



Vacancy Rates Drop in January

Tuesday 20th February 2018

For Immediate Release

Data released by SQM Research this week has revealed the national residential vacancy rate fell to 2.3% in January 2018, with the number of vacancies Australia-wide falling to 74,113, down from 2.5% in December 2017, as renters secured homes for the start of the new year.

In the big cities, Melbourne's vacancy rate dropped to 1.8% from 2.1% while Sydney's dropped to 2.3% from 2.6%. But that vacancy rate is still up from 1.9% a year earlier, reflecting slightly easier rental conditions in Sydney. The vacancy rate dropped in Canberra to 0.9% down from 1.3% in December.

Hobart's vacancy rate hovered just above a record low at 0.4%, reflecting a severe shortage of rental properties in that city.

City	January 2017 Vacancies	Vacancy Rate	December 2017 Vacancies	Vacancy Rate	January 2018 Vacancies	Vacancy Rate
Adelaide	3,375	1.9%	2,772	1.5%	2,793	1.5%
Perth	9,953	5.1%	9,264	4.6%	8,909	4.4%
Melbourne	10,170	1.9%	11,478	2.1%	9,744	1.8%
Brisbane	11,314	3.6%	12,240	3.8%	11,505	3.6%
Canberra	621	1.0%	807	1.3%	569	0.9%
Sydney	12,228	1.9%	17,404	2.6%	15,775	2.3%
Darwin	1,086	3.7%	1,035	3.5%	941	3.1%
Hobart	186	0.6%	96	0.3%	126	0.4%
National	78,364	2.5%	80,092	2.5%	74,113	2.3%

Elsewhere, the vacancy dropped in Perth to 4.4% from 4.6% in December, but it is still the highest of any capital city. Darwin's vacancy rate fell to 3.1% from 3.5% over the month as the surplus of rental properties eases in that city.

Managing Director of SQM Research, Louis Christopher, said the vacancy numbers highlighted tighter rental markets in most capital cities, which was to be expected in the first month of the year as renters found new rental homes.

"We've seen falls across all cities, as students prepare for their first semester of study and lease new homes, and workers also secure new rentals, especially in Canberra which has a transient workforce and Sydney too. We are seeing very tight rental conditions in Hobart, which is putting strong upward pressure on rents.

"While Sydney's vacancy rate has dropped, it is still well up on levels this time last year. If the vacancy rate holds at this level in coming months, Sydney will be more of a tenant's market in 2018 and rental growth could continue to ease," Christopher said.



Asking Rents

Capital city asking rents over the month to 20 February 2018 rose 0.2% to \$562 a week for houses. Unit asking rents rose 0.5% to \$443 a week. Over the year, asking house rents rose by 1.3% while asking rents for units increased by 2.8%.

Reflecting a shortage of rental properties, asking rents rose the most in Hobart over the month, by 5.1% and 5.3% for houses and units, respectively.

The asking rent for a three-bedroom house in Sydney remains the highest in the nation at \$745 a week while for units it stands at \$525. Canberra follows at \$616 a week for houses and \$436 for units. Asking rents for houses rose in Melbourne by 0.4% over the month to \$528 while unit asking rents rose 1.2% over the month to \$402 a week.

SQM Research Weekly Rents Index					
Week ending: 20-Feb-2018		Rent	Chg on prev wk	Rolling month % chg	12 mth % chg
Canberra	All Houses	615.6	-0.6 ▼	1.8% ▲	7.2% ▲
	All Units	436	-0.0 ▼	-0.5% ▼	4.8% ▲
Sydney	All Houses	744.8	1.2 ▲	1.2% ▲	0.2% ▲
	All Units	525.3	-0.3 ▼	0.5% ▲	3.1% ▲
Darwin	All Houses	554.2	-2.2 ▼	0.9% ▲	-2.3% ▼
	All Units	413.5	2.5 ▲	-1.2% ▼	-3.0% ▼
Brisbane	All Houses	449	-1.0 ▼	-0.1% ▼	-0.4% ▼
	All Units	368.6	-0.6 ▼	0.2% ▲	-0.7% ▼
Adelaide	All Houses	382.1	-0.1 ▼	0.6% ▲	3.1% ▲
	All Units	296.1	-0.1 ▼	0.0% ▲	2.2% ▲
Hobart	All Houses	405.2	3.8 ▲	5.1% ▲	15.0% ▲
	All Units	358.7	8.3 ▲	5.3% ▲	17.2% ▲
Melbourne	All Houses	528	-0.0 ▼	0.4% ▲	4.7% ▲
	All Units	402.1	1.9 ▲	1.2% ▲	4.8% ▲
Perth	All Houses	426	-1.0 ▼	0.2% ▲	-2.2% ▼
	All Units	325.4	1.6 ▲	0.8% ▲	-3.5% ▼
National	All Houses	447	0	0.00%	3.0% ▲
	All Units	357	6.0 ▲	0.8% ▲	3.8% ▲
Cap City Average	All Houses	562	0	0.2% ▲	1.3% ▲
	All Units	443	1.0 ▲	0.5% ▲	2.8% ▲

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 fell to 2.3% in January, down from 2.5% in December.
- Hobart recorded the lowest vacancy rate of 0.4%, up slightly from a record low of 0.3% in December.
- Perth recorded the highest vacancy rate of the capital cities at 4.4% in January, but down from 5.1% a year ago as the surplus of rental properties eases.
- Adelaide's vacancy rate was steady over the month at 1.5%, but down from 1.9% a year earlier.

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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