

National Rental Vacancy Rate Drops in April

Rents jump on Gold Coast and North NSW Coast

11 May 2021

SQM Research today has revealed the [national](#) residential rental vacancy rate dropped to 1.9% over the month of April 2021 from 2.1% in March, with suburban vacancy rates continuing to fall, with landlords demanding huge rent hikes in some locations including the Gold Coast and North Coast NSW.

The total number of vacancies Australia-wide is now 66,411 residential properties, down from 72,436 in March. Melbourne's [vacancy rate](#) fell to 4.0% in April from 4.4%, while in Sydney it dropped to 3.1% from 3.4%. In [Perth](#), [Adelaide](#), [Canberra](#), [Darwin](#) and [Hobart](#), the vacancy rate remained below 1.0%, while [Brisbane's](#) fell to 1.4%. But in the [Sydney CBD](#) and [Melbourne CBD](#), vacancy rates jumped to 7.3% and 8.3%, respectively, given with apartment oversupply.

Vacancy Rates - April 2021						
City	Apr 2020 Vacancies	Apr 2020 Vacancy Rate	Mar 2021 Vacancies	Mar 2021 Vacancy Rate	Apr 2021 Vacancies	Apr 2021 Vacancy Rate
Sydney	28,734	3.9%	25,257	3.4%	23,422	3.1%
Melbourne	16,575	2.8%	27,300	4.4%	25,050	4.0%
Brisbane	9,555	2.8%	5,407	1.5%	4,780	1.4%
Perth	4,807	2.3%	1,889	0.9%	1,860	0.9%
Adelaide	2,398	1.2%	1,524	0.8%	1,409	0.7%
Canberra	824	1.2%	508	0.7%	486	0.7%
Darwin	837	2.6%	188	0.6%	167	0.5%
Hobart	442	1.4%	206	0.6%	164	0.5%
National	88,668	2.6%	72,436	2.1%	66,411	1.9%

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.

Louis Christopher, Managing Director of SQM Research said: "Suburban vacancy rates continue to fall and that is now encompassing inner-suburban regions. In contrast, rates for Melbourne and Sydney CBDs remain elevated with the loss of international student tenants combined with apartment oversupply. These were just about the only areas recording rises in vacancy rates excluding Sydney's Liverpool. Along with the smaller capitals, Brisbane vacancy rate has become extremely tight and so we are expecting a surge in rents for the city this year.

"We are also seeing a surge in rents as vacancies drop on the [Gold Coast](#) and on the [NSW North Coast](#) which includes Ballina and Byron Bay as people migrate out of the big capital cities and move to regional and warmer locations. On the Gold Coast, [asking rents](#) have soared by 32% for houses and 14% for units over the year. Rents too have jumped in the smaller cities, especially in Perth and Darwin, and we could see that trend continue given the commodities boom we are now seeing for iron ore and other base metals.

"I believe we are also seeing the number of occupiers per dwelling falling, which is putting pressure on vacancies. People are also looking for larger properties as they work from home and not wishing to live together. The fall in national vacancies is surprising given there has been record first home buyer activity and strong dwelling completions relative to the population

expansion; demand for rental accommodations is still outstripping supply, which is having the effect of boosting rents in many locations and unaffordable to lower income tenants.”

Asking Rents

Over the month to 4 May 2021, capital city average asking rents rose 0.4% for houses to \$557 per week and rose 0.2% for units to \$411. Over the year, capital city rents rose 3.3% for houses, but fell 3.7% for units. Melbourne and Sydney unit rents are down substantially by 11.0% and 5.6%, respectively. [Nationally](#), house rents rose by 15.9% while unit rents rose 7.6%, pushed up by strong growth in regional and coastal locations.

SQM Research Weekly Rents Index					
Week ending 4 May 2021		Rent	Chg on prev wk	Rolling month % chg	12 mth % chg
Sydney	All Houses	663.7	3.3 ▲	1.2% ▲	1.7% ▲
	All Units	453.2	-0.2 ▼	0.1% ▲	-5.6% ▼
Melbourne	All Houses	508.7	-1.7 ▼	-0.6% ▼	-5.0% ▼
	All Units	363.3	-1.3 ▼	-0.8% ▼	-11.0% ▼
Brisbane	All Houses	489.1	2.9 ▲	0.5% ▲	6.8% ▲
	All Units	386.6	0.4 ▲	0.5% ▲	2.8% ▲
Perth	All Houses	519.7	-2.7 ▼	1.1% ▲	16.2% ▲
	All Units	392.3	1.7 ▲	1.5% ▲	13.9% ▲
Adelaide	All Houses	437.4	0.6 ▲	0.3% ▲	7.2% ▲
	All Units	332.7	3.3 ▲	1.1% ▲	5.5% ▲
Canberra	All Houses	688.2	9.8 ▲	4.5% ▲	9.2% ▲
	All Units	494.4	-2.4 ▼	0.2% ▲	5.8% ▲
Darwin	All Houses	594.3	5.7 ▲	1.7% ▲	25.9% ▲
	All Units	413.4	4.6 ▲	3.3% ▲	15.6% ▲
Hobart	All Houses	471.9	-8.9 ▼	-2.7% ▼	9.1% ▲
	All Units	415.3	-0.3 ▼	-1.9% ▼	6.6% ▲
National	All Houses	511.0	-2.0 ▼	-0.6% ▼	15.9% ▲
	All Units	395.0	0.0	0.0%	7.6% ▲
Cap City Average	All Houses	557.0	1.0 ▲	0.4% ▲	3.3% ▲
	All Units	411.0	0.0	0.2% ▲	-3.7% ▼

Next update: 12 May 2021

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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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