



## Vacancy Rates Slip in October

Tuesday 13<sup>th</sup> October 2018

For Immediate Release

Data released by SQM Research today has revealed the national residential vacancy rate fell to just **2.0%** in October 2018, its lowest level since March 2014, with vacancies falling in many smaller cities, as well as in Melbourne.

The number of vacancies Australia-wide sat at **67,350** properties. Hobart's vacancy rate slipped to just 0.3%. Melbourne's vacancy rate fell to 1.6% in October from 1.7% in September with 9,320 dwellings available for rent. Sydney's vacancy rate was unchanged at 2.8% in October from September with 19,454 properties available for rent.

City	October 2017 Vacancies	Vacancy Rate	2018 Vacancies	Vacancy Rate	October 2018 Vacancies	Vacancy Rate
Adelaide	2,495	1.4%	2,134	1.1%	2,057	1.1%
Perth	8,893	4.4%	7,421	3.6%	6,700	3.3%
Melbourne	9,390	1.7%	9,676	1.7%	9,320	1.6%
Brisbane	10,714	3.4%	9,494	2.9%	9,024	2.7%
Canberra	507	0.8%	391	0.6%	387	0.6%
Sydney	12,435	1.8%	19,469	2.8%	19,454	2.8%
Darwin	762	2.6%	1,118	3.6%	1,170	3.8%
Hobart	75	0.3%	108	0.4%	78	0.3%
<b>National</b>	<b>67,781</b>	<b>2.1%</b>	<b>70,172</b>	<b>2.1%</b>	<b>67,350</b>	<b>2.0%</b>

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.

Brisbane's vacancy rate fell to 2.7% from 2.9% in September, but was down from 3.4% a year ago. Perth's vacancy rate fell to 3.3% in October from 3.6%, being well down from 4.4% a year ago. Canberra's vacancy rate was just 0.6%, unchanged from September.

Darwin's vacancy rate rose to 3.8% from 3.6% in September while Adelaide's remained at a low level of 1.1%.

Louis Christopher, Managing Director of SQM Research, said: "Australia's national vacancy rate is being driven lower by falling vacancies in many of Australia's smaller cities. In Hobart, there is a severe shortage of rental accommodation with just 78 properties available to rent, and rents are rising quickly, with no slowdown in sight.

"In Canberra too, where many renters live, there are just 387 rental properties available, putting upward pressure on rents. Melbourne's vacancy rate has remained at low levels over the year. In contrast, we are seeing a surplus of rental properties in Sydney and rental costs are falling, a trend we expect to continue into 2019," said Christopher.



## Asking Rents

Capital city asking rents for houses rose 0.2% over the month to 12 November 2018 to \$553 a week. Unit asking rents rose 0.2% to \$438 a week. Over the year, asking rents for houses rose 0.9% while unit asking rents slipped 0.2%.

The asking rent for a three-bedroom house in Sydney remains the highest nationwide at \$712 a week and \$512 a week for two-bedroom units, though costs are falling. Asking Unit rents were down 0.4% in Sydney over the month while asking house rents fell 0.2%. Asking rents in Melbourne for houses rose 0.4% over the month to \$526 a week while asking rents for units fell 0.1% to \$406.

SQM Research Weekly Rents Index					
Week ending 12 Nov 2018		Rent	Chg on prev wk	Rolling month % chg	12 mth % chg
<u>Canberra</u>	All Houses	638.2	1.8 ▲	2.3% ▲	7.3% ▲
	All Units	449.7	3.3 ▲	1.6% ▲	4.8% ▲
<u>Sydney</u>	All Houses	711.6	-4.6 ▼	-0.4% ▼	-2.6% ▼
	All Units	512.1	-0.1 ▼	-0.2% ▼	-2.0% ▼
<u>Darwin</u>	All Houses	491.1	-1.1 ▼	-2.8% ▼	-8.4% ▼
	All Units	391.5	1.5 ▲	-1.3% ▼	-2.0% ▼
<u>Brisbane</u>	All Houses	453.3	0.7 ▲	0.4% ▲	2.7% ▲
	All Units	371.9	1.1 ▲	0.6% ▲	1.9% ▲
<u>Adelaide</u>	All Houses	387.7	2.3 ▲	0.2% ▲	2.6% ▲
	All Units	299.3	1.7 ▲	0.2% ▲	3.2% ▲
<u>Hobart</u>	All Houses	420.8	-1.8 ▼	-1.2% ▼	12.2% ▲
	All Units	374.0	5.0 ▲	3.5% ▲	11.9% ▲
<u>Melbourne</u>	All Houses	526.3	1.7 ▲	0.4% ▲	3.2% ▲
	All Units	405.8	0.2 ▲	-0.1% ▼	3.2% ▲
<u>Perth</u>	All Houses	429.9	4.1 ▲	1.3% ▲	3.7% ▲
	All Units	320.6	0.4 ▲	-0.2% ▼	-1.0% ▼
<u>National</u>	All Houses	442.0	0.0	0.2% ▲	0.9% ▲
	All Units	364.0	3.0 ▲	2.5% ▲	3.1% ▲
<u>Cap City Average</u>	All Houses	553.0	0.0	0.2% ▲	0.9% ▲
	All Units	438.0	0.0	0.2% ▲	-0.2% ▼

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

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## Key Points

- Nationally, the vacancy **rate fell to 2.0%** in October, the lowest since March 2014.
- Sydney's vacancy rate remained at a 13-year high of **2.8%**.
- Hobart recorded the lowest vacancy rate of **0.3%**.
- Melbourne's vacancy rate was steady at **1.6%** in September.
- Capital city asking rents for houses edged higher over the month to 12 November 2018 to **\$553** a week
- Capital city asking rents for units **rose by 0.2%** to \$438 a week

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

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