



## Rental payments can make a real dent in your bottom line so it's a good idea to find a balance between location and lifestyle

So you've found the apartment of your dreams.

It's a stone's throw from the CBD's trendiest shopping street, boasts fabulous views of the sea and comes with a fully-equipped kitchen boasting European appliances plus luxury spa bathroom. OK, it's a bit pricey but it ticks all the boxes, and you can worry about the rental payments later. Meanwhile you need to make a decision as there are plenty of willing buyers in line behind you.

Now where do you sign...

**STOP!** You might end up living in a palace but if you can't afford to buy a bagel in the local artisan bakery then maybe it's time to rethink your priorities. If you're spending a high percentage of your salary on rent then you might be leaving yourself short and unable to enjoy any kind of social life, let alone save up for goals like holidays, a new car or buying a place. Equally, if you're living in a cockroach-infested dive miles from anywhere then you're unlikely to be happy even if you're saving loads of money.

## So how much rent is right for you?

If you're looking to other Australians for a guide, the cost of renting varies enormously around the country – the percentage of our income going on rent ranges from 37.9% of average weekly earnings in Sydney to 25.2% in Hobart<sup>1</sup>.

Anyone looking for a central one-bedroom apartment in one of our state capitals could pay from \$1,035 a month in Hobart to \$2,681 in Sydney, as in the table below.

City	Monthly cost of renting one-bedroom apartment (city centre) \$	Monthly cost of renting one-bedroom apartment (outside city centre) \$	Potential saving of moving to 'burbs \$
Sydney	2,680.93	1,956.54	724.39
Melbourne	1,817.34	1,399.96	417.38
Brisbane	1,772.04	1,285.84	486.20
Perth	1,513.61	1,028.86	484.75
Adelaide	1,411.16	1,043.36	367.80
Hobart	1,035.20	1,041.75	-5.55

Source: <https://www.budgetdirect.com.au/interactives/costofliving/>

If you're happy to live in the 'burbs you'll save money, with a one-bedroom apartment ranging from \$1,029 a month in suburban Perth to \$1,957 in...yes...greater Sydney.

Of course, in Tassie they do things a bit differently and you'll actually save the price of a latte by moving into the city centre from the burbs.

But everywhere else you could potentially save on rent by living in a slightly less trendy area—anywhere from \$368 in Adelaide to \$725 in...no prizes for guessing...Sydney again.

## Finding ways to spend less and save more

The reality is you may not be able to up sticks and relocate so easily. If you're like most Australians, you probably have family and work commitments that tie you to your local area.

So there may be other ways you could find a better balance between rent and lifestyle and save money—whether you're just off Bourke Street or ensconced in the 'burbs.

- There could be some ways you could save on nights out by taking advantage of deals or making more clear-headed late-night choices.

- There could be some ways you could save on essentials by being a bit more [disciplined with your budgeting](#).
- There could be some ways you could [save on weekend family activities](#) - a great lifestyle doesn't need to be expensive, and if you're within a stroll or ride of a fantastic beach or bushland then you've got regular afternoon entertainment on your doorstep, free of charge.

## Making sense of your finances

Meanwhile, finding the sweet spot with your rental costs all depends on your personal circumstances and financial goals. A financial adviser can help you make sense of your outgoings and draw up a long-term plan to build your wealth.

### Important information

#### [Show more](#)

This information is provided by AMP Life Limited. It is general information only and hasn't taken your circumstances into account. It's important to consider your particular circumstances and the relevant Product Disclosure Statement or Terms and Conditions, available by calling 13 30 30, before deciding what's right for you. Read our [Financial Services Guide](#) for information about our services, including the fees and other benefits that AMP companies and their representatives may receive in relation to products and services provided to you.

All information on this website is subject to change without notice. Although the information is from sources considered reliable, AMP does not guarantee that it is accurate or complete. You should not rely upon it and should seek professional advice before making any financial decision. Except where liability under any statute cannot be excluded, AMP does not accept any liability for any resulting loss or damage of the reader or any other person.