

National Rental Vacancy Rates tighten further to ten year low

Rents surge in capital cities

13 July 2021

SQM Research today has revealed the [national](#) residential rental vacancy rate fell to 1.7% over the month of June 2021 from 1.8% in May. This represents the lowest vacancy rate at the national level since May 2011. Vacancy rates continue to fall for Sydney, Melbourne, Adelaide and Hobart, while some regional locations recorded a moderate rise in vacancies.

The total number of vacancies Australia-wide now stands at 60,457 residential properties, down from 62,144 in May. Melbourne's [vacancy rate](#) fell to 3.5% in June from 3.7% in May, while in Sydney vacancy rates dropped to 2.8% from 2.9%. In [Adelaide](#), [Canberra](#) and [Hobart](#), the vacancy rate remained below 1.0%, while [Perth](#), [Brisbane](#) and [Darwin's](#) rate remained constant. Darwin has been positively affected by Covid-19, as low vacancy rates continue to boost rents. Vacancy rates fell again in the [Sydney CBD](#) and [Melbourne CBD](#) to 5.6% and 5.8%, respectively, representing a return towards more-longer term levels.

Vacancy Rates - June 2021						
City	Jun 2020 Vacancies	Jun 2020 Vacancy Rate	May 2021 Vacancies	May 2021 Vacancy Rate	Jun 2021 Vacancies	Jun 2021 Vacancy Rate
Sydney	27,710	3.8%	21,936	2.9%	21,159	2.8%
Melbourne	18,116	3.0%	22,910	3.7%	21,992	3.5%
Brisbane	8,127	2.4%	4,435	1.3%	4,520	1.3%
Perth	3,272	1.5%	2,016	0.9%	2,015	0.9%
Adelaide	1,992	1.0%	1,316	0.7%	1,299	0.6%
Canberra	731	1.1%	433	0.6%	492	0.7%
Darwin	575	1.8%	123	0.4%	149	0.4%
Hobart	272	0.9%	148	0.5%	140	0.4%
National	77,132	2.2%	62,144	1.8%	60,457	1.7%

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.

Louis Christopher, Managing Director of SQM Research said: "Rental vacancy rates have fallen in our largest capital cities. Meanwhile there was some further evidence that we have reached the high point in regional occupancy and some relief for local renters may be coming later this year, notwithstanding Sydney's latest lockdown. Rents are now accelerating in our larger capital cities which may have ramifications for the CPI read in the coming quarters."

Asking Rents

Over the month to 12 July 2021, capital city average asking rents rose 1.8% for houses to \$575 per week and rose 1.7% for units to \$419. Over the year, capital city rents rose 7.7% for houses. However units are still recording falls of 0.5%. Outside the capital cities, rents for houses have recorded stunning increases over the year, with Brisbane up by 10.4%, Perth up by 13.7% and Canberra up by 16.4%. [Nationally](#), rents rose 15.1% for houses over the year and 6.6% for units. Again, that growth has been fuelled by strong rises in rents in regional locations where there is a shortage of rental accommodation.

SQM Research Weekly Rents Index

Week ending 12 Jul 2021		Rent	Chg on prev wk	Rolling month % chg	12 mth % chg
Sydney	All Houses	689.0	5.0 ▲	2.2% ▲	8.3% ▲
	All Units	463.4	2.6 ▲	1.6% ▲	-1.5% ▼
Melbourne	All Houses	518.2	0.8 ▲	1.2% ▲	-1.4% ▼
	All Units	363.6	0.4 ▲	0.7% ▲	-9.5% ▼
Brisbane	All Houses	516.4	1.6 ▲	3.2% ▲	10.4% ▲
	All Units	390.1	-0.1 ▼	0.8% ▲	2.4% ▲
Perth	All Houses	522.8	2.2 ▲	0.5% ▲	13.7% ▲
	All Units	401.2	1.8 ▲	1.1% ▲	14.2% ▲
Adelaide	All Houses	451.1	0.9 ▲	1.8% ▲	9.9% ▲
	All Units	335.0	4.0 ▲	3.0% ▲	6.0% ▲
Canberra	All Houses	719.0	12.0 ▲	1.6% ▲	16.4% ▲
	All Units	499.7	-3.7 ▼	0.6% ▲	5.9% ▲
Darwin	All Houses	622.9	14.1 ▲	1.1% ▲	29.3% ▲
	All Units	458.3	4.7 ▲	6.4% ▲	26.1% ▲
Hobart	All Houses	473.0	6.0 ▲	0.2% ▲	8.9% ▲
	All Units	403.9	-10.9 ▼	-4.3% ▼	8.8% ▲
National	All Houses	519.0	2.0 ▲	1.8% ▲	15.8% ▲
	All Units	399.0	1.0 ▲	0.8% ▲	8.4% ▲
Cap City Average	All Houses	575.0	4.0 ▲	1.8% ▲	7.7% ▲
	All Units	419.0	2.0 ▲	1.7% ▲	-0.5% ▼

Next update: 20 Jul 2021

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[About SQM Research](#)

SQM Research Pty Ltd is a respected Australian investment research house, specialising in providing research and data across all major asset classes. For further information contact **02-9220 4603**.

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