



Vacancy Rates Fall in August

Monday 18th September 2017

For Immediate Release

Data released by SQM Research this week has revealed the number of national residential rental vacancies was 71,540 homes in August 2017, giving a national vacancy rate of 2.2%, down from 2.3% in July.

The vacancy rate remained very tight at 0.4% in Hobart, down from 0.5% a month earlier, while in Sydney and Melbourne vacancies remain steady at 2.0% and 1.7%, respectively. All other cities recorded falls in vacancies for the month.

City	August 2016 Vacancies	Vacancy Rate	July 2017 Vacancies	Vacancy Rate	August 2017 Vacancies	Vacancy Rate
Adelaide	3,183	1.9%	3,183	1.8%	2,738	1.6%
Perth	10,303	5.0%	10,419	4.9%	9,832	4.6%
Melbourne	9,610	1.9%	8,714	1.7%	8,767	1.7%
Brisbane	8,956	2.7%	11,401	3.3%	10,893	3.1%
Canberra	644	1.1%	699	1.2%	608	1.0%
Sydney	10,615	1.7%	12,967	2.0%	12,760	2.0%
Darwin	879	3.0%	886	2.9%	768	2.5%
Hobart	149	0.5%	147	0.5%	100	0.4%
National	73,451	2.3%	75,733	2.3%	71,540	2.2%

The vacancy rate recorded in Hobart is a record low for any capital city since SQM Research commenced measuring the rental market in 2005.

Darwin recorded the sharpest decline for the month with vacancy rates falling to 2.5% (from 2.9% July). Darwin has now recorded falling vacancy rates for seven straight months in a row, which suggests the downturn in the Darwin rental market is over.

Sydney recorded a vacancy rate of 2.0% which was largely steady from July. There had been a rise in vacancies in Sydney over the winter months, however SQM expects this seasonal increase in vacancies to unwind during spring.

Brisbane had a vacancy rate of 3.1% for August, down from 3.3% recorded in July.

Perth continues to have the highest vacancy rate of all capital cities at 4.6%, but that result too was down for the month (4.9% July).



Managing Director of SQM Research, Louis Christopher, said “overall the current rental market is a moderate landlord’s market. There is nothing in our numbers to suggest the market is about to be hit with oversupply. Dwelling completions should peak in early 2018 and given the pronounced year on year declines in building approvals, we believe rents will likely rise at a faster pace 2018 than what has been recorded in 2017, thus far. **We now have mounting concerns for significant rental shortages in 2019 in Sydney and Melbourne**”.

Asking Rents

Capital city asking rents over the past 30 days to September 12 rose 0.4% to \$549 a week for houses. Unit asking rents were steady at \$438 a week. Year on year capital city asking rents are up by 2.4% for houses and 1.9% for units. Hobart has recorded the fastest pace in rental increases (houses) with a stunning 4.2% rise over the past 30 days and a 14.5% increase for the past 12 months. The rapid rise in rents is clearly attributed to the record low vacancy rates recorded in that city as covered earlier.

Meanwhile, Perth continue to record falls in rents with a 2.1% decline for houses and a 1.5% decline in weekly asking rents over the past 30 days. Perth rents are now down 5.1% for houses and 7.1% for units over the past 12 months. Rents are now down 34% in Perth from their peaks recorded March 2013.



SQM Research Weekly Rents Index					
Week ending 12 Sep 2017		Rent	Chg on prev wk	Rolling month % chg	12 mth % chg
Canberra	All Houses	566.1	-0.1 ▼	1.1% ▲	6.8% ▲
	All Units	425.3	0.7 ▲	1.4% ▲	4.2% ▲
Sydney	All Houses	733.2	1.8 ▲	0.6% ▲	3.3% ▲
	All Units	518.7	0.3 ▲	-0.2% ▼	2.3% ▲
Darwin	All Houses	546.1	-1.1 ▼	3.2% ▲	-3.8% ▼
	All Units	402.1	-5.1 ▼	-1.7% ▼	-7.8% ▼
Brisbane	All Houses	446.1	0.9 ▲	0.3% ▲	0.7% ▲
	All Units	367.2	-0.2 ▼	-0.3% ▼	-1.2% ▼
Adelaide	All Houses	376.6	0.4 ▲	0.4% ▲	2.7% ▲
	All Units	290.9	0.1 ▲	-0.3% ▼	2.5% ▲
Hobart	All Houses	384.8	9.2 ▲	4.2% ▲	14.5% ▲
	All Units	314.0	-12.0 ▼	-3.9% ▼	11.1% ▲
Melbourne	All Houses	507.5	0.5 ▲	0.0% ▲	4.6% ▲
	All Units	399.9	-0.9 ▼	0.2% ▲	5.4% ▲
Perth	All Houses	413.8	-2.8 ▼	-2.1% ▼	-5.1% ▼
	All Units	322.7	-0.7 ▼	-1.5% ▼	-7.1% ▼
National	All Houses	425.0	-1.0 ▼	0.0%	1.2% ▲
	All Units	348.0	-3.0 ▼	-0.3% ▼	2.7% ▲
Cap City Average	All Houses	549.0	0.0	0.4% ▲	2.4% ▲
	All Units	438.0	0.0	0.0%	1.9% ▲

Source: 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 fell slightly in August 2017, recording a rate of 2.2%.
- Sydney and Melbourne vacancies remain steady at 2.0% and 1.7%, respectively.
- Perth continues to record the highest vacancy rate of the capital cities at 4.6%, though down from 4.9% in July.
- Hobart recorded the lowest vacancy rate of 0.4%, down from 0.5% the previous month.
- Canberra's vacancy rate also continues to fall now at 1.0% compared to 1.2% in July.

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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