

# RENTAL REPORT

September 2011

www.apm.com.au  
www.homepriceguide.com.au



## Key findings:

- National median weekly asking rentals for houses fell by -0.2% in the September quarter with unit rental prices rising by +1.1%
- Sydney, Melbourne, Brisbane, Perth and Darwin house rents were all stable with no growth reported over the quarter
- Only Sydney recorded growth in unit median weekly asking rental prices for the quarter of +2.2%
- Darwin remains the most expensive capital for house rentals with a median asking weekly rental price of \$550 with Sydney the most expensive to rent a unit at \$460 per week

Median Weekly Asking Rents - Houses

	Sep-11	Jun-11	Sep-10	QoQ % Δ	YoY % Δ
Sydney	495	495	480	0.0%	3.1%
Melbourne	360	360	360	0.0%	0.0%
Brisbane	370	370	360	0.0%	2.8%
Adelaide	330	340	330	-2.9%	0.0%
Perth	380	380	370	0.0%	2.7%
Canberra	465	475	450	-2.1%	3.3%
Darwin	550	550	550	0.0%	0.0%
Hobart	315	320	310	-1.6%	1.6%

Median Weekly Asking Rents - Units

	Sep-11	Jun-11	Sep-10	QoQ % Δ	YoY % Δ
Sydney	460	450	440	2.2%	4.5%
Melbourne	350	350	350	0.0%	0.0%
Brisbane	360	360	340	0.0%	5.9%
Adelaide	270	270	265	0.0%	1.9%
Perth	370	370	350	0.0%	5.7%
Canberra	430	440	410	-2.3%	4.9%
Darwin	450	450	425	0.0%	5.9%
Hobart	235	250	250	-6.0%	-6.0%

Asking Median Rents (Qtr on Qtr % Δ)

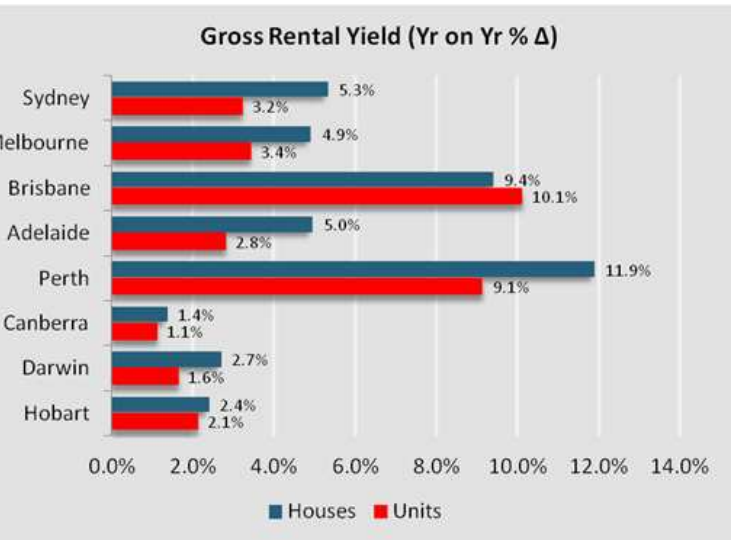
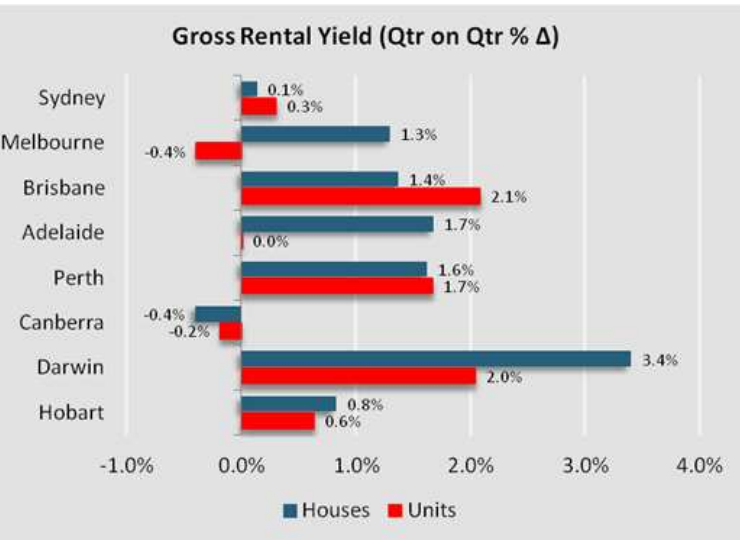
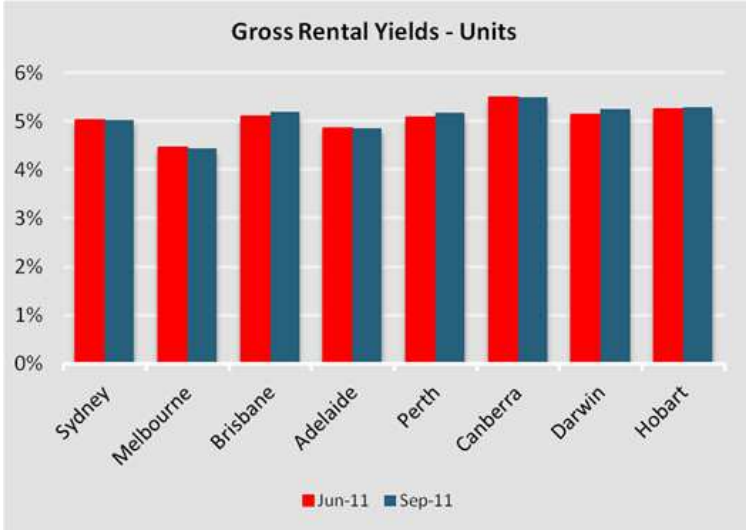
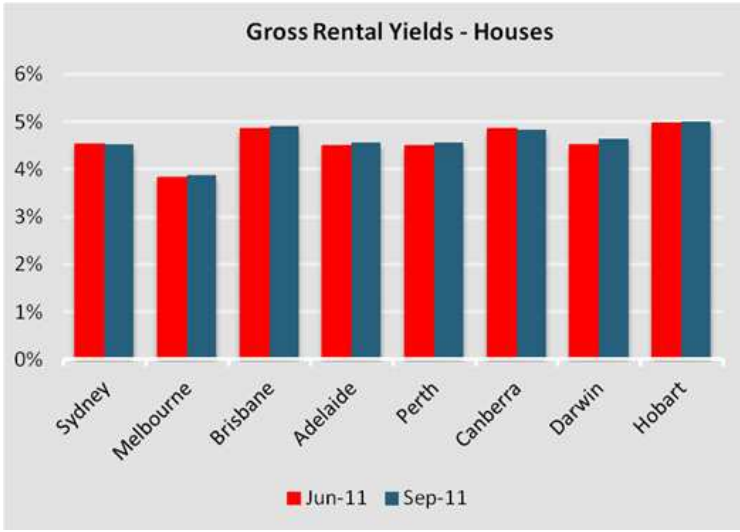


Asking Median Rents (Yr on Yr % Δ)



	Gross Rental Yields - Houses				
	Sep-11	Jun-11	Sep-10	QoQ % Δ	YoY % Δ
Sydney	4.53%	4.52%	4.30%	0.1%	5.3%
Melbourne	3.87%	3.82%	3.69%	1.3%	4.9%
Brisbane	4.91%	4.85%	4.49%	1.4%	9.4%
Adelaide	4.56%	4.49%	4.35%	1.7%	5.0%
Perth	4.57%	4.49%	4.08%	1.6%	11.9%
Canberra	4.83%	4.85%	4.76%	-0.4%	1.4%
Darwin	4.65%	4.50%	4.53%	3.4%	2.7%
Hobart	5.01%	4.97%	4.89%	0.8%	2.4%

	Gross Rental Yields - Units				
	Sep-11	Jun-11	Sep-10	QoQ % Δ	YoY % Δ
Sydney	5.03%	5.01%	4.87%	0.3%	3.2%
Melbourne	4.43%	4.45%	4.29%	-0.4%	3.4%
Brisbane	5.19%	5.09%	4.72%	2.1%	10.1%
Adelaide	4.86%	4.86%	4.73%	0.0%	2.8%
Perth	5.17%	5.08%	4.74%	1.7%	9.1%
Canberra	5.49%	5.50%	5.43%	-0.2%	1.1%
Darwin	5.25%	5.14%	5.16%	2.0%	1.6%
Hobart	5.28%	5.24%	5.17%	0.6%	2.1%



NB: APM has calculated Gross Rental Yields based on advertised asking rent data and our proprietary Automated Valuations Models (AVM).

*Commenting on the APM Rental Report: Dr Andrew Wilson, Senior Economist - Australian Property Monitors*

"National median weekly asking rents for houses fell by -0.2% in the September quarter however rents for units rose by +1.1%.

Sydney, Melbourne, Brisbane, Perth and Darwin house rents were all stable with no growth reported over the quarter.

House rentals in the other capital cities fell, with Adelaide down by -2.9%, Canberra down -2.1% and Hobart where median weekly asking rentals for houses were down by -1.6% over the September quarter.

The results for units were similar, with only Sydney recording growth in median weekly asking rentals over the quarter, up by +2.2%, while Melbourne, Brisbane, Adelaide, Perth and Darwin remained flat.

Hobart and Canberra however recorded falls in unit rentals with Canberra down by -2.3% and Hobart recording a significant fall of -6.0%.

The stable conditions in most rental markets over the September quarter indicate that the expected increased pressure on rental prices, particularly from prospective first home buyers remaining or entering the rental market over the winter period, has not materialised.

This outcome may also indicate a circumspect attitude by landlords to rental increases with tenants facing affordability barriers through cost of living pressures, particularly in regard to increased utilities costs, putting a ceiling on their capacity to meet rental increases.

Although rental prices fell or were stable over the September quarter, annual growth figures to September for both houses and units was evident in most capitals.

Canberra and Sydney have led the way in annual growth of house rentals, increasing by +3.3% and +3.1% respectively over the year. This reflects the surge in demand for rental properties over the latter part of 2010 and early 2011, particularly from first home buyers unable to access the market due to high prices and interest rate rises.

Brisbane and Darwin recorded the largest increase in median weekly asking rentals for units over the year to September both increasing by +5.9%. They were followed by Perth where unit rentals rose by +5.7% over the year then Canberra up +4.9%, Sydney up +4.5% and Adelaide up by +1.9%. Melbourne unit rentals were unchanged for the year to September. Hobart however bucked the trend of all the other capitals recording a large fall of -6.0% in annual median weekly asking rentals for units.

Generally annual unit rentals have increased at a significantly greater rate than house rentals in most capitals indicating again increased demand for units from discontented first home buyers entering the rental market in search of affordable accommodation.

Though prices have moderated in the September quarter, the median weekly asking rentals for units is now fast approaching that of houses in many capital cities, as the overall demand for units for both lifestyle and affordability reasons continues to be greater than the demand for more expensive and generally outer-suburban houses.

The subdued growth in rental prices evident in the September quarter should continue into the December quarter as affordability constraints and cost of living pressures put a cap on the capacity of tenants to meet rental increases and concerns over the economy continues to foster a relatively conservative attitude by landlords.

The softening in property prices evident through 2011 has meant that gross rental yields increased marginally despite subdued capital city rental growth over the September quarter.

House rental yields should strengthen marginally as continued weak buyer demand places downward pressure on property prices at a greater rate than rental growth. Similarly unit yields should increase as rental growth outpaces prices growth for the remainder of 2011."

**About Australian Property Monitors (APM)**

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