



Vacancy Rates Up in December in most Capital Cities

Tuesday 15th January 2019

For Immediate Release

Key Points

- Nationally, the vacancy rate rose to **2.5%** in December from 2.3% in November.
- Darwin has the highest vacancy rate at **4.3%**, followed by Sydney which rose to **3.6%**.
- Hobart continues to record the lowest vacancy rate of **0.4%** with no change from November.
- Melbourne's vacancy rate rose to **2.2%** in December from 1.9% in November.
- Perth's rental market continues to improve with the vacancy rate remaining steady at **3.4%**, from November and well down from 4.6% a year ago when it had the highest vacancy rate.
- Capital city asking rents for Houses rose **0.7%** over the month to 12 January 2019 to \$559 per week.
- Capital city asking rents for Units also rose by **0.7%** to \$439 a week.

Data released by SQM Research today has revealed the national residential vacancy rate rose to **2.5%** in December 2018, up from **2.3%** in November 2018, with the total number of vacancies Australia-wide increasing to **82,558** – an additional 7,968 properties are now available for rent since November 2018.

Most capital cities experienced an increase in their vacancy rates in December with both Perth and Hobart remaining steady at **3.4%** and **0.4%** respectively - Hobart is still the lowest of all capital cities.

Darwin currently has the highest vacancy rate of all capital cities at **4.3%**, up 0.3% on November's vacancy of 4.0%. Vacancies in Sydney and Canberra increased the most since November, both a **0.4%** increase. However, Sydney's vacancy rate is currently the second highest of all capital cities at **3.6%** with 25,177 properties available for rent while Canberra's vacancy rate is a low **1.3%** with 829 properties available for rent.

Perth's rental market continues to improve with the vacancy rate remaining steady at **3.4%** since November and well down from 4.6% a year ago when it was the highest of all capital cities.

Brisbane's vacancy rate edged higher to **3.2%** from 3.0% in November, but is down from 3.8% a year ago. Melbourne's vacancy rate also rose slightly to **2.2%** from 1.9% in November and only marginally up from 2.1% a year ago. Adelaide's rose slightly to **1.3%** from 1.2% but slightly down from 1.5% in December 2017.



City	December 2018		November 2018		December 2017	
	No. of Vacancies	Vacancy Rate	No. of Vacancies	Vacancy Rate	No. of Vacancies	Vacancy Rate
Hobart	121	0.4%	107	0.4%	96	0.3%
Canberra	829	1.3%	568	0.9%	807	1.3%
Adelaide	2,383	1.3%	2,318	1.2%	2,772	1.5%
Melbourne	12,619	2.2%	10,808	1.9%	11,478	2.1%
Brisbane	10,519	3.2%	9,783	3.0%	12,240	3.8%
Perth	6,935	3.4%	6,971	3.4%	9,264	4.6%
Sydney	25,177	3.6%	22,215	3.2%	17,404	2.6%
Darwin	1,317	4.3%	1,235	4.0%	1,035	3.5%
National	82,558	2.5%	74,590	2.3%	80,092	2.5%

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.

Managing Director of SQM Research, Louis Christopher said, *“the rise in vacancies continue into December due to seasonality, with Hobart continuing to face ongoing tight rental conditions however rents in Hobart have decreased over the month for both houses and units.”*

“If current vacancy rate levels continue to rise into January and February, Darwin, Sydney, Brisbane and Perth will be a tenant’s market in 2019,” Mr Christopher said.

Asking Rents

Despite the rise in vacancies, capital city asking rents for houses rose **0.7%** over the month to 12 January 2019 to \$559 a week. Unit asking rents also rose **0.7%** to \$439 a week. Over the year, asking rents for houses rose **0.7%** while unit asking rents slipped **0.2%**.

Hobart is the only city to record a decrease in both house and unit asking rents over the month to 12 January, at **1.2%** decline for houses and **2.6%** decline for units. 12 months ago, Hobart’s house asking rent increased by a large 9.7%.

Sydney also recorded a marginal decrease in house asking rents of **0.4%** over the month. Unit asking rents in Sydney however, increased **0.4%**.

Canberra recorded the highest increase in both house and unit asking rents at **1.5%** for houses and **1.6%** for units.

Asking rents in Melbourne for houses rose **1.3%** over the month to \$541.5 a week while asking rents for units rose **0.6%** to \$409.

Despite the upward pressure on vacancy rates, the asking rent for a three-bedroom house in Sydney remains the highest nationwide at **\$705** a week and **\$508** a week for two-bedroom units.



SQM Research Weekly Rents Index					
Week ending: 12 Jan 2019		Rent	Chg on prev week	Rolling month % change	12 mth % change
<u>Canberra</u>	All Houses	635.0	3.0 ▲	1.5% ▲	4.8% ▲
	All Units	468.4	2.6 ▲	1.6% ▲	5.9% ▲
<u>Sydney</u>	All Houses	705.5	1.5 ▲	-0.4% ▼	-3.4% ▼
	All Units	508.7	1.3 ▲	0.4% ▲	-2.3% ▼
<u>Darwin</u>	All Houses	506.9	0.1 ▲	0.5% ▲	-7.7% ▼
	All Units	391.7	3.3 ▲	0.7% ▲	-6.7% ▼
<u>Brisbane</u>	All Houses	457.6	0.4 ▲	0.5% ▲	2.0% ▲
	All Units	376.3	-0.3 ▼	0.4% ▲	2.2% ▲
<u>Adelaide</u>	All Houses	395.9	1.1 ▲	1.1% ▲	4.5% ▲
	All Units	302.1	0.9 ▲	0.5% ▲	2.8% ▲
<u>Hobart</u>	All Houses	421.2	-6.2 ▼	-1.2% ▼	9.7% ▲
	All Units	341.4	8.6 ▲	-2.6% ▼	-0.6% ▼
<u>Melbourne</u>	All Houses	541.5	1.5 ▲	1.3% ▲	3.7% ▲
	All Units	409.0	-1.0 ▼	0.6% ▲	3.1% ▲
<u>Perth</u>	All Houses	439.3	-0.3 ▼	1.0% ▲	3.9% ▲
	All Units	326.6	1.4 ▲	1.2% ▲	1.3% ▲
<u>National</u>	All Houses	449.0	3.0 ▲	1.4% ▲	2.0% ▲
	All Units	368.0	1.0 ▲	0.5% ▲	3.7% ▲
<u>Cap City Average</u>	All Houses	559.0	1.0 ▲	0.7% ▲	0.7% ▲
	All Units	439.0	0.0	0.7% ▲	-0.2% ▼

Source: www.sqmresearch.com.au

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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.

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