



## **Vacancy Rates Steady in September for Most Cities**

Tuesday 17<sup>th</sup> October 2017

For Immediate Release

Data released by SQM Research this week has revealed the national residential vacancy rate was 2.2% in September 2017, with the number of vacancies Australia-wide at 72,955 – a slight rise on the month of August. Hobart's vacancy rate remained at the lowest level ever recorded by SQM at 0.4%.

In the bigger cities, vacancies rose in Sydney to 13,114 in September, up from 12,760 in August, giving a vacancy rate of 2.1%. That compares to 2.0% the previous month. In Melbourne, the vacancy rate rose to 1.9% with 9,713 rental properties available, increasing from 1.7% in August, helping to alleviate an ongoing shortage of rental properties in that city.

City	September 2016 Vacancies	Vacancy Rate	August 2017 Vacancies	Vacancy Rate	September 2017 Vacancies	Vacancy Rate
Adelaide	3,377	2.0%	2,738	1.6%	2,787	1.6%
Perth	10,463	5.0%	9,832	4.6%	9,735	4.5%
Melbourne	9,804	2.0%	8,767	1.7%	9,713	1.9%
Brisbane	9,921	2.9%	10,893	3.1%	11,185	3.2%
Canberra	610	1.1%	608	1.0%	591	1.0%
Sydney	10,906	1.8%	12,760	2.0%	13,114	2.1%
Darwin	902	3.1%	768	2.5%	822	2.7%
Hobart	162	0.6%	100	0.4%	102	0.4%
<b>National</b>	<b>75,412</b>	<b>2.4%</b>	<b>71,540</b>	<b>2.2%</b>	<b>72,955</b>	<b>2.2%</b>

Hobart's vacancy rate sat at 0.4%, steady from last month and the lowest on record since SQM started recording data in 2005. In Canberra, the vacancy rate was steady at 1.0%. Elsewhere, the vacancy rose in Perth fell to 4.5% from 4.6% in August, the highest of any capital city, while Adelaide's vacancy rate was steady at 1.6%, but down from 2% a year earlier. Darwin's vacancy rate rose to 2.7% from 2.5% from a month earlier. Vacancy rates in Darwin are down from 3.1% a year earlier.

Managing Director of SQM Research, Louis Christopher, said the vacancy numbers would give some slight relief to home seekers in Sydney and Melbourne, though those in Hobart and Canberra faced ongoing tight rental conditions and higher rents.

"In Hobart, the rental situation remains very difficult, with just 102 properties available for rent in September, giving rise to the record low vacancy rate of just 0.4%," said Christopher. Elsewhere the rental markets remained largely unchanged from the previous month. Going forward we expect some seasonal rises, particularly once the university year wraps up.



## Asking Rents

Capital city asking rents over the month to 12 October rose 0.2% to \$550 a week for houses, to be up 1.9% over the year. Unit asking rents were steady at \$438 a week, though up 1.9% over the year. Asking house rents in Hobart and Canberra jumped from a year earlier, to be up 7.5% and 8.7%, respectively. Monthly rises for Canberra were strong at 2.4%. Asking rents for units jumped 3.3% from a year earlier in Canberra and were up 8.1% in Hobart, adding to rent unaffordability in that city.

In contrast, asking rents for houses moderated slightly in Sydney to be up 1.8% over the year and were up by 0.7% over the month. The asking rent for a three-bedroom house in Sydney is now the highest in the nation at \$738 while for units it stands at \$521. Asking rents for units were up 2.0% over the year.

SQM Research Weekly Rents Index					
Week ending 12 Oct 2017		Rent	Chg on prev wk	Rolling month % chg	12 mth % chg
<b>Canberra</b>	All Houses	579.6	4.4 ▲	2.4% ▲	8.7% ▲
	All Units	422.3	-1.3 ▼	-0.7% ▼	3.3% ▲
<b>Sydney</b>	All Houses	738.4	1.6 ▲	0.7% ▲	1.8% ▲
	All Units	520.9	1.1 ▲	0.4% ▲	2.0% ▲
<b>Darwin</b>	All Houses	541.2	0.8 ▲	-0.9% ▼	-0.8% ▼
	All Units	398.2	-1.2 ▼	-1.0% ▼	-8.6% ▼
<b>Brisbane</b>	All Houses	442.2	-0.2 ▼	-0.9% ▼	0.6% ▲
	All Units	364.4	-0.4 ▼	-0.7% ▼	-1.8% ▼
<b>Adelaide</b>	All Houses	377.3	0.7 ▲	0.2% ▲	2.8% ▲
	All Units	288.9	-0.9 ▼	-0.7% ▼	0.6% ▲
<b>Hobart</b>	All Houses	386.2	-4.2 ▼	0.4% ▲	7.5% ▲
	All Units	309.8	-4.8 ▼	-1.3% ▼	8.1% ▲
<b>Melbourne</b>	All Houses	508.7	0.3 ▲	0.2% ▲	4.9% ▲
	All Units	395.3	-0.3 ▼	-1.1% ▼	4.3% ▲
<b>Perth</b>	All Houses	410.4	-0.4 ▼	-0.8% ▼	-5.0% ▼
	All Units	322.4	0.6 ▲	-0.1% ▼	-6.1% ▼
<b>National</b>	All Houses	426.0	-1.0 ▼	0.2% ▲	1.2% ▲
	All Units	351.0	2.0 ▲	0.9% ▲	3.5% ▲
<b>Cap City Average</b>	All Houses	550.0	-1.0 ▼	0.2% ▲	1.9% ▲
	All Units	438.0	1.0 ▲	0.0%	1.9% ▲

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



Annually, asking rents for houses moderated also in Melbourne, up 0.2% over the month and 4.9% over the year to October 12. Unit asking rents rose 4.3% over the year but fell 1.1% over the month. The asking rent for a three-bedroom house in Melbourne now sits at \$509 and for units it sits at \$395. In Perth and Darwin, asking rents are still falling due to the mining downturn.

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 rose in September to 72,955, recording a vacancy rate of 2.2%, steady from 2.2% in August.
- Perth recorded the highest vacancy rate of the capital cities at 4.5% in September, but down from 5.0% a year ago.
- Hobart recorded the lowest vacancy rate of 0.4%, a record low and down from 0.6% a year earlier.
- Adelaide's vacancy rate was 1.6%, steady over the month but down from 2.0% a year earlier.

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

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