



A FREE INVESTOR GUIDE · 2026

The Co-Living Investor Checklist

36 checks to make before you buy a co-living or rooming house property in Australia

Strategy, finance, location, design, state rules, management and exit: a practical, tick-box guide to telling a sound co-living investment from yield on paper.

properT network

STRATEGY BEFORE PROPERTY

COLIVING.NET.AU
PROPERTNETWORK.COM.AU
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INTRODUCTION

High Yield Is the Easy Part to Sell

Co-living is marketed to Australian investors as the answer to rising rents: a purpose-built home let room by room, earning far more than a standard tenancy.

The demand is real. About a quarter of Australian households are people living alone, rents have climbed sharply, and many singles, students, key workers and health workers would rather have a private suite than a whole home they can't afford.

But a co-living property only works if **the strategy, the location, the design, the compliance, the management and the exit** all stack up. Miss one, and the yield in the brochure never reaches your bank account.

\$350–\$370 ADVERTISED RENT PER SUITE, PER WEEK (2026)	~25% OF AUSTRALIAN HOUSEHOLDS ARE LONE-PERSON	4+ RESIDENTS USUALLY MAKES IT A ROOMING HOUSE IN VICTORIA
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“Anyone can buy a property. The skill is identifying property worthy of your investment dollars.”

HOW TO USE THIS CHECKLIST

Work through each section with the property in front of you. Every box you can't tick is a question to put to the developer, agent, broker or council **before** you sign. If too many stay empty, walk away.

01 · THE RULES

When Co-Living Becomes a Rooming House

To a regulator, “co-living” is a marketing word. What matters is how many unrelated people live there and whether rooms are let individually.

STATE	TYPICAL TRIGGER	WHAT APPLIES
VIC	Rooms let to 4 or more people	Licensed operator, council registration, Rooming House Standards
QLD	4 or more residents renting rooms with shared facilities	Residential services registration and accreditation
NSW	5+ paying residents (boarding house); 6+ rooms (co-living housing)	Fair Trading register; Housing SEPP planning controls
SA	2+ rooms let; 5+ rooms “designated”	Registration with Consumer and Business Services
WA	More than 6 lodgers	Lodging house registration with council

Summary only. Rules change and councils differ. Confirm with the state regulator and local council for the specific property.

WHY IT MATTERS

Classification flows into everything: which lenders will finance it, what insurance covers it, what it costs to run, and who will buy it when you sell. Get it in writing before you commit.

Our full state-by-state guide: coliving.net.au/co-living-rooming-house-rules-australia

02 · THE NUMBERS

Model the Income You'll Actually Receive

Brochures quote income at full occupancy. Your bank, and your cash flow, live in the real world.

ILLUSTRATION: FIVE SUITES	PER WEEK	PER YEAR
Rent at \$360 per suite, 100% occupied	\$1,800	\$93,600
Rent at 85% occupancy	\$1,530	\$79,560
Rent at 75% occupancy	\$1,350	\$70,200

Illustration only, before costs. Not a forecast for any property.

Then take off the costs a standard rental doesn't carry, or carries at a lower level:

- Specialist co-living management fees
- Utilities and internet, if included in rent
- Cleaning of shared areas
- Furniture replacement
- Rooming house registration and licensing
- Fire safety and compliance inspections
- Higher insurance premiums
- Land tax, rates and maintenance

INVESTOR LESSON

Test the deal at 75% occupancy and with a higher interest rate. If it only works when everything goes right, it isn't a sound investment. It's a bet.

“Whenever you apply emotion to any decision, especially when it comes to investing, you’re guaranteeing yourself a lower return on investment, but only 100% of the time.”

03 · THE CHECKLIST

Part I: Strategy, Finance & Location

STRATEGY

- ☐ I know whether I need cash flow, capital growth or both, and co-living fits that goal
- ☐ I have tested how this property fits my whole portfolio, not just this purchase
- ☐ I understand how the 2027 negative gearing changes affect my plan
- ☐ I have chosen the ownership structure (personal, trust or SMSF) with my accountant

FINANCE

- ☐ A broker has confirmed which lenders will finance this property as it will be used
- ☐ I know whether the lender treats it as residential or commercial, and the deposit required
- ☐ I have a cash buffer for vacancy, repairs and rate rises
- ☐ The valuation is likely to support the price (I have checked comparable sales)

LOCATION

- ☐ Strong, diverse employment within easy reach (hospital, university, industry, CBD)
- ☐ Public transport within walking distance
- ☐ Shops, services and lifestyle amenity close by
- ☐ Real evidence of demand: low vacancy rates and rising rents
- ☐ Not oversupplied with competing co-living or rooming houses
- ☐ Infrastructure investment and population growth are planned, not just promised

03 · THE CHECKLIST

Part 2: Property, Rules & Management

PROPERTY & DESIGN

- ☐ Purpose-built new build, not a converted older house
- ☐ Every suite has its own ensuite and a lockable door
- ☐ Rooms meet minimum size and amenity standards for the state
- ☐ Common kitchen, living and laundry are sized for the number of residents
- ☐ Good sound insulation between suites
- ☐ Quality builder with a strong track record and builder's warranty
- ☐ Depreciation schedule available from a quantity surveyor

RULES & COMPLIANCE

- ☐ The developer has told me in writing how the property will be classified
- ☐ I have confirmed the classification with the local council
- ☐ Planning permit and building approval match the co-living use
- ☐ Fire safety, registration and licensing costs are in my numbers
- ☐ My insurer knows the intended use and will cover it

MANAGEMENT

- ☐ An experienced co-living manager is lined up, with references
- ☐ I have seen the management agreement and the full fee schedule
- ☐ Tenant selection, agreements and house rules are clearly set out

03 · THE CHECKLIST

Part 3: Guarantees & Exit

RENTAL GUARANTEES

- ☐ I know who provides the guarantee and whether they can afford to honour it
- ☐ I know exactly what rent the guarantee covers, and for how long
- ☐ The numbers still work after the guarantee ends
- ☐ The purchase price isn't inflated to fund the guarantee

EXIT

- ☐ I have thought about who buys this property in ten years' time
- ☐ It could also work as a family home or dual-income property, widening the buyer pool
- ☐ I have applied the ten-year rule: the property will still be desirable when it is ten years older

THE TEN-YEAR RULE

Every property ages. A new build stays ten years younger than the house next door, and it still is when you sell. Ask what this property looks like, and who wants it, a decade from now.

YOUR SCORE

30–36 TICKED: WORTH A CLOSER LOOK	24–29 TICKED: GET ANSWERS BEFORE YOU SIGN	Under 24 TICKED: WALK AWAY
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04 · BEFORE YOU SIGN

Seven Questions to Put to the Developer

- 1 How will this property be classified?

Rooming house, residential service, boarding house or standard tenancy? Ask for it in writing.

- 2 Which lenders have financed this design?

Names, not “most banks”. Then confirm with your own broker.

- 3 What rents are being achieved now, nearby?

Actual leased rents, not projections or guaranteed rents.

- 4 Who manages it, and what does that cost?

The full fee schedule, including letting, cleaning and utilities.

- 5 What happens when the guarantee ends?

Who has owned one past that point, and what did it earn?

- 6 What have similar properties resold for?

Resale evidence matters more than the purchase story.

- 7 Why this location?

Ask for the demand data: jobs, transport, vacancy, rents and supply.

ABOUT US

Investor → Strategy → Location → Property

properT network is an independent property investment consultancy founded by Stephen Lazar. For nearly 20 years we have helped Australians invest with strategy, not emotion.

We start with you: your goals, cash flow, borrowing capacity and risk profile. Only then do we look at where to invest and which property is worthy of your investment dollars. We research co-living in Melbourne, Geelong, regional Victoria and South East Queensland, and we work with investors Australia-wide, including through trust and SMSF structures.



BOOK A COMPLIMENTARY STRATEGY SESSION

Call Stephen on 0413 108 125 or email steve@proptnetwork.com.au. We'll talk through your goals and whether co-living suits you. No pressure, no obligation.

FURTHER READING

- Co-living rules by state: coliving.net.au/co-living-rooming-house-rules-australia
- Co-living in Melbourne, Geelong, regional Victoria and Brisbane SEQ: coliving.net.au
- Existing homes vs new builds: proptnetwork.com.au/existing-homes-vs-new-builds-australia
- Consumer Affairs Victoria, rooming house operators: consumer.vic.gov.au
- Queensland residential services: business.gov.au (ABLIS)
- NSW Planning, co-living housing: planning.nsw.gov.au

General information only. This guide is not financial, tax or legal advice and does not take your personal circumstances into account. Rents and rules shown are indicative as at 2026 and may change. Seek independent advice before investing. © properT network 2026.