



Vacancy Rates Dip, Pressure Off Sydney Rents

Tuesday 18th September 2018

For Immediate Release

Data released by SQM Research today has revealed the national residential vacancy rate dipped to 2.1% in August 2018, while Sydney's vacancy rate remained at its highest level in 13 years as an oversupply of rental property emerges there, which is keeping asking rents down.

The number of vacancies Australia-wide sat at 70,447 properties. Sydney's vacancy rate was unchanged at 2.8% from July with 19,114 properties available for rent, and remains at the highest level since SQM started recording the data in 2005, and well up from 1.9% a year ago.

In contrast, Melbourne's vacancy rate was much lower at 1.6% in August, though unchanged from July. Hobart's vacancy rate dropped to 0.5% from 0.7% in July. Canberra's vacancy rate slipped to 0.7% in August, down from 0.8%

City	August 2017 Vacancies	Vacancy Rate	July 2018 Vacancies	Vacancy Rate	August 2018 Vacancies	Vacancy Rate
Adelaide	2,738	1.5%	2,475	1.3%	2,200	1.2%
Perth	9,832	4.9%	8,146	4.0%	7,614	3.7%
Melbourne	8,767	1.6%	9,043	1.6%	9,191	1.6%
Brisbane	10,893	3.4%	9,503	2.9%	9,274	2.8%
Canberra	608	1.0%	505	0.8%	416	0.7%
Sydney	12,760	1.9%	19,114	2.8%	19,507	2.8%
Darwin	768	2.6%	1,030	3.4%	1,084	3.5%
Hobart	100	0.3%	200	0.7%	135	0.5%
National	71,540	2.2%	72,458	2.2%	70,447	2.1%

SQM's calculations of vacancies are based on online rental listings that have been advertised for three weeks or more compared to the total number of established rental properties. SQM considers this to be a superior methodology compared to using a potentially incomplete sample of agency surveys or merely relying on raw online listings advertised. Please go to our methodology page below for more information on how SQM's vacancies are compiled.

Brisbane has seen a sustained reduction in its vacancy rate, which fell to 2.8% in August, down from 2.9% in July and 3.4% a year ago. Perth's vacancy rate dropped to 3.7% and is well down from 4.9% a year earlier as the oversupply of rental properties eases in that city. Darwin's vacancy rate bucked the trend and rose to 3.5% from 3.4% in July.

Louis Christopher, Managing Director of SQM Research, said asking rents had eased in Sydney given the greater supply of rental accommodation, which is now verging on oversupply.

"The trend for the vacancy rate is definitely up and, as a result, Sydney is increasingly becoming a tenant's market. Over the year to 12 September, asking rents for houses in Sydney dropped by 3.4% and we expect to see further falls. In contrast, the tight rental markets in Hobart and Canberra are continuing to push asking rents higher," he said.

Asking Rents

Capital city asking rents for houses rose over the month to 12 September 2018 by 0.7% to \$552 a week. Unit asking rents were steady at \$440 a week. Over the year, asking rents for houses and units rose just 0.5%.



The asking rent for a three-bedroom house in Sydney remains the highest nationwide at \$708 a week and units \$515 a week. Canberra asking house rents follow at \$636 a week for houses and \$439 for units.

Like Sydney, asking rents have fallen for units in Melbourne, being down 0.5% over the month to 12 September to \$409 a week. Asking rents for houses were up 0.8% to \$527.

SQM Research Weekly Rents Index					
Week ending 12 Sep 2018		Rent	Chg on prev wk	Rolling month % chg	12 mth % chg
Canberra	All Houses	636.0	8.0 ▲	1.7% ▲	12.3% ▲
	All Units	439.4	0.6 ▲	0.5% ▲	3.3% ▲
Sydney	All Houses	708.0	2.0 ▲	0.2% ▲	-3.4% ▼
	All Units	515.0	1.0 ▲	-0.1% ▼	-0.7% ▼
Darwin	All Houses	515.2	0.8 ▲	-0.6% ▼	-5.7% ▼
	All Units	406.4	3.6 ▲	0.3% ▲	1.1% ▲
Brisbane	All Houses	450.5	-0.5 ▼	-0.4% ▼	1.0% ▲
	All Units	371.1	-0.1 ▼	0.2% ▲	1.1% ▲
Adelaide	All Houses	385.3	0.7 ▲	0.6% ▲	2.3% ▲
	All Units	298.0	-2.0 ▼	-0.4% ▼	2.4% ▲
Hobart	All Houses	411.7	4.3 ▲	2.9% ▲	7.0% ▲
	All Units	373.8	12.2 ▲	3.8% ▲	19.0% ▲
Melbourne	All Houses	526.7	2.3 ▲	0.8% ▲	3.8% ▲
	All Units	409.3	-0.3 ▼	-0.5% ▼	2.3% ▲
Perth	All Houses	423.0	-1.0 ▼	-0.1% ▼	2.2% ▲
	All Units	321.2	-1.2 ▼	-0.8% ▼	-0.5% ▼
National	All Houses	439.0	2.0 ▲	1.4% ▲	3.3% ▲
	All Units	360.0	1.0 ▲	1.4% ▲	3.4% ▲
Cap City Average	All Houses	552.0	3.0 ▲	0.7% ▲	0.5% ▲
	All Units	440.0	0.0	0.0%	0.5% ▲

Source: www.sqmresearch.com.au

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Key Points

- Nationally, the vacancy rate slipped to 2.1% in August from 2.2% July.
- Sydney's vacancy rate remained at a 13-year high of 2.8%.
- Hobart recorded the lowest vacancy rate of 0.5%.



- Melbourne's vacancy rate was steady at 1.6% in August.
- Capital city asking rents for houses rose over the month to 12 September 2018 by 0.7% to \$552 a week
- Capital city asking rents for units were steady over the month at \$440 a week

www.sqmresearch.com.au

About SQM Research

SQM Research Pty Ltd is a respected Australian investment research house, specialising in providing ratings and data across all major asset classes.

For further information please contact Louis Christopher:

Louis@sqmresearch.com.au

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