

National Rental Vacancy Rates Decreased in June

Capital City Asking Rents Decline

14 July 2020

SQM Research today has revealed the [national](#) residential rental vacancy rate recorded a decrease over the month from **2.5%** in May to **2.2%** in **June 2020**. The financial year ended with the total number of vacancies Australia-wide now at **77,132** 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. Sydney currently has the highest vacancy rate in the nation at **3.8%**, having declined by 0.2%, followed by Melbourne with a vacancy rate of **3.0%**, declining by 0.1%. Hobart's vacancy rate is the lowest in the nation at **0.9%**, having declined by 0.4% over the month.

Darwin recorded the largest decline in rental vacancy rate of 0.5% to now record a low vacancy rate of **1.8%**.

City	June 2019 Vacancies	June 2019 Vacancy Rate	May 2020 Vacancies	May 2020 Vacancy Rate	June 2020 Vacancies	June 2020 Vacancy Rate
Sydney	24,931	3.5%	29,416	4.0%	27,710	3.8%
Melbourne	11,720	2.0%	18,499	3.1%	18,116	3.0%
Brisbane	8,526	2.5%	8,780	2.5%	8,127	2.4%
Perth	6,732	3.2%	4,167	2.0%	3,272	1.5%
Adelaide	2,310	1.2%	2,293	1.2%	1,992	1.0%
Canberra	847	1.3%	880	1.3%	731	1.1%
Darwin	965	3.1%	727	2.3%	575	1.8%
Hobart	161	0.5%	386	1.2%	272	0.9%
National	78,679	2.3%	86,398	2.5%	77,132	2.2%

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.

Even among the capital city CBD locations, there have been declines in vacancy rates over the month. [Sydney CBD](#) has dropped to **13.8%**, down from **16.2%** in May, [Melbourne's CBD](#) and [Melbourne Southbank](#) have also declined to **8.8%** and **16.2%** respectively. [Adelaide CBD](#) has dropped to **7.1%** and [Perth CBD](#) is now **5.3%**.

However, [Brisbane CBD's](#) vacancy rate has increased from **13.3%** in May to **14.0%** and Sydney's [Palm Beach](#) is now **18.0%**, up from **16.7%** in May.

Asking Rents

Over the month, Capital City asking rents decreased **3.1%** for houses and **4.5%** for units for the week ending **12 July 2020** to record asking rents of \$534 per week for houses and \$421 per week for units.

[Sydney](#), [Melbourne](#) and [Adelaide](#) recorded declines in asking rents for both houses and units over the month. Whilst [Brisbane](#) and [Perth](#) continue to record increases in house and unit asking rents. [Canberra](#) and [Darwin](#) have had declines in house asking rents but recorded increases in unit asking rents.

SQM Research Weekly Rents Index					
Week ending: 12 Jul 2020		Rent	Change on prev week	Rolling month % change	12 month % change
Sydney	All Houses	636.2	-4.2 ▼	-0.8% ▼	-7.3% ▼
	All Units	470.5	-1.5 ▼	-1.3% ▼	-6.2% ▼
Melbourne	All Houses	525.7	-2.7 ▼	-1.3% ▼	-1.7% ▼
	All Units	401.6	-1.6 ▼	-0.8% ▼	-5.1% ▼
Brisbane	All Houses	467.8	0.2 ▲	1.2% ▲	0.7% ▲
	All Units	380.9	0.1 ▲	0.8% ▲	1.7% ▲
Perth	All Houses	459.9	5.1 ▲	2.2% ▲	5.6% ▲
	All Units	351.2	-1.2 ▼	0.5% ▲	3.5% ▲
Adelaide	All Houses	410.4	-0.4 ▼	-0.3% ▼	2.6% ▲
	All Units	316.1	-0.1 ▼	-0.3% ▼	2.1% ▲
Canberra	All Houses	617.5	-1.5 ▼	-0.7% ▼	-1.0% ▼
	All Units	471.6	-0.6 ▼	1.0% ▲	2.2% ▲
Darwin	All Houses	481.6	-2.6 ▼	-0.8% ▼	-8.8% ▼
	All Units	363.4	6.6 ▲	2.5% ▲	-1.6% ▼
Hobart	All Houses	434.2	-2.2 ▼	0.2% ▲	-3.6% ▼
	All Units	371.3	0.7 ▲	-1.8% ▼	-9.0% ▼
National	All Houses	448.0	1.0 ▲	1.1% ▲	1.4% ▲
	All Units	368.0	1.0 ▲	-1.3% ▼	0.0%
Cap City Average	All Houses	534.0	-3.0 ▼	-0.7% ▼	-3.1% ▼
	All Units	421.0	-2.0 ▼	-0.9% ▼	-4.5% ▼

Source: www.sqmresearch.com.au

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Commentary

Louis Christopher, Managing Director of SQM Research said, **"We believe the surprise fall in vacancy rates is due to Airbnb property owners giving up on the longer term leasing market and moving back to short term leasing, especially in light of the July school holiday period and the opening of some state borders."**

The fall in rents over the same period for a numbers of our capital cities suggests that the weakness in the rental market remains.

Going forward, our expectation is the Australian rental market will remain weak for the duration of 2020 or until such time as the international border reopens and we as a community have past the worst of COVID19."

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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