



Melbourne's Vacancy Rate Plummetts **During February**

SQM Research Vacancy Rates Media Release **February 2014**

Tuesday 18th March 2014

For Immediate Release

Figures released by SQM Research this week have revealed that the number of residential vacancies nationally have decreased further during February, dipping 0.1 percentage points to record a 2.1% vacancy rate nationally, and 60,330 vacancies.

Year on year, vacancies have still risen by 0.3 percentage points, with the country experiencing a substantially looser rental market than this time last year.

City	Vacancies Feb '13	Vacancy Rate Feb '13	Vacancies Jan '14	Vacancy Rate Jan '14	Vacancies Feb '14	Vacancy Rate Feb '14
Adelaide	2,202	1.4%	2,451	1.5%	2,285	1.4%
Perth	1,678	0.9%	3,666	1.9%	3,639	1.9%
Melbourne	11,410	2.7%	13,007	2.9%	10,834	2.4%
Brisbane	4,863	1.7%	7,088	2.4%	6,424	2.1%
Canberra	627	1.2%	916	1.9%	1,101	2.1%
Sydney	8,780	1.6%	9,879	1.7%	8,954	1.6%
Darwin	319	1.2%	391	1.5%	354	1.3%
Hobart	582	2.2%	426	1.6%	433	1.6%
National	52,464	1.9%	64,834	2.2%	60,330	2.1%

Of particular interest this month, is Melbourne's vacancy rate figures, with the capital city calling 0.5 percentage points during February to reveal a vacancy rate of 2.4% - the lowest vacancy rate recorded for Melbourne since May 2011.

The general trend has been downward for many regions in Melbourne such as Eastern Melbourne, Inner East Melbourne, Melbourne North and Melbourne West.

We note the Melbourne CBD did too, record a fall for the month but its figures are still up from this time last year and SQM Research continues to retain our warning for CBD vacancy rates.

Asking Rents Index

SQM Research's Asking Rents Index revealed that asking prices for rental properties continued to record mixed stories during February, with the capital city average



revealing a -0.7% decrease in asking rents for houses and a 1.2% increase in asking rents for units since February 2013.

Sydney was the outperformer of the capital cities over the year with a 2.3% increase in asking rents for houses and a 3.6% increase in asking rents for units on a yearly basis.

However, Canberra and Perth recorded the steep declines with Canberra revealing a -7.6% decrease in asking rents for houses and a -5.5% decrease in asking rents for units. While Perth recorded a -10.7% decrease in asking rents for houses and a -7.4% decrease in asking rents for units since February 2013.

The decreases in asking rental prices for each of these capital cities can be explained simply – for Canberra, the government job cuts in the city have seen an exodus of residents from the area; and for Perth – the downturn in the mining boom has caused a decrease in demand for rental dwellings in the area.

To see each capital city break down, click here -

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

Managing Director of SQM Research, Louis Christopher says, “

“Overall rental conditions continued to modestly favour landlords over the course of the month, with some interesting results coming out of Melbourne and Perth. It has been some time since we recorded a definitive decline in vacancies in what could be a sign that the excess stock seen in Melbourne is starting to be occupied. Meanwhile the sharp falls in rents for Perth are in line with rising vacancies being recorded there and are a manifestation of a rather rapid decline in demand for accommodation.”

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 decreased during February, recording a vacancy rate of 2.1% and coming to a total of 60,330 nationally.
- Melbourne has recorded the highest vacancy rate of the capital cities, revealing a vacancy rate of 2.4% and a total of 10,834 vacancies.
- Darwin has recorded the tightest vacancy rate of the capital cities, revealing a vacancy rate of 1.3% and a total of 354 vacancies.
- Perth has recorded the highest yearly increase in vacancies, climbing 1.0 percentage points to 1.9% since the corresponding period of the previous year (February 2013) and coming to a total of 3,639 vacancies.
- Hobart was the capital city to record the largest yearly decrease in vacancies, falling by 0.6 percentage points to 1.6% since the corresponding period of the previous year (February 2013) and coming to a total of 433 vacancies.
- Canberra was the only capital city to record a monthly increase in vacancies, jumping 0.3 percentage points to 2.1% during February and 1,101 vacancies.
- Melbourne recorded the largest monthly decline in vacancy rates, falling by 0.5 percentage points during February 2014 and coming to a vacancy rate of 2.9%

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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