



Vacancy Rates Rise in September

SQM Research Vacancy Rates and Asking Rents Media Release

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For Immediate Release

Figures released by SQM Research this week have revealed that the number of national residential vacancies rose in September, with 75,412 rental homes available, giving a national vacancy rate of 2.4%, up from 2.3% in August 2016.

City	Sept 2015 Vacancies	Vacancy Rate	August 2016 Vacancies	Vacancy Rate	Sept 2016 Vacancies	Vacancy Rate
Adelaide	3157	1.9%	3183	1.9%	3377	2.0%
Perth	7345	3.7%	10303	5.0%	10463	5.0%
Melbourne	10414	2.2%	9610	1.9%	9804	2.0%
Brisbane	8240	2.6%	8956	2.7%	9921	2.9%
Canberra	1051	1.9%	644	1.1%	610	1.1%
Sydney	10176	1.7%	10567	1.7%	10846	1.8%
Darwin	941	3.3%	879	3.0%	902	3.1%
Hobart	272	1.0%	149	0.5%	162	0.6%
National	69863	2.3%	73451	2.3%	75412	2.4%

The biggest capital cities Sydney and Melbourne recorded vacancies rates of 1.8% and 2.0%, respectively, up marginally from August 2016, while Brisbane's vacancy rate rose to 2.9%, up from 2.7%. Perth reported the highest vacancy rate at 5%, though it was steady from the previous month. Hobart had the tightest rate at just 0.6%. Year-on-year results demonstrate that the national vacancy rate is up slightly.

Asking rents

Reflecting its high vacancy rate, Perth has again recorded big falls in asking rents of 9.5% for houses and 11.1% for units over the past 12 months. Yearly falls have also been posted in Darwin, with asking rents down 4.8% for houses and 3.5% for units, though Darwin remains the second most expensive city for rents in Australia, following Sydney, where asking rents for houses sit at \$725 a week and \$511 for units. Asking rents have also jumped in Canberra, up 12.3% for houses and 9.3% for units from a year earlier. Despite a tight vacancy rate, Hobart continues to offer the most affordable rental accommodation, with houses costing just \$359 a week and units averaging \$287 a week.

Managing Director of SQM Research, Louis Christopher, said: "Asking rents have slipped back in Brisbane as vacancy rates have continued to rise this year. At 2.9%, the rental market is favouring tenants and given the ongoing new apartment surge, I think rents in Brisbane will continue to fall from here, particularly in the inner city.



“Looking forward, vacancies are likely to rise in Melbourne, Brisbane and Sydney over 2017 as more new high-rise apartment developments come onto the market. However, we maintain that the oversupply issue appears to be constrained to concentrated areas such as the inner-city regions. We are not as confident we will see a contagion affect where the whole capital city market is affected.”

SQM Research Weekly Rents Index					
	Week ending 12 Oct 2016	Rent	Chg on prev wk	Rolling month % chg	12 mth % chg
Canberra	All Houses	533.0	2.0 ▲	0.6% ▲	12.3% ▲
	All Units	408.8	0.2 ▲	0.2% ▲	9.3% ▲
Sydney	All Houses	725.1	3.9 ▲	2.2% ▲	5.5% ▲
	All Units	510.6	0.4 ▲	0.7% ▲	4.4% ▲
Darwin	All Houses	545.5	-8.5 ▼	-3.9% ▼	-4.8% ▼
	All Units	435.5	0.5 ▲	-0.1% ▼	-3.5% ▼
Brisbane	All Houses	439.7	-1.7 ▼	-0.7% ▼	-1.4% ▼
	All Units	371.0	0.0 ▲	-0.2% ▼	0.5% ▲
Adelaide	All Houses	367.2	-0.2 ▼	0.1% ▲	1.1% ▲
	All Units	287.2	-0.2 ▼	1.2% ▲	2.2% ▲
Hobart	All Houses	359.4	-0.4 ▼	7.0% ▲	8.5% ▲
	All Units	286.5	4.5 ▲	1.3% ▲	0.7% ▲
Melbourne	All Houses	484.8	-0.8 ▼	-0.1% ▼	1.7% ▲
	All Units	378.9	-0.9 ▼	-0.1% ▼	5.1% ▲
Perth	All Houses	431.9	0.1 ▲	-1.0% ▼	-9.5% ▼
	All Units	343.1	-1.1 ▼	-1.2% ▼	-11.1% ▼
National	All Houses	421.0	1.0 ▲	0.2% ▲	2.9% ▲
	All Units	339.0	-1.0 ▼	0.0%	1.8% ▲
Cap City Average	All Houses	540.0	0.0	0.7% ▲	1.3% ▲
	All Units	430.0	-1.0 ▼	0.0%	2.9% ▲

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 rose slightly during September 2016, recording a rate of 2.4%.
- Perth recorded the highest vacancy rate in September 2016 of 5.0% based on 10,463 vacancies. Year-on-year, vacancy rates climbed 1.3 percentage points.
- Year-on-year vacancy rates are down for Canberra, Hobart and Melbourne.
- Hobart recorded the lowest vacancy rate during September 2016 of 0.6%.
- Over the past 12 months, Perth has recorded ongoing falls in asking rents of 9.5% for houses and 11.1% for units.
- Rents remain under pressure in Darwin too as the mining downturn weighs on demand, down 4.8% for houses and 3.5% for units over the year.

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

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