

## National Rental Vacancy Rate Falls in May

### Competition for accommodation pushes up rents in regions

15 June 2021

SQM Research today has revealed the [national](#) residential rental vacancy rate fell to 1.8% over the month of May 2021 from 1.9% in April, with vacancy rates continuing to fall Australia-wide, forcing up in rents, particularly in regional locations. Vacancy rates also receded from very high levels in the Sydney and Melbourne CBDs.

The total number of vacancies Australia-wide now stands at 62,144 residential properties, down from 66,411 in April. Melbourne's [vacancy rate](#) fell to 3.7% in May from 4.0% in April, while in Sydney it dropped to 2.9% from 3.1%. In [Perth](#), [Adelaide](#), [Canberra](#), [Darwin](#) and [Hobart](#), the vacancy rate remained below 1.0%, while [Brisbane's](#) rate fell to 1.3% from 1.4%. Vacancy rates fell in the [Sydney CBD](#) and [Melbourne CBD](#) to 6.8% and 8.0%, respectively, but remain elevated due to apartment oversupply in those areas.

Vacancy Rates - May 2021						
City	May 2020 Vacancies	May 2020 Vacancy Rate	Apr 2021 Vacancies	Apr 2021 Vacancy Rate	May 2021 Vacancies	May 2021 Vacancy Rate
Sydney	29,416	4.0%	23,422	3.1%	21,936	2.9%
Melbourne	18,499	3.1%	25,050	4.0%	22,910	3.7%
Brisbane	8,780	2.5%	4,780	1.4%	4,435	1.3%
Perth	4,167	2.0%	1,860	0.9%	2,016	0.9%
Adelaide	2,293	1.2%	1,409	0.7%	1,316	0.7%
Canberra	880	1.3%	486	0.7%	433	0.6%
Darwin	727	2.3%	167	0.5%	123	0.4%
Hobart	386	1.2%	164	0.5%	148	0.5%
<b>National</b>	<b>86,398</b>	<b>2.5%</b>	<b>66,411</b>	<b>1.9%</b>	<b>62,144</b>	<b>1.8%</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:** "Rental vacancy rates have fallen across the board in May, driving rents higher, especially in regional locations. This trend is likely to remain through the second half of the year, given the fierce competition for rental accommodation in many areas. We are still seeing falling vacancies everywhere from Victoria's Mornington Peninsula, the Gold Coast, right through to inland areas like the Murray Regions of NSW and South Australia to outback Northern Territory, along with Darwin, which is having the effect of boosting rents as tenants compete for rental homes. However, vacancies rates rose for the [NSW North Coast](#), as some renters headed back to town and we also saw a rise in vacancy accommodation in Perth, though the rate was unchanged.

"In addition, in what is long-awaited news for landlords in the Melbourne and Sydney CBDs, vacancies rates have fallen there too. Those vacancy rates could begin a downward trend over the second half of 2021, particularly in Sydney, as life resumes relative normality. However, the loss of international student tenants, along with unit oversupply, will keep vacancy rates relatively high as the COVID-19 pandemic continues."

### Asking Rents

Over the month to 12 June 2021, capital city average asking rents rose 0.5% for houses to \$559 per week but fell 0.2% for units to \$410. Over the year, capital city rents rose 3.9% for houses, but fell 3.5% for units. Melbourne and Sydney unit rents are down substantially by 11.0% and 5.1% while house rents have fallen 4.8% over the year in Melbourne. [Nationally](#), rents rose 15.1% for houses over the year and 6.6% for units. Again, that growth has been fuelled by strong rises in rents in regional locations where there is a shortage of rental accommodation.

SQM Research Weekly Rents Index					
Week ending		Rent	Chg on prev wk	Rolling month % chg	12 mth % chg
12 Jun 2021					
<a href="#">Sydney</a>	All Houses	663.1	-1.1 ▼	0.0% ▼	3.4% ▲
	All Units	452.3	-0.3 ▼	-0.2% ▼	-5.1% ▼
<a href="#">Melbourne</a>	All Houses	507.3	1.7 ▲	0.1% ▲	-4.8% ▼
	All Units	360.5	-0.5 ▼	-0.5% ▼	-11.0% ▼
<a href="#">Brisbane</a>	All Houses	497.2	0.8 ▲	1.0% ▲	7.5% ▲
	All Units	388.3	0.7 ▲	0.3% ▲	2.8% ▲
<a href="#">Perth</a>	All Houses	524.2	5.8 ▲	0.5% ▲	16.5% ▲
	All Units	396.9	-0.9 ▼	0.6% ▲	13.6% ▲
<a href="#">Adelaide</a>	All Houses	443.3	5.7 ▲	1.5% ▲	7.7% ▲
	All Units	329.2	-0.2 ▼	-1.4% ▼	3.9% ▲
<a href="#">Canberra</a>	All Houses	695.9	-3.9 ▼	0.8% ▲	11.9% ▲
	All Units	498.5	2.5 ▲	1.2% ▲	6.8% ▲
<a href="#">Darwin</a>	All Houses	615.3	0.7 ▲	3.0% ▲	26.7% ▲
	All Units	427.1	5.9 ▲	0.3% ▲	20.5% ▲
<a href="#">Hobart</a>	All Houses	479.8	-6.8 ▼	2.6% ▲	10.7% ▲
	All Units	428.5	-2.5 ▼	6.0% ▲	13.3% ▲
<a href="#">National</a>	All Houses	510.0	-3.0 ▼	0.4% ▲	15.1% ▲
	All Units	396.0	1.0 ▲	0.5% ▲	6.2% ▲
<a href="#">Cap City Average</a>	All Houses	559.0	2.0 ▲	0.5% ▲	3.9% ▲
	All Units	410.0	0.0	-0.2% ▼	-3.5% ▼

Next update: 20 Jun 2021



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### **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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