

# Tight Rental Vacancy Rates Trigger Across the board Surges in Rents

17 August 2021

SQM Research today has revealed the [national](#) residential rental vacancy rate remains tight at just **1.7% over the month of July 2021**.

Meanwhile, rents surged for yet another month in most capital cities and regions. The national combined weekly rent stands at **\$508** a week, which was up by **1.3% for the past 30 days** to August 12 and up by a **concerning 13.7% for the past 12 months**.

## Vacancy Rates

The total number of vacancies Australia-wide now stands at 61,313 residential properties, up from 60,468 in June. Melbourne's [vacancy rate](#) rose to 3.6% in July from 3.5% in June, while in Sydney vacancy rates dropped to 2.7% from 2.8%. In [Adelaide](#), [Darwin](#) and [Hobart](#) the vacancy rate remained below 1.0%, while [Perth](#) and [Brisbane](#) and [Canberra](#) rate remained constant. Vacancy rates rose in the [Sydney CBD](#) to 6.1%, possibly reflecting the new lockdown. While rates fell again in the [Melbourne CBD](#) to 5.7%.

Vacancy Rates - July 2021						
City	Jul 2020 Vacancies	Jul 2020 Vacancy Rate	Jun 2021 Vacancies	Jun 2021 Vacancy Rate	Jul 2021 Vacancies	Jul 2021 Vacancy Rate
Sydney	26,506	3.6%	21,159	2.8%	20,717	2.7%
Melbourne	18,746	3.1%	21,992	3.5%	22,890	3.6%
Brisbane	7,593	2.2%	4,520	1.3%	4,651	1.3%
Perth	2,803	1.3%	2,015	0.9%	1,908	0.9%
Adelaide	1,809	0.9%	1,299	0.6%	1,440	0.7%
Canberra	653	1.0%	492	0.7%	496	0.7%
Darwin	453	1.4%	149	0.4%	211	0.6%
Hobart	212	0.7%	140	0.4%	172	0.5%
<b>National</b>	<b>71,767</b>	<b>2.1%</b>	<b>60,468</b>	<b>1.7%</b>	<b>61,313</b>	<b>1.7%</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.

## Rents

Over the month to 12 August 2021, national asking rents rose 1.3% for houses to \$526 per week Units rose by 0.5% to \$420 a week. The national rise was driven by larger regional increases over and above the capital cities. SQM Research believes the new lockdowns may have triggered another wave of interest in regional living as many of the community seek freedom away from harsh Covid measures.

Nevertheless, capital city rents also rose by 0.5% for houses over the past 30 days and are up by 8% over the past 12 months. Rents were flat for units for the past 30 days and up by just 0.7% for the past 12 months. Rents for houses in some cities have recorded stunning increases over the year, with Brisbane up by 11.2%, Perth up by 12.9% and Darwin up by 25.3%.

**SQM Research Weekly Rents Index**

Week ending 12 Aug 2021		Weekly Rent (\$)	Chg on prev wk (\$)	Rolling month % chg	12 mth % chg
<a href="#">Sydney</a>	All Houses	697.8	2.2 ▲	1.4% ▲	10.2% ▲
	All Units	464.8	-0.8 ▼	0.3% ▲	0.1% ▲
<a href="#">Melbourne</a>	All Houses	520.1	0.9 ▲	0.5% ▲	-0.4% ▼
	All Units	369.5	0.5 ▲	0.8% ▲	-6.5% ▼
<a href="#">Brisbane</a>	All Houses	516.6	0.4 ▲	0.0% ▲	11.2% ▲
	All Units	394.5	0.5 ▲	1.0% ▲	4.3% ▲
<a href="#">Perth</a>	All Houses	529.0	1.0 ▲	1.1% ▲	12.9% ▲
	All Units	404.1	-1.1 ▼	0.4% ▲	13.9% ▲
<a href="#">Adelaide</a>	All Houses	447.5	-0.5 ▼	-0.9% ▼	9.1% ▲
	All Units	334.5	-0.5 ▼	-0.4% ▼	5.3% ▲
<a href="#">Canberra</a>	All Houses	724.6	-3.6 ▼	0.8% ▲	13.7% ▲
	All Units	518.9	6.1 ▲	3.9% ▲	9.0% ▲
<a href="#">Darwin</a>	All Houses	610.7	-3.7 ▼	-1.9% ▼	25.3% ▲
	All Units	462.9	0.1 ▲	1.0% ▲	29.0% ▲
<a href="#">Hobart</a>	All Houses	485.0	12.0 ▲	2.0% ▲	9.8% ▲
	All Units	418.9	4.1 ▲	3.1% ▲	8.3% ▲
<a href="#">National</a>	All Houses	526.0	-1.0 ▼	1.3% ▲	14.6% ▲
	All Units	401.0	3.0 ▲	0.5% ▲	7.2% ▲
	<b>Combined</b>	508.2	1.3% ▲	3.3% ▲	13.7% ▲
<a href="#">Cap City Average</a>	All Houses	578.0	4.0 ▲	0.5% ▲	8.0% ▲
	All Units	420.0	0.0	0.0%	0.7% ▲
	<b>Combined</b>	548.0	3.2 ▲	0.4% ▲	6.9% ▲

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

“Current tight rental vacancy rates are driving up rents across Australia. It is somewhat perplexing to see both regional Australia and the Capital cities record surges. Given the ongoing international border closures and still relatively high completions, the national rental market should be at least more balanced. That may well still happen if lockdowns persist through to Summer as it is likely many people living in Sydney and Melbourne may attempt to move elsewhere.

“It is also possible that long term leasing is becoming very challenging for landlords due to rental moratoriums etc. We believe instead that landlords may increasingly be using short term accommodation websites such as Airbnb and Stayz whereby they have a greater say on who occupies their property and the length of time they stay.”



**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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