



Vacancy Rates Jump in November

Tuesday 18th December 2018

For Immediate Release

Data released by SQM Research today has revealed the national residential vacancy rate rose to **2.3%** in November 2018, up from 2.0% in October, with vacancies jumping in Sydney and edging higher in all capital cities ahead of the summer break.

The number of vacancies Australia-wide sat at **74,590** properties. Sydney's vacancy rate jumped to **3.2%** in November from 2.8% in October with 22,215 properties available for rent. Melbourne's vacancy rate rose to **1.9%** from 1.6% with 10,808 rental properties available while in Brisbane, the vacancy rate increased to **3.0%** from 2.7% with 9,783 properties available for rent.

City	November 2017 Vacancies	Nov 2017 Vacancy Rate	October 2018 Vacancies	Oct 2018 Vacancy Rate	November 2018 Vacancies	Nov 2018 Vacancy Rate
Adelaide	2,501	1.4%	2,057	1.1%	2,318	1.2%
Perth	9,003	4.5%	6,700	3.3%	6,971	3.4%
Melbourne	9,872	1.8%	9,320	1.6%	10,808	1.9%
Brisbane	11,040	3.4%	9,024	2.7%	9,783	3.0%
Canberra	607	1.0%	387	0.6%	568	0.9%
Sydney	14,362	2.1%	19,454	2.8%	22,215	3.2%
Darwin	848	2.8%	1,170	3.8%	1,235	4.0%
Hobart	81	0.3%	78	0.3%	107	0.4%
National	70,795	2.2%	67,350	2.0%	74,590	2.3%

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 below for more information on how SQM's vacancies are compiled.

Canberra's rental market felt some relief with the vacancy rate rising to **0.9%**, up from 0.6%. Hobart's rate rose slightly to **0.4%** from 0.3%, though the rental market remains very tight. Perth's vacancy rate edged higher to **3.4%** from 3.3% in October, but is well down from 4.5% a year ago. Darwin's vacancy rate rose to **4.0%** from 3.8% in October, well up from 2.8% a year ago. Adelaide's rose slightly to **1.2%** from 1.1%.

Louis Christopher, Managing Director of SQM Research, said: "The rise in vacancy rates across cities is expected in November as the year winds up and demand for rental accommodation drops. But we are also seeing an emerging oversupply of rental accommodation in Sydney, with the vacancy rate well up from 2.1% a year ago. It is a renter's market there, with bargaining power moving to tenants as some landlords struggle to fill their rental properties.

"In Hobart, a shortage of rental accommodation remains with just 107 properties available to rent in November and the Canberra market also remains very tight," he said.



Asking Rents

Despite the rise in vacancies, capital city asking rents for houses rose **0.4%** over the month to 12 December 2018 to \$555 a week. Unit asking rents, however, fell **0.5%** to \$436 a week. Over the year, asking rents for houses rose just 0.9% while unit asking rents slipped 0.2%.

Despite the upward pressure on the vacancy rate, the asking rent for a three-bedroom house in Sydney remains the highest nationwide at \$708 a week and \$507 a week for two-bedroom units. Asking unit rents were down 1.1% in Sydney over the month while asking house rents fell 0.5%. Asking rents in Melbourne for houses rose 1.5% over the month to \$535 a week while asking rents for units rose 0.2% to \$407 despite the rise in the vacancy rate.

SQM Research Weekly Rents Index					
Week ending 12 Dec 2018		Rent	Chg on prev wk	Rolling month % chg	12 mth % chg
Canberra	All Houses	625.5	-10.5 ▼	-2.0% ▼	3.2% ▲
	All Units	461.0	0.0 ▲	2.5% ▲	6.3% ▲
Sydney	All Houses	708.3	-1.3 ▼	-0.5% ▼	-2.7% ▼
	All Units	506.6	-1.6 ▼	-1.1% ▼	-2.4% ▼
Darwin	All Houses	504.3	6.7 ▲	2.7% ▲	-5.8% ▼
	All Units	388.8	-1.8 ▼	-0.7% ▼	-5.3% ▼
Brisbane	All Houses	455.4	0.6 ▲	0.5% ▲	2.6% ▲
	All Units	374.7	1.3 ▲	0.8% ▲	2.4% ▲
Adelaide	All Houses	391.7	0.3 ▲	1.0% ▲	3.3% ▲
	All Units	300.5	1.5 ▲	0.4% ▲	3.4% ▲
Hobart	All Houses	426.2	-3.2 ▼	1.3% ▲	11.6% ▲
	All Units	350.7	-4.7 ▼	-6.2% ▼	8.9% ▲
Melbourne	All Houses	534.5	-0.5 ▼	1.5% ▲	3.8% ▲
	All Units	406.6	1.4 ▲	0.2% ▲	2.7% ▲
Perth	All Houses	434.9	2.1 ▲	1.2% ▲	3.5% ▲
	All Units	322.7	1.3 ▲	0.7% ▲	0.3% ▲
National	All Houses	443.0	-2.0 ▼	0.2% ▲	1.6% ▲
	All Units	366.0	-1.0 ▼	0.5% ▲	3.7% ▲
Cap City Average	All Houses	555.0	-1.0 ▼	0.4% ▲	0.9% ▲
	All Units	436.0	0.0	-0.5% ▼	-0.2% ▼

Source: www.sqmresearch.com.au

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Key Points

- Nationally, the vacancy rate fell to **2.3%** in November from October.
- Sydney's vacancy rate rose to **3.2%**.
- Hobart recorded the lowest vacancy rate of **0.4%**.
- Melbourne's vacancy rate rose to **1.9%** in November.
- Capital city asking rents for houses rose **0.4%** over the month to 12 December 2018 to \$555 a week
- Capital city asking rents for units fell by **0.5%** to \$436 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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