



Vacancy Rates Steady in April, Asking Rents Dip

Tuesday 15th May 2018

For Immediate Release

Data released by SQM Research this week has revealed the national residential vacancy rate was unchanged at 2.1% in April 2018, with the number of vacancies Australia-wide sitting at 67,854 properties.

There was good news for property investors in Brisbane, where the vacancy rate fell to 3.0%, down from 3.2% in March and 3.7% a year earlier. Melbourne saw a fall in its vacancy rate to 1.3% in April, down from 1.4%. Sydney's vacancy rate was steady at 2.3%, but up from 1.7% a year earlier, while Canberra's rate rose to 0.8%, up from 0.6%.

City	April 2017 Vacancies	Vacancy Rate	March 2018 Vacancies	Vacancy Rate	April 2018 Vacancies	Vacancy Rate
Adelaide	3,229	1.8%	2,519	1.4%	2,427	1.3%
Perth	10,316	5.2%	8,221	4.1%	8,245	4.1%
Melbourne	8,112	1.5%	7,479	1.4%	7,317	1.3%
Brisbane	11,539	3.7%	10,246	3.2%	9,774	3.0%
Canberra	601	1.0%	392	0.6%	474	0.8%
Sydney	11,444	1.7%	15,833	2.3%	15,809	2.3%
Darwin	1,006	3.4%	1,073	3.6%	1,011	3.3%
Hobart	166	0.6%	191	0.6%	219	0.7%
National	76,959	2.4%	68,964	2.1%	67,854	2.1%

Hobart's vacancy rate inched higher to 0.7% from 0.6% in March. "While vacancies remain tight, this is the sixth straight month of vacancy increases, signalling that the worse now could be over for Hobart tenants," said Louis Christopher, Managing Director of SQM Research.

"We are finally seeing some rent relief in Hobart where asking house rents fell by 2.8% over the month to 12 May, with a slight uptick in the vacancy rate there. In Sydney too, we are seeing some relief in rental costs, with asking rents for houses down by 1.6% over the month and 2.2% lower over the year given a rise in its vacancy rate to 2.3% from 1.7%.

"But high rents remain a constraint for many renters, with unit asking rents still rising in most capital cities, apart from Darwin and Perth," said Christopher.

In Adelaide, the vacancy rate edged lower to just 1.3%, down from 1.4% in March. Darwin's vacancy rate fell bucked the national trend and fell to 3.3% from 3.6% in March. The vacancy rate in Perth was steady at 4.1%, but down from 5.2% a year earlier as the oversupply of rental properties eases in that city.



Asking Rents

Capital city asking rents for houses rose fell over the month to 12 May 2018 by 1.6% to \$554 a week. Unit asking rents rose 0.5% to \$445 a week. Over the year, asking house rents fell by 0.2%, which could give some relief to renters, including in Sydney and Perth, where asking house rents are down by 1.6% over the year.

Still, the asking rent for a three-bedroom house in Sydney remains the highest in the nation at \$726 a week while for units it stands at \$525. Canberra follows at \$619 a week for houses and \$442 for units. In Melbourne, asking rents for houses were down over the month by 0.7% to \$534 while unit asking rents rose by 0.7% to \$410.

SQM Research Weekly Rents Index					
Week ending 12 May 2018		Rent	Chg on prev wk	Rolling month % chg	12 mth % chg
<u>Canberra</u>	All Houses	618.6	1.4 ▲	0.2% ▲	7.6% ▲
	All Units	441.6	1.4 ▲	0.5% ▲	4.1% ▲
<u>Sydney</u>	All Houses	726.2	-5.2 ▼	-1.6% ▼	-2.2% ▼
	All Units	525.2	-0.2 ▼	0.3% ▲	0.8% ▲
<u>Darwin</u>	All Houses	540.7	-8.7 ▼	-3.4% ▼	2.6% ▲
	All Units	402.5	-0.5 ▼	-0.3% ▼	-1.9% ▼
<u>Brisbane</u>	All Houses	446.4	-0.4 ▼	-0.3% ▼	-0.2% ▼
	All Units	367.8	-0.8 ▼	0.4% ▲	0.1% ▲
<u>Adelaide</u>	All Houses	382.2	-1.2 ▼	-0.4% ▼	2.8% ▲
	All Units	299.8	0.2 ▲	0.8% ▲	3.4% ▲
<u>Hobart</u>	All Houses	397.4	-5.4 ▼	-2.8% ▼	10.2% ▲
	All Units	360.5	0.5 ▲	1.2% ▲	12.2% ▲
<u>Melbourne</u>	All Houses	533.5	-2.5 ▼	-0.7% ▼	3.8% ▲
	All Units	409.6	-0.6 ▼	0.7% ▲	3.6% ▲
<u>Perth</u>	All Houses	421.2	0.8 ▲	-0.6% ▼	-1.6% ▼
	All Units	324.1	-0.1 ▼	-0.6% ▼	-3.7% ▼
<u>National</u>	All Houses	437.0	-2.0 ▼	-1.6% ▼	1.9% ▲
	All Units	360.0	-6.0 ▼	-0.8% ▼	4.0% ▲
<u>Cap City Average</u>	All Houses	554.0	-3.0 ▼	-1.6% ▼	-0.2% ▼
	All Units	445.0	0.0	0.5% ▲	1.4% ▲

Source: www.sqmresearch.com.au



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.

Key Points

- Nationally, the vacancy rate was steady at 2.1% in April from March but down from 2.4% a year earlier.
- Hobart recorded the lowest vacancy rate of 0.7%.
- Perth recorded the highest vacancy rate of the capital cities at 4.1% in April, but that was down from 5.2% a year ago as the surplus of rental properties eases.
- Melbourne's vacancy rate was 1.3%, down from 1.4% in March.
- Sydney's vacancy rate was steady at 2.3%, but up from 1.7% a year earlier.
- Capital city asking rents for houses rose fell over the month to 12 May 2018 by 1.6% to \$554 a week

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:

louis@sqmresearch.com.au

- ENDS -