

Rental vacancy rates sharply retreat to near record lows

Capital city advertised rents reaccelerate

13 February 2025

In a strong sign Australia's rental crisis refuses to subside, Australia's residential dwelling vacancy rate declined to 1.0% in January 2025, down from 1.6% recorded in December 2024. The total number of rental vacancies fell sharply to 31,822; a significant drop from 47,336 in the previous month.

After recording a period of rental easing over the second half of 2024, [Sydney's](#) rental vacancy rate dropped back to 1.4%, with 10,151 rental dwellings now vacant, compared to 15,263 in December. [Melbourne](#) also recorded a sharp decline, with its vacancy rate dropping to 1.5%, representing 8,047 vacant dwellings.

[Brisbane](#) recorded a rental vacancy rate of just 0.8%, with 2,877 properties now available for rent. **This is the second lowest rental vacancy rate ever recorded for Brisbane since SQM's records begun in 2005.** The record low of 0.7% was registered in May 2022.

[Canberra's](#) vacancy rate dropped to 1.3%, while Perth and Adelaide remained stable at 0.4% and 0.5%, respectively. [Darwin](#) experienced a decline to 1.1%, while [Hobart](#) recorded its equal lowest rental vacancy rate ever recorded for itself and among the capitals at just 0.3%.

The sharp decrease in rental vacancies strongly indicates Australia's rental market crisis is not over and has potentially deteriorated at the start of 2025.

Vacancy Rates - January 2025						
City	Jan 2024 Vacancies	Jan 2024 Vacancy Rate	Dec 2024 Vacancies	Dec 2024 Vacancy Rate	Jan 2025 Vacancies	Jan 2025 Vacancy Rate
Sydney	9,114	1.3%	15,263	2.1%	10,151	1.4%
Melbourne	5,859	1.1%	11,775	2.2%	8,047	1.5%
Brisbane	3,327	1.0%	4,274	1.2%	2,877	0.8%
Perth	775	0.4%	1,349	0.7%	803	0.4%
Adelaide	783	0.5%	1,258	0.8%	754	0.5%
Canberra	1,061	1.7%	1,276	2.1%	779	1.3%
Darwin	445	1.7%	441	1.7%	281	1.1%
Hobart	278	1.0%	164	0.6%	95	0.3%
National	32,108	1.1%	47,336	1.6%	31,822	1.0%

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.

Rents

Over the past month leading up to 12 February 2025, rental prices across Australia's [capital city asking rents](#) recorded sharp rises after a period of moderation in 2024.

In [Sydney](#), combined rents increased by 1.4% to \$841 per week, driven by a 1.9% rise in unit rents. [Melbourne](#) saw a 1.7% increase, with combined rents reaching \$640, supported by a 2.3% jump in unit rents. [Brisbane](#) recorded a 0.6% rise, bringing combined rents to \$671, reflecting ongoing demand.

[Perth](#) stood out with strong rental growth, as combined rents surged 2.3% to \$752 per week, led by a 2.5% increase in house rents. [Adelaide](#), however, experienced a more subdued market, with combined rents rising slightly by 0.3% to \$614.

[Canberra's](#) rental market remained strong, with combined rents increasing by 1.1% to \$682, supported by rising demand across both houses and units.

Meanwhile, [Darwin](#) and [Hobart](#) saw rental declines. Darwin's combined rents fell by 1.7% to \$605, while Hobart recorded the largest drop among capital cities, with combined rents decreasing 2.1% to \$515 per week.

[Nationally](#), combined rents declined by 0.5% to \$643 per week, reflecting softening conditions in some regions. However, the [capital city average](#) recorded a 1.6% increase to \$737, highlighting varied market trends across the country.

SQM Research Weekly Rents Index					
Week ending		Rent (\$)	Chg on prev wk(\$)	Rolling month % chg	12 mth % chg
12 Feb 2025					
Sydney	All Houses	1,043.08	8.92 ▲	0.9% ▲	-0.7% ▼
	All Units	702.78	3.22 ▲	1.9% ▲	1.3% ▲
	Combined	840.73	5.53 ▲	1.4% ▲	0.3% ▲
Melbourne	All Houses	763.21	6.79 ▲	1.2% ▲	4.2% ▲
	All Units	553.17	4.83 ▲	2.3% ▲	4.1% ▲
	Combined	640.12	5.64 ▲	1.7% ▲	4.2% ▲
Brisbane	All Houses	739.60	0.40 ▲	1.0% ▲	3.9% ▲
	All Units	588.07	-0.07 ▼	0.2% ▲	3.8% ▲
	Combined	671.37	0.19 ▲	0.6% ▲	3.9% ▲
Perth	All Houses	829.84	3.16 ▲	2.5% ▲	6.7% ▲
	All Units	643.19	-1.19 ▼	1.9% ▲	13.2% ▲
	Combined	752.27	1.35 ▲	2.3% ▲	9.0% ▲
Adelaide	All Houses	665.22	-5.22 ▼	-0.3% ▼	4.4% ▲
	All Units	516.29	-2.29 ▼	1.9% ▲	13.8% ▲
	Combined	614.43	-4.22 ▼	0.3% ▲	7.0% ▲
Canberra	All Houses	808.35	-3.35 ▼	1.0% ▲	7.8% ▲
	All Units	575.87	0.13 ▲	1.2% ▲	2.3% ▲
	Combined	681.55	-1.45 ▼	1.1% ▲	5.1% ▲
Darwin	All Houses	739.25	4.75 ▲	-3.2% ▼	0.7% ▲
	All Units	512.63	28.37 ▲	-0.1% ▼	1.7% ▲
	Combined	604.64	18.78 ▲	-1.7% ▼	1.3% ▲
Hobart	All Houses	543.64	-0.64 ▼	-1.4% ▼	-2.6% ▼
	All Units	473.33	-6.33 ▼	-3.3% ▼	1.1% ▲
	Combined	515.48	-2.92 ▼	-2.1% ▼	-1.3% ▼
National	All Houses	718.00	8.00 ▲	0.0%	4.2% ▲
	All Units	557.00	2.00 ▲	-1.2% ▼	4.5% ▲
	Combined	643.24	5.21 ▲	-0.5% ▼	4.3% ▲
Cap City Average	All Houses	855.00	7.00 ▲	1.4% ▲	2.2% ▲
	All Units	633.00	2.00 ▲	1.8% ▲	3.8% ▲
	Combined	736.79	4.34 ▲	1.6% ▲	2.9% ▲

Louis Christopher, Managing Director of SQM Research said:

“From a tenant’s perspective, the sharp drop in rental vacancies at the start of 2025 is highly disappointing, especially since there were some glimpses of a moderating rental market in the latter half of 2024.

Is this a one-off abnormality? Unfortunately, I don’t think it is as our records of February listings to date are lower than what was recorded in January.

As a research house, we are aware of the ongoing under building that has been occurring. Over and above this our concern what is not known. And that is the real time, present level of overseas arrivals. Could there have been another surge in migration levels in recent weeks? We don’t know for sure but clearly something has driven this retreat in rental vacancies.”



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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