

Vacancy Rates Seasonally Increase Over December

16 January 2023

SQM Research today has revealed national vacancy rates increased to 1.3% in December from 1% recorded in November.

The total number of rental vacancies Australia-wide now stands at 39,568 residential properties, which is an increase from 31,924 in November. [Sydney](#), [Melbourne](#), [Brisbane](#), [Canberra](#) and [Darwin](#) vacancy rates rose from 1.4%, 1.5%, 0.8%, 1.4% and 1.2% to 1.8%, 1.7%, 1.1%, 1.9% and 1.5%. In the smaller capital cities, [Perth](#), [Adelaide](#) and [Hobart](#), vacancy rates sat below 1.0% over December.

Vacancy rates in the [Sydney CBD](#), [Melbourne CBD](#) and [Brisbane CBD](#) increased to 3.6%, 3.3% and 1.8% over December.

SQM research attributes the increase to seasonal factors such as international and final year university students finishing their tenancies. SQM research still has a warning in place for extreme tight conditions in the rental market over the months of January, February, and March 2023 for most capital cities.

Vacancy Rates - December 2022						
City	Dec 2021 Vacancies	Dec 2021 Vacancy Rate	Nov 2022 Vacancies	Nov 2022 Vacancy Rate	Dec 2022 Vacancies	Dec 2022 Vacancy Rate
Sydney	20,294	2.9%	10,048	1.4%	12,553	1.8%
Melbourne	20,368	3.9%	7,721	1.5%	8,805	1.7%
Brisbane	4,839	1.4%	2,745	0.8%	3,603	1.1%
Perth	1,383	0.7%	752	0.4%	989	0.5%
Adelaide	1,002	0.6%	766	0.5%	924	0.6%
Canberra	689	1.1%	819	1.4%	1,129	1.9%
Darwin	401	1.5%	305	1.2%	396	1.5%
Hobart	99	0.4%	158	0.6%	169	0.6%
National	57,558	1.9%	31,924	1.0%	39,568	1.3%

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.

Rents

Over the past 30 days to 12 January 2023, [capital city asking rents](#) rose by another 2.2% with the 12-month rise standing at 24.6%. While national rents across all regions, rose by 18% for the same 12-month period.

The national median weekly asking rent for a dwelling is recorded at \$556.72 a week. Sydney recorded the highest weekly rent for a house at \$899.98 a week. While Adelaide units offer the best rental affordability of all capital cities at \$395.93 a week.

Louis Christopher, Managing Director of SQM Research said:

“The rise in residential property vacancies was to be expected given the annual exodus of students at the end of the year. This should quickly turn over in January and February in particular – normally a time when rental demand surges and there is short supply.

At this stage asking rents are still surging ahead. We are just not seeing any relief on rents present. However, I remain hopeful later in 2023 we will see some type of stabilisation in the rental market once we see higher completion rates and a slowdown in housing formation.”

On the flip side, the surge in rents is pushing up rental yields, especially with falling prices. I believe ‘would-be’ investors will be attracted to higher rental yields in later 2023, once we see a pause in cash rates.”

SQM Research Weekly Rents Index					
Week ending		Rent (\$)	Chg on prev wk(\$)	Rolling month % chg	12 mth % chg
12 Jan 2023					
Sydney	Combined	725.39	2.48 ▲	2.2% ▲	30.1% ▲
Melbourne	Combined	533.51	1.75 ▲	1.7% ▲	24.7% ▲
Brisbane	Combined	584.34	-0.90 ▼	1.7% ▲	23.8% ▲
Perth	Combined	579.17	-4.72 ▼	1.8% ▲	19.0% ▲
Adelaide	Combined	512.63	-1.21 ▼	2.5% ▲	20.2% ▲
Canberra	Combined	667.22	-0.17 ▼	2.6% ▲	7.1% ▲
Darwin	Combined	560.26	2.43 ▲	2.2% ▲	5.3% ▲
Hobart	Combined	533.54	1.02 ▲	4.6% ▲	10.3% ▲
National	Combined	556.72	-5.46 ▼	1.3% ▲	18.0% ▲
Cap City Average	Combined	617.59	-0.48 ▼	2.2% ▲	24.6% ▲

Next update: 20 Jan 2023

[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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