



## Rental Vacancies down in October

# SQM Research Media Release: Vacancy Rates OCTOBER 2013

**FRIDAY 15<sup>th</sup> November 2013**  
**For Immediate Release**

Figures released by SQM Research reveal that the level of residential property rental vacancies dipped once again during the month of October, recording a vacancy rate of 2.0% and coming to a total of 57,471 vacancies nationwide.

In terms of the number of vacancies, this month's figures reveal the fourth straight monthly decline on a national level - with Sydney, Adelaide, Perth, Canberra and Hobart all recording a monthly decrease in vacancy rates.

City	Oct '12 Vacancies	Oct '12 Vacancy Rate	Sep '13 Vacancies	Sep 2013 Vacancy Rate	Oct '13 Vacancies	Oct '13 Vacancy Rate
Adelaide	2,314	1.4%	2,522	1.5%	2,285	1.3%
Perth	1,025	0.6%	2,843	1.5%	2,766	1.4%
Melbourne	12,037	2.8%	11,764	2.7%	12,017	2.7%
Brisbane	4,423	1.6%	5,937	2.1%	6,121	2.2%
Canberra	522	1.0%	1,135	2.2%	1,087	2.1%
Sydney	8,926	1.6%	9,225	1.6%	8,456	1.5%
Darwin	171	0.7%	224	0.9%	235	1.0%
Hobart	536	2.0%	499	1.8%	426	1.5%
National	49,174	1.8%	58,977	2.1%	57,471	2.0%

SQM Research does expect vacancies to begin to rise in the lead up the Christmas as this normally occurs during this time of year.

Observing the figures year-on-year, vacancies in some cities of Australia are much higher than this time in 2012, particularly in Perth, Brisbane and Canberra. Sydney has appeared to have held steady, despite a swift increase in sales activity in this capital city, pointing further to indications that the recovery being experienced there has been predominantly motivated by investors, rather than first home buyers at this stage.

The city of Hobart is clearly recording lower vacancies than 12 months ago and is now getting to the point where there will be upward sustained pressure on rents as the market turns back into the favour of landlords.

Louis Christopher, Managing Director of SQM Research says, "*Nationally it is the fourth straight month where rental vacancies have tightened though I note this same trend happened this time last year. Sydney is an interesting case. We know the sales market is very active and normally in most recoveries, vacancies rise as renters turn themselves into first home buyers. But Sydney is now recording a very tight vacancy*



*rate of 1.5%. Its evidence that the First Home Buyers are indeed remaining renters for longer. If Sydney vacancies remain this low, that will put renewed upward pressure on rents again for next year.”*

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-

[http://www.sqmresearch.com.au/graph\\_vacancy.php?region=nsw::Sydney&type=c&t=1#terms](http://www.sqmresearch.com.au/graph_vacancy.php?region=nsw::Sydney&type=c&t=1#terms)

## **Key Points**

- Nationally, vacancies decreased, recording a vacancy rate of 2.0% during October 2013, coming to a total of 57,471 nationally.
- Melbourne has recorded the highest vacancy rate of the capital cities, revealing a vacancy rate of 2.7% and a total of 12,017.
- Darwin has recorded the tightest vacancy rate of the capital cities, revealing a vacancy rate of 1.0% and a total of 235 vacancies.
- Canberra has recorded the highest yearly increase in vacancies, climbing 1.1 percentage points to 2.1% since the corresponding period of the previous year (October 2012) and coming to a total of 1,087 vacancies
- Hobart was the capital city to record the largest yearly decrease in vacancies, falling by 0.5 percentage points to 1.5% since the corresponding period of the previous year (October 2012) and coming to a total of 426 vacancies.
- Brisbane and Darwin were the only capital cities to record monthly vacancy rate increases, rising a 0.1 percentage point during October 2013, recording vacancy rates of 2.2% and 1.0% respectively.
- Adelaide recorded the largest monthly vacancy rate decline of the capital cities, falling by 0.2 percentage points during October 2013 to record a vacancy rate of 1.3%, coming to a total of 2,285 vacancies.

[www.sqmresearch.com.au](http://www.sqmresearch.com.au)

## **About SQM Research**

SQM Research is an independent property research house which specialises in providing accurate property related research and data to financial institutions, property professional, real estate investors and the media.



It is owned and operated by one of the country's leading property analysts, Louis Christopher.

For six years Louis was Head of Research and then General Manager of Australian Property Monitors before leaving the firm to launch SQM Research.

**-ENDS**