



Vacancy Rates Rise Modestly in April

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For Immediate Release

Data released by SQM Research this week has revealed vacancy rates edged higher across most capital cities in April. Nationwide, the number of national residential vacancies rose to 76,959 rental homes, giving a national vacancy rate of 2.4%, up modestly from 2.3% in March 2017.

In Melbourne and Sydney, vacancy rates sat at 1.6% and 1.8%, respectively, a slight retracement from March's low levels. In Canberra, the vacancy rate rose to 1.0%, while the vacancy rate jumped in Perth to 4.9%. The vacancy rate only fell in Darwin to 3.4% while it was steady in Hobart at 0.6%.

City	April 2016 Vacancies	Vacancy Rate	March 2017 Vacancies	Vacancy Rate	April 2017 Vacancies	Vacancy Rate
Adelaide	3347	2.0%	3108	1.8%	3229	1.9%
Perth	9275	4.5%	9860	4.7%	10316	4.9%
Melbourne	9778	2.0%	7397	1.5%	8112	1.6%
Brisbane	9110	2.8%	11028	3.2%	11539	3.3%
Canberra	784	1.4%	471	0.8%	601	1.0%
Sydney	10394	1.7%	10931	1.7%	11385	1.8%
Darwin	975	3.4%	1058	3.5%	1006	3.4%
Hobart	240	0.9%	174	0.6%	166	0.6%
National	75749	2.4%	73554	2.3%	76959	2.4%

Managing Director of SQM Research, Louis Christopher, said the numbers reflected still tight rental markets in the nation's biggest cities as well as the nation's capital.

"While the rise in vacancy rates may give tenants a slight reprieve, the trend is still up for asking rents in Sydney and Melbourne, to the point where they are unaffordable for many people. We are nowhere near to seeing any signs of an oversupply of units in either inner-city unit market," said Christopher.

Asking rents

Despite a higher vacancy rate, asking rents edged higher in Melbourne over the month to May 12, up by 0.3% for units and 0.2% for houses, giving annual price rises of 4.7% and 6.4%, respectively. In Canberra too, growth in asking rents is high, at an annual pace of 9.3% for houses and 6.0% for units.

Annually, asking rents for houses has moderated in Sydney to 2.9% for houses and 3.2% for units, with asking rents for houses down by 0.6% over the month. But the asking rent for a three-bedroom house in Sydney now sits at a lofty \$743 while for units it sits at \$521, an unaffordable level for many of the city's inhabitants on lower incomes.



In contrast, Darwin asking rents continued to fall, down 3.4% for houses over the month, while unit rents were down 1.1%. Perth has again posted the largest yearly declines, with unit asking rents down 9.4% and house rents down 7.5%.

SQM Research Weekly Rents Index					
Week ending 12 May 2017		Rent	Chg on prev wk	Rolling month % chg	12 mth % chg
Canberra	All Houses	574.8	-1.8 ▼	0.4% ▲	9.3% ▲
	All Units	424.4	-1.4 ▼	-0.3% ▼	6.0% ▲
Sydney	All Houses	742.8	0.2 ▲	-0.6% ▼	2.9% ▲
	All Units	521.0	-1.0 ▼	0.3% ▲	3.2% ▲
Darwin	All Houses	527.1	-7.1 ▼	-3.4% ▼	-6.9% ▼
	All Units	410.1	-0.1 ▼	-1.1% ▼	-5.5% ▼
Brisbane	All Houses	447.2	0.8 ▲	0.1% ▲	-0.4% ▼
	All Units	367.6	-1.6 ▼	-0.5% ▼	-1.2% ▼
Adelaide	All Houses	371.8	0.2 ▲	0.6% ▲	0.4% ▲
	All Units	290.1	-0.1 ▼	-0.6% ▼	1.8% ▲
Hobart	All Houses	360.6	0.4 ▲	0.6% ▲	3.0% ▲
	All Units	321.4	-5.4 ▼	6.5% ▲	10.5% ▲
Melbourne	All Houses	513.8	-0.8 ▼	0.2% ▲	6.4% ▲
	All Units	395.5	0.5 ▲	0.3% ▲	4.7% ▲
Perth	All Houses	428.1	-0.1 ▼	-0.9% ▼	-7.5% ▼
	All Units	336.5	-0.5 ▼	-0.3% ▼	-9.4% ▼
National	All Houses	429.0	0.0	-1.2% ▼	2.1% ▲
	All Units	346.0	1.0 ▲	0.6% ▲	2.1% ▲
Cap City Average	All Houses	555.0	1.0 ▲	-0.2% ▼	1.8% ▲
	All Units	439.0	-1.0 ▼	0.0%	2.1% ▲

Source: www.sqmresearch.com.au

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.



Key Points

- Nationally, vacancies rose during April, recording a rate of 2.4%, up from 2.3% in March.
- Perth recorded the highest vacancy rate of the capital cities at 4.9%, up from 4.7% in March.
- Hobart recorded the lowest vacancy rate of 0.6%, steady from the previous month.
- Canberra's vacancy rate has edged off a five-year low of 0.8% to 1.0% in April.

www.sgmresearch.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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