

National Rental Vacancy Rate Remains Stable in November

Melbourne Asking Rents continue to decline

15 December 2020

SQM Research today has revealed the [national](#) residential rental vacancy rate remained stable at **2.1%** over the month of **November 2020**. The total number of vacancies Australia-wide is now **72,879** vacant residential properties. This time last year, the national vacancy rate was higher at **2.2%**.

In most capital cities the vacancy rate remained stable over the month except for Sydney which saw a minor decrease from 3.6% in October to **3.5%** in November. Brisbane also recorded a decrease from 2.0% in October to **1.8%** in November.

Melbourne's vacancy rate remained at **4.4%** in November and is the highest vacancy rate in the nation. This time last year, Melbourne's vacancy rate was low at **2.2%**. Hobart's vacancy rate remains the lowest in the nation at **0.6%**.

The surplus of rental property is most acute in Melbourne and Sydney's CBDs. The [Melbourne CBD](#) vacancy rate stands at **9.1%** in November, although having declined from a high of **10.8%** in September, mostly comprising of units - 2137 [vacant units](#) in September falling to 2030 in early December. [Sydney CBD](#) vacancy rate peaked at **16.2%** in May 2020 but has declined to **9.5%** in November. Currently there are 705 [vacant units](#) as at December 2020, declining from 1214 in May 2020.

City	November 2019 Vacancies	November 2019 Vacancy Rate	October 2020 Vacancies	October 2020 Vacancy Rate	November 2020 Vacancies	November 2020 Vacancy Rate
Sydney	24,258	3.4%	26,455	3.6%	26,161	3.5%
Melbourne	12,963	2.2%	27,070	4.4%	26,946	4.4%
Brisbane	8,629	2.5%	6,912	2.0%	6,455	1.8%
Perth	5,200	2.5%	1,936	0.9%	1,835	0.9%
Adelaide	1,896	1.0%	1,501	0.8%	1,543	0.8%
Canberra	756	1.1%	608	0.9%	601	0.9%
Darwin	981	3.1%	217	0.7%	233	0.7%
Hobart	159	0.5%	204	0.6%	192	0.6%
National	75,947	2.2%	74,221	2.1%	72,879	2.1%

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.

Asking Rents

Over the month, Capital City average asking rents increased **0.4%** for houses but decreased **0.2%** for units for the week ending **12 December 2020** to record asking rents of \$540 per week for houses and \$408 per week for units.

Most capital cities recorded increases in both house and unit asking rents, with [Darwin](#) recording the highest increase of **6.7%** over the month for houses and **4.3%** in unit asking rents, followed closely by [Hobart](#) which recorded a **6.4%** increase in house rents and **3.3%** increase in unit rents.

[Sydney](#) recorded rental increases in houses of **0.9%** but a decline in units rents of **0.6%**. [Canberra](#) also recorded increases in house rents of **3.5%** and unit rents declined by **1.2%**. [Brisbane](#), [Adelaide](#) and [Perth](#) house and unit rents also increased over the month. [Melbourne](#) however, recorded declines in both house and unit asking rents over the month of **0.1%** and **1.4%** respectively.

Year on year, Capital City Average asking rents declined for both houses and units - **1.8%** and **6.0%** respectively. Sydney in particular recording a high **6.7%** decline in houses and **9.6%** decline in units in November 2019. Melbourne's asking rents also declined year on year, **4.1%** for houses and **6.7%** for units.

Darwin's year on year house rents saw a significant **21.2%** growth and Perth house rents increased by **10.5%** and units **9.5%** growth over 12 months.

SQM Research Weekly Rents Index					
Week-ending: 12 Dec 2020		Rent	Chg on prev week	Rolling month % chg	12 month % chg
Sydney	All Houses	638.4	0.6 ▲	0.9% ▲	-6.7% ▼
	All Units	446.5	-0.5 ▼	-0.6% ▼	-9.6% ▼
Melbourne	All Houses	512.5	0.5 ▲	-0.1% ▼	-4.1% ▼
	All Units	382.6	-1.6 ▼	-1.4% ▼	-6.7% ▼
Brisbane	All Houses	469.7	2.3 ▲	0.5% ▲	0.2% ▲
	All Units	378.9	2.1 ▲	0.4% ▲	0.1% ▲
Perth	All Houses	485.2	-0.2 ▼	1.3% ▲	10.5% ▲
	All Units	365.5	0.5 ▲	0.9% ▲	9.5% ▲
Adelaide	All Houses	421.8	1.2 ▲	0.7% ▲	4.9% ▲
	All Units	314.8	0.2 ▲	1.9% ▲	0.3% ▲
Canberra	All Houses	655.8	8.2 ▲	3.5% ▲	1.1% ▲
	All Units	473.9	-2.9 ▼	-1.2% ▼	2.4% ▲
Darwin	All Houses	585.4	5.6 ▲	6.7% ▲	21.2% ▲
	All Units	395.2	4.8 ▲	4.3% ▲	3.8% ▲
Hobart	All Houses	461.1	4.9 ▲	6.4% ▲	1.7% ▲
	All Units	401.0	-2.0 ▼	3.3% ▲	-5.1% ▼
National	All Houses	483.0	-1.0 ▼	-0.4% ▼	7.8% ▲
	All Units	381.0	-1.0 ▼	0.0%	4.7% ▲
Cap City Average	All Houses	540.0	0.0	0.4% ▲	-1.8% ▼
	All Units	408.0	0.0	-0.2% ▼	-6.0% ▼

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Commentary

Louis Christopher, Managing Director of SQM Research said, "Rents for units in our two largest cities are still falling, though I note there appears to be a commencement of a reversal in the abundance of listings in the CBD's of these two cities. They are still very elevated. But we could be starting to see some of the population moving back to the CBD and inner city 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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