

Rental Market Steadies over Winter

Vacancy rates rise to 1.3%.

Capital city rents rise by just 0.1%

16 July 2024

The Australian rental market for housing appears to have eased over June 2024 with a rise in the number of vacant rental properties across the nation. The number of rental vacancies rose by 4,845 dwellings to stand at 40,486 vacant rental dwellings, representing a vacancy rate of 1.3%.

[Sydney](#) recorded a rental vacancy rate of 1.7% with 12,143 rental dwellings vacant, up from 1.4% recorded in the previous month. [Melbourne](#) also recorded an increase in its vacancy rate of 1.5% from 1.3% in May 2024. From June 2023 over the past 12-month Sydney came to the same mark at 1.7%, while Melbourne's vacancy rate increased by 0.2% compared to June 2023.

[Canberra](#) recorded the highest rental vacancy rate out of any State and Territory at 2.1%. While [Perth](#) and [Adelaide](#) almost equally recorded the lowest vacancy rate at just 0.8% and 0.7% respectively.

Vacancy rates in the [Sydney CBD](#), [Melbourne CBD](#), [Canberra CBD](#), and [Brisbane](#) CBD all continued to record increases over the month of June, indicating the student demand for rental accommodation has peaked for the winter months and may have peaked in this cycle given the expected slowdown in migration rates.

Rental vacancy rates in regional Australia were mixed.

Sydney's Blue [Mountains](#) recorded a tightening in vacancies to 0.8%. North [Coast](#) NSW recorded a rise to 1.4%. Queensland's [Gold](#) Coast rose to 1.7% - the highest vacancy rate recorded on the Gold Coast since August 2020.

Victoria's [Mornington](#) Peninsula also rose to a vacancy rate of 1.7%. While Perth vacancy rates rose, most regional vacancy rates remained flat or fell for the month. Western Australia, overall has the tightest vacancy rates for any state or territory in Australia.

Vacancy Rates - June 2024						
City	Jun 2023 Vacancies	Jun 2023 Vacancy Rate	May 2024 Vacancies	May 2024 Vacancy Rate	Jun 2024 Vacancies	Jun 2024 Vacancy Rate
Sydney	12,143	1.7%	10,309	1.4%	12,143	1.7%
Melbourne	6,811	1.3%	6,746	1.3%	7,864	1.5%
Brisbane	3,407	1.0%	3,620	1.0%	3,962	1.1%
Perth	1,138	0.6%	1,233	0.6%	1,510	0.8%
Adelaide	1,011	0.6%	986	0.6%	1,180	0.7%
Canberra	1,282	2.1%	1,098	1.8%	1,265	2.1%
Darwin	236	0.9%	244	0.9%	223	0.9%
Hobart	525	1.9%	377	1.4%	425	1.5%
National	39,716	1.3%	35,641	1.2%	40,486	1.3%

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 the 12th of July 2024, [capital city asking rents](#) recorded a minor increase of 0.1%. The overall national change was a rise of 0.3%.

[Melbourne](#), [Perth](#), [Adelaide](#), [Canberra](#), [Darwin](#) and [Hobart](#) are the cities that pushed the national and capital city asking rents up. [Sydney](#) recorded the second consecutive month of rental falls; dropping by 0.4% to \$837 a week. [Brisbane](#) turned over from rise in rents recorded in May to slight decrease of 0.1% to \$658.85. Once again, [Perth](#) recorded the fastest rental growth for the past 30 days at +0.9%

The [national](#) median weekly asking rent for a dwelling is now \$721 per week. [Sydney](#) continues to have the highest weekly rent for a house at \$1,040 per week, while [Hobart](#) offers the most affordable unit rents among the capital cities at \$468 per week.

SQM Research Weekly Rents Index					
Week ending		Rent (\$)	Chg on prev wk(\$)	Rolling month % chg	12 mth % chg
12 Jul 2024					
Sydney	All Houses	1,040.30	-4.30 ▼	-0.5% ▼	8.5% ▲
	All Units	697.72	-1.72 ▼	-0.2% ▼	5.4% ▲
	Combined	836.92	-2.77 ▼	-0.4% ▼	6.9% ▲
Melbourne	All Houses	746.04	-1.04 ▼	0.2% ▲	10.6% ▲
	All Units	560.12	-0.12 ▼	0.0% ▲	7.3% ▲
	Combined	636.88	-0.50 ▼	0.1% ▲	9.0% ▲
Brisbane	All Houses	728.38	0.62 ▲	0.9% ▲	6.3% ▲
	All Units	573.89	-2.89 ▼	-1.4% ▼	6.0% ▲
	Combined	658.85	-0.96 ▼	-0.1% ▼	6.2% ▲
Perth	All Houses	786.66	-2.66 ▼	-0.2% ▼	13.5% ▲
	All Units	624.40	1.60 ▲	3.0% ▲	18.3% ▲
	Combined	718.98	-0.88 ▼	0.9% ▲	15.3% ▲
Adelaide	All Houses	650.59	-1.59 ▼	0.5% ▲	12.1% ▲
	All Units	491.92	2.08 ▲	0.9% ▲	13.4% ▲
	Combined	596.15	-0.33 ▼	0.6% ▲	12.6% ▲
Canberra	All Houses	763.76	13.24 ▲	1.8% ▲	-0.6% ▼
	All Units	557.05	-2.05 ▼	-1.0% ▼	0.1% ▲
	Combined	651.55	4.94 ▲	0.5% ▲	-0.4% ▼
Darwin	All Houses	686.57	-5.57 ▼	-0.7% ▼	-0.9% ▼
	All Units	476.47	5.53 ▲	1.3% ▲	-6.3% ▼
	Combined	561.62	1.03 ▲	0.3% ▲	-3.7% ▼
Hobart	All Houses	536.00	0.00 ▼	0.6% ▲	2.4% ▲
	All Units	468.33	3.67 ▲	0.9% ▲	3.8% ▲
	Combined	508.84	1.47 ▲	0.7% ▲	2.9% ▲
National	All Houses	695.00	3.00 ▲	0.4% ▲	8.6% ▲
	All Units	544.00	-4.00 ▼	0.2% ▲	8.8% ▲
	Combined	624.89	-0.25 ▼	0.3% ▲	8.7% ▲
Cap City Average	All Houses	832.00	-5.00 ▼	-0.1% ▼	9.2% ▲
	All Units	624.00	-3.00 ▼	0.3% ▲	6.8% ▲
	Combined	721.28	-3.94 ▼	0.1% ▲	8.1% ▲

Louis Christopher, Managing Director of SQM Research said:

“Based on history, we have now reached the peak in rental vacancy rates for Winter. It is likely that, starting in July, vacancy rates will begin to tighten again and keep tightening until November. The magnitude of that tightening is what we will watch closely to see if there is anything more than seasonal variations occurring.

So far this year, it seems we have recorded very similar vacancy rates compared to the same period in 2023. However, there are some exceptions such as Melbourne which is up slightly from 2023 levels. As well as some regional exceptions such as the Gold Coast which is now recording the highest level of vacancies since 2020.

Overall, the national rental market remains in severe shortage and barring some exceptions, is not expected to materially soften out of the rental crisis for some years. However, much of the structural rental shortage has now been priced into the rental market and so I do believe the days of 10-20% plus annual rental increases have come to an end.”

[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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