

ROOMING HOUSE INVESTMENT PRODUCT INFORMATION

Purpose Designed Rooming House Investments

A detailed guide to the income model, current opportunities, occupancy assurance, location strategy and long-term investment pathway.

8–9	8.17–11.39%	6.47–9.40%	Selected
INCOME STREAMS	PROJECTED GROSS YIELD	PROJECTED NET YIELD	OCCUPANCY ASSURANCE

What this guide covers

This guide explains how a purpose-designed rooming house differs from a standard residential investment, how income is produced room by room, what the selected occupancy arrangements cover, and how we assess both yield and capital-growth potential. It also summarises the eight Victorian opportunities currently identified in the supplied project material.

The central proposition is straightforward: one property can produce several separate rental incomes. The benefit is stronger potential cash flow and reduced reliance on a single tenancy. The trade-off is a more specialised property that requires the right approvals, operator, manager, operating budget and finance structure.

Prepared by Consilium Property Advisory Group

Current opportunity information compiled 22 September 2026. Availability, pricing, rents and commercial terms must be reconfirmed before purchase.

THE PRODUCT

How a rooming house investment works

A Victorian rooming house is a building where four or more people can live in rented rooms. Residents usually have separate agreements with the operator. Purpose-designed investments take this model further by giving each resident a private suite and providing compliant shared facilities.

The income structure

1

Acquire the property

The investor purchases the house and land package or completed asset under the relevant contract structure.

2

Complete approvals and delivery

The property is designed and delivered for rooming-house use, with the final permit, classification and registration requirements confirmed for the site.

3

Appoint a specialist operator or manager

The appointed specialist handles resident sourcing, agreements, rent collection, inspections, maintenance coordination and day-to-day compliance.

4

Lease rooms individually

Each rentable room becomes a separate income stream. A vacancy in one room does not automatically stop rent from the occupied rooms.

5

Manage the operating budget

The investor allows for management, utilities, common-area cleaning, insurance, rates, repairs and compliance costs before assessing net return.

What the investor owns

The investor owns the property. The specialist manager or operator manages the accommodation business under a separate appointment. The property contract, management agreement, occupancy-assurance agreement and all permits should be reviewed independently because each document governs a different part of the investment.

Eight or nine private income streams

The current opportunities are configured with eight or nine rentable rooms. Most designs give each resident a private bedroom, ensuite and kitchenette, supported by communal kitchen, living and laundry facilities. This provides more privacy than a conventional boarding-house layout and broadens the potential resident market.

Private suite	Shared amenity	Investor outcome
Bedroom	Full kitchen	A distinct rentable room
Private ensuite	Living and dining space	Improved privacy and resident appeal
Private kitchenette	Laundry facilities	Greater day-to-day independence
Secure storage	Outdoor and circulation areas	Practical long-stay accommodation

Who may rent the rooms

Demand depends on the suburb and price point. Potential residents can include professionals, essential workers, mature singles, students, people relocating for work, and renters who want a private room without taking on the cost of an entire dwelling. The resident profile must be tested against local employers, hospitals, education, transport and competing room supply.

Typical product features

- Purpose-designed accommodation with individual rooms rented separately.
- Private ensuite and kitchenette in each suite on the current project designs.
- Communal full kitchen, living area and laundry.
- Selected turnkey packages including appliances, landscaping and fit-out items stated in the contract.
- Design pathway for Class 1b requirements, subject to the final approved documentation for each property.
- Seven-star energy rating and seven-year structural guarantee represented in the supplied project brochures, subject to contract and applicable warranty terms.
- Specialist rooming-house management rather than standard single-tenancy property management.

Current Victorian operating framework

Operators must comply with minimum standards relating to privacy, security, safety and amenity. The premises must be registered with the local council, and the rooming-house operator must hold the required licence before operating. Current standards include room heating, kitchen and laundry access, locks, ventilation, evacuation information and regular gas and electrical checks. Site-specific planning and building requirements still need to be confirmed before purchase and operation.

CURRENT OPPORTUNITIES

Financial comparison

The table below collates the opportunities identified in the supplied brochures. Gross and net yields are project projections before finance and tax. Net estimates use the expense assumptions in the relevant brochure and are not guaranteed.

Location	Rooms	Guide price	Rent room pw	Gross income pa	Gross yield	Net yield
Altona North	9	\$1.520m	\$370	\$173,160	11.39%	9.40%
Tarneit	8	\$1.308m	\$320	\$133,120	10.18%	7.78%
Braybrook	8	\$1.451m	\$370	\$153,920	10.61%	8.45%
Maidstone	8	\$1.775m	\$350	\$145,600	8.20%	6.47%
Sunshine	8	\$1.545m	\$350	\$145,600	9.42%	7.44%
Avondale Heights	8	\$1.760m	\$350	\$145,600	8.27%	6.53%
Craigieburn	9	\$1.720m	\$350	\$163,800	9.52%	7.55%
Moorabbin	8	\$1.884m	\$370	\$153,920	8.17%	6.50%

Range across the eight opportunities: \$1.308 million to \$1.884 million; 8 to 9 income streams; projected gross yield 8.17% to 11.39%; projected net yield 6.47% to 9.40%.

How to read the numbers

- Gross yield divides projected annual room rent by the guide price. It does not deduct operating costs, vacancy, finance or tax.
- Net yield deducts the operating assumptions shown in the project material. It remains sensitive to occupancy, utilities, maintenance, insurance and management fees.
- A higher yield does not automatically make one property better. Price, land, location, planning status, build quality, resident demand, finance and exit market must be assessed together.

Availability note: These were the current options identified from the supplied material on 22 September 2026. The seller or developer may change availability, pricing, specifications, rents, completion dates or commercial terms without notice.

CURRENT OPPORTUNITIES

Property and assurance comparison

Location	Address	Land m ²	Build m ²	Cars	Assurance shown
Altona North	362 Blackshaws Rd	383	299.9	2	75% room occupancy for 5 years
Tarneit	Lot 1530 Cookson Way	508	258.9	—	75% room occupancy for 5 years
Braybrook	14 Hampden St	302	250.84	3	Rental income assurance available
Maidstone	192 Ballarat Rd	557	278.71	3	Rental income assurance available
Sunshine	108 Wright St	534	278.71	3	Rental income assurance available
Avondale Heights	42 Military Rd	585	278.71	3	Rental income assurance available
Craigieburn	13 Huntingdale Ct	722	299.99	2	Rental income assurance available
Moorabbin	440 South Rd	605	278.71	3	Rental income assurance available

Contract and delivery points

The Altona North, Tarneit, Braybrook and Craigieburn brochures expressly refer to a one-part contract structure or one-part contract terms. Tarneit is shown as a full turnkey package with expected completion in April 2027. The exact contract structure, deposit, balance, completion timing and inclusions for every property must be confirmed against the current contract pack.

Different location profiles

The list covers established western and south-eastern locations as well as a northern growth-corridor option. This allows an investor to compare a lower entry price and stronger headline yield against land content, proximity to jobs and services, and the depth of the future owner-occupier market.

Location type	Examples	Investment consideration
Growth corridor	Tarneit and Craigieburn	Population and infrastructure growth, larger land options and a lower entry point in parts of the market. Test local room demand and future supply.
Established west	Altona North, Braybrook, Maidstone, Sunshine and Avondale Heights	Closer access to established employment, transport and services. Entry prices and land values vary materially.
Established south east	Moorabbin	Access to a large employment and service base, with a higher acquisition price and lower projected yield in the current comparison.

How the guaranteed arrangement works

The supplied material uses two different descriptions. Altona North and Tarneit state a minimum 75% room-occupancy assurance for five years. The other six opportunities state that rental income assurance is available, with the complete terms to be provided by the appointed independent property manager.

The 75 percent occupancy model

- The assurance relates to the number of rentable rooms occupied. It is not a guarantee of 75% of the projected gross rental income.
- For an eight-room property, 75% equals six occupied rooms. For a nine-room property, the agreement must explain how the occupancy threshold is rounded and measured.
- The owner generally appoints the nominated specialist manager and must continue to satisfy the agreement conditions.
- Actual room rents, resident selection, commencement date, vacancy treatment, exclusions, claim process and payment timing are governed by the final agreement.
- The commercial strength of the arrangement depends on the provider, the legal wording and the provider's capacity to perform over the five-year period.

What rental income assurance may cover

Where the brochure states only that assurance is available, the protection could differ from a room-occupancy commitment. It may involve vacancy support, a minimum remittance, a leasing incentive or another structure. No assumption should be made until the complete agreement identifies the provider, amount, term, conditions and exclusions.

Questions to answer before relying on it

Check	Required answer
Provider	Who gives the assurance, and is it the operator, manager, builder or another entity?
Benefit	Is the promise based on occupied rooms, collected rent or a fixed payment?
Term	When does the term start, and does it run from settlement, registration or first resident?
Conditions	Must a nominated manager be retained, and what fees, rent settings and maintenance obligations apply?
Exclusions	What happens after damage, owner default, extended repairs, force majeure or regulatory change?
Security	Is there a bond, bank guarantee, insurance policy or other financial support?
Exit	What happens if the property is sold, refinanced or the manager is replaced?

Rooming house versus a standard residential property

Factor	Standard residential	Purpose-designed rooming house
Income	One weekly rent from one household	Eight or nine separate room rents
Vacancy	A vacancy can stop all rent	One vacancy need not stop income from occupied rooms
Headline yield	Depends on one dwelling rent	Current project range is 8.17% to 11.39% gross
Management	Standard property management	Specialist rooming-house management and resident coordination
Outgoings	Tenant often pays usage-based utilities	Owner budget may include utilities, common cleaning and higher management
Compliance	Standard rental rules and safety duties	Additional rooming-house licensing, registration, minimum standards and operating duties
Finance and valuation	Broad lender and comparable-sales market	May require specialist lender policy, valuation and cash-flow assessment
Resale	Large owner-occupier and investor pool	More specialised buyer pool; land value and alternate-use pathway matter

The main advantages

- Several income streams from one property and one landholding.
- Less reliance on one household continuing to occupy the entire property.
- Potential for materially stronger gross and net income than a conventional single-tenancy configuration.
- Private ensuite and kitchenette format designed to improve resident privacy and broaden demand.
- Specialist management can coordinate leasing, residents, cleaning, maintenance and compliance.
- Selected occupancy-assurance arrangements may reduce establishment-period vacancy risk, subject to the agreement.

The costs and risks to price properly

Higher income comes with higher operational complexity. Investors should allow for room-by-room vacancy, utilities, common-area cleaning, maintenance, furnishing replacement, insurance, specialist management, council registration, compliance work and the possibility of a narrower finance and resale market. The relevant comparison is net income after realistic expenses, not the advertised gross yield alone.

CAPITAL GROWTH

How capital growth can sit beside higher yield

A rooming house is still a property asset, so long-term value can be influenced by the land, location, replacement cost, local housing demand and the permitted use. The specialised accommodation business may improve income, but capital growth should not be assumed from yield alone.

The capital growth proposition

- Land exposure in established or growing Melbourne locations can support long-term value where population, jobs and amenities expand.
- Purpose-built accommodation can be expensive to reproduce, which may support replacement value when construction costs rise.
- A strong, documented operating history may improve investor appeal, although valuers and lenders may use different methods.
- An alternate residential use or practical conversion pathway can protect exit flexibility where planning, design and cost permit.
- Modern construction, energy efficiency and structural warranty can reduce early capital works compared with older converted stock, subject to build quality and warranty terms.

Selecting areas with stronger growth potential

Growth test	What we assess
Population and households	Use official population projections and household formation data. Victoria in Future 2023 projects the state population to reach 10.3 million by 2051.
Employment access	Assess travel time to major job centres, hospitals, logistics, industrial precincts, retail and education.
Transport and services	Prioritise practical access to stations, bus routes, shops, health care and daily needs for residents without relying on a car.
Room demand	Test room rents, enquiry levels, resident profiles, competing registered rooming houses and new supply.
Land and planning	Review land size, zoning, overlays, development potential, neighbourhood character and alternate-use options.
Owner occupier market	A broad local buyer market can support resale even when the next buyer does not value the rooming-house income in the same way.
Infrastructure pipeline	Separate committed and funded projects from proposals. Test whether the timing is relevant to the investment period.
Price and valuation	Compare the total package price with land sales, standard houses, build cost and specialist accommodation evidence.

Location selection should balance room demand today with the land and buyer-market fundamentals that may support value at exit. The highest projected yield is not always the strongest total-return option.

Equity growth and future investment opportunities

A successful rooming-house investment may help an investor build serviceability and equity, but the two measures are assessed separately. Cash flow can improve holding capacity; equity depends on the property's market value and debt position. Neither outcome is guaranteed.

Stage	What it means
1 Establish	Complete the purchase, approvals, registration and management appointment.
2 Stabilise	Build an occupancy and rent-collection history while controlling utilities, cleaning, maintenance and compliance.
3 Review	Compare actual net income with the original feasibility and obtain updated rental, valuation, tax and lending advice.
4 Build equity	Equity may increase through market value growth and principal repayment. A strong income record may assist the lender's assessment but does not determine value by itself.
5 Reinvest carefully	Subject to serviceability, loan policy and risk tolerance, available equity may support another acquisition or portfolio diversification.

Future investment choices

The next acquisition does not need to repeat the same strategy. An investor may combine a high-cash-flow rooming house with a conventional growth asset, commercial property, dual-key or triple-key property, or retain liquidity for debt reduction. The appropriate mix depends on borrowing capacity, taxation, time horizon and tolerance for operating complexity.

Evidence to retain for a future valuation or refinance

- Approved plans, permits, occupancy documentation and council registration.
- Management and occupancy-assurance agreements.
- Room schedules, current agreements, rent ledger and occupancy history.
- Operating statements showing utilities, cleaning, management, insurance and maintenance.
- Building warranty, depreciation schedule, compliance records and major maintenance history.
- Comparable land, standard residential and specialist accommodation evidence.

Important lending point

Rooming-house lending and valuation policies can differ from normal residential lending. Before signing, confirm the lender's treatment of the property classification, number of rooms, management model, projected rent, valuation method, loan-to-value ratio and any SMSF requirements.

Why this model attracts investor interest

Selling point	Investor relevance
Multiple income streams	Eight or nine individually rentable rooms within one property.
Strong projected cash flow	Current project range of 8.17% to 11.39% gross and 6.47% to 9.40% net before finance and tax.
Vacancy diversification	A single empty room need not eliminate income from the occupied rooms.
Resident privacy	Private bedroom, ensuite and kitchenette in the current designs, supported by shared amenity.
Selected assurance	Five-year 75% room-occupancy assurance on Altona North and Tarneit; provider-specific income assurance shown as available on six other opportunities.
Turnkey pathway	Selected packages coordinate the land, design, construction, appliances, landscaping and handover inclusions.
One-part structure	Selected opportunities are promoted under a one-part contract structure, subject to legal review of the actual contract.
Modern specification	Current brochures refer to a seven-star energy rating and seven-year structural guarantee, subject to the final contract and warranty.
Specialist operation	Purpose-designed management process for resident sourcing, agreements, rent, inspections, maintenance and compliance.
Location choice	Options across growth-corridor, established western and south-eastern Melbourne markets.
Potential tax deductions	New-build depreciation and operating deductions may be available, subject to a quantity surveyor and tax adviser.
End-to-end advisory support	Opportunity sourcing, feasibility review, contract coordination, delivery support and introduction to relevant independent professionals.

What makes the model credible

The value proposition is not simply “more bedrooms”. It is the combination of a compliant purpose-designed building, private resident amenity, multiple room rents, realistic operating costs, specialist management and a location capable of supporting both occupancy and future resale demand.

DUE DILIGENCE

Checks before committing to a property

Review area	Minimum review
Property and planning	Title, easements, zoning, overlays, planning permit pathway, approved use, bedroom and occupancy limits, parking and alternate-use potential.
Building	Building classification, permit, specifications, room sizes, fire and life-safety measures, energy rating, essential safety measures and occupancy documentation.
Contracts	Contract structure, deposit, settlement, sunset and completion terms, inclusions, variations, defects, warranties and default rights.
Rental evidence	Independent rent assessment for each room type, local enquiry, competing supply, vacancy and realistic lease-up period.
Assurance	Provider, legal obligation, benefit calculation, commencement, term, exclusions, fees, default, security and transfer on sale.
Operating budget	Management, utilities, common cleaning, rates, insurance, maintenance, furnishings, internet, gardening and compliance.
Finance and valuation	Lender policy, valuation basis, LVR, interest rate, buffers, SMSF rules if applicable and settlement timing.
Management	Operator licence, council registration process, management experience, fee schedule, resident screening, arrears, complaints and reporting.
Exit	Likely buyer pool, land value, alternate residential use, conversion costs, tax consequences and selling timeframe.

A coordinated purchase process

Consilium starts with the investor's objectives, budget, borrowing position and preferred locations. We then compare the available properties, test the rental and expense assumptions, coordinate access to project information and help connect the investor with independent finance, legal, taxation, building and property-management professionals. Final decisions remain subject to the investor's own advice and due diligence.

40+ DEVELOPER RELATIONSHIPS	400+ ON AND OFF MARKET OPPORTUNITIES	End to end PROPERTY COORDINATION
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SOURCES AND IMPORTANT INFORMATION

Regulatory and market sources

This guide draws on the supplied project brochures and the following Victorian Government sources. Web information was checked on 22 September 2026.

1. Consumer Affairs Victoria, Rooming house minimum standards, updated 30 March 2026: consumer.vic.gov.au/housing/renting/repairs-alterations-safety-and-pets/minimum-standards/rooming-house-minimum-standards
2. Consumer Affairs Victoria, Rooming house operators licensing scheme: consumer.vic.gov.au/licensing-and-registration/rooming-house-operators/licensing/rooming-house-operators-licensing-scheme
3. Planning Victoria, Planning schemes and current Victoria Planning Provisions: planning.vic.gov.au/planning-schemes
4. Planning Victoria, Victoria in Future 2023: planning.vic.gov.au/guides-and-resources/Data-spatial-and-insights/discover-and-access-planning-open-data/victoria-in-future
5. Victorian legislation, Rooming House Operators Act 2016: legislation.vic.gov.au/in-force/acts/rooming-house-operators-act-2016

Important information

This document contains general information only and does not constitute financial, legal, taxation, credit or investment advice, an offer, or a legally binding representation. Prospective purchasers should obtain independent advice and review the Contract of Sale, Section 32 Vendor Statement, building contract, permits, specifications, management agreement and any occupancy or rental-assurance agreement before proceeding. Prices, availability, specifications, floor plans, room numbers, completion dates, rents, occupancy, expenses, yields, finance illustrations and returns are indicative and may change. Gross and net yield calculations are projections based on the assumptions in the supplied project material. They do not guarantee future performance. Capital growth, equity creation, refinancing and future borrowing capacity are not guaranteed. Occupancy or rental assurance is provided by the party named in the final agreement, not by Consilium Property Advisory Group, unless expressly stated in a signed contract. The scope, term, exclusions and financial capacity of the provider must be independently reviewed.

Request the current property packs

For the latest availability, project brochures, contract information and a property-specific feasibility review, contact Consilium Property Advisory Group.

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