

# Rents Record Largest Falls Since Covid

**Vacancy Rates Hold Steady at 1.3%**

**Capital City Rents Fall by 0.5%**

**FOR IMMEDIATE RELEASE**

**12 August 2024**

Australian capital city asking rents have recorded the largest monthly rental falls since the outbreak of Covid with a combined dwelling rent decline of 0.5% for the capital cities over the past 30 days to 12<sup>th</sup> of August.

SQM Research Weekly Rents Index					
Week ending		Rent (\$)	Chg on prev wk(\$)	Rolling month % chg	12 mth % chg
12 Aug 2024					
Sydney	All Houses	1,025.69	-4.69 ▼	-1.4% ▼	5.8% ▲
	All Units	693.89	-0.89 ▼	-0.6% ▼	4.4% ▲
	Combined	828.65	-2.43 ▼	-1.0% ▼	5.1% ▲
Melbourne	All Houses	738.86	1.14 ▲	-0.8% ▼	7.2% ▲
	All Units	557.51	0.49 ▲	-0.5% ▼	5.5% ▲
	Combined	632.41	0.76 ▲	-0.6% ▼	6.4% ▲
Brisbane	All Houses	730.87	-0.87 ▼	-0.7% ▼	5.7% ▲
	All Units	573.71	1.29 ▲	-0.3% ▼	5.7% ▲
	Combined	660.13	0.10 ▲	-0.5% ▼	5.7% ▲
Perth	All Houses	779.59	-2.59 ▼	-0.7% ▼	10.7% ▲
	All Units	620.95	-0.95 ▼	-0.4% ▼	15.0% ▲
	Combined	713.46	-1.90 ▼	-0.6% ▼	12.3% ▲
Adelaide	All Houses	656.99	2.01 ▲	0.9% ▲	12.4% ▲
	All Units	498.98	5.02 ▲	1.5% ▲	12.7% ▲
	Combined	602.85	3.04 ▲	1.1% ▲	12.6% ▲
Canberra	All Houses	778.74	1.26 ▲	2.0% ▲	1.4% ▲
	All Units	559.50	-1.50 ▼	0.1% ▲	0.8% ▲
	Combined	659.64	-0.24 ▼	1.1% ▲	1.0% ▲
Darwin	All Houses	680.66	9.34 ▲	-0.9% ▼	-5.1% ▼
	All Units	541.09	9.91 ▲	13.6% ▲	14.2% ▲
	Combined	597.69	9.68 ▲	6.4% ▲	4.4% ▲
Hobart	All Houses	531.88	-2.88 ▼	-0.8% ▼	1.3% ▲
	All Units	456.33	-6.33 ▼	-3.0% ▼	1.4% ▲
	Combined	501.56	-4.26 ▼	-1.6% ▼	1.3% ▲
National	All Houses	692.00	-3.00 ▼	-0.4% ▼	7.8% ▲
	All Units	544.00	0.00	0.0%	7.5% ▲
	Combined	623.28	-1.61 ▼	-0.3% ▼	7.7% ▲
Cap City Average	All Houses	825.00	-2.00 ▼	-0.8% ▼	6.3% ▲
	All Units	623.00	2.00 ▲	-0.2% ▼	6.0% ▲
	Combined	717.47	0.13 ▲	-0.5% ▼	6.2% ▲

[Sydney](#) recorded a decrease in combined rents, dropping by 1.0% to \$829 per week. [Melbourne](#) also recorded declines of 0.6% with combined rents falling to \$632 per week.

In what will be a surprise to many, [Brisbane](#) and [Perth](#) also recorded falls in rents with Brisbane falling by 0.5% and Perth falling by 0.6%. All up, five capital cities recorded falls in market rents with Hobart falling the most by 1.6%.

In contrast, cities like [Adelaide](#) and [Darwin](#) saw increases, with Adelaide's house rents rising by 1.1 and 6.4% respectively.

The falls in rents were more notable in coastal regions and well as some CBD locations. Queensland's [Gold Coast](#) recorded a 1% decline for the month and Victoria's [Mornington Peninsula](#) recorded a fall of 1.4% decline. While Sydney's [CBD](#) recorded a 1.6% decline in market rents.

## Vacancy Rates Hold Steady at 1.3%

Meanwhile, national rental vacancy rates remained steady for the month at 1.3% which still indicates the rental market remains in shortage despite the recent falls in asking rents.

In July 2024, [Sydney](#) maintained a rental vacancy rate of 1.7%, with 12,123 rental dwellings vacant, unchanged from the previous month. [Melbourne](#) also saw a stable vacancy rate of 1.5%, with a slight increase in the number of vacant dwellings from 7,864 in June to 7,979 in July. Over the past 12 months, Sydney vacancy has rate remained consistent, while Melbourne's rate has risen by 0.2% compared to July 2023.

[Canberra](#) recorded the highest rental vacancy rate of any state or territory at 2.2%, marking for a slight increase from 2.1% in June 2024. [Perth](#) and [Adelaide](#) continued to report some of the lowest vacancy rates, both at 0.7%, reflecting tight rental markets in these cities. [Darwin](#) experienced a decrease in vacancies, with the rate dropping from 0.9% in June to 0.7% in July, indicating a further tightening of the rental market there.

[Hobart](#) showed a notable decline in vacancies, with the rate falling from 1.5% in June to 1.2% in July.

The total number of rental vacancies across Australia now stands at 39,701 residential properties, a slight decrease from the 40,486 vacancies recorded in June 2024, but still above the 38,864 vacancies in July 2023.

Vacancy rates in the [Sydney CBD](#) recorded a large increase from 5.0% in June 2024 to 5.5% in July 2024. [Melbourne CBD](#) saw a slight decrease from 4.3% in July 2023 to 4.0% in July 2024, indicating a marginal increase in demand for rental properties. [Brisbane CBD](#) continued to experience strong demand with a low vacancy rate of 2.5%. [Canberra CBD](#) experienced dramatic decrease from 4.0% in July 2023 to 2.7% in July 2024.

## Vacancy Rates - July 2024

City	Jul 2023 Vacancies	Jul 2023 Vacancy Rate	Jun 2024 Vacancies	Jun 2024 Vacancy Rate	Jul 2024 Vacancies	Jul 2024 Vacancy Rate
Sydney	11,616	1.6%	12,143	1.7%	12,123	1.7%
Melbourne	6,834	1.3%	7,864	1.5%	7,979	1.5%
Brisbane	3,354	1.0%	3,962	1.1%	3,786	1.1%
Perth	1,062	0.5%	1,510	0.8%	1,462	0.8%
Adelaide	1,016	0.6%	1,180	0.7%	1,103	0.7%
Canberra	1,250	2.1%	1,265	2.1%	1,312	2.2%
Darwin	254	1.0%	223	0.9%	190	0.7%
Hobart	498	1.8%	425	1.5%	335	1.2%
<b>National</b>	<b>38,864</b>	<b>1.3%</b>	<b>40,486</b>	<b>1.3%</b>	<b>39,701</b>	<b>1.3%</b>

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:**

***“For the past 30 days, SQM Research has recorded the largest decline in capital city rents since the days of 2020 when Covid first hit the country.***

***The falls were broad based, with the larger falls recorded in our larger capital cities and regional coastal locations.***

***It should be noted of course that rents are still very high and this retracement is minor compared to the massive rise in rents recorded around the country since 2021. And it should also be stated that the rental crisis is still not yet over as we have recorded an ongoing low national rental vacancy rate of just 1.3%.***

***But still, this will be somewhat welcoming to tenants and as a research house, we do believe the market rental rises of 10 to 20% per annum are now over.”***

### **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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