

National Rental Vacancy Rate Marginally Increases in October

Melbourne Asking Rents continue to decline

17 November 2020

SQM Research today has revealed the [national](#) residential rental vacancy rate marginally increased to **2.1%** over the month of **October 2020**. The total number of vacancies Australia-wide is now **74,221** vacant residential properties. This time last year, the national vacancy rate was also at **2.1%**.

In most capital cities the vacancy rate remained stable over the month except for Sydney which saw a minor increase from 3.5% in September to **3.6%** in October. Melbourne recorded a larger increase from 3.8% in September to **4.4%** in October. Melbourne continues to have the highest vacancy rate in the nation with an additional 3,863 vacant properties in October. The surplus of rental property is most acute in the [Melbourne CBD](#) where vacancy rates stand at **10.6%**.

Hobart's vacancy rate is the lowest in the nation at **0.6%**.

City	Oct-2019 Vacancies	Oct-2019 Vacancy Rate	Sep-2020 Vacancies	Sep-2020 Vacancy Rate	October 2020 Vacancies	October 2020 Vacancy Rate
Sydney	22,387	3.1%	26,012	3.5%	26,455	3.6%
Melbourne	11,882	2.0%	23,207	3.8%	27,070	4.4%
Brisbane	7,950	2.3%	7,057	2.0%	6,912	2.0%
Perth	4,970	2.4%	1,978	0.9%	1,936	0.9%
Adelaide	1,548	0.8%	1,572	0.8%	1,501	0.8%
Canberra	647	1.0%	604	0.9%	608	0.9%
Darwin	968	3.1%	217	0.7%	217	0.7%
Hobart	151	0.5%	182	0.6%	204	0.6%
National	69,951	2.1%	70,389	2.0%	74,221	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 for more information on how SQM's vacancies are compiled.

Asking Rents

Over the month, Capital City average asking rents increased **2.1%** for houses but decreased **0.5%** for units for the week ending **12 November 2020** to record asking rents of \$538 per week for houses and \$409 per week for units.

Most capital cities recorded increases in house asking rents, with [Sydney](#) recording the highest increase of **3.4%** over the month, but a decline of **0.6%** in unit asking rents.

In [Hobart](#) it was reversed, the city recorded a decline in house rents of **4.7%** but an increase in unit rents of **1.5%**.

[Darwin](#) was the only capital city to record rental increases in both houses and units, with the highest increase in the nation of **4.2%** for house rents and **2.7%** for unit rents.

[Melbourne](#) however recorded declines in both house and unit asking rents over the month of **0.4%** and **0.5%** respectively.

[Adelaide](#) recorded a **0.5%** increase in house rents but a **2.0%** decline in unit rents. [Canberra](#) recorded a **1.6%** increase in house rents but unit rents remained stable. [Perth](#) unit rents also

remained stable and house rents increased **1.2%** over the month. [Brisbane](#) house and unit rents remained stable.

Year on year, Capital City Average asking rents declined for both houses and units, **2.0%** and **6.0%** respectively. Sydney in particular recording a high **7.2%** decline in houses and **0.6%** decline in units in October 2019.

SQM Research Weekly Rents Index					
Week-ending: 12 Nov 2020					
		Rent	Chg on prev week	Rolling month % chg	12 month % chg
Sydney	All Houses	632.8	7.2 ▲	3.4% ▲	-7.2% ▼
	All Units	449.4	-0.4 ▼	-0.6% ▼	-9.6% ▼
Melbourne	All Houses	513.2	-1.2 ▼	-0.4% ▼	-3.1% ▼
	All Units	388.1	-1.1 ▼	-0.5% ▼	-5.0% ▼
Brisbane	All Houses	467.5	-0.5 ▼	0.0% ▲	0.9% ▲
	All Units	377.3	-0.3 ▼	0.0% ▲	0.2% ▲
Perth	All Houses	478.9	4.1 ▲	1.2% ▲	9.2% ▲
	All Units	362.3	-1.3 ▼	0.0% ▼	8.6% ▲
Adelaide	All Houses	418.9	-0.9 ▼	0.5% ▲	5.3% ▲
	All Units	308.9	-1.9 ▼	-2.0% ▼	-1.0% ▼
Canberra	All Houses	633.9	5.1 ▲	1.6% ▲	-1.4% ▼
	All Units	479.7	-1.7 ▼	0.0% ▼	1.7% ▲
Darwin	All Houses	548.6	7.4 ▲	4.2% ▲	9.2% ▲
	All Units	379.1	3.9 ▲	2.7% ▲	0.5% ▲
Hobart	All Houses	433.2	-6.2 ▼	-4.7% ▼	-0.6% ▼
	All Units	388.4	6.6 ▲	1.5% ▲	-7.4% ▼
National	All Houses	470.0	0.0	1.5% ▲	5.1% ▲
	All Units	371.0	2.0 ▲	0.5% ▲	0.8% ▲
Cap City Average	All Houses	538.0	1.0 ▲	2.1% ▲	-2.0% ▼
	All Units	409.0	-2.0 ▼	-0.5% ▼	-6.0% ▼

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Commentary

Louis Christopher, Managing Director of SQM Research said, "Rental vacancy rates continue to remain elevated in our larger capital cities. While regional locations are still recording near zero rental vacancies. I believe the ongoing phenomenon, which started on the outset of Covid-19 lockdowns will in part reverse out once Coronavirus is behind us. But we are not there yet and there is also a large possibility that there will only be a part reversal as I believe many have used Coronavirus as a catalyst for a longer-term lifestyle change."

Meanwhile rents continue to plummet on our inner-city locations. For those who will be coming back to inner city living, there are some bargains to be had."

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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