

National Rental Vacancy Rate Remains Stable in September

Melbourne rental vacancies surge to be highest of all cities.

13 October 2020

SQM Research today has revealed the [national](#) residential rental vacancy rate remained stable at **2.0%** over the month of **September 2020**. The total number of vacancies Australia-wide is now **70,389** vacant residential properties. This time last year, the national vacancy rate was slightly higher at **2.1%**.

Most capital cities recorded declines in vacancy rates over the month except for Melbourne which again recorded an increase from 3.4% in August to **3.8%** for September. The city has now surpassed Sydney as having the highest vacancy rate in the nation with an additional 2,316 vacant properties in Melbourne as stage 4 Covid-19 lockdown continues.

Sydney's vacancy rate remains stable at **3.5%**. Darwin recorded the highest decline of **0.4%**.

Canberra's vacancy rate although increasing by 0.1% still records a low vacancy rate of **0.9%**. All other capital cities saw minor declines in vacancy rates to record low vacancy rates below **2.0%**. Hobart's vacancy rate is the lowest in the nation at **0.6%**.

City	Sep-2019 Vacancies	Sep-2019 Vacancy Rate	Aug-2020 Vacancies	Aug-2020 Vacancy Rate	Sept-2020 Vacancies	Sept-2020 Vacancy Rate
Sydney	22,762	3.2%	25,828	3.5%	26,012	3.5%
Melbourne	11,599	2.0%	20,891	3.4%	23,207	3.8%
Brisbane	7,880	2.3%	7,154	2.1%	7,057	2.0%
Perth	5,588	2.7%	2,294	1.1%	1,978	0.9%
Adelaide	1,644	0.9%	1,699	0.9%	1,572	0.8%
Canberra	668	1.0%	569	0.8%	604	0.9%
Darwin	916	2.9%	349	1.1%	217	0.7%
Hobart	174	0.6%	205	0.7%	182	0.6%
National	71,404	2.1%	69,971	2.0%	70,389	2.0%

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.

Melbourne's CBD continues to increase to a new all-time high of **10.8%**, up from **10.0%** in August. **Brisbane CBD's** vacancy rate also increased to **12.5% up** from **11.4%** in August. However, **Sydney CBD** is slowly dropping from **12.9%** in August to **12.8%** in September.

Asking Rents

Over the month, Capital City average asking rents decreased **0.4%** for houses and **0.7%** for units for the week ending **12 October 2020** to record asking rents of \$527 per week for houses and \$411 per week for units.

The two largest capital cities, [Melbourne](#) and [Sydney](#) continue to record declines in both house and unit asking rents over the month of September. Sydney in particular had the largest declines of **1.7%** for houses and **1.2%** for units. Melbourne rents declined by **0.8%** for both houses and units over the month.

However, [Perth](#), [Darwin](#) and [Hobart](#) all recorded rental increases in both houses and units with Hobart recording the highest rental growth in the nation for both houses and units, **3.2%** and **3.4%** respectively.

Darwin increased by **1.9%** for house rents and **1.8%** for unit rents. Perth's rental increases were smaller for houses, **0.4%** but units increased **1.4%**.

[Adelaide](#) recorded a **1.2%** increase in house rents but a minor **0.3%** decline in unit rents. [Canberra](#) recorded a **1.3%** decline in house rents but a **1.5%** increase in unit rents. [Brisbane](#) saw a **0.7%** increase in house rents and unit rents remained stable.

Year on year, Sydney and Melbourne recorded declines in asking rents for both houses and units, Sydney in particular recording a high **8.9%** decline for both houses and units in September 2019.

SQM Research Weekly Rents Index					
Week ending: 12 October 2020		Rent	Change on previous week	Rolling month % change	12 month % change
Sydney	All Houses	611.7	-3.7 ▼	-1.7% ▼	-8.9% ▼
	All Units	452.1	-2.1 ▼	-1.2% ▼	-8.9% ▼
Melbourne	All Houses	515.3	-0.3 ▼	-0.8% ▼	-2.2% ▼
	All Units	390.2	-0.2 ▼	-0.8% ▼	-5.1% ▼
Brisbane	All Houses	467.4	2.6 ▲	0.7% ▲	1.1% ▲
	All Units	377.1	-0.1 ▼	0.0% ▼	-0.6% ▼
Perth	All Houses	473.1	-0.1 ▼	0.4% ▲	6.8% ▲
	All Units	362.3	1.7 ▲	1.4% ▲	7.6% ▲
Adelaide	All Houses	416.9	0.1 ▲	1.2% ▲	5.1% ▲
	All Units	315.3	0.7 ▲	-0.3% ▼	1.9% ▲
Canberra	All Houses	623.9	0.1 ▲	-1.3% ▼	1.4% ▲
	All Units	479.8	3.2 ▲	1.5% ▲	3.8% ▲
Darwin	All Houses	526.6	-1.6 ▼	1.9% ▲	1.5% ▲
	All Units	369.0	4.0 ▲	1.8% ▲	-3.3% ▼
Hobart	All Houses	454.5	-1.5 ▼	3.2% ▲	4.4% ▲
	All Units	382.6	2.4 ▲	3.4% ▲	-5.2% ▼
National	All Houses	463.0	-4.0 ▼	0.2% ▲	4.8% ▲
	All Units	369.0	1.0 ▲	-0.5% ▼	1.7% ▲
Cap City Average	All Houses	527.0	-1.0 ▼	-0.4% ▼	-3.1% ▼
	All Units	411.0	-1.0 ▼	-0.7% ▼	-5.5% ▼

Source: www.sqmresearch.com.au

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Commentary

Louis Christopher, Managing Director of SQM Research said, "Elevated rental vacancy rates in Sydney and Melbourne continue to push city rents downwards. This is particularly the case in the CBD and inner ring suburbs close to the CBDs. However, outside Sydney and Melbourne vacancy rates are falling again. And then when we consider regional locations Vacancy rates have fallen below 1% which really represents the point of little to no rental vacancy. In short, in September the population was still looking to stay away from the large cities. We think this trend may soon reverse, but to what extent remains a mystery."

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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