

Rental Vacancy Rates Remain Steady at 1%

Rental Crisis Easing in Canberra, Hobart, and Darwin

14 March 2023

SQM Research today has revealed national residential rental vacancy rates remained steady over the month of February 2023 at 1.0%.

The total number of rental vacancies Australia-wide rose slightly by 448 dwellings to stand at 32,040 residential properties. Only [Melbourne](#) recorded a fall in rental vacancies (to 1.1%) for the month. While Canberra, Darwin and Hobart recorded rises in vacancy rates to 1.8%, 1.4% and 0.9%, respectively.

Rental vacancy rates were steady in [Sydney](#), [Brisbane](#) and [Adelaide](#) at 1.3%, 0.8% and 0.5%, respectively. Rental vacancy rates were the tightest in [Perth](#) at just 0.4% but once again this was a steady result over the month.

Rental vacancy rates in the [Sydney CBD](#), [Melbourne CBD](#) and [Brisbane CBD](#) decreased sharply to 2.6%, 2.2% and 1.2% over February, most likely reflecting the sudden surge in demand from international students.

Regional rental vacancy rates reversed the falls observed in January to record rises over February. With Sydney's [Blue Mountains](#) (1.9%), Melbourne's [Mornington Peninsula](#) (1.4%) and Queensland's [Gold Coast](#) (1.0%) recording sharp rises for the month.

SQM Research regards today's rental figures as a surprise result and represents welcome relief to some tenants, though ongoing extreme tight rental conditions persist for most of the capital cities. The surge in net overseas longer term and permanent arrivals relative to new residential property supply is ensuring extremely tight rental conditions remain with our two largest capital cities.

Vacancy Rates - February 2023						
City	Feb 2022 Vacancies	Feb 2022 Vacancy Rate	Jan 2023 Vacancies	Jan 2023 Vacancy Rate	Feb 2023 Vacancies	Feb 2023 Vacancy Rate
Sydney	15,145	2.1%	9,386	1.3%	9,301	1.3%
Melbourne	14,777	2.8%	6,447	1.2%	5,545	1.1%
Brisbane	3,328	1.0%	2,845	0.8%	2,802	0.8%
Perth	1,390	0.7%	753	0.4%	839	0.4%
Adelaide	776	0.5%	773	0.5%	821	0.5%
Canberra	378	0.6%	978	1.6%	1,069	1.8%
Darwin	234	0.9%	353	1.3%	378	1.4%
Hobart	99	0.4%	195	0.7%	237	0.9%
National	43,844	1.4%	31,592	1.0%	32,040	1.0%

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.

Rents

Over the past 28 days to 12 March 2023, [capital city asking rents](#) rose by another 2.6% with the 12-month rise standing at 21.4%. While national rents across all regions rose by a slower 12.8% for the same 12-month period. The national rental increase may now be mimicking the trough and rise in rental vacancy rates recorded in the regions. [Canberra](#) and [Darwin](#) recorded falls in asking rents for the period of 0.6% and 2.2%.

The [national](#) median weekly asking rent for a dwelling is recorded at \$567 a week. Sydney recorded the highest weekly rent for a house at \$936 a week. While Adelaide units offer the best rental affordability of all capital cities at \$406 a week.

Week ending 12 Mar 2023	Weekly Combined Dwelling Asking Rent (\$)	Rolling month % chg**	12 mth % chg**
Sydney	758	3.1% ▲	25.2% ▲
Melbourne	561	3.5% ▲	21.9% ▲
Brisbane	600	2.2% ▲	20.8% ▲
Perth	594	1.7% ▲	16.3% ▲
Adelaide	511	1.7% ▲	15.2% ▲
Canberra	655	-0.6% ▼	0.6% ▲
Darwin	555	2.7% ▲	9.2% ▲
Hobart	522	-2.2% ▼	7.9% ▲
National	567	1.2% ▲	12.8% ▲
Cap City Average	646	2.6% ▲	21.4% ▲

** Note: SQM Research revised its combined dwelling rent methodology to reflect recent compositional changes between houses and units.

Louis Christopher, Managing Director of SQM Research said:

“I was expecting a decline in rental vacancy rates over February. However, the result came in steady and indeed we recorded sharp rises for some regions. Further, I think we now have hard evidence that the rental crisis is now easing in Canberra, Darwin and Hobart. It isn’t just February we have recorded rises in these cities; they are also up compared to this time in 2022.

Could we be seeing some light at the end of the tunnel for our national rental crisis? Perhaps for some cities and regions, yes. However, we still remain very concerned for the situation in Melbourne, Sydney and Brisbane we most international arrivals first land.”

[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 **0410 667 651**.

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