



SQM Research MEDIA RELEASE

For Immediate Release

Vacancy Rates for the month of December 2011

Figures released by property research house SQM Research reveal that residential vacancies rose significantly during the month of December, increasing from 1.9% to 2.4% and coming to a total of 61,490 vacancies.

City	Vacancies Dec 2010	Vacancy %	Vacancies Nov 2011	Vacancy %	Vacancies Dec 2011	Vacancy %
Sydney	9,504	1.7%	7,970	1.5%	11,106	2.0%
Melbourne	12,937	3.6%	12,367	3.4%	16,007	4.4%
Brisbane	6,908	2.8%	4,892	2.0%	6,278	2.5%
Adelaide	2,040	1.4%	2,309	1.6%	2,731	1.9%
Perth	2,339	1.5%	1,208	0.8%	1,565	1.0%
Canberra	389	0.9%	294	0.6%	482	1.1%
Hobart	303	1.3%	448	1.9%	559	2.4%
Darwin	665	2.9%	298	1.3%	405	1.7%
National	55,760	2.2%	48,244	1.9%	61,490	2.4%

This spike in December's national vacancy rates is predominately viewed by SQM Research as a seasonal increase and although the surge in listings does appear to be a bit steeper than in previous years with significantly more vacancies in the market place than the months preceding, SQM Research is wary of pointing to any other possible explanation for the sudden increase besides the seasonal effect.

What is of particular concern is Melbourne's seemingly ever increasing vacancy rate which has been recorded at a high 4.4% for the month of December, a figure that most definitely reflects an oversupply issue for the capital city. Over the course of 2011, a steady increase in vacancy rates has been recorded for Melbourne, peaking in December with 16,007 vacancies – an amount that goes beyond merely seasonal factors.

Louis Christopher the Managing Director of SQM Research says *"We expect for the month of January that vacancies will report a decline once again, to what levels, we are unsure of. Melbourne is looking ominous and we are expecting rental declines for this capital city for 2012. Melbourne has definitely become a renter's market and landlords can no longer be expected to extract higher rents in Melbourne."*

"But as for majority of the rest of the country, it is still a landlord's market and we are expecting rental increases overall to be within the 4-6% range and in some regions within Sydney - even higher, throughout the course of the year."



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 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-

http://www.sqmresearch.com.au/graph_vacancy.php?region=nsw::Sydney&type=c&t=1#terms

Key Points

- Nationally, vacancies rose by 0.5% to 2.4% during the month of December. This figure also reveals a 0.2% increase since the corresponding period of the previous year (December 2010).
- Melbourne is continuing to lead the way in terms of both actual vacancies and vacancy rate, coming to a total of 16,007 vacancies and recording a vacancy rate of 4.4% for the month of December.
- Perth is now experiencing the tightest vacancy rate of the capital cities, undercutting Canberra by 0.1%, coming to a total of 1,565 vacancies and recording a vacancy rate of 1%.
- Hobart continues to record the largest yearly growth, increasing by 1.1% since the corresponding period of the previous year (December 2010) and coming to a total of 559 vacancies (2.4%).
- Darwin has recorded the most substantial yearly falls, decreasing by 1.2% since the corresponding period of the previous year (December 2010) and coming to a total of 405 vacancies (1.7%).
- No capital cities posted monthly declines in vacancies.

For more information and a breakdown on the regions or capital cities, contact:

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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 and Adviser Edge Property, A leading fund manager ratings house specialising in ratings for agribusiness, structured products and property.

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