaring 85.2% during the pandemic to more than \$1.5 million, the couple instead purchased a \$421,000 investment property in Ipswich, just 20 minutes away, in 2021.

Their decision paid off. In just four years, the Ipswich property has appreciated significantly, with estimates now ranging between \$686,000 and \$822,000, an impressive return by any standard. Importantly, this strategy gives them a fallback housing option should their circumstances change, while still allowing them to remain near the city for work and family life.

"When you're facing prices over \$1.5 million just to buy where you live, it makes more sense to invest in areas that still have potential," said Anant Shah. "Rentvesting allows us to stay close to our jobs and schools without being priced out of the market entirely."

This isn't a one-off case. Data from the Australian Bureau of Statistics (ABS) reveals that investor lending is now outpacing owner-occupier loans, with figures doubling over the past four years. In Queensland alone, investor loans jumped 24% in the past year. Two out of every five new home loans in the state now go to landlords, underscoring a significant shift in the housing market mindset.

Much of this shift has been driven by inflation, stagnant wage growth, and local housing shortages, challenges worsened by high immigration levels and poor planning at the federal level. While the current government has focused heavily on migration targets, it has done little to ensure an adequate housing supply to meet that demand. This mismatch continues to push everyday Australians further from homeownership.

The Shahs' story is emblematic of a broader trend. Rather than waiting for government solutions that may never come, Australians are increasingly taking matters into their own hands. Rentvesting offers a workable solution: build wealth through strategic investment, even if it means renting longer-term in the areas they most want to live.

"We wanted to do something that would grow our portfolio over time," Shah explained. "Buying an expensive house to live in would have locked us out of other investment opportunities. This way, we get the best of both worlds."

While rentvesting isn't without risk, especially for first-time investors, it provides an accessible alternative in a market that's become unaffordable for many. For those willing to think creatively and act decisively, the rewards can be significant. With rising interest in the strategy and continued property growth in regional areas, rentvesting could be one of the few viable options left for average Australians looking to build a secure financial future.