

## Rental Vacancy Rates hit 16 Year low of 1.3%

### Capital city market rents rise by 7.5%

15 January 2022

SQM Research today has revealed [national](#) residential property rental vacancy rates sharply decreased to 1.3%, down by 0.3% over January 2022. **This represents a 16 year low for the national rental vacancy rate as reported by SQM Research.**

### Vacancy Rates

The total number of vacancies Australia-wide now stands at 47,977 residential properties, down from 57,558 in December. [Sydney](#), [Melbourne](#) and [Brisbane](#) vacancy rates decreased to 2.1%, 2.7% and 1.1% down from 2.6%, 3.2% and 1.3% in December. In [Perth](#), [Adelaide](#), [Canberra](#), [Darwin](#) and [Hobart](#) vacancy rates remained below 1.0%. Vacancy rates fell in the [Sydney CBD](#) to 4.5% and [Melbourne CBD](#) to 4%.

Capital city vacancy rates have now returned to normal longer-term averages recorded prior to the Covid19 outbreak. SQM Research forecasts further falls in CBD rental vacancy rates as the internal border reopens and a part return to 'working from the office' continues.

Vacancy Rates - January 2022						
City	Jan 2021 Vacancies	Jan 2021 Vacancy Rate	Dec 2021 Vacancies	Dec 2021 Vacancy Rate	Jan 2022 Vacancies	Jan 2022 Vacancy Rate
Sydney	24,309	3.2%	20,294	2.6%	16,357	2.1%
Melbourne	27,432	4.4%	20,368	3.2%	17,112	2.7%
Brisbane	5,886	1.7%	4,839	1.3%	3,878	1.1%
Perth	1,808	0.8%	1,382	0.6%	1,285	0.6%
Adelaide	1,405	0.7%	1,002	0.5%	819	0.4%
Canberra	579	0.8%	689	1.0%	489	0.7%
Darwin	262	0.8%	401	1.2%	306	0.9%
Hobart	192	0.6%	99	0.3%	86	0.3%
<b>National</b>	<b>71,303</b>	<b>2.0%</b>	<b>57,558</b>	<b>1.6%</b>	<b>47,977</b>	<b>1.3%</b>

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.

### Louis Christopher, Managing Director of SQM Research said:

"We were expecting a drop in rental vacancies over January due to seasonality, however the drops were larger than expected. And worse for tenants, the weekly rental listings in February to date have fallen further for our two largest capital cities.

All this represents an acute shortage of rental properties. And the shortage has already been translating into large surges in weekly rents across the country. It is now very likely market rents will rise by over ten per cent this year. Indeed, it could actually be much more than this as we are recording a rise in capital city combined rents of 5.2% just in the last 90 days.

As such there are major ramifications for core and headline inflation."

## Rents

[National](#) asking rents rose 0.7% for houses to \$560 per week and 1.9% for units at \$424 a week. [Capital](#) city rents rose by 1.8% for houses over the past 30 days to stand at \$622 a week. Rents for units rose by 1.6% to stand at \$442 a week.

**Combined capital city asking rents rose by 5.2% over the past 90 days and are up by 7.5% for the past 12 months to stand at \$505 a week.**

SQM Research Weekly Rents Index					
Week ending		Rent	Chg on	Rolling month	12 mth
12 Feb 2022			prev wk	% cha	% cha
<a href="#">Sydney</a>	All Houses	764.0	5.0 ▲	3.3% ▲	15.2% ▲
	All Units	490.3	1.7 ▲	2.0% ▲	7.2% ▲
<a href="#">Melbourne</a>	All Houses	547.4	1.6 ▲	2.0% ▲	6.7% ▲
	All Units	390.1	1.9 ▲	2.9% ▲	3.7% ▲
<a href="#">Brisbane</a>	All Houses	559.0	-2.0 ▼	0.5% ▲	17.0% ▲
	All Units	402.5	0.5 ▲	0.5% ▲	5.7% ▲
<a href="#">Perth</a>	All Houses	561.0	0.0 ▼	0.1% ▲	12.5% ▲
	All Units	416.9	1.1 ▲	2.8% ▲	10.4% ▲
<a href="#">Adelaide</a>	All Houses	488.4	5.6 ▲	2.1% ▲	14.9% ▲
	All Units	346.6	-0.6 ▼	1.1% ▲	9.4% ▲
<a href="#">Canberra</a>	All Houses	747.9	0.1 ▲	0.7% ▲	11.3% ▲
	All Units	540.6	0.4 ▲	0.0% ▼	10.6% ▲
<a href="#">Darwin</a>	All Houses	636.3	-6.3 ▼	-0.9% ▼	9.7% ▲
	All Units	457.2	2.8 ▲	0.5% ▲	16.3% ▲
<a href="#">Hobart</a>	All Houses	514.4	0.6 ▲	1.8% ▲	10.1% ▲
	All Units	434.7	2.3 ▲	-2.9% ▼	7.1% ▲
<a href="#">National</a>	All Houses	560.0	0.0	0.7% ▲	12.7% ▲
	All Units	424.0	3.0 ▲	1.9% ▲	9.8% ▲
<a href="#">Cap City Average</a>	All Houses	622.0	2.0 ▲	1.8% ▲	12.7% ▲
	All Units	442.0	0.0	1.6% ▲	7.0% ▲



**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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