



National Vacancy Rates Decline Marginally in May

Tuesday 18th June 2019

For Immediate Release

Data released by SQM Research today has revealed the national residential rental vacancy rate declined marginally in **May 2019 to 2.2%**, a decrease from 2.3% in April. The total number of vacancies Australia-wide is now at 75,093 properties for rent, a decrease of 2,571 over the month but up 5,941 dwellings over the past 12 months.

Most states recorded minor declines ranging from 0.1% to 0.3%. Darwin and Sydney have the highest vacancy rates in the country, both at **3.3%**. A 3.0% vacancy rate is what would normally be considered a balanced market. Darwin declined by 0.3% and Sydney's decline was **0.1%**. Perth's vacancy rate is not far behind at **3.1%**, having dropped 0.1%.

Hobart's vacancy rate decreased from 0.6% to **0.5%** in May and continues to record the lowest vacancy rate in the country.

| City | May 2018 Vacancies | May 2018 Vacancy Rate | April 2019 Vacancies | April 2019 Vacancy Rate | May 2019 Vacancies | May 2019 Vacancy Rate |
|-----------------|--------------------|-----------------------|----------------------|-------------------------|--------------------|-----------------------|
| Sydney | 17,164 | 2.5% | 23,837 | 3.4% | 23,796 | 3.3% |
| Melbourne | 7,676 | 1.4% | 10,565 | 1.8% | 10,349 | 1.8% |
| Brisbane | 9,331 | 2.9% | 8,792 | 2.6% | 8,133 | 2.4% |
| Perth | 8,235 | 4.1% | 6,568 | 3.2% | 6,457 | 3.1% |
| Adelaide | 2,468 | 1.3% | 2,249 | 1.2% | 2,126 | 1.1% |
| Canberra | 498 | 0.8% | 811 | 1.2% | 785 | 1.2% |
| Darwin | 1,051 | 3.5% | 1,117 | 3.6% | 1,038 | 3.3% |
| Hobart | 211 | 0.7% | 185 | 0.6% | 143 | 0.5% |
| National | 69,152 | 2.1% | 77,664 | 2.3% | 75,093 | 2.2% |

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.

Managing Director of SQM Research, Louis Christopher said, "The month of May recorded a marginal change in rental vacancies, overall. However the standouts for me were the falls in vacancy rates for Brisbane and Perth. I think the rental market is decidedly turning in favour for landlords in these two cities. Both cities also recorded fairly strong increases in asking rents for the month. Indeed, Perth is now recording a 6% rise in asking rents for houses over the past 12 months. With no expected material increase in new dwellings, I believe the rental market will continue to tighten from here for the two cities."

Asking Rents

Capital city asking rents decreased by **0.2%** for both units and for houses for the week ending 12 June 2019 to record asking rents of \$553 per week for houses and \$441 per week for units. In comparison, over the 12 months, asking rents for houses increased **0.4%** but declined **0.7%** for units.



Sydney’s asking rent for units and houses have both continued to marginally decline by **0.1%** for houses and **0.5%** for units to 12 June. Over 12 months, the decline has been **3.6%** for house rents and **3.8%** for units.

Adelaide, Darwin and Hobart were the only states to experience increases in weekly rents for both houses and units. Adelaide’s house rents increased **1.0%** and units by **1.8%**, Darwin’s house rents increased by **3.0%** (the highest among all states) and units increased by **0.1%**. Hobart’s house rents increased **1.9%** and units increased by **3.7%** (the highest among all states).

| SQM Research Weekly Rents Index | | | | | |
|---------------------------------|------------|-------|---------------------|------------------------|-------------------|
| Week ending: 12 Jun 2019 | | Rent | Change on prev week | Rolling month % change | 12 month % change |
| <u>Sydney</u> | All Houses | 689.2 | -2.2 ▼ | -0.1% ▼ | -3.6% ▼ |
| | All Units | 502.8 | -0.8 ▼ | -0.5% ▼ | -3.8% ▼ |
| <u>Melbourne</u> | All Houses | 540.0 | -0.0 ▼ | -0.4% ▼ | 2.0% ▲ |
| | All Units | 424.0 | 0.0 ▲ | 0.4% ▲ | 3.0% ▲ |
| <u>Brisbane</u> | All Houses | 459.7 | 0.3 ▲ | 0.3% ▲ | 2.2% ▲ |
| | All Units | 372.1 | 0.9 ▲ | -0.3% ▼ | 0.8% ▲ |
| <u>Perth</u> | All Houses | 448.9 | -1.9 ▼ | 0.4% ▲ | 6.5% ▲ |
| | All Units | 336.2 | -0.2 ▼ | -0.3% ▼ | 3.6% ▲ |
| <u>Adelaide</u> | All Houses | 395.5 | 1.5 ▲ | 1.0% ▲ | 4.2% ▲ |
| | All Units | 308.5 | 2.5 ▲ | 1.8% ▲ | 2.7% ▲ |
| <u>Canberra</u> | All Houses | 618.2 | -0.2 ▼ | -1.0% ▼ | -2.1% ▼ |
| | All Units | 462.6 | 3.4 ▲ | 1.5% ▲ | 2.6% ▲ |
| <u>Darwin</u> | All Houses | 512.7 | 8.3 ▲ | 3.0% ▲ | -4.8% ▼ |
| | All Units | 370.9 | -0.9 ▼ | 0.1% ▲ | -7.9% ▼ |
| <u>Hobart</u> | All Houses | 435.1 | 5.9 ▲ | 1.9% ▲ | 8.8% ▲ |
| | All Units | 388.6 | 7.4 ▲ | 3.7% ▲ | 10.9% ▲ |
| <u>National</u> | All Houses | 441.0 | 1.0 ▲ | -0.5% ▼ | 1.6% ▲ |
| | All Units | 370.0 | -3.0 ▼ | 1.9% ▲ | 3.1% ▲ |
| <u>Cap City Average</u> | All Houses | 553.0 | -2.0 ▼ | -0.2% ▼ | 0.4% ▲ |
| | All Units | 441.0 | 0.0 | -0.2% ▼ | -0.7% ▼ |

Source: www.sqmresearch.com.au

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Key Points

- National residential vacancy rates decreased to **2.2%** in **May 2019**, from 2.3% in April.
- Darwin and Sydney have recorded the highest of all capital cities, both at **3.3%**.
- Perth is not far behind with a vacancy rate of **3.1%**, a decrease from 3.3% in April.
- Capital city asking rents decreased by **0.2%** for both units and for houses for the week ending 12 June to record asking rents of \$553 per week for houses and \$441 per week for units.

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 please contact **02 9220 4603**.

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