

September Vacancy Rates fall back to 1.1%

17 October 2023

SQM Research today recorded that the national residential property rental vacancy rate has continued to fall, reaching 1.1% in September.

The total number of rental vacancies Australia-wide decreased by 2,765 dwellings to 32,660 vacancies, further highlighting the severity of the housing rental crisis in Australia.

Most of capital cities recorded a decrease in vacancies, with [Sydney](#), [Melbourne](#) and [Canberra](#) reporting decreases in rental vacancy rates during the month, standing at 1.3%, 1.2% and 1.8% respectively.

After a recent reprieve, the rental vacancy rate in the [Sydney CBD](#) declined, falling to 3.9% in September. Similarly, [Melbourne CBD](#) and [Brisbane CBD](#) witnessed decreases in their rental vacancy rates, which now stand at 5.0% and 1.7%, respectively.

Most regional areas experienced decreases in rental vacancy rates. The [North Coast NSW](#) dropped to 1.4%, while the [Gold Coast](#) also recorded a decline to 1.1%. In contrast, [Northern WA](#) recorded an increase at 1.0%.

In total, 77.6% of all postcodes recorded a fall in rental vacancy rates over September 2022. The falls were broad based, encompassing regional and capital city locations.

Vacancy Rates - September 2023						
City	Sep 2022 Vacancies	Sep 2022 Vacancy Rate	Aug 2023 Vacancies	Aug 2023 Vacancy Rate	Sep 2023 Vacancies	Sep 2023 Vacancy Rate
Sydney	10,322	1.5%	10,281	1.4%	9,084	1.3%
Melbourne	9,387	1.8%	6,773	1.3%	6,449	1.2%
Brisbane	2,617	0.8%	3,245	0.9%	3,288	1.0%
Perth	915	0.5%	862	0.4%	783	0.4%
Adelaide	716	0.4%	839	0.5%	819	0.5%
Canberra	742	1.2%	1,168	1.9%	1,087	1.8%
Darwin	252	1.0%	266	1.0%	307	1.2%
Hobart	159	0.6%	476	1.7%	455	1.6%
National	33,813	1.1%	35,425	1.2%	32,660	1.1%

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

In the 30 days leading up to October 12, 2023, [asking rents](#) in the capital city increased by 1.3%, contributing to a notable 16.2% rise over the past year. Specifically, house rents in the capital cities rose by 1.8%, with a 12-month increase of 15.6%, while unit rents showed a more rapid 0.5% increase over the last 30 days and a 16.1% rise over the past 12 months.

The [national](#) median weekly asking rent for combined dwelling is \$594 a week. The capital city asking rent for combined dwelling is \$684 a week. The median rent for a capital city house is \$792 a week while the rent for a capital city unit is \$590 a week.

The most expensive rent is [Sydney](#) houses at \$996 a week. At the same time the most affordable rent is [Adelaide](#) units at \$438 a week.

In the current month, both [Canberra](#) and [Hobart](#) recorded declines in rent, with decreases of 1.3% and 1.2% respectively, primarily driven by a significant reduction in combined dwelling rents.

SQM Research Weekly Rents Index					
Week ending		Rent (\$)	Chg on prev wk(\$)	Rolling month % chg	12 mth % chg
12 Oct 2023	Sydney				
	All Houses	996.18	6.82 ▲	2.0% ▲	16.4% ▲
	All Units	672.08	-0.08 ▼	1.3% ▲	18.2% ▲
	Combined	803.76	2.72 ▲	1.6% ▲	17.4% ▲
Melbourne	All Houses	702.28	2.72 ▲	1.0% ▲	20.7% ▲
	All Units	522.05	-1.05 ▼	-0.7% ▼	15.0% ▲
	Combined	596.21	0.50 ▲	0.1% ▲	17.8% ▲
Brisbane	All Houses	693.14	-0.14 ▼	0.7% ▲	9.5% ▲
	All Units	549.24	-2.24 ▼	0.1% ▲	16.7% ▲
	Combined	628.34	-1.09 ▼	0.5% ▲	12.3% ▲
Perth	All Houses	720.98	9.02 ▲	0.9% ▲	19.1% ▲
	All Units	541.87	2.13 ▲	-0.7% ▼	17.7% ▲
	Combined	646.01	6.14 ▲	0.3% ▲	18.6% ▲
Adelaide	All Houses	591.61	1.39 ▲	1.0% ▲	8.9% ▲
	All Units	437.85	1.15 ▲	0.3% ▲	13.5% ▲
	Combined	538.49	1.31 ▲	0.8% ▲	10.3% ▲
Canberra	All Houses	733.38	-1.38 ▼	-1.6% ▼	-1.9% ▼
	All Units	558.23	-0.23 ▼	0.1% ▲	-0.1% ▼
	Combined	638.58	-0.76 ▼	-0.8% ▼	-1.0% ▼
Darwin	All Houses	750.28	1.72 ▲	5.6% ▲	11.8% ▲
	All Units	488.14	6.86 ▲	0.6% ▲	6.6% ▲
	Combined	594.22	4.78 ▲	3.1% ▲	9.3% ▲
Hobart	All Houses	506.73	1.27 ▲	-0.6% ▼	-4.4% ▼
	All Units	447.62	-3.62 ▼	-1.4% ▼	1.3% ▲
	Combined	482.97	-0.69 ▼	-0.9% ▼	-2.3% ▼
National	All Houses	660.00	4.00 ▲	1.5% ▲	9.5% ▲
	All Units	518.00	-3.00 ▼	1.8% ▲	13.1% ▲
	Combined	593.88	0.74 ▲	1.6% ▲	10.9% ▲
Cap City Average	All Houses	792.00	5.00 ▲	1.8% ▲	16.1% ▲
	All Units	590.00	-1.00 ▼	0.7% ▲	16.1% ▲
	Combined	684.39	1.80 ▲	1.3% ▲	16.2% ▲

Next update: 20 Oct 2023

Louis Christopher, Managing Director of SQM Research said:

The national rental market continues to tighten and going forward, based on falls in rental listings for October to date, we could see a record low in rental vacancy rates [currently standing at 1.0%] for this present month.

Current net overseas arrivals is suggesting the population is expanding at an annual rate of some 650,000 people, which obviously is keeping pressure on the national rental market, especially given approximately 175,000 new dwellings have been completed for the past 12 months.

What is also noteworthy in September was the return to very tight rental conditions for Australia's regional townships. It would suggest the population overflow is making many look once more to areas outside the capital cities in order to find shelter.

Going forward, the market may find some seasonal relief after October, however it is unlikely rental growth will pause."

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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