

Housing vacancies rise to 2.1pc

Robert Harley

Housing vacancies across Australia rose marginally in May to 2.1 per cent of total stock, according to SQM Research.

In the past year, as the economy has weakened, the national vacancy rate has crept up from a very tight 1.8 per cent.

SQM managing director, **Louis Christopher** said the rental markets were continuing to loosen but gradually.

"The rental market is starting to provide some choices for tenants," he said.

"Vacancies have increased for four straight months now and, according to our weekly rentals index, cities such as Canberra and Perth have recorded falling rents in recent months."

In Perth, the vacancy rate has more than doubled, from a very low 0.6 per cent in May 2012, to a still tight 1.3 per cent last month.

The Canberra rental market has

moved the same way with the vacancy rate rising from a landlord's bonanza at 0.7 per cent to slightly more balanced 1.5 per cent.

Melbourne (2.7 per cent) and Hobart (2.8 per cent) had the highest level of vacancy. Darwin (1.0 per cent) had the lowest.

Vacancies have also increased in Sydney, to 1.8 per cent, and in Brisbane to 1.9 per cent.

Mr Christopher does not expect big rises in vacancies unless an increase in new housing leads to a mass exodus of renters.

Nevertheless some inner-city Melbourne apartment precincts are showing far higher vacancies in response to an oversupply of investment apartments.

In Southbank, 417 properties were vacant in May, equivalent to 9.7 per cent of total stock. Along St Kilda Road, in post-code 3004, the vacancy rate is 13 per cent.