RENTAL CRISIS EASING?

Vacancy Rate Rise to 1.3%
Asking rents only rise 0.4% for past 30 days

11 July 2023

SQM Research today has revealed national residential property rental vacancy rates continue to rise to now stand at 1.3% as at the month of June 2023.

The total number of rental vacancies Australia-wide rose by 2,809 dwellings to stand at 39,716 properties. The rise was driven by a jump in Sydney rental vacancy rates to 1.7% (1.5% May).

Melbourne, Canberra, and Hobart also recorded an increase in rental vacancy rates during the month to stand at 1.3%, 2.1% and 1.9%.

Rental vacancy rates in the Sydney CBD and Melbourne CBD also increased rapidly to 5.7%, 4.3%, respectively

Rental vacancy rates were steady in Brisbane, Perth and Darwin at 1.0%, 0.6% and 0.9%, respectively.

The majority of regional areas recorded stable rental vacancy rates during the period. The North Coast NSW steadied after recent rises to stand at 1.8%, and the Blue Mountains also remained steady at 1.7%. On the other hand, the Gold Coast Main recorded another vacancy increase, rising to 1.6% with a commensurate sharp decline in recorded rents recorded of 5.1% for the 30 days to 4th of July.

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.
Asking Rents

Over the past 30 days to 12 June 2023, the capital city asking rents rose by 0.6% with the 12-month rise standing at 19.4%. Capital City house rents rose by 1.1% and are recording 12-month increases of 17.1%, while unit rents have risen by 0.2% for the past 30 days and are higher by 22.1% for the past 12 months.

The national median weekly asking rent for a dwelling is $571.82 a week. The capital city asking rent for a dwelling is $667.37 a week. The median rent for a capital city house is $767 a week while the rent for a capital city unit is $580 a week.

The most expensive rent is Sydney houses at $972.73 a week. At the same time the most affordable rent is Adelaide units at $416.93 a week.

Hobart has recorded another decline in rents for the month; down 1.3% for combined dwellings. Hobart asking rents are now down by $29 a week since January 2023.
Louis Christopher, Managing Director of SQM Research said:

“Following the SQM update today there is now more evidence that we are past the worst of our national rental crisis with an easing in vacancy rates recorded for our largest capital cities and a material slowdown on market rent increases.

“Now, at 1.3%, the rental crisis is not yet over and given our ongoing strong population growth rates it is very unlikely we will get to an oversupply of rental properties anytime soon. However, just an easing in the crisis can at least translate to a steadying of market rents after what has been an extended period of very rapid market rent growth

About SQM Research
SQM Research Pty Ltd is a respected Australian investment research house, specialising that provides research and data across all major asset classes. For further information contact 02-9220 4603.
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