

## Vacancy Rates Fell Again for August

Signs Regional Australia recording a 2<sup>nd</sup> wave of demand

14 September 2021

SQM Research today has revealed the [national](#) residential property rental vacancy rates fell again to just **1.6% over the month of August 2021**. At the national level, this is the lowest rental vacancy rate recorded since March 2011.

### Vacancy Rates

The total number of vacancies Australia-wide now stands at 58,856 residential properties, down from 61,313 in July. [Melbourne's](#) vacancy rate fell to 3.5% in August from 3.6% in July, while in [Sydney](#) vacancy rates dropped to 2.6% from 2.7%. In a sign that harsher capital city lockdowns are affecting the rental market, many regions in NSW recorded falls in rental vacancy rates such as the [Blue Mountains](#) and [NSW North Coast](#) which recorded falls in vacancies over August to 0.6% and 0.7% respectively. In [Adelaide](#), [Perth](#), [Darwin](#), [Canberra](#) and [Hobart](#) the vacancy rate remained below 1.0%, while [Brisbane's](#) rate remained constant. Vacancy rates rose in the [Sydney CBD](#) to 7.8%. [Melbourne CBD](#) also recorded a rise in rental vacancies to 8.3%.

Vacancy Rates - August 2021						
City	Aug 2020 Vacancies	Aug 2020 Vacancy Rate	Jul 2021 Vacancies	Jul 2021 Vacancy Rate	Aug 2021 Vacancies	Aug 2021 Vacancy Rate
Sydney	25,828	3.5%	20,717	2.7%	19,976	2.6%
Melbourne	20,891	3.4%	22,890	3.6%	22,166	3.5%
Brisbane	7,154	2.1%	4,651	1.3%	4,732	1.3%
Perth	2,294	1.1%	1,908	0.9%	1,577	0.7%
Adelaide	1,699	0.9%	1,440	0.7%	1,229	0.6%
Canberra	569	0.8%	496	0.7%	593	0.8%
Darwin	349	1.1%	211	0.6%	226	0.7%
Hobart	205	0.7%	172	0.5%	160	0.5%
<b>National</b>	<b>69,976</b>	<b>2.0%</b>	<b>61,313</b>	<b>1.7%</b>	<b>58,856</b>	<b>1.6%</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 September 2021, national asking rents rose 1.3% for houses to \$533 per week and units rose by 0.2% to \$402 a week. The national rise was driven by larger regional increases over and above the capital cities. SQM Research believes the lockdowns may have triggered another wave of interest in regional living as many of the community seek freedom away from harsh Covid measures.

Capital city rents remained steady for houses over the past 30 days and are up by 9.1% over the past 12 months. Rents for units rose by 0.2% over the past 30 days and up by just 1.9% for the past 12 months.

Rents rose for most regions around Australia. Rents for houses in [North Coast NSW](#) rose by 4.2% for the month. Rents rose by 6.7% for the month in Sydney's [Blue Mountains](#). Rents also

rose by 4.8% for houses in the [Morningside Peninsula](#) and rents rose a stunning 8.2% for houses in [Toowoomba](#).

SQM Research Weekly Rents Index					
Week ending		Rent	Chg on prev wk	Rolling month % chg	12 mth % chg
<b>12 Sep 2021</b>					
<a href="#">Sydney</a>	All Houses	701.5	-0.5 ▼	0.5% ▲	12.8% ▲
	All Units	465.3	-0.3 ▼	-0.1% ▼	1.7% ▲
<a href="#">Melbourne</a>	All Houses	519.3	-0.3 ▼	-0.2% ▼	0.0% ▼
	All Units	372.2	0.8 ▲	0.5% ▲	-5.4% ▼
<a href="#">Brisbane</a>	All Houses	526.5	5.5 ▲	2.1% ▲	13.4% ▲
	All Units	396.1	0.9 ▲	0.2% ▲	5.0% ▲
<a href="#">Perth</a>	All Houses	520.6	-3.6 ▼	-1.5% ▼	10.5% ▲
	All Units	397.0	1.0 ▲	-1.4% ▼	11.1% ▲
<a href="#">Adelaide</a>	All Houses	452.3	-0.3 ▼	1.0% ▲	9.8% ▲
	All Units	339.2	2.8 ▲	1.2% ▲	7.2% ▲
<a href="#">Canberra</a>	All Houses	712.2	-7.2 ▼	-1.6% ▼	12.7% ▲
	All Units	512.8	-2.8 ▼	0.1% ▲	8.5% ▲
<a href="#">Darwin</a>	All Houses	608.0	-7.0 ▼	-0.9% ▼	17.7% ▲
	All Units	462.1	-2.1 ▼	-0.2% ▼	27.5% ▲
<a href="#">Hobart</a>	All Houses	474.0	0.0 ▲	0.3% ▲	7.6% ▲
	All Units	425.0	-2.0 ▼	0.5% ▲	14.8% ▲
<a href="#">National</a>	All Houses	533.0	1.0 ▲	1.3% ▲	15.4% ▲
	All Units	402.0	1.0 ▲	0.2% ▲	8.4% ▲
<a href="#">Cap City Average</a>	All Houses	577.0	-2.0 ▼	0.0%	9.1% ▲
	All Units	422.0	1.0 ▲	0.2% ▲	1.9% ▲

Next update: 20 Sep 2021

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**Louis Christopher, Managing Director of SQM Research said:**

“There are strong signs the current lockdowns are creating another wave on interest in regional property. SQM Research has recorded new falls in rental vacancy rates across many of our regions, while at the same time, CBD rental vacancy rates have surged again over August. While it is true that a number of regional areas have been in lockdown, it has been perceived that the regional lockdowns have not been as harsh or as widespread compared to the city-wide restrictions.

Going forward, we anticipate that vacancy rates will fall again over the month of September. Weekly listing updates through to the 12<sup>th</sup> of September suggest a further tightening of conditions and so it is reasonable to expect another surge in rents in most areas except for the CBD locations.”



**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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