

# Rental Market Squeeze

## October Vacancy Rates Back to 1.0%

14 November 2023

**SQM Research today recorded that the national residential property rental vacancy rate has continued to fall, reaching 1.0% in October.**

The nationwide rental crisis is deepening, with a notable reduction of 2,353 dwellings in available rentals, bringing the total vacancies to 30,307. This underscores the growing crisis in the housing rental market.

Most of capital cities recorded a decrease in vacancies, with [Sydney](#), [Brisbane](#) and [Hobart](#) reporting decreases in rental vacancy rates during the month, standing at 1.2%, 0.9% and 1.3% respectively.

Following the decline observed last month, the rental vacancy rate in [Sydney CBD](#) decreased to 3.8% in October. Similarly, [Melbourne CBD](#) and [Perth CBD](#) witnessed reductions in their rental vacancy rates, now standing at 4.8% and 0.9%, respectively

Most regional areas experienced decreases in rental vacancy rates. The [North Coast NSW](#) dropped to 1.2%, while the [Sunshine Coast](#) also recorded a decline to 0.9%. In contrast, [Northern SA](#) recorded an increase to 0.6%.

Vacancy Rates - October 2023						
City	Oct 2022 Vacancies	Oct 2022 Vacancy Rate	Sep 2023 Vacancies	Sep 2023 Vacancy Rate	Oct 2023 Vacancies	Oct 2023 Vacancy Rate
Sydney	9,449	1.3%	9,084	1.3%	8,368	1.2%
Melbourne	8,058	1.5%	6,449	1.2%	6,092	1.2%
Brisbane	2,568	0.8%	3,288	1.0%	3,132	0.9%
Perth	732	0.4%	783	0.4%	683	0.4%
Adelaide	683	0.4%	819	0.5%	722	0.4%
Canberra	684	1.1%	1,087	1.8%	1,027	1.7%
Darwin	270	1.0%	307	1.2%	368	1.4%
Hobart	127	0.5%	455	1.6%	373	1.3%
<b>National</b>	<b>30,929</b>	<b>1.0%</b>	<b>32,659</b>	<b>1.1%</b>	<b>30,307</b>	<b>1.0%</b>

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.

### Asking Rents

In the 30 days leading up to November 12, 2023, [asking rents](#) in the capital city increased by 0.7%, contributing to a notable 15.5% rise over the past year. Specifically, house rents in the capital cities rose by 0.5%, with a 12-month increase of 15.0%, while unit rents showed a more rapid 1.0% increase over the last 30 days and a 15.9% rise over the past 12 months.

The [national](#) median weekly asking rent for combined dwelling is \$598.22 a week. The capital city asking rent for combined dwelling is \$690.47 a week. The median rent for a capital city house is \$797 a week while the rent for a capital city unit is \$597 a week.

The most expensive rent is [Sydney](#) houses at \$1,012.57 a week. At the same time the most affordable rent is [Adelaide](#) units at \$437.90 a week.

In the present month, [Melbourne](#) has seen a slight dip in rents, with a decrease of 0.2% for combined dwellings. Moreover, the asking rent for combined dwellings in [Darwin](#) has dropped by 3.6%, mainly influenced by a notable decline of 6.0% in the rent for all units.

SQM Research Weekly Rents Index					
Week ending		Rent (\$)	Chg on prev wk(\$)	Rolling month % chg	12 mth % chg
12 Nov 2023					
<a href="#">Sydney</a>	All Houses	1,012.57	3.43 ▲	1.5% ▲	16.3% ▲
	All Units	679.27	4.73 ▲	1.0% ▲	17.3% ▲
	Combined	814.71	4.20 ▲	1.3% ▲	16.8% ▲
<a href="#">Melbourne</a>	All Houses	702.61	-1.61 ▼	0.0% ▼	19.0% ▲
	All Units	520.44	-1.44 ▼	-0.3% ▼	14.4% ▲
	Combined	595.41	-1.51 ▼	-0.2% ▼	16.7% ▲
<a href="#">Brisbane</a>	All Houses	706.01	-6.01 ▼	1.9% ▲	10.4% ▲
	All Units	547.98	2.02 ▲	0.0% ▲	14.8% ▲
	Combined	634.87	-2.40 ▼	1.1% ▲	12.2% ▲
<a href="#">Perth</a>	All Houses	731.06	-0.06 ▼	1.4% ▲	19.0% ▲
	All Units	553.60	8.40 ▲	1.6% ▲	18.3% ▲
	Combined	656.80	3.48 ▲	1.5% ▲	18.7% ▲
<a href="#">Adelaide</a>	All Houses	602.65	1.35 ▲	1.9% ▲	12.2% ▲
	All Units	437.90	2.10 ▲	-0.6% ▼	12.0% ▲
	Combined	545.77	1.61 ▲	1.2% ▲	12.3% ▲
<a href="#">Canberra</a>	All Houses	722.04	-1.04 ▼	-2.0% ▼	-3.7% ▼
	All Units	568.41	4.59 ▲	1.8% ▲	1.8% ▲
	Combined	638.86	2.01 ▲	-0.2% ▼	-1.1% ▼
<a href="#">Darwin</a>	All Houses	740.27	1.73 ▲	-1.3% ▼	12.6% ▲
	All Units	458.76	-1.76 ▼	-6.0% ▼	-4.2% ▼
	Combined	572.64	-0.35 ▼	-3.6% ▼	3.9% ▲
<a href="#">Hobart</a>	All Houses	525.92	2.08 ▲	3.2% ▲	-1.8% ▼
	All Units	455.18	0.82 ▲	1.6% ▲	-3.1% ▼
	Combined	497.47	1.57 ▲	2.6% ▲	-2.3% ▼
<a href="#">National</a>	All Houses	668.00	3.00 ▲	1.2% ▲	9.0% ▲
	All Units	518.00	8.00 ▲	0.0%	9.5% ▲
	Combined	598.22	5.33 ▲	0.7% ▲	9.2% ▲
<a href="#">Cap City Average</a>	All Houses	797.00	-1.00 ▼	0.5% ▲	15.0% ▲
	All Units	597.00	6.00 ▲	1.0% ▲	15.9% ▲
	Combined	690.47	2.73 ▲	0.7% ▲	15.5% ▲



**Louis Christopher, Managing Director of SQM Research said:**

“After a minor reprieve earlier this year, we are back to the record low in rental vacancies of 1.0%. Vacancies have been tightening again across the nation. They are tightening in our regions as well as our cities.

In such an environment, the prospect of an easing in rents over the next six months is very unlikely to occur. And most likely, market rental increases will continue to rise between 10 to 15%. Such rises will continue to work against the RBA’s objective of bringing back inflation to 2% to 3%.

Given 2024 is very likely to see a fall in dwelling completion to about 153,000 dwellings, the only real prospect of having some relief in the rental market next year is a cap on migration rates. I have no doubt the runaway population growth Australia has had, since the start of 2022 is directly contributing to our rental crisis and towards other price rises in the greater economy.”

**[About SQM Research](#)**

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

**- ENDS -**