



October Vacancies Experience a Seasonal Dip

SQM Research Vacancy Rates Media Release

October 2014

Tuesday 18th November 2014

For Immediate Release

Figures released by SQM Research this week have revealed that the number of residential vacancies nationally dipped slightly during October, recording a vacancy rate of 2.1% nationally, and 62,947 vacancies. This is the second consecutive monthly decrease in rental listings off the back of a period of reasonable stability; however SQM Research's historical data has revealed that this is a pattern which has been repeated over the last several years, and thus is more than likely a seasonal decrease.

City	Oct '13 Vacancies	Oct '13 Vacancy Rate	Sep '14 Vacancies	Sep '14 Vacancy Rate	Oct '14 Vacancies	Oct '14 Vacancy Rate
Adelaide	2,285	1.4%	2,476	1.5%	2,392	1.5%
Perth	2,766	1.5%	4,818	2.5%	4,567	2.4%
Melbourne	12,017	2.7%	11,589	2.5%	11,692	2.5%
Brisbane	6,121	2.1%	6,766	2.2%	6,758	2.2%
Canberra	1,087	2.1%	1,129	2.1%	968	1.8%
Sydney	8,456	1.5%	9,748	1.7%	9,109	1.6%
Darwin	235	0.9%	483	1.8%	571	2.1%
Hobart	426	1.6%	387	1.4%	352	1.3%
National	57,471	2.0%	64,458	2.2%	62,947	2.1%

Year on year, vacancy rates on a national level have remained stable also, with only a 0.1 percentage point increase recorded when compared to October 2013.

Drastic yearly changes are occurring on a capital city basis however, with both Perth and Darwin revealing massive surges in vacancies since this time last year. This has been the trend in recent months and is largely attributed in the downturn in the mining boom, to which both these cities are highly sensitive.

The remainder of the capital cities have either steadied or recorded minor decreases, although Canberra has proven to be the exception both on a monthly and yearly level, revealing a 0.3 percent point drop since October 2013, and of particular interest since September 2014 also (month-on-month).



Coinciding with this, it is these three capital cities (Darwin, Perth and Canberra) that have experienced yearly falls in asking rental prices when compared to this week last year, as seen in the chart below .

SQM Research Weekly Rents Index					
Week ending 12 Nov 2014		Rent	Chg on prev wk	Rolling month % chg	12 mth % chg
Canberra	All Houses	474.9	0.1 ▲	0.8% ▲	-9.2% ▼
	All Units	378.4	3.6 ▲	1.4% ▲	-4.7% ▼
Sydney	All Houses	690.9	6.1 ▲	3.3% ▲	6.4% ▲
	All Units	475.1	-0.1 ▼	-0.2% ▼	1.9% ▲
Darwin	All Houses	704.7	0.3 ▲	-0.6% ▼	-5.6% ▼
	All Units	513.5	-3.5 ▼	-4.3% ▼	-1.4% ▼
Brisbane	All Houses	444.3	1.7 ▲	0.7% ▲	0.5% ▲
	All Units	367.1	-0.1 ▼	-0.3% ▼	0.5% ▲
Adelaide	All Houses	358.9	1.1 ▲	0.2% ▲	1.6% ▲
	All Units	281.1	0.9 ▲	1.2% ▲	0.6% ▲
Hobart	All Houses	316.0	-4.0 ▼	1.2% ▲	1.4% ▲
	All Units	254.9	3.1 ▲	2.0% ▲	1.3% ▲
Melbourne	All Houses	459.0	3.0 ▲	0.5% ▲	1.6% ▲
	All Units	353.8	-0.8 ▼	-0.5% ▼	5.8% ▲
Perth	All Houses	513.3	-2.3 ▼	-1.1% ▼	-9.6% ▼
	All Units	414.1	-2.1 ▼	-0.4% ▼	-8.5% ▼
National	All Houses	415.0	-1.0 ▼	0.7% ▲	0.2% ▲
	All Units	339.0	0.0	0.9% ▲	-0.3% ▼
Cap City Average	All Houses	534.0	3.0 ▲	1.9% ▲	1.5% ▲
	All Units	413.0	-1.0 ▼	-0.2% ▼	1.2% ▲

Source: www.sqmresearch.com.au

Louis Christopher, Managing Director of SQM Research says “The rental market was steady over the month with the trends observed over the course of the year, continuing on in October. We continue to see ongoing rental weakness in Perth and Darwin. Canberra is now providing signals that perhaps the worst of the rental downturn is over with a slight fall in vacancies year on year and a rise in asking rents for the month. Sydney appears to be the strongest rental market right now with asking rents (for houses) up by 6.4% for the past 12 months, though I am expecting rental growth to slow in 2015 due to the increased completion of new stock on the market for that city.”



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-

http://www.sqmresearch.com.au/graph_vacancy.php?region=nsw::Sydney&type=c&t=1#terms

Key Points

- Nationally, vacancies fell during October, recording a vacancy rate of 2.1% and coming to a total of 62, 947 nationally.
- Melbourne recorded the highest vacancy rate of the capital cities, revealing a vacancy rate of 2.5% and a total of 11,692 vacancies.
- Hobart has recorded the tightest vacancy rate of the capital cities, revealing a vacancy rate of 1.3% and a total of 352 vacancies.
- Darwin has recorded the highest yearly increases in vacancies, climbing by 1.2 percentage points to 2.1% since the corresponding period of the previous year (October 2013) and coming to a total and 571 vacancies.
- Both Canberra and Hobart recorded the largest yearly decrease in vacancies, falling by 0.3 of a percentage point to 1.8% and 1.3% respectively since the corresponding period of the previous year (September 2013).
- No capital cities' vacancy rates increased on a monthly basis except for Darwin which rose by 0.3 of a percentage point to 2.1%.
- Canberra has recorded the largest monthly decline in vacancy rates, dropping by 0.3 of a percentage point to 1.8% during October 2014.

www.sqmresearch.com.au

About SQM Research

SQM Research is an independent property research house which specialises in providing accurate property related research and data to financial institutions, property professional, real estate investors and the media.



It is owned and operated by one of the country's leading property analysts, Louis Christopher.

For six years Louis was Head of Research and then General Manager of Australian Property Monitors before leaving the firm to launch SQM Research.

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