

National Rental Vacancy Rates Decreased in August

Melbourne continues to record an increase while regional locations become a landlord's market.

15 September 2020

SQM Research today has revealed the [national](#) residential rental vacancy rate recorded a decrease over the month from **2.1%** in July to **2.0%** in **August 2020**. The total number of vacancies Australia-wide is now at **69,971** vacant residential properties. This time last year, the national vacancy rate was slightly higher at **2.2%**.

All capital cities recorded declines in vacancy rates over the month except for Melbourne which again recorded an increase from 3.1% in July to **3.4%** for August. There are now an extra 2,145 vacant properties in Melbourne as the stage 4 Covid-19 lockdown continues.

Sydney currently still has the highest vacancy rate in the nation of **3.5%**, having declined by 0.1% from July. Hobart's vacancy rate is the lowest in the nation at **0.7%**, with Canberra and Adelaide also recording low vacancy rates of **0.8%** and **0.9%** respectively.

City	August 2019 Vacancies	August 2019 Vacancy Rate	July 2020 Vacancies	July 2020 Vacancy Rate	August 2020 Vacancies	August 2020 Vacancy Rate
Sydney	24,465	3.4%	26,506	3.6%	25,828	3.5%
Melbourne	11,830	2.0%	18,746	3.1%	20,891	3.4%
Brisbane	8,283	2.5%	7,593	2.2%	7,154	2.1%
Perth	6,004	2.9%	2,803	1.3%	2,294	1.1%
Adelaide	1,857	1.0%	1,809	0.9%	1,699	0.9%
Canberra	781	1.2%	653	1.0%	569	0.8%
Darwin	926	2.9%	453	1.4%	349	1.1%
Hobart	170	0.6%	212	0.7%	205	0.7%
National	75,741	2.2%	71,760	2.1%	69,971	2.0%

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.

Some Capital City CBD locations have recorded vacancy rate declines over the month, with [Sydney CBD](#) dropping to **12.9%**, down from its all-time high of **16.2%** in May. [Brisbane CBD's](#) vacancy rate decreased to **11.4%** down from its high of **14.0%** in June.

However [Melbourne's CBD](#) has increased to a new all-time high of **10.0%**, up from **8.8%** in July. [Adelaide CBD](#) has also increased from **7.6%** in July to **8.4%**. [Perth CBD](#) has remained stable over the month at **5.5%**.

Most **regional locations** recorded falls in rental vacancy rates, highlighting the ongoing shift away from inner suburban living into areas offering more room and distancing for occupiers. Sydney's [Blue Mountains](#) fell to a record low rental vacancy rate of just **0.7%**, as did Victoria's [Mornington Peninsula](#). While Queensland's [Ipswich](#) fell to just **0.9%**.

Asking Rents

Over the month, Capital City average asking rents decreased **1.1%** for houses and **0.7%** for units for the week ending **12 September 2020** to record asking rents of \$529 per week for houses and \$414 per week for units.

Most capital cities recorded declines in both house and unit rents except for [Perth](#) and [Darwin](#). Darwin recorded the highest rental increases in the country - up **6.0%** for house rents and **1.0%** for unit rents.

[Hobart](#) recorded the highest decline in unit rents of **4.3%** and [Sydney](#) recorded the highest decline in house rents of **1.7%**.

[Adelaide](#) recorded a **0.4%** increase in house rents but a **0.4%** decline in unit rents.

Year on year, Sydney, Melbourne, Brisbane and Hobart also recorded declines in asking rents for both houses and units, Sydney in particular recording a high **8.0%** decline for houses and **8.1%** decline for units in August 2019.

SQM Research Weekly Rents Index					
Week ending: 12 Sep 2020		Rent	Change on prev week	Rolling month % change	12 month % change
Sydney	All Houses	622.1	-5.1 ▼	-1.7% ▼	-8.0% ▼
	All Units	457.5	-1.5 ▼	-1.5% ▼	-8.1% ▼
Melbourne	All Houses	519.4	-1.4 ▼	-0.5% ▼	-1.0% ▼
	All Units	393.5	-0.5 ▼	-0.5% ▼	-6.0% ▼
Brisbane	All Houses	464.1	1.9 ▲	-0.1% ▼	-0.4% ▼
	All Units	377.3	-0.3 ▼	-0.3% ▼	-0.2% ▼
Perth	All Houses	471.2	-3.2 ▼	0.5% ▲	7.0% ▲
	All Units	357.3	0.7 ▲	0.7% ▲	5.8% ▲
Adelaide	All Houses	411.8	1.2 ▲	0.4% ▲	3.1% ▲
	All Units	316.4	0.6 ▲	-0.4% ▼	1.4% ▲
Canberra	All Houses	631.9	-2.9 ▼	-0.9% ▼	4.8% ▲
	All Units	472.7	3.3 ▲	-0.7% ▼	2.9% ▲
Darwin	All Houses	516.7	15.3 ▲	6.0% ▲	0.7% ▲
	All Units	362.3	0.7 ▲	1.0% ▲	-4.7% ▼
Hobart	All Houses	440.4	0.6 ▲	-0.3% ▼	-0.6% ▼
	All Units	370.2	-3.2 ▼	-4.3% ▼	-10.2% ▼
National	All Houses	462.0	2.0 ▲	0.7% ▲	4.5% ▲
	All Units	371.0	0.0	-0.8% ▼	1.4% ▲
Cap City Average	All Houses	529.0	-4.0 ▼	-1.1% ▼	-2.8% ▼
	All Units	414.0	0.0	-0.7% ▼	-5.5% ▼

Source: www.sqmresearch.com.au

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Commentary

Louis Christopher, Managing Director of SQM Research said, "The shift towards regional living continues at pace, largely at the expense of higher inner city rental vacancy rates. I suspect there will have to be a high point in this move soon. However, I also suspect there will be a degree of permanency with the massive population shift. Meanwhile Sydney and Melbourne rents continue to fall providing leasing opportunities for tenants who have chosen to stay in town."



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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