

RENTAL REPORT

December 2011

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www.homepriceguide.com.au



Key findings:

- National median weekly asking rents for houses rose by +1.1% in the December quarter with rents for units rising by +1.4%.
- Sydney, Perth and Canberra rental markets have been characterised by an ongoing high competition for properties.
- Melbourne continues to be Australia's most tenant-friendly rental market.

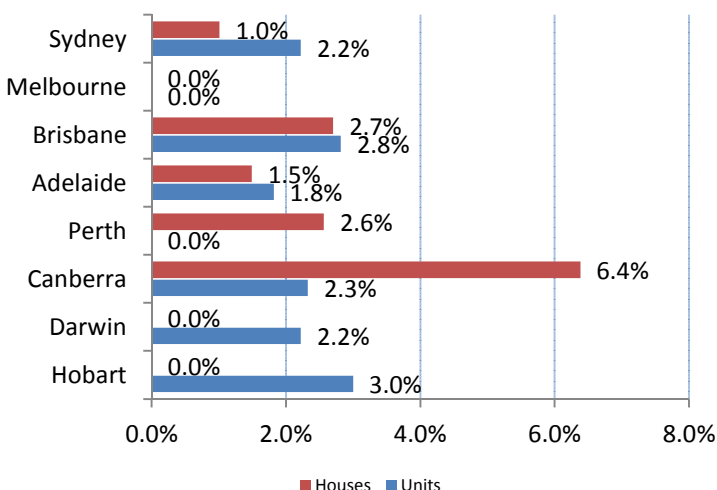
Median Weekly Asking Rents - Houses

	Dec-11	Sep-11	Dec-10	QoQ % Δ	YoY % Δ
Sydney	500	495	480	1.0%	4.2%
Melbourne	360	360	365	0.0%	-1.4%
Brisbane	380	370	370	2.7%	2.7%
Adelaide	340	335	340	1.5%	0.0%
Perth	400	390	380	2.6%	5.3%
Canberra	500	470	470	6.4%	6.4%
Darwin	550	550	550	0.0%	0.0%
Hobart	320	320	330	0.0%	-3.0%

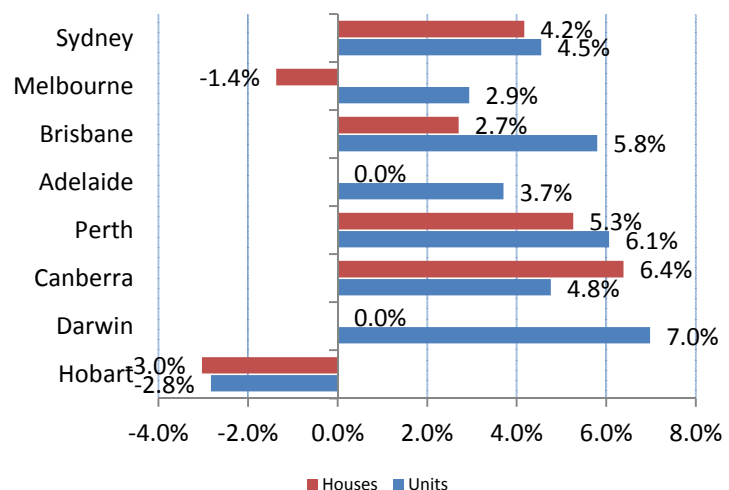
Median Weekly Asking Rents - Units

	Dec-11	Sep-11	Dec-10	QoQ % Δ	YoY % Δ
Sydney	460	450	440	2.2%	4.5%
Melbourne	350	350	340	0.0%	2.9%
Brisbane	365	355	345	2.8%	5.8%
Adelaide	280	275	270	1.8%	3.7%
Perth	350	350	330	0.0%	6.1%
Canberra	440	430	420	2.3%	4.8%
Darwin	460	450	430	2.2%	7.0%
Hobart	258	250	265	3.0%	-2.8%

Asking Median Rents (QoQ % Δ)



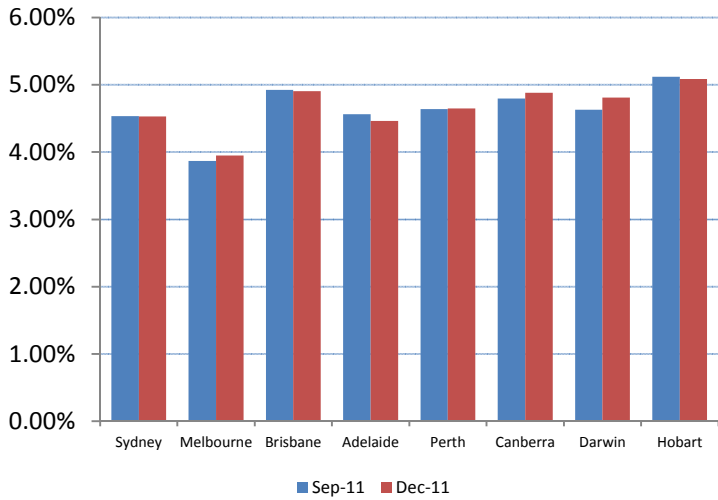
Asking Median Rents (YoY % Δ)



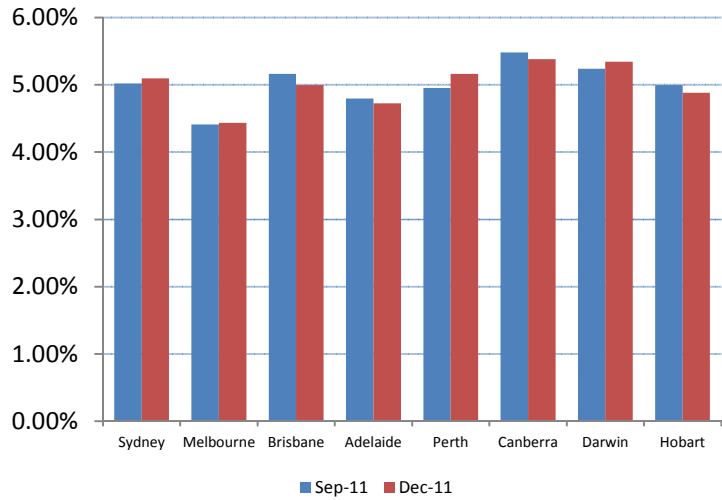
Gross Rental Yields - Houses					
	Dec-11	Sep-11	Dec-10	QoQ % Δ	YoY % Δ
Sydney	4.53%	4.53%	4.35%	-0.1%	4.2%
Melbourne	3.95%	3.87%	3.56%	2.0%	10.9%
Brisbane	4.90%	4.92%	4.59%	-0.4%	6.9%
Adelaide	4.46%	4.56%	4.42%	-2.2%	1.0%
Perth	4.65%	4.64%	4.33%	-0.2%	7.5%
Canberra	4.88%	4.79%	4.79%	1.8%	1.9%
Darwin	4.81%	4.63%	4.54%	4.0%	6.0%
Hobart	5.09%	5.12%	5.20%	-0.7%	-2.2%

Gross Rental Yields - Units					
	Dec-11	Sep-11	Dec-10	QoQ % Δ	YoY % Δ
Sydney	5.10%	5.02%	4.91%	1.5%	3.8%
Melbourne	4.44%	4.41%	4.09%	0.6%	8.6%
Brisbane	5.00%	5.16%	4.80%	-3.2%	4.2%
Adelaide	4.73%	4.80%	4.65%	-1.5%	1.6%
Perth	5.16%	4.95%	4.57%	4.3%	13.0%
Canberra	5.38%	5.48%	5.55%	-1.8%	-3.1%
Darwin	5.35%	5.24%	5.12%	2.1%	4.4%
Hobart	4.88%	5.00%	5.29%	-2.3%	-7.8%

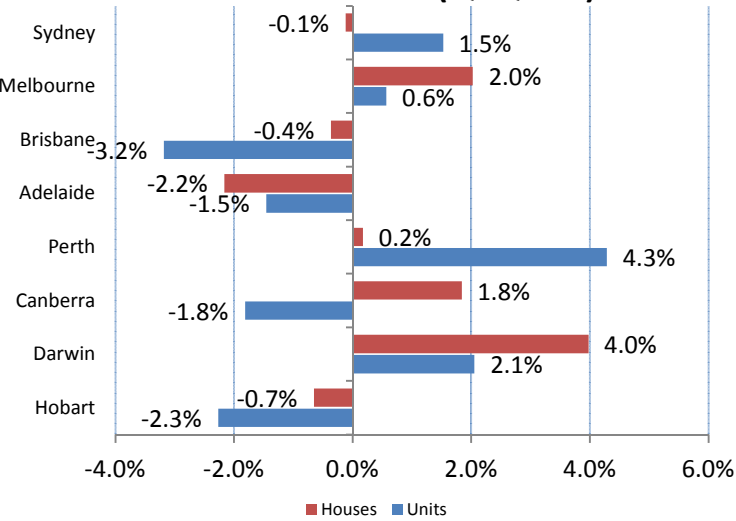
Gross Rental Yields - Houses



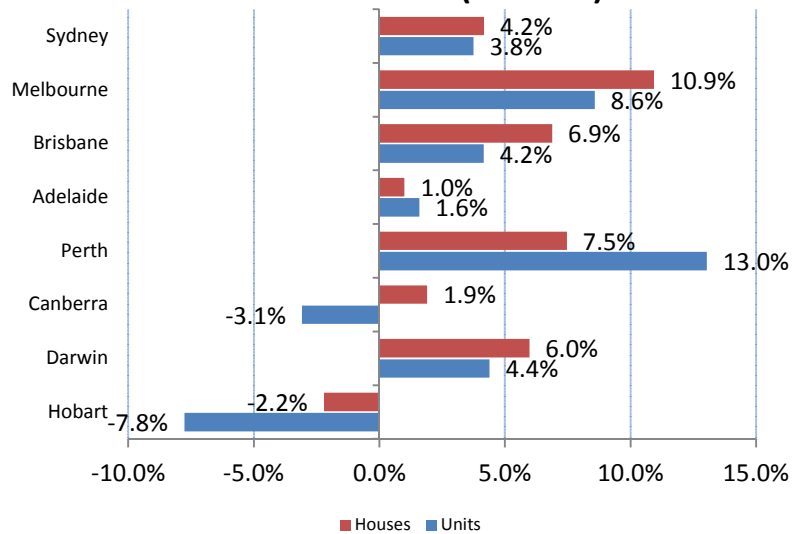
Gross Rental Yields - Units



Gross Rental Yield (QoQ % Δ)



Gross Rental Yield (YoY % Δ)



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

“House and unit rentals have resumed upward growth after flat results over the previous two quarters. National median weekly asking rents for houses rose by +1.1 percent in the December quarter with rents for units rising by +1.4 percent.

Most capital cities recorded house rental rises over the quarter with Canberra up by +6.4 percent, Brisbane up +2.7 percent, Perth up +2.6, Adelaide up +1.5 percent and Sydney up +1.0 percent. Melbourne, Darwin and Hobart however recorded flat results with no increases in median asking weekly house rentals over the December quarter.

The results for units were similar to houses, with Hobart recording a rental rise of +3.0 percent followed by Brisbane up +2.8 percent, Canberra up +2.3 percent, Sydney and Darwin both up +2.2 percent, and Adelaide where median weekly asking rentals for units rose by +1.8 percent over the quarter. Melbourne and Perth unit rentals however remained flat over the period.

Increased rentals over the December quarter for both houses and units indicates increased competition for accommodation particularly from first home buyers struggling to secure property in the marketplace.

The Sydney, Perth and Canberra rental markets have been characterised by chronically low vacancy rates and, with ongoing low levels of new construction, this situation is expected to continue with upward pressure on rentals.

The Brisbane rental market also remains highly competitive for tenants reflecting ongoing consequences of the devastating floods of early 2011 and the slow progress of reconstruction.

Melbourne continues to be Australia's most tenant-friendly rental market with a wider choice of properties courtesy of nation-leading dwelling construction and no growth in rentals for both units and houses over the December quarter.

By contrast house rentals in Canberra rose by +6.4 percent over the year with Perth up by +5.3 percent, Sydney up +4.2 percent and Brisbane up by +2.7 percent. Darwin and Adelaide house rentals were flat over 2011 with Hobart recording a fall of -3.0 percent.

Units outperformed houses in rental growth over 2011 with all capitals with the exception of Hobart (-2.8 percent) recording increases of between +2.9 percent (Melbourne) and +7.0 percent (Darwin).

The trend for increased demand and associated higher rental increases for units compared to houses generally reflects the requirement of tenants to secure more affordable accommodation as well as a growing lifestyle choice for smaller-sized inner-city dwellings located close to established urban infrastructure.

Rising rentals for both units and houses combined with a general softening in prices has resulted in increases in gross rental yields for most capitals over 2011. Units continue to provide higher gross rental returns compared to houses in all the mainland capitals despite units generally outperforming houses in the sales market.

Peaking housing affordability as the price cycle bottoms out, combined with a strengthening economy will facilitate increased buyer activity in Sydney, Perth, Brisbane, Canberra and Darwin through 2012 that will take some pressure off the rental markets in these capitals.”

About Australian Property Monitors (APM)

APM is a leading national supplier of property price information to home buyers and sellers, professional real estate agents, mortgage brokers, valuers, banks and financial markets. APM has been helping our customers make informed decisions about property since 1989.

APM monitors residential property activity from a variety of sources including auctions, government and semi-government agencies, real estate advertising, real estate agents and APM's own researchers. This vast pool of information ensures APM's databases contain the latest and most detailed house price information available.

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