



Vacancy Rates Dip in February

Tuesday 13th March 2018

For Immediate Release

Data released by SQM Research this week has revealed the national residential vacancy rate fell to 2.2% in February 2018, with the number of vacancies Australia-wide falling to 69,727, down from 2.3% in January, led by a sharp drop in Melbourne rental properties.

Melbourne's vacancy rate dropped to 1.4% from 1.8% while Canberra's vacancy rate fell to just 0.8% from 0.9%. Reflecting that, asking rents jumped over the month to 12 March in both cities. Hobart's vacancy rate inched higher to 0.5% in February from 0.4%, but that still reflects a deep shortage of rental properties in that city.

In Sydney the vacancy rate was steady at 2.3% from January, but well up from 1.8% a year earlier, reflecting slightly easier rental conditions.

City	February 2017 Vacancies	February 2017 Vacancy Rate	January 2018 Vacancies	January 2017 Vacancy Rate	February 2018 Vacancies	February 2018 Vacancy Rate
Adelaide	3,403	1.9%	2,793	1.5%	2,540	1.4%
Perth	10,009	5.1%	8,909	4.4%	8,319	4.1%
Melbourne	8,693	1.7%	9,744	1.8%	7,889	1.4%
Brisbane	11,397	3.6%	11,505	3.6%	10,925	3.4%
Canberra	512	0.9%	569	0.9%	495	0.8%
Sydney	12,179	1.8%	15,775	2.3%	15,581	2.3%
Darwin	1,135	3.9%	941	3.1%	989	3.3%
Hobart	203	0.7%	126	0.4%	145	0.5%
National	78,029	2.5%	74,113	2.3%	69,727	2.2%

Brisbane recorded a drop in its vacancy rate to 3.4% from 3.6% in February as the surplus of rental properties eased in that city, though asking rents fell over the month to 12 March. Darwin's vacancy rate bucked the trend and rose to 3.3% from 3.1%. Elsewhere, the vacancy dropped in Perth to 4.1% from 4.4% in January, providing further evidence that the Perth housing market is forming a recovery

Managing Director of SQM Research, Louis Christopher, said the vacancy numbers highlighted tighter rental markets in most cities, which is largely a seasonal effect as students and workers moved to new rental homes for the beginning of the year.

"Canberra's rental market has continued to tighten as workers flooded back to the national capital and we've also seen a sharp drop in Melbourne's vacancies, which has pushed up asking rents, which could continue to climb higher this year given the explosive population growth that Melbourne is currently experiencing.

"In contrast, Sydney's vacancy rate has moved higher, and is well above year-ago levels, taking pressure off asking rents, which fell over the month to 12 March. Sydney rents could continue to ease this year given the higher vacancy rate," Christopher said.



Asking Rents

Capital city asking rents over the month to 12 March 2018 fell 0.4% to \$560 a week for houses. Unit asking rents were steady at \$442 a week. Over the year, asking house rents rose by 0.4% while asking rents for units increased by 1.8%.

Reflecting a shortage of rental properties, asking rents rose the most in Hobart over the month to 12 March, by 5.2% and 4.2% for houses and units, respectively.

The asking rent for a three-bedroom house in Sydney remains the highest in the nation at \$739 a week while for units it stands at \$524. Canberra follows at \$619 a week for houses and \$438 for units. Asking rents for houses rose in Melbourne by 0.6% over the month to \$531 while unit asking rents rose 0.9% over the month to \$404 a week.

SQM Research Weekly Rents Index					
Week ending 12 Mar 2018		Rent	Chg on prev wk	Rolling month % chg	12 mth % chg
Canberra	All Houses	619.2	-3.2 ▼	0.5% ▲	6.5% ▲
	All Units	437.6	2.4 ▲	0.4% ▲	4.3% ▲
Sydney	All Houses	739.0	-2.0 ▼	-0.6% ▼	-1.3% ▼
	All Units	523.8	-1.8 ▼	-0.3% ▼	2.4% ▲
Darwin	All Houses	541.9	-6.9 ▼	-2.6% ▼	-3.3% ▼
	All Units	414.2	-3.2 ▼	0.8% ▲	-1.2% ▼
Brisbane	All Houses	447.6	-0.6 ▼	-0.5% ▼	-0.5% ▼
	All Units	366.5	-0.5 ▼	-0.8% ▼	-1.0% ▼
Adelaide	All Houses	382.0	-0.0 ▼	-0.0% ▼	2.9% ▲
	All Units	295.8	0.2 ▲	-0.1% ▼	2.0% ▲
Hobart	All Houses	422.1	5.9 ▲	5.2% ▲	21.3% ▲
	All Units	365.1	0.9 ▲	4.2% ▲	18.1% ▲
Melbourne	All Houses	531.3	1.7 ▲	0.6% ▲	4.3% ▲
	All Units	404.0	-0.0 ▼	0.9% ▲	4.1% ▲
Perth	All Houses	422.9	-0.9 ▼	-1.0% ▼	-2.5% ▼
	All Units	326.7	0.3 ▲	0.9% ▲	-3.1% ▼
National	All Houses	443.0	1.0 ▲	-0.9% ▼	1.8% ▲
	All Units	357.0	0.0	1.7% ▲	3.5% ▲
Cap City Average	All Houses	560.0	0.0	-0.4% ▼	0.4% ▲
	All Units	442.0	-1.0 ▼	0.0%	1.8% ▲

Source: www.sqmresearch.com.au



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](#) for more information on how SQM's vacancies are compiled.

Key Points

- Nationally, vacancies fell to 2.2% in February, down from 2.3% in January.
- Hobart recorded the lowest vacancy rate of 0.5%, up slightly from a record low of 0.3% in December.
- Perth recorded the highest vacancy rate of the capital cities at 4.1% in February, but down from 5.1% a year ago as the surplus of rental properties eases.
- Melbourne's vacancy rate dropped to 1.4%, down from 1.8% in January and down from 1.7% a year earlier.

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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