



SQM Research Media Release Vacancy Rates April 2013

VACANCIES RISE TO 2%

Thursday 18th May 2013

Figures released this week by SQM Research reveal a continued rising trend in vacancies for most cities, with vacancy rates increasing in every capital city except Darwin, during April 2013.

| City | Vacancies April '12 | Vacancy Rate April '12 | Vacancies March '13 | Vacancy Rate March '13 | Vacancies April '13 | Vacancy Rate April '13 |
|-----------------|---------------------|------------------------|---------------------|------------------------|---------------------|------------------------|
| Adelaide | 2,689 | 1.6% | 2,205 | 1.3% | 2,534 | 1.5% |
| Perth | 1,075 | 0.6% | 1,813 | 1.0% | 2,268 | 1.2% |
| Melbourne | 11,476 | 2.8% | 11,108 | 2.6% | 11,609 | 2.7% |
| Brisbane | 4,444 | 1.6% | 4,749 | 1.7% | 5,142 | 1.8% |
| Canberra | 420 | 0.7% | 721 | 1.4% | 753 | 1.5% |
| Sydney | 9,076 | 1.6% | 8,652 | 1.5% | 9,631 | 1.7% |
| Darwin | 132 | 0.6% | 294 | 1.2% | 272 | 1.1% |
| Hobart | 754 | 2.8% | 540 | 2.0% | 699 | 2.5% |
| National | 50,884 | 1.9% | 52,931 | 1.9% | 56,973 | 2.0% |

Nationally, the vacancies rose by 0.1%, bringing the national vacancy rate to 2.0% in April. This is the first time that national vacancies have reached the 2% mark excluding seasonal months (December) since September 2009, suggesting that the rental crisis is truly beginning to ease.

SQM Research believes that this is a result of a recovery in the Australian housing market, with vacancies beginning to ease in several localities compared to this time last year, particularly in Canberra, Perth and Darwin based on an increased number of renters becoming buyers. We expect this to continue when a rise in first home buyers occurs, as they exit the rental market in favour of purchasing their first home.

Louis Christopher, Managing Director of SQM Research says *“While the rental market is unlikely to blow out to an oversupply situation in this cycle, we do believe an easing of what has been an extended period of tight conditions for tenants, will now come into existence. It means rent rises which have been running at above inflation for the past five years now, will now slowdown to be more in line with CPI and indeed this is already occurring according to our newly released weekly rents index”.*

According to SQM's Weekly Rents Index, national capital city rents for houses fell by 0.6% in the past 90 days to \$521 a week and units rose by 0.5% over the same period to \$413 a week. Rental growth for houses has slowed down to a 1.0% over the 12 months while units have increased by 2.5%. More information on SQM's rents series can be found on the link below:



http://www.sqmresearch.com.au/graph_median_rent_weeks.php?avg=1&t=1

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-

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

Key Points

- Nationally, vacancies rose by 0.1% to 2.0% during April 2013, coming to a total of 56,973 nationally.
- Melbourne has recorded the highest vacancy rate of the capital cities, revealing a vacancy rate of 2.7% and a total of 11,609.
- Darwin has recorded the tightest vacancy rate of the capital cities, revealing a vacancy rate of 1.1% and a total of 272 vacancies.
- Canberra has recorded the highest yearly increase in vacancies. Climbing 0.7% to 1.5% since the corresponding period of the previous year (April 2012) and coming to a total of 753 vacancies.
- Hobart has recorded the largest yearly decrease in vacancies, falling by 0.3% to 2.5% since the corresponding period of the previous year (April 2012) and coming to a total of 699 vacancies.
- Hobart has however, recorded the highest monthly increase in vacancies, rising by 0.5% during April 2013.
- Darwin was the only capital city to record a monthly decrease, falling by 0.1% during April 2013.

www.sqmresearch.com.au

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.

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