

Capital City Advertised Rents Decline by 0.5%

Vacancy Rates Rise to 1.2%

11 June 2024

SQM Research today has recorded the first material decline in capital city advertised rents with a fall recorded of 0.5% over the past 30 days across the capital cities, driven by falls in Sydney and an unchanged reading out of Melbourne.

This represents the largest monthly percentage decline in rents at the capital city level since April 2020.

Rents in Decline

Over the past 30 days to the 4th of June 2024, [capital city asking rents](#) recorded a decrease of 0.5% in the capital city average and no change at the national level.

Sydney advertised rents drove the capital city decline, falling by 1.1% to \$844 a week. [Darwin](#) recorded the largest monthly decline in rents, falling by 6.3% to \$566 a week. [Melbourne](#) rents were unchanged for the period at \$635 a week. Meanwhile, [Adelaide](#) recorded a fast rental rise with advertised rents rising by 2.1% to \$593 per week.

The [national](#) median weekly asking rent for a dwelling is now \$624 per week. Sydney continues to have the highest weekly rent for a house at \$1,050 per week, while [Hobart](#) offers the most affordable unit rents among the capital cities at \$463 per week.

SQM Research Weekly Rents Index					
Week ending		Rent (\$)	Chg on prev wk(\$)	Rolling month % chg	12 mth % chg
4 Jun 2024					
Sydney	All Houses	1,049.68	-5.68 ▼	-1.2% ▼	8.2% ▲
	All Units	703.92	-1.92 ▼	-1.0% ▼	7.1% ▲
	Combined	844.45	-3.47 ▼	-1.1% ▼	7.7% ▲
Melbourne	All Houses	742.33	-1.33 ▼	-0.3% ▼	10.9% ▲
	All Units	558.73	1.27 ▲	0.2% ▲	7.5% ▲
	Combined	634.50	0.23 ▲	0.0% ▼	9.2% ▲
Brisbane	All Houses	721.29	2.71 ▲	0.5% ▲	6.8% ▲
	All Units	584.54	1.46 ▲	1.0% ▲	10.1% ▲
	Combined	659.74	2.14 ▲	0.7% ▲	8.1% ▲
Perth	All Houses	789.97	5.03 ▲	0.1% ▲	16.1% ▲
	All Units	610.25	-1.25 ▼	0.9% ▲	15.5% ▲
	Combined	714.95	2.44 ▲	0.4% ▲	15.9% ▲
Adelaide	All Houses	645.92	2.08 ▲	1.8% ▲	11.0% ▲
	All Units	490.38	0.62 ▲	2.8% ▲	17.2% ▲
	Combined	592.50	1.62 ▲	2.1% ▲	12.8% ▲
Canberra	All Houses	764.47	-8.47 ▼	0.8% ▲	-2.1% ▼
	All Units	564.23	-0.23 ▼	-0.8% ▼	1.6% ▲
	Combined	655.83	-4.03 ▼	0.0% ▲	-0.5% ▼
Darwin	All Houses	694.39	-8.39 ▼	0.3% ▲	0.6% ▲
	All Units	479.06	-14.06 ▼	-11.9% ▼	-1.3% ▼
	Combined	566.27	-11.71 ▼	-6.3% ▼	-0.4% ▼
Hobart	All Houses	528.04	2.96 ▲	-1.2% ▼	-0.6% ▼
	All Units	462.97	-2.97 ▼	1.2% ▲	-0.7% ▼
	Combined	501.91	0.59 ▲	-0.3% ▼	-0.7% ▼
National	All Houses	692.00	-5.00 ▼	-0.4% ▼	8.8% ▲
	All Units	545.00	4.00 ▲	0.6% ▲	9.7% ▲
	Combined	623.74	-0.80 ▼	0.0% ▼	9.2% ▲
Cap City Average	All Houses	834.00	-1.00 ▼	-0.6% ▼	9.4% ▲
	All Units	626.00	-2.00 ▼	-0.3% ▼	8.3% ▲
	Combined	723.28	-1.53 ▼	-0.5% ▼	8.9% ▲

Vacancy Rates Rise to 1.2%

[Sydney](#) recorded a rental vacancy rate of 1.4% with 10,309 rental dwellings vacant, up from 1.2% recorded in the previous month. [Melbourne](#) also recorded an increase in its vacancy rate of 1.3% from 1.1% in April 2024. Over the past 12-month Sydney experienced a slight decrease of 0.1%, while Melbourne's vacancy rate increased by 0.1% compared to May 2023.

[Canberra](#) again recorded the highest rental vacancy rate out of any State and Territory highest at 1.8% which increased from April 2024 by 0.1%. While [Perth](#) and [Adelaide](#) equally recorded the lowest vacancy rate at just 0.6%. Darwin experienced the largest change, with rental vacancies falling from 1.1% in the previous month to 0.9% in May, indicating the recent falls in Darwin rents could be temporary.

Vacancy rates in the [Sydney CBD](#), [Melbourne CBD](#), [Canberra CBD](#), and [Brisbane CBD](#) all recorded large rises in rental vacancies, indicating that demand for inner city student rental accommodation is currently easing.

The total number of rental vacancies [Australia](#)-wide now stands at 35,641 residential properties which was up from 33,177 vacancies recorded in April.

Vacancy Rates - May 2024						
City	May 2023 Vacancies	May 2023 Vacancy Rate	Apr 2024 Vacancies	Apr 2024 Vacancy Rate	May 2024 Vacancies	May 2024 Vacancy Rate
Sydney	10,797	1.5%	8,927	1.2%	10,309	1.4%
Melbourne	6,238	1.2%	5,977	1.1%	6,746	1.3%
Brisbane	3,275	1.0%	3,491	1.0%	3,620	1.0%
Perth	1,125	0.6%	1,077	0.6%	1,233	0.6%
Adelaide	915	0.6%	980	0.6%	986	0.6%
Canberra	1,215	2.0%	1,029	1.7%	1,098	1.8%
Darwin	233	0.9%	282	1.1%	244	0.9%
Hobart	455	1.6%	389	1.4%	377	1.4%
National	36,907	1.2%	33,177	1.1%	35,641	1.2%

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

Louis Christopher, Managing Director of SQM Research said:

***“As forecasted in our last update, we have recorded an easing in rental vacancy rates for May, but the rental crisis is still far from over at this stage. The immediate outlook is vacancy rates are set to rise somewhat into winter. This is the normal seasonality we get at this time of year so one should be a little careful about reading into these rises. Nevertheless, it might provide some minor relief to tenants who still have excessive difficulties in finding longer term rental accommodation around the country.*”**

The full year outlook remains the same in that we expect overall tight vacancy rates to be with us for 2024, driven by a fall in dwelling completions relative to ongoing growing demand.”



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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