



## Vacancy Rates Steady in May, Asking Rents Dip

Tuesday 19<sup>th</sup> June 2018

For Immediate Release

Data released by SQM Research this week has revealed the national residential vacancy rate was unchanged at 2.1% in May 2018, with the number of vacancies Australia-wide sitting at 69,152 properties, though the vacancy rate inched higher in Sydney and Melbourne, while it fell in Brisbane for the fifth straight month.

Sydney's vacancy rate rose to 2.5% in May, up from 2.3% in April, and higher than 1.7% a year earlier. Melbourne also saw its vacancy rate inch higher to 1.4%, up from 1.3% in April. Canberra's rate was steady at 0.8%, though down from 1.0% a year earlier.

City	May 2017 Vacancies	Vacancy Rate	April 2018 Vacancies	Vacancy Rate	May 2018 Vacancies	Vacancy Rate
Adelaide	3,100	1.7%	2,427	1.3%	2,468	1.3%
Perth	10,210	5.1%	8,245	4.1%	8,235	4.1%
Melbourne	7,578	1.4%	7,317	1.3%	7,676	1.4%
Brisbane	10,914	3.5%	9,774	3.0%	9,331	2.9%
Canberra	608	1.0%	474	0.8%	498	0.8%
Sydney	11,153	1.7%	15,809	2.3%	17,164	2.5%
Darwin	961	3.3%	1,011	3.3%	1,051	3.5%
Hobart	159	0.5%	219	0.7%	211	0.7%
National	73,229	2.3%	67,854	2.1%	69,152	2.1%

There was good news for property investors in Brisbane, where the vacancy rate fell to 2.9% in May, down from 3.0% in April and 3.5% in May 2017. The decline in Brisbane represents the fifth straight monthly decline in rental vacancies.

Hobart's vacancy rate was steady at 0.7%, but up from 0.5% a year ago. Darwin's vacancy rate rose to 3.5% from 3.3% in April. Perth's vacancy rate was steady at 4.1%, but down from 5.1% a year earlier as the oversupply of rental properties eases in that city. Adelaide's vacancy rate was also steady at 1.3%, but down from 1.7% a year ago.

Louis Christopher, Managing Director of SQM Research, said asking rents had eased in Sydney with greater supply of rental accommodation, giving some relief to home seekers.

"There are considerably more vacancies in Sydney now compared to a year ago, so landlords have lowered their asking rents slightly, which is favouring renters.

"Meanwhile, we have more evidence that the worse is over for Brisbane property investors with vacancies falling for five straight months and even the Brisbane CBD is now recording consistent decline in vacancies. We believe that a rise in interstate migration is lifting population growth rates in Brisbane plus the peak in unit completions is creating this turnaround in the rental market," he said.

### Asking Rents

Capital city asking rents for houses fell over the month to 12 June 2018 by 0.5% to \$551 a week. Unit asking rents slipped 0.2% to \$444 a week. Over the year, asking house rents rose just 0.4%, while unit asking rents rose modestly by 0.9%.

While the asking rent for a three-bedroom house in Sydney remains the highest in the nation at \$715 a week, rents fell 1.6% over the month to June 12, with the upward trend in the vacancy



rate easing pricing pressures. Asking unit rents now stand at \$523, down by 0.5% over the month.

Canberra is catching up to Sydney with housing asking rents now standing at \$631 a week and \$451 for units, after growth of 2.1% for houses and units over the month. In Melbourne, asking rents for houses were down over the month to June 12 by 0.8% to \$529 while unit asking rents rose by 0.5% to \$412.

In line with the fall in vacancies, Brisbane rents registered a rise for the past 30 days with rents for houses rising by 0.8% to \$450 a week and units rising by 0.4% to \$369 a week.

SQM Research Weekly Rents Index					
Week ending 12 Jun 2018		Rent	Chg on prev wk	Rolling month % chg	12 mth % chg
<u>Canberra</u>	All Houses	631.4	1.6 ▲	2.1% ▲	8.3% ▲
	All Units	450.9	-0.9 ▼	2.1% ▲	6.3% ▲
<u>Sydney</u>	All Houses	714.7	-3.7 ▼	-1.6% ▼	-2.6% ▼
	All Units	522.7	-0.7 ▼	-0.5% ▼	-0.1% ▼
<u>Darwin</u>	All Houses	538.7	9.3 ▲	-0.4% ▼	1.8% ▲
	All Units	402.8	-0.8 ▼	0.1% ▲	1.4% ▲
<u>Brisbane</u>	All Houses	449.8	1.2 ▲	0.8% ▲	1.3% ▲
	All Units	369.1	-0.1 ▼	0.4% ▲	0.1% ▲
<u>Adelaide</u>	All Houses	379.5	-0.5 ▼	-0.7% ▼	1.8% ▲
	All Units	300.3	0.7 ▲	0.2% ▲	4.0% ▲
<u>Hobart</u>	All Houses	400.0	5.0 ▲	0.7% ▲	9.1% ▲
	All Units	350.3	-0.3 ▼	-2.8% ▼	11.2% ▲
<u>Melbourne</u>	All Houses	529.3	-1.3 ▼	-0.8% ▼	3.7% ▲
	All Units	411.5	0.5 ▲	0.5% ▲	3.5% ▲
<u>Perth</u>	All Houses	421.3	1.7 ▲	0.0% ▲	-0.8% ▼
	All Units	324.5	-0.5 ▼	0.1% ▲	-1.7% ▼
<u>National</u>	All Houses	434.0	-2.0 ▼	-0.7% ▼	2.4% ▲
	All Units	359.0	0.0	-0.3% ▼	2.9% ▲
<u>Cap City Average</u>	All Houses	551.0	-2.0 ▼	-0.5% ▼	0.4% ▲
	All Units	444.0	0.0	-0.2% ▼	0.9% ▲

Source: [www.sqmresearch.com.au](http://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, the vacancy rate was steady at 2.1% in May.
- Hobart recorded the lowest vacancy rate of 0.7%.
- Perth recorded the highest vacancy rate of the capital cities at 4.1% in May, but that was down from 5.1% a year ago as the surplus of rental properties eases.
- Melbourne's vacancy rate inched higher to 1.4% from 1.3%.
- Sydney's vacancy rate rose to 2.5% from 2.3% and up from 1.7% a year earlier.
- Capital city asking rents for houses fell over the month to 12 June 2018 by 0.6% to \$551 a week

[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.

For further information please contact Louis Christopher:

[Louis@sqmresearch.com.au](mailto:Louis@sqmresearch.com.au)

**- ENDS -**