



Vacancy Rates Fall in January after seasonal rises over Holiday period

SQM Research Vacancy Rates and Asking Rents Media Release

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For Immediate Release

Housing data released by SQM Research this week have revealed that the number of national residential vacancies fell in January, with 78,364 rental homes vacant and available for rent, giving a national vacancy rate of 2.4%. Year on year, National vacancies are steady.

City	Jan 2016 Vacancies	Vacancy Rate	Dec 2016 Vacancies	Vacancy Rate	Jan 2017 Vacancies	Vacancy Rate
Adelaide	3407	2.0%	3691	2.2%	3375	2.0%
Perth	8024	4.0%	10728	5.1%	9953	4.8%
Melbourne	12015	2.5%	12664	2.5%	10170	2.0%
Brisbane	8673	2.7%	12758	3.8%	11314	3.3%
Canberra	852	1.5%	960	1.7%	621	1.0%
Sydney	10677	1.8%	15039	2.4%	12182	2.0%
Darwin	1089	3.8%	1122	3.8%	1086	3.7%
Hobart	250	0.9%	208	0.8%	186	0.7%
National	75386	2.4%	89721	2.8%	78364	2.4%

All capital cities recorded falls in January. Hobart now has the lowest vacancy rate of just 0.7%, reflecting very tight rental conditions which are also been experienced in other parts of Tasmania (Launceston is at 1.6%). While Perth continues to record the highest vacancy rates for any capital city at 4.8%. Elsewhere, Sydney vacancies fell to 2.0% (from 2.3% recorded in December). While Melbourne also fell to 2.0% (from 2.5% recorded in December)



Mining Towns recording ongoing falls

SQM Research notes that a number of mining towns are recording ongoing falls in vacancies, signalling that the housing bust in the mining towns is possibly coming to an end.

Residential vacancies in Karratha, Port Hedland, Mackay and Gladstone are all down compared to his time last year.

Township	January 2016 vacancy rate	December 2016 Vacancy rate	January 2017 vacancy rate	Peak vacancy rate	
Karratha (WA)	6.0%	4.1%	3.9%	Dec 2013	7.4%
Port Hedland (WA)	5.0%	4.8%	4.9%	Jun 2016	7.6%
Moranbah (QLD)	4.5%	4.8%	4.2%	Jan 2014	9.6%
Mackay (QLD)	5.7%	5.0%	4.4%	Jul 2014	7.5%
Gladstone (QLD)	9.3%	7.7%	7.1%	Dec 2013	10.2%

Asking rents

Reflecting its high vacancy rate, Darwin continues to record big falls in asking rents of with units falling by another 2.5% for the month (houses down 0.1%). Perth continues to record the largest yearly declines however rents did rise slightly for the month at 1.1\$ for houses and 0.5% for units. Meanwhile Hobart is the strongest rental market in the nation with rents up by 6.7% for houses and 11.6% for units. As noted, Hobart also has the lowest vacancy rate of all capital cities at just 0.7%

Brisbane remains a flat rental market with falls in rents being recorded for units in the inner ring of between 2.5% to 5% declines.

Managing Director of SQM Research, Louis Christopher, said "Overall rents continue to rise at about 2% pa nationwide with some variability reflecting the mixed Australian housing market. So far the feared oversupply for Sydney and Melbourne has not yet eventuated and we are aware of some scaling back of developments, particularly in the Melbourne rental market. While Brisbane does remain oversupplied for units which has assisted Brisbane tenants in achieving better rental terms.



SQM Research Weekly Rents Index

Week ending 12 Feb 2017		Rent	Chg on prev wk	Rolling month % chg	12 mth % chg
Canberra	All Houses	575.5	-0.5 ▼	1.3% ▲	11.2% ▲
	All Units	414.4	-0.4 ▼	0.5% ▲	5.9% ▲
Sydney	All Houses	741.2	3.8 ▲	1.0% ▲	4.3% ▲
	All Units	509.6	0.4 ▲	-0.1% ▼	2.2% ▲
Darwin	All Houses	570.0	-5.0 ▼	-0.1% ▼	-1.6% ▼
	All Units	431.1	-1.1 ▼	-2.5% ▼	-6.9% ▼
Brisbane	All Houses	451.3	-0.3 ▼	0.6% ▲	-0.2% ▼
	All Units	371.8	0.2 ▲	0.1% ▲	-0.4% ▼
Adelaide	All Houses	371.0	-0.0 ▼	0.4% ▲	1.0% ▲
	All Units	289.4	-0.4 ▼	-0.2% ▼	-0.3% ▼
Hobart	All Houses	360.4	-6.4 ▼	0.1% ▲	6.7% ▲
	All Units	306.2	3.8 ▲	2.4% ▲	11.6% ▲
Melbourne	All Houses	501.4	1.6 ▲	0.4% ▲	4.6% ▲
	All Units	381.7	2.3 ▲	1.6% ▲	3.9% ▲
Perth	All Houses	436.1	-1.1 ▼	1.1% ▲	-8.1% ▼
	All Units	338.5	-0.5 ▼	0.5% ▲	-10.4% ▼
National	All Houses	432.0	1.0 ▲	-0.5% ▼	3.8% ▲
	All Units	344.0	-2.0 ▼	-0.9% ▼	0.9% ▲
Cap City Average	All Houses	554.0	2.0 ▲	0.9% ▲	2.4% ▲
	All Units	431.0	1.0 ▲	0.2% ▲	1.2%

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 January 2017, recording a rate of 2.4%.
- Perth continues to record the highest vacancy rate of the capital cities at a rate of 4.8%
- Year-on-year vacancy rates are down for Canberra, Darwin, Hobart and Melbourne.
- Hobart recorded the lowest vacancy rate of 0.7%.

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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