

National Rental Vacancy Rates Decreased in July

However, Melbourne records an increase

11 August 2020

SQM Research today has revealed the [national](#) residential rental vacancy rate recorded a decrease over the month from **2.2%** in June to **2.1%** in **July 2020**. The new financial year commenced with the total number of vacancies Australia-wide now at **71,760** vacant residential properties. This time last year, the national vacancy rate was slightly higher at **2.3%**.

All capital cities recorded declines in vacancy rates over the month except for Melbourne which recorded a 0.1% increase to **3.1%** for July.

Sydney currently has the highest vacancy rate in the nation at **3.6%**, having declined by 0.2%. Hobart's vacancy rate is the lowest in the nation at **0.7%**, having declined by 0.2% over the month.

Darwin recorded the largest decline in rental vacancy rate of 0.4% to now record a low vacancy rate of **1.4%**.

City	July 2019 Vacancies	July 2019 Vacancy Rate	June 2020 Vacancies	June 2020 Vacancy Rate	July 2020 Vacancies	July 2020 Vacancy Rate
Sydney	24,869	3.5%	27,710	3.8%	26,506	3.6%
Melbourne	11,674	2.0%	18,116	3.0%	18,746	3.1%
Brisbane	8,154	2.4%	8,127	2.4%	7,593	2.2%
Perth	6,303	3.0%	3,272	1.5%	2,803	1.3%
Adelaide	2,034	1.1%	1,992	1.0%	1,809	0.9%
Canberra	747	1.1%	731	1.1%	653	1.0%
Darwin	913	2.9%	575	1.8%	453	1.4%
Hobart	147	0.5%	272	0.9%	212	0.7%
National	76,338	2.3%	77,132	2.2%	71,760	2.1%

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 for more information on how SQM's vacancies are compiled.

Some capital city CBD locations have also recorded declines (from their record highs) in vacancy rates over the month, namely [Sydney CBD](#) dropping to **13.2%**, down from **13.8%** in June; [Brisbane CBD's](#) vacancy rate decreased from **14.0%** in June to **13.0%**. [Melbourne's CBD](#) remained stable at **8.8%**.

However, [Adelaide CBD](#) has increased to **7.6%** from 7.1% in June and [Perth CBD](#) is now up from 5.3% to **5.5%**.

Asking Rents

Over the month, Capital City average asking rents decreased **0.6%** for houses and **0.9%** for units for the week ending **4 August 2020** to record asking rents of \$534 per week for houses and \$419 per week for units.

[Sydney](#), [Melbourne](#) and [Brisbane](#) recorded declines in asking rents for both houses and units over the month. Melbourne recorded the highest decrease of **1.4%** for both houses and units.

[Perth](#), [Adelaide](#), [Canberra](#), [Darwin](#) and [Hobart](#) recorded increases in house and unit asking rents. Perth recorded the highest increase in asking rents for houses by **3.2%** and Hobart's unit market increased by **5.9%**.

Year on year, Sydney, Melbourne, Darwin and Hobart also recorded declines in asking rents for both houses and units, Sydney in particular recording a high **7.8%** decline for houses and **6.8%** decline for units in July 2019.

SQM Research Weekly Rents Index					
Week ending: 4 August 2020		Rent	Change on prev week	Rolling month % change	12 month % change
Sydney	All Houses	634.0	-4.0 ▼	-1.0% ▼	-7.8% ▼
	All Units	466.3	-1.3 ▼	-1.2% ▼	-6.8% ▼
Melbourne	All Houses	520.8	-2.8 ▼	-1.4% ▼	-1.3% ▼
	All Units	397.3	-1.3 ▼	-1.4% ▼	-5.8% ▼
Brisbane	All Houses	466.2	-1.2 ▼	-0.3% ▼	0.9% ▲
	All Units	380.0	0.0 ▲	-0.2% ▼	1.6% ▲
Perth	All Houses	469.5	0.5 ▲	3.2% ▲	8.6% ▲
	All Units	352.8	1.2 ▲	0.1% ▲	3.8% ▲
Adelaide	All Houses	413.2	0.8 ▲	0.6% ▲	3.7% ▲
	All Units	318.4	0.6 ▲	0.7% ▲	2.1% ▲
Canberra	All Houses	627.7	8.3 ▲	1.4% ▲	2.2% ▲
	All Units	474.1	0.9 ▲	0.4% ▲	3.0% ▲
Darwin	All Houses	490.6	5.4 ▲	1.3% ▲	-5.4% ▼
	All Units	359.7	-3.7 ▼	0.8% ▲	-3.1% ▼
Hobart	All Houses	441.0	3.0 ▲	1.1% ▲	-1.6% ▼
	All Units	392.5	10.5 ▲	5.9% ▲	-1.4% ▼
National	All Houses	457.0	2.0 ▲	2.2% ▲	3.9% ▲
	All Units	367.0	0.0	0.0%	0.0%
Cap City Average	All Houses	534.0	-4.0 ▼	-0.6% ▼	-2.4% ▼
	All Units	419.0	-1.0 ▼	-0.9% ▼	-4.6% ▼

Source: www.sqmresearch.com.au

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Commentary

Louis Christopher, Managing Director of SQM Research said, "Rental vacancy rates for most capital cities recorded a decline over the course of July. We are now observing a clear trend of reduced rental vacancies in outer suburban locations and regional locations around Australia. However, when looking into the numbers it is clear there are still very elevated levels of rental vacancies in the inner-city locations. We believe there has been a move towards outer regional living and away from high density areas. This very likely has been as a result of fears surrounding Coronavirus and the ability for many employees (particularly in the corporate sector) to work remotely."

About SQM Research

SQM Research Pty Ltd is a respected Australian investment research house, specialising in providing research and data across all major asset classes. For further information contact **02-9220 4603**.

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