

## Rental Vacancy Rates Rise to 1.2%

- All cities record an increase in rental vacancies.
- Third consecutive monthly rise in national rental vacancy rates.
- Rental crisis declared over in Canberra with vacancy rates reaching 2%.
- Rental crisis mostly over in Regional Australia.

14 May 2023

SQM Research today has revealed national residential property rental vacancy rates continued to rise to 1.2% in April 2023. This marks the third consecutive monthly rise in rental vacancies.

The total number of rental vacancies Australia-wide now stands at 36,785 residential properties. Rental vacancy rates in [Sydney](#) and [Melbourne](#) rose to 1.4% and 1.2%, respectively. [Brisbane](#), [Perth](#) and [Hobart](#) recorded rises to 1.0%, 0.6% and 1.6%, respectively. The number of rental vacancies in Hobart has now tripled since the all-time lows recorded in April 2022.

Rental vacancy rates in the [Sydney CBD](#), [Melbourne CBD](#) and [Brisbane CBD](#) also increased rapidly to 4.0%, 3.3% and 1.7%.

Most regional rental vacancy rates continued to rise sharply as a sign of a population flow reversal back to the larger capital cities. The [North Coast NSW](#) rose to 1.8%. Sydney's [Blue Mountains](#) rose to 2.0%; the highest level since April 2020. Victoria's [Mornington Peninsula](#) rose to 1.7%; the highest level recorded since April 2020. [Gold Coast Main](#) rental vacancy rates rose to 1.3%; the highest level recorded since September 2021. [Sunshine Coast](#) rental vacancy rates rose to 1.6; the highest level recorded since May 2020.

The latest figures reveal [Canberra's](#) rental vacancy rate rose to 2.0%, which SQM Research believes **marks the end of the rental crisis in our Nation's Capital** and a rental market retuning to equilibrium. [Gungahlin](#) and the [Inner North ACT](#) recorded sharp increases in vacancies. [Hobart also](#) rose sharply to 1.6%, indicating the city may soon be out of its rental crisis.

Vacancy Rates - April 2023						
City	Apr 2022 Vacancies	Apr 2022 Vacancy Rate	Mar 2023 Vacancies	Mar 2023 Vacancy Rate	Apr 2023 Vacancies	Apr 2023 Vacancy Rate
Sydney	12,758	1.8%	9,187	1.3%	10,133	1.4%
Melbourne	12,655	2.4%	5,581	1.1%	6,430	1.2%
Brisbane	2,656	0.8%	3,004	0.9%	3,372	1.0%
Perth	1,572	0.8%	938	0.5%	1,170	0.6%
Adelaide	761	0.5%	885	0.5%	1,031	0.6%
Canberra	499	0.8%	1,060	1.8%	1,209	2.0%
Darwin	216	0.8%	305	1.2%	283	1.1%
Hobart	137	0.5%	297	1.1%	439	1.6%
<b>National</b>	<b>39,616</b>	<b>1.3%</b>	<b>32,814</b>	<b>1.1%</b>	<b>36,785</b>	<b>1.2%</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.

## Rents

Over the past 30 days to 12 May 2023, [capital city asking rents](#) rose by 0.4% with the 12-month rise standing at 20.7%. Capital city house rents rose by 0.1% and are recording 12 month increases of 17.7%. Apartment rents have risen by 0.7% for the past 30 days and rose by 24.2% for the past 12 months.

The median rent for a capital city house is \$757 a week while the rent for a capital city unit is \$579 a week.

[Perth](#) units recorded the fastest increase for the past 30 days, rising by 2.2% to \$521.58 a week.

The most expensive rent is [Sydney](#) houses at \$963 a week. At the same time the most affordable rent is [Adelaide](#) units at \$414 a week.

[Hobart](#) and [Canberra](#) are the capital cities to record a decline in rents for the month; each recording falls of 0.4% for combined dwellings. This marks the second consecutive monthly decline in rents for both these cities.

Meanwhile a large number of regional rents fell, dragging the national rental median rent to an unchanged result for the past 30 days. The 12 month change in median national rents now stands at a 10.1% increase. The [national](#) median weekly asking rent for a dwelling is \$568 a week.

ACT's [Belconnen](#) fell by 0.8% to \$599.60 a week. Sydney's [Blue Mountains](#) fell by 0.7% to \$542.50 a week. [Gold Coast Main](#) rents fell by 1.1% to \$881.07 a week. NSW [Central Tablelands](#) Tablelands fell by 2.0% to \$464.50 a week.

**SQM Research Weekly Rents Index**

Week ending 12 May 2023		Rent (\$)	Chg on prev wk(\$)	Rolling month % chg	12 mth % chg
Sydney	All Houses	963.18	-0.18 ▼	0.8% ▲	21.5% ▲
	All Units	659.04	-1.04 ▼	1.0% ▲	28.9% ▲
	Combined	782.66	-0.69 ▼	0.9% ▲	25.1% ▲
Melbourne	All Houses	671.53	1.47 ▲	1.1% ▲	20.8% ▲
	All Units	519.66	2.34 ▲	1.0% ▲	24.0% ▲
	Combined	582.09	1.98 ▲	1.0% ▲	22.5% ▲
Brisbane	All Houses	676.07	-0.07 ▼	0.6% ▲	12.9% ▲
	All Units	527.59	1.41 ▲	0.8% ▲	22.9% ▲
	Combined	609.04	0.60 ▲	0.7% ▲	16.7% ▲
Perth	All Houses	666.19	-8.19 ▼	-0.4% ▼	15.8% ▲
	All Units	521.58	0.42 ▲	2.2% ▲	21.2% ▲
	Combined	605.60	-4.58 ▼	0.5% ▲	17.7% ▲
Adelaide	All Houses	575.96	-0.96 ▼	0.6% ▲	10.5% ▲
	All Units	413.80	4.20 ▲	2.0% ▲	12.7% ▲
	Combined	519.69	0.83 ▲	1.0% ▲	11.2% ▲
Canberra	All Houses	757.84	-2.84 ▼	-1.1% ▼	-0.6% ▼
	All Units	560.27	0.73 ▲	0.4% ▲	0.6% ▲
	Combined	650.85	-0.90 ▼	-0.4% ▼	-0.1% ▼
Darwin	All Houses	708.98	-21.98 ▼	-1.8% ▼	2.8% ▲
	All Units	502.59	-2.59 ▼	5.5% ▲	7.9% ▲
	Combined	585.98	-10.43 ▼	1.8% ▲	5.5% ▲
Hobart	All Houses	535.39	-0.39 ▼	-0.5% ▼	2.5% ▲
	All Units	484.89	0.11 ▲	-0.3% ▼	9.1% ▲
	Combined	515.09	-0.19 ▼	-0.4% ▼	4.9% ▲
National	All Houses	630.00	-5.00 ▼	-0.9% ▼	8.4% ▲
	All Units	498.00	2.00 ▲	1.4% ▲	12.7% ▲
	Combined	568.47	-1.74 ▼	0.0% ▲	10.1% ▲
Cap City Average	All Houses	757.00	-6.00 ▼	0.1% ▲	17.7% ▲
	All Units	579.00	1.00 ▲	0.7% ▲	24.2% ▲
	Combined	662.16	-2.27 ▼	0.4% ▲	20.7% ▲

**Louis Christopher, Managing Director of SQM Research said:**

“SQM’s latest data on the rental market, represents some respite for renters across the nation. I believe tenants have been responding to the rental crisis by grouping together more, which can free up some rental stock. And/or an increasing number of tenants have been turning themselves into First Home Buyers. It is likely many Landlords have been overly exuberant in seeking rent increases which have driven renters away.

“For regions outside our capital cities, I believe there has been a population exodus back to our larger cities, driven by a return to office requirement set by many office employers. We are now recording rental falls or at least a stalling in rent increases for most out of city regions around



Australia. Existing property investors and would be property investors need to be aware the risks have risen of a corresponding and extended dwelling price correction in such regions.

“What is apparent from today’s data is that the rental crisis is easing in the Nation’s regions as well as some of our smaller capital cities including the Nation’s Capital where we are now confident in calling the rental crisis over.

“Going forward, it is way too early to call the rental crisis over in our larger capital cities. The building slump, combined with extremely strong population growth rates will see to it there will remain an overall shortage of rental properties. We note however weekly rental listings nationwide have increased so far in the month of May by another 3,000 rental listings. So, it is likely we will record another rise in rental vacancy rates across the nation for this current month.”

#### **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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