

## National Rental Vacancy Rate Rises in March

**CBD Vacancy rates fell while a number of lifestyle regions recorded increased vacancies.**

**Rents surge in Perth, Brisbane and Adelaide.**

**13 April 2021**

SQM Research today has revealed the [national](#) residential rental vacancy rate rose to 2.1% over the month of March 2021 from 2.0% in February. The total number of vacancies Australia-wide is now 72,436 residential properties.

The rise in vacancy rates is abnormal for March. It is the first time in since 2007 vacancy rates rose for March compared to February. The rise was driven by increases in vacancies in Sydney as well as a reversal in some of the tight rental markets of regional Australia.

Melbourne's [vacancy rate](#) slipped to 4.4% in March from 4.5% in February, Elsewhere, in [Perth](#), [Adelaide](#), [Canberra](#), [Darwin](#) and [Hobart](#), the vacancy rate was below 1.0%. [Brisbane's rate](#) remained at 1.5% in March 2021.

Vacancy Rates - March 2021						
City	Mar 2020 Vacancies	Mar 2020 Vacancy Rate	Feb 2021 Vacancies	Feb 2021 Vacancy Rate	Mar 2021 Vacancies	Mar 2021 Vacancy Rate
Sydney	21,443	2.9%	24,820	3.3%	25,257	3.4%
Melbourne	11,091	1.9%	27,804	4.5%	27,300	4.4%
Brisbane	7,299	2.1%	5,310	1.5%	5,407	1.5%
Perth	4,023	1.9%	1,858	0.9%	1,889	0.9%
Adelaide	1,761	0.9%	1,466	0.7%	1,524	0.8%
Canberra	589	0.9%	535	0.8%	508	0.7%
Darwin	853	2.7%	230	0.7%	188	0.6%
Hobart	238	0.8%	194	0.6%	206	0.6%
<b>National</b>	<b>67,371</b>	<b>2.0%</b>	<b>71,544</b>	<b>2.0%</b>	<b>72,436</b>	<b>2.1%</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 for more information on how SQM's vacancies are compiled.

### Rents

Over the month to 12<sup>th</sup> April 2021, capital city rents rose 1.3% for houses to \$557 per week but fell 0.2% for units to \$411. Reflecting rental accommodation oversupply, [Melbourne](#) and [Sydney](#) unit rents fell by 1.4% and 0.4%, respectively.

Over the year, Melbourne and Sydney unit rents are down substantially by 12.0% and 6.5%. Melbourne house rents fell by 0.5% over the month and by 6.1% over the year to 12<sup>th</sup> April. In Sydney, house rents rose by 0.9% from a year ago.

Elsewhere, house rents rose in [Adelaide](#), [Perth](#) and [Brisbane](#) by more than 2.0% over the month to 12<sup>th</sup> April, while unit rents also rose. Over the year, rents have shown strong growth in the smaller cities, by as high as 25.5% for houses and 11.1% for units in [Darwin](#). [Nationally](#), house rents rose by 14.7% while unit rents rose 6.5%, pushed up by strong growth in regional locations around Australia.

**Louis Christopher, Managing Director of SQM Research said:** "Vacancy rates remain very tight in Australia's cities excluding Sydney and Melbourne and this is creating a surge in rents in Perth, Adelaide and Brisbane.

"However, vacancy rates for Melbourne and Sydney remain elevated. The loss of international student tenants due to COVID-19 has hit both cities hard and the ongoing high rate of dwelling completions keeps these rental markets in surplus. That said we are seeing increasing signs that the absolute worse for CBD landlords has passed.

"The [Melbourne CBD](#) vacancy rate now stands at 8.3%, while the [Sydney CBD](#) vacancy rate was 6.2% in March 2021. While they are obviously still elevated, those figures are down from the double digits last year and fell again for the month of March.

"Meanwhile vacancy rates rose in the Blue Mountains, North Coast NSW, Mornington Peninsula rose for the month. It may be a signal we are seeing a return of the some of the population back to the inner cities."

Week ending 12 Apr 2021		Rent	Chg on prev wk	Rolling month % chg	12 mth % chg
<a href="#">Sydney</a>	All Houses	661.0	5.0 ▲	0.9% ▲	-0.9% ▼
	All Units	453.4	0.6 ▲	-0.4% ▼	-6.5% ▼
<a href="#">Melbourne</a>	All Houses	510.9	-0.9 ▼	-0.5% ▼	-6.1% ▼
	All Units	365.7	-0.7 ▼	-1.4% ▼	-12.0% ▼
<a href="#">Brisbane</a>	All Houses	487.9	1.1 ▲	2.1% ▲	5.8% ▲
	All Units	385.9	1.1 ▲	0.9% ▲	2.5% ▲
<a href="#">Perth</a>	All Houses	517.5	3.5 ▲	2.2% ▲	13.2% ▲
	All Units	385.2	-1.2 ▼	1.5% ▲	10.9% ▲
<a href="#">Adelaide</a>	All Houses	437.0	1.0 ▲	2.1% ▲	7.2% ▲
	All Units	329.6	0.4 ▲	1.7% ▲	5.2% ▲
<a href="#">Canberra</a>	All Houses	658.4	-0.4 ▼	-0.2% ▼	1.7% ▲
	All Units	493.1	-0.1 ▼	-0.2% ▼	6.2% ▲
<a href="#">Darwin</a>	All Houses	586.7	2.3 ▲	0.6% ▲	25.5% ▲
	All Units	401.6	1.4 ▲	3.1% ▲	11.1% ▲
<a href="#">Hobart</a>	All Houses	483.4	-1.4 ▼	-1.1% ▼	9.3% ▲
	All Units	428.2	4.8 ▲	7.1% ▲	9.0% ▲
<a href="#">National</a>	All Houses	507.0	-7.0 ▼	1.4% ▲	14.7% ▲
	All Units	391.0	-4.0 ▼	-0.3% ▼	6.5% ▲
<a href="#">Cap City Average</a>	All Houses	557.0	2.0 ▲	1.3% ▲	2.4% ▲
	All Units	411.0	1.0 ▲	-0.2% ▼	-4.0% ▼

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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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