



# Tenants Wield the Upper Hand Over Landlords as Vacancies Remain Elevated

## **SQM Research Vacancy Rates Media Release**

**Tuesday 17th June 2014**

**For Immediate Release**

Figures released by SQM Research this week have revealed that the number of residential vacancies nationally decreased very marginally during May, coming off a mere 0.1 of a percentage point to record a 2.2% vacancy rate nationally, and 65,075 vacancies. This result clearly reveals that last month's jump was indicative of a genuine increase in rental dwellings onto the market, and not merely seasonal spike.

City	May 2013 Vacancies	May 2013 Vacancy Rate	April 2014 Vacancies	April 2014 Vacancy Rate	May 2014 Vacancies	May 2014 Vacancy Rate
Adelaide	2,718	1.7%	2,451	1.5%	2,546	1.6%
Perth	2,475	1.3%	4,340	2.3%	4,476	2.3%
Melbourne	11,806	2.7%	11,100	2.5%	10,997	2.4%
Brisbane	5,436	1.9%	6,916	2.3%	6,833	2.3%
Canberra	798	1.6%	1,308	2.5%	1,224	2.3%
Sydney	10,206	1.8%	9,963	1.7%	9,781	1.7%
Darwin	237	0.9%	415	1.6%	382	1.4%
Hobart	737	2.8%	478	1.8%	484	1.8%
National	56,973	2.0%	66,120	2.3%	65,075	2.2%

With Canberra, Melbourne and Darwin being the only capital cities to record monthly decreases, vacancy rates appear to have remained elevated for the most part, strengthening the forecast that the rental market appears to be swinging in favour of tenants.

Year on year, vacancies are still up 0.2 of a percentage point and the nation as a whole remains above a vacancy rate of 2% - a trend which has been ongoing in recent periods and which also suggests an overall loosening of the rental market . giving renters the upper hand over landlords.

SQM Research's Asking Rents Index has also revealed that on a monthly basis, rents have remained completely flat, with no change to the capital city average . remaining at \$528 for houses and \$416 for units. According to SQM Research, stagnation in these figures reflects the difficulty landlords would have increasing the



asking price for their properties, in a market with increased supply of rental dwellings.

For a capital city break down of asking rents, click here .

[http://sqmresearch.com.au/graph\\_median\\_rent\\_weeks.php?region=nsw%3A%3ASydney&type=c&t=1](http://sqmresearch.com.au/graph_median_rent_weeks.php?region=nsw%3A%3ASydney&type=c&t=1)

Managing Director of SQM Research, Louis Christopher says, *“Rental growth so far this year has been patchy as a result of the moderate increase in supply of available rental properties and I believe vacancy rates will continue to gradually rise over the course of 2014, with the longer term view that the large increases in building approvals will translate to higher vacancy rates in 2015 and 2016. Overall it is going to be increasingly difficult for landlords to lift the rent for the foreseeable future.”*

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

### Key Points

- Nationally, vacancies decreased during May, recording a vacancy rate of 2.2% and coming to a total of 65,075 nationally.
- Melbourne recorded the highest vacancy rate of the capital cities, revealing a vacancy rate of 2.4% and a total of 10,997 vacancies.
- Darwin has recorded the tightest vacancy rate of the capital cities, revealing a vacancy rate of 1.4% and a total of 382 vacancies.
- Perth has recorded the highest yearly increase in vacancies, climbing by 1.0 percentage points to 2.3% since the corresponding period of the previous year (May 2013) and coming to a total of 4,476 vacancies.
- Hobart recorded the largest yearly decrease in vacancies, falling by 1.0 percentage points to 1.8% since the corresponding period of the previous year (May 2013) and coming to a total of 484 vacancies.



- Adelaide was the only capital city to record a monthly increase in vacancies, rising 0.1% points to 1.6% and 2,546 vacancies.
- Canberra and Darwin recorded the most substantial monthly declines in vacancies, both dropping by 0.2 of a percentage point during May 2014 and coming to a total of 1,224 and 382 vacancies respectively.

[www.sqmresearch.com.au](http://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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