



## **For the Third Consecutive Month Perth Takes the Prize as the Capital City with the Highest Vacancy Rate**

### **SQM Research Vacancy Rates and Asking Rents Media Release**

Monday 18<sup>th</sup> April 2016

For Immediate Release

Figures released by SQM Research this week have revealed that the number of residential vacancies nationally has remained tight during March, recording a vacancy rate of 2.3%, and 70,493 vacancies. Year-on-year results demonstrate that national vacancies appear to be slightly above the common seasonal trends expected at this time of year.

City	March 2015 Vacancies	Vacancy Rate	February 2016 Vacancies	Vacancy Rate	March 2016 Vacancies	Vacancy Rate
Adelaide	2,394	1.4%	3,168	1.9%	3,115	1.9%
Perth	5,295	2.7%	7,819	3.9%	8,224	4.1%
Melbourne	9,644	2.1%	9,683	2.0%	9,173	1.9%
Brisbane	6,714	2.1%	8,137	2.5%	8,254	2.6%
Canberra	832	1.5%	715	1.3%	627	1.1%
Sydney	9,219	1.6%	9,594	1.6%	9,424	1.6%
Darwin	935	3.4%	1,011	3.6%	1,020	3.6%
Hobart	376	1.4%	239	0.9%	236	0.9%
National	63,906	2.1%	70,161	2.3%	70,493	2.3%

Canberra recorded the largest monthly fall, with vacancies falling 0.2 percentage points during the month of March. Melbourne also experience a monthly fall, with percentage points down 0.1% over the month of March to now have a vacancy rate of just 1.9%. In contrast, Perth and Brisbane recorded a rise in vacancies during the month of March, with vacancies up 0.2 percentage points for Perth. Despite this, Perth and to a lesser extent Darwin continue to record an alarming number of vacancies, particularly when you consider the number of vacancies recorded this time last year (March 2015).



March results for Sydney, Adelaide, Darwin and Hobart remained the same over the month of March. Once again, Hobart revealed the tightest rental market recording a vacancy rate of just 0.9% based on just 236 vacancies.

### **Asking rents**

Notably, according to SQM Research, Darwin has recorded ongoing falls in asking rents of 9.7% for houses and 10.6% for units over the past 12 months. Yearly falls have also been recorded in Perth, with asking rents down 8.9% for houses and a considerable 9.0% for units. Hobart continues to record the most affordable rental accommodation with rents for houses at just \$345 a week, while units on average rent for \$276 a week.

Managing Director of SQM Research, Louis Christopher, said “Overall national vacancy rates remain steady however there is contrast in the market place and some current misperceptions over areas of oversupply. Right now the data suggests the areas of oversupply are confined to Perth, Darwin and the Brisbane CBD. Other bodies have suggested Melbourne should be classified as oversupplied. On this point, our data suggests otherwise. Vacancies rates for Melbourne have actually been in a downtrend now since 2014 and are now below 2%. Even in localities well known for elevated vacancies, such as the CBD, Docklands and Southbank, our number suggests vacancies have actually been falling in these specific localities. They have now fallen to levels below their long term average and certainly below levels that we were publicly concerned about, but no longer are as concerned.”

After being as high as 6.1% in 2014, SQM Research reports the Melbourne CBD is now recording a vacancy rate of 1.9%. Southbank was at 5.6% in March 2014. It is now at 3.7%. While Docklands was at 5.8% in March 2014. It is now 2.9%.



SQM Research Weekly Rents Index					
Week ending 12 Apr 2016		Rent	Chg on prev wk	Rolling month % chg	12 mth % chg
<b>Canberra</b>	All Houses	537.1	-1.1 ▼	0.7% ▲	12.5% ▲
	All Units	395.1	2.9 ▲	1.0% ▲	3.1% ▲
<b>Sydney</b>	All Houses	720.7	0.3 ▲	1.0% ▲	4.5% ▲
	All Units	502.2	0.8 ▲	0.4% ▲	5.4% ▲
<b>Darwin</b>	All Houses	561.3	3.7 ▲	-1.1% ▼	-9.7% ▼
	All Units	448.7	-2.7 ▼	-1.6% ▼	-10.6% ▼
<b>Brisbane</b>	All Houses	446.7	0.3 ▲	-0.2% ▼	-0.5% ▼
	All Units	372.0	-0.0 ▼	0.4% ▲	2.4% ▲
<b>Adelaide</b>	All Houses	370.1	0.9 ▲	-0.0% ▼	0.2% ▲
	All Units	285.9	0.1 ▲	-0.4% ▼	1.8% ▲
<b>Hobart</b>	All Houses	345.4	-1.4 ▼	2.5% ▲	5.3% ▲
	All Units	276.9	0.1 ▲	-3.4% ▼	-0.1% ▼
<b>Melbourne</b>	All Houses	479.1	0.9 ▲	0.4% ▲	-0.0% ▼
	All Units	375.1	0.9 ▲	0.6% ▲	4.0% ▲
<b>Perth</b>	All Houses	465.9	0.1 ▲	-0.0% ▼	-8.9% ▼
	All Units	373.5	-0.5 ▼	-0.8% ▼	-9.0% ▼
<b>National</b>	All Houses	420.0	1.0 ▲	0.0%	1.9% ▲
	All Units	337.0	1.0 ▲	-1.2% ▼	-1.2% ▼
<b>Cap City Average</b>	All Houses	543.0	1.0 ▲	0.4% ▲	1.1% ▲
	All Units	429.0	1.0 ▲	0.5% ▲	3.1% ▲

Source: [www.sqmresearch.com.au](http://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](#) below for more information on how SQM's vacancies are compiled.



## Key Points

- Nationally, vacancies remained tight during March 2016, recording a rate of 2.3%, based on 70,493 vacancies.
- Perth recorded the highest vacancy rate in March 2016 of 4.1% based on 8,224 vacancies.
- Vacancy rates in Sydney, Adelaide, Darwin and Hobart remained the same over the month of March 2016.
- Year-on-year, vacancy rates dropped in Melbourne, Canberra and Hobart.
- Hobart recorded the lowest vacancy rate during March 2016 - 0.9% based on 236 vacancies.
- Over the past 12 months, Darwin asking rents have experienced excessive yearly falls with houses down 9.7% and a 10.6% decrease for units.

[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.

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