



Vacancy Rates Steady in September

Tuesday 16th October 2018

For Immediate Release

Data released by SQM Research today has revealed the national residential vacancy rate was steady at **2.1%** in September 2018, though Sydney's vacancy rate remained at its highest level in 13 years, while Hobart's vacancy rate slipped to just 0.4% and Canberra's tightened to 0.6%.

The number of vacancies Australia-wide sat at **70,172** properties. Sydney's vacancy rate was unchanged at 2.8% in September from August with 19,469 properties available for rent. Melbourne's vacancy rate rose to 1.7% in September from 1.6% in August with 9,676 dwellings available for rent.

City	September		August 2018		September	
	2017 Vacancies	Vacancy Rate	Vacancies	Vacancy Rate	2018 Vacancies	Vacancy Rate
Adelaide	2,787	1.5%	2,200	1.2%	2,134	1.1%
Perth	9,735	4.9%	7,614	3.7%	7,421	3.6%
Melbourne	9,713	1.8%	9,191	1.6%	9,676	1.7%
Brisbane	11,185	3.5%	9,274	2.8%	9,494	2.9%
Canberra	591	1.0%	416	0.7%	391	0.6%
Sydney	13,114	1.9%	19,507	2.8%	19,469	2.8%
Darwin	822	2.8%	1,084	3.5%	1,118	3.6%
Hobart	102	0.3%	135	0.5%	108	0.4%
National	72,955	2.3%	70,447	2.1%	70,172	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 below for more information on how SQM's vacancies are compiled.

Elsewhere, Brisbane's vacancy rate rose to 2.9% from 2.8% in September, but was down from 3.5% a year ago. Perth's vacancy rate fell to 3.6% from 3.7% from August, being well down from 4.9% a year ago as the oversupply of rental properties. Darwin's vacancy rate rose to 3.6% from 3.5% while Adelaide's slipped to just 1.1% from 1.2%.

Louis Christopher, Managing Director of SQM Research, said: "There is now an extreme shortage of rental accommodation in Hobart with just over 100 properties vacant and available to rent. Hobart rents have already been rising well above the national average for the past three years and I think that is likely to continue for the foreseeable future as the construction pipeline is not keeping up with underlying demand."

"There is a similar situation in Canberra. While we may speak of a surplus of rental properties in our largest city Sydney, this is a timely reminder that we have a mixed national housing market overall," said Christopher.



Asking Rents

Capital city asking rents for houses were steady over the month to 12 October 2018 at \$552 a week. Unit asking rents fell to 0.7% to \$437 a week. Over the year, asking rents for houses rose just 0.4% while unit asking rents slipped 0.2%.

The asking rent for a three-bedroom house in Sydney remains the highest nationwide at \$714 a week and \$513 a week for two-bedroom units. Asking unit rents were down 0.4% in Sydney over the month while asking house rents rose 0.9%.

Asking rents in Melbourne have fallen, with unit down 0.7% over the month to 12 October to \$406 a week while asking rents for houses fell 0.5% to \$524.

SQM Research Weekly Rents Index					
Week ending 12 Oct 2018		Rent	Chg on prev wk	Rolling month % chg	12 mth % chg
Canberra	All Houses	624.1	-2.1 ▼	-1.9% ▼	7.7% ▲
	All Units	442.7	-0.7 ▼	0.7% ▲	4.8% ▲
Sydney	All Houses	714.2	3.8 ▲	0.9% ▲	-3.3% ▼
	All Units	512.9	-0.9 ▼	-0.4% ▼	-1.5% ▼
Darwin	All Houses	505.1	-4.1 ▼	-2.0% ▼	-6.7% ▼
	All Units	396.7	-4.7 ▼	-2.4% ▼	-0.4% ▼
Brisbane	All Houses	451.3	-0.3 ▼	0.2% ▲	2.1% ▲
	All Units	369.7	-0.7 ▼	-0.4% ▼	1.4% ▲
Adelaide	All Houses	387.1	-0.1 ▼	0.5% ▲	2.6% ▲
	All Units	298.8	-0.8 ▼	0.3% ▲	3.4% ▲
Hobart	All Houses	425.7	17.3 ▲	3.4% ▲	10.2% ▲
	All Units	361.4	3.6 ▲	-3.3% ▼	16.7% ▲
Melbourne	All Houses	524.2	-3.2 ▼	-0.5% ▼	3.0% ▲
	All Units	406.2	-1.2 ▼	-0.7% ▼	2.8% ▲
Perth	All Houses	424.4	0.6 ▲	0.3% ▲	3.4% ▲
	All Units	321.4	0.6 ▲	0.1% ▲	-0.3% ▼
National	All Houses	441.0	2.0 ▲	0.5% ▲	3.5% ▲
	All Units	355.0	0.0	-1.4% ▼	1.1% ▲
Cap City Average	All Houses	552.0	-1.0 ▼	0.0%	0.4% ▲
	All Units	437.0	-1.0 ▼	-0.7% ▼	-0.2% ▼

Source: www.sqmresearch.com.au

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Key Points

- Nationally, the vacancy rate was steady at 2.1% in September from August.
- Sydney's vacancy rate remained at a 13-year high of 2.8%.
- Hobart recorded the lowest vacancy rate of 0.4%.
- Melbourne's vacancy rate inched higher to 1.7% in September.
- Capital city asking rents for houses were steady over the month to 12 October 2018 at \$552 a week
- Capital city asking rents for units fell over the month by 0.7% to \$437 a week

www.sqmresearch.com.au

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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