

RENTAL REPORT

September 2012

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Key findings:

- Nationally, median weekly asking rents rose for both houses (+1.6%) and units (+0.2%) over the quarter
- Sydney's median weekly asking rents for houses rose strongly by +4.0% to reach the record level of \$520 per week
- Median weekly asking rentals for houses in Perth rose by +4.7% over the September quarter and by an extraordinary percentage (+15.4%) over the year
- Darwin again recorded significant rental growth for both units and houses over the September quarter

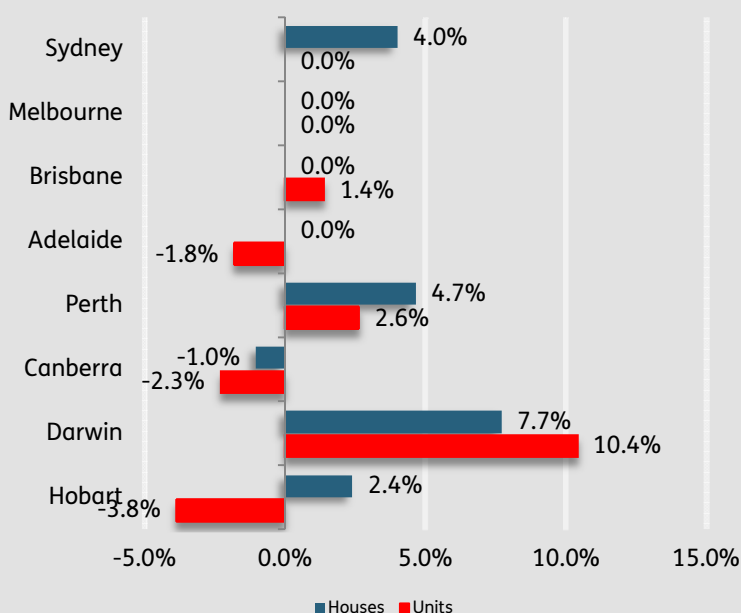
Median Weekly Asking Rents - Houses

	Sep-12	Jun-12	Sep-11	QoQ % Δ	YoY % Δ
Sydney	520	500	500	4.0%	4.0%
Melbourne	360	360	360	0.0%	0.0%
Brisbane	380	380	370	0.0%	2.7%
Adelaide	340	340	335	0.0%	1.5%
Perth	450	430	390	4.7%	15.4%
Canberra	485	490	470	-1.0%	3.2%
Darwin	700	650	550	7.7%	27.3%
Hobart	320	313	320	2.4%	0.0%

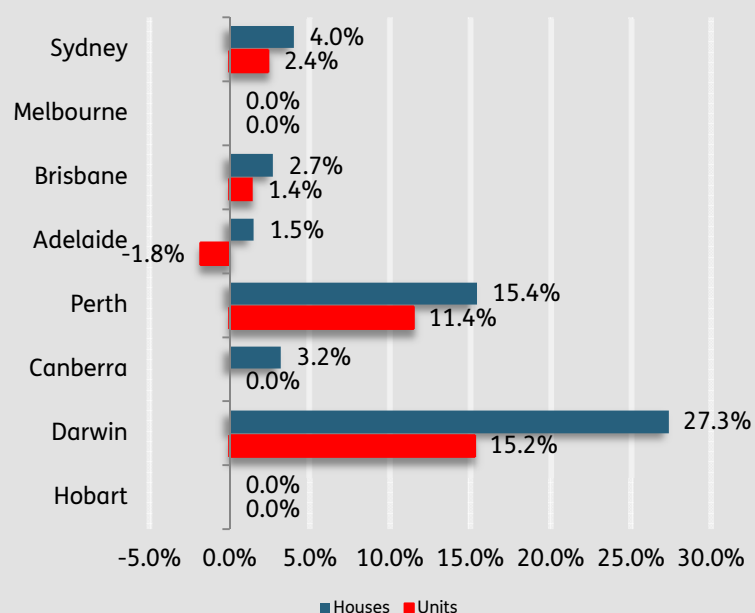
Median Weekly Asking Rents - Units

	Sep-12	Jun-12	Sep-11	QoQ % Δ	YoY % Δ
Sydney	470	470	459	0.0%	2.4%
Melbourne	350	350	350	0.0%	0.0%
Brisbane	365	360	360	1.4%	1.4%
Adelaide	275	280	280	-1.8%	-1.8%
Perth	390	380	350	2.6%	11.4%
Canberra	430	440	430	-2.3%	0.0%
Darwin	530	480	460	10.4%	15.2%
Hobart	250	260	250	-3.8%	0.0%

Asking Median Rents (Qtr on Qtr % Δ)

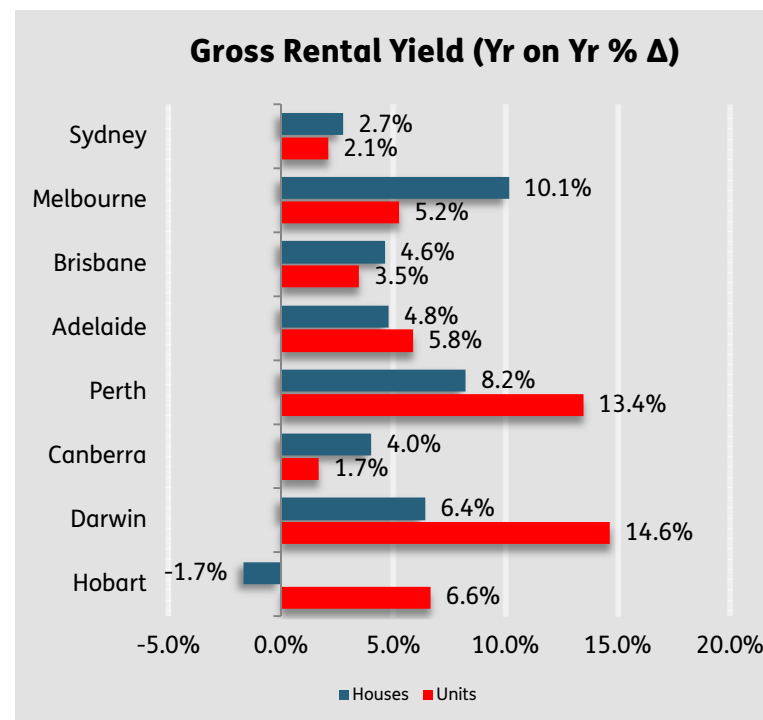
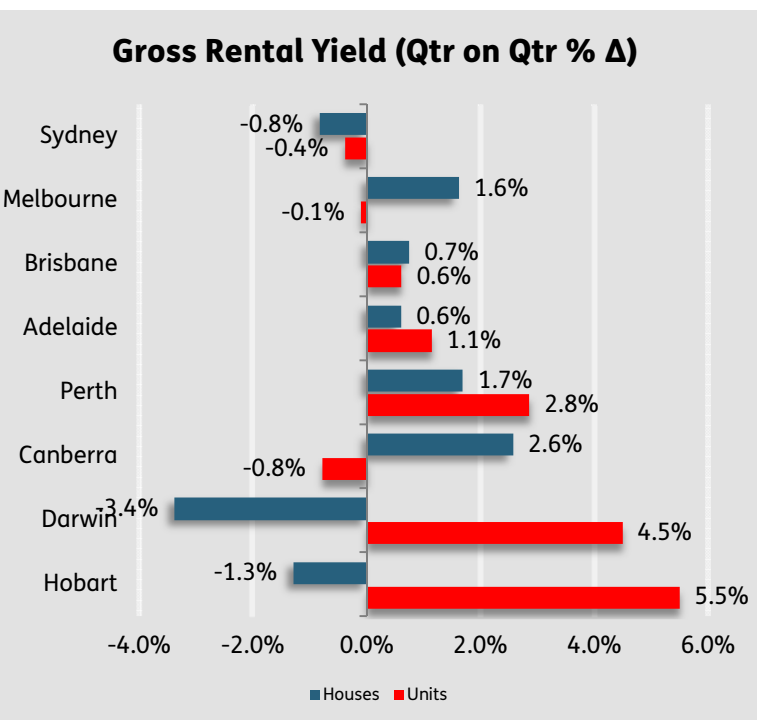
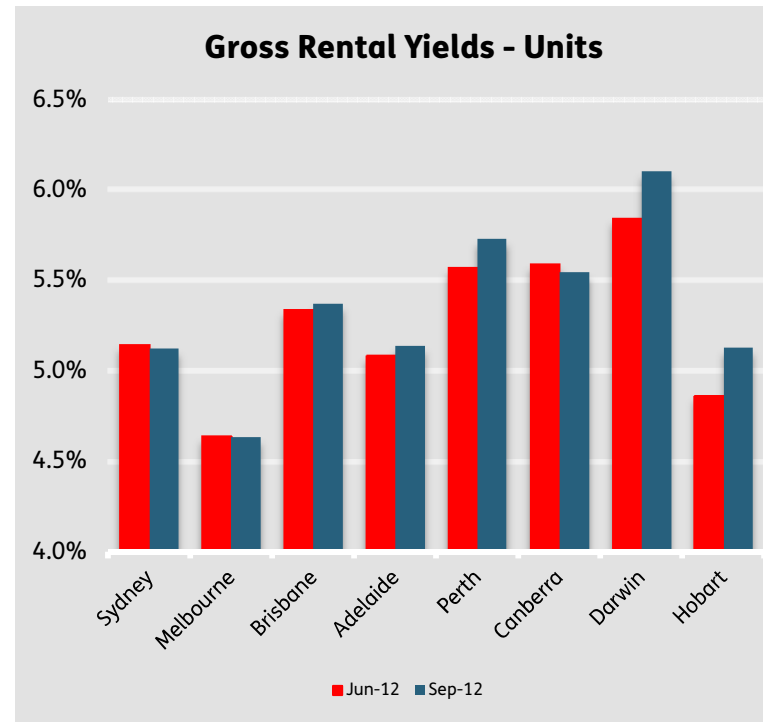
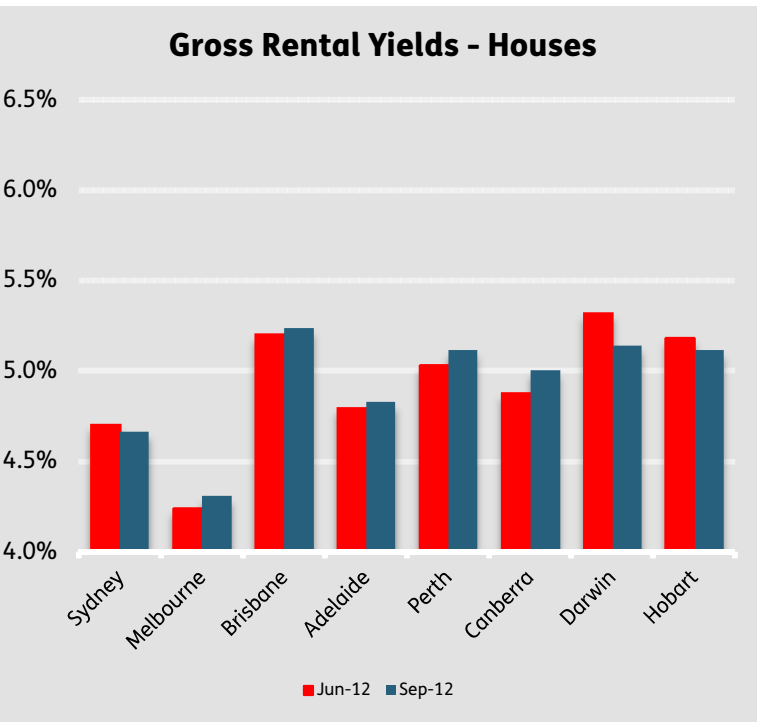


Asking Median Rents (Yr on Yr % Δ)



	Gross Rental Yields – Houses				
	Sep-12	Jun-12	Sep-11	QoQ % Δ	YoY % Δ
Sydney	4.67%	4.71%	4.54%	-0.8%	2.7%
Melbourne	4.31%	4.24%	3.92%	1.6%	10.1%
Brisbane	5.24%	5.20%	5.01%	0.7%	4.6%
Adelaide	4.83%	4.80%	4.61%	0.6%	4.8%
Perth	5.12%	5.03%	4.73%	1.7%	8.2%
Canberra	5.00%	4.88%	4.81%	2.6%	4.0%
Darwin	5.14%	5.32%	4.83%	-3.4%	6.4%
Hobart	5.11%	5.18%	5.20%	-1.3%	-1.7%

	Gross Rental Yields - Units				
	Sep-12	Jun-12	Sep-11	QoQ % Δ	YoY % Δ
Sydney	5.13%	5.15%	5.02%	-0.4%	2.1%
Melbourne	4.64%	4.64%	4.41%	-0.1%	5.2%
Brisbane	5.37%	5.34%	5.19%	0.6%	3.5%
Adelaide	5.14%	5.08%	4.86%	1.1%	5.8%
Perth	5.73%	5.57%	5.05%	2.8%	13.4%
Canberra	5.55%	5.59%	5.46%	-0.8%	1.7%
Darwin	6.10%	5.84%	5.32%	4.5%	14.6%
Hobart	5.13%	4.86%	4.81%	5.5%	6.6%



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

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

“Nationally, median weekly asking rents rose for both houses (+1.6%) and units (+0.2%) over the quarter ending September 2012, with Sydney, Perth and Darwin outperforming all other capital cities.

In Sydney, median weekly asking rents for houses rose strongly by +4.0% to reach the record level of \$520 per week, and is the second most expensive housing rental market after Darwin.

This follows strong increases in the previous quarter for unit rentals in Sydney and is further evidence of the rising cost of housing in the harbour city, though unit rental growth remained flat over the September quarter.

Housing shortages are starting to bite in Perth as immigration levels surge. Median weekly asking rentals for houses in Perth rose by +4.7% over the September quarter and by an extraordinary percentage (+15.4%) over the year.

Unit rentals in Perth have also risen by +2.6% over the quarter, and recorded significant increases over the past year of +11.4%.

Rental prices in other major capital city markets however recorded mixed results over the quarter.

Melbourne median asking weekly rentals for both houses and units again recorded no increase over the quarter and remained steady over the past year. Rents remain at \$360 for houses and \$350 for units. This reflects the higher vacancy rates and wider choice of rental properties for tenants that characterises the Melbourne market.

Brisbane weekly rentals are higher than Melbourne's at \$380 for houses and \$365 for units. Median weekly asking rentals for units in Brisbane rose by +1.4% over the quarter with no rise recorded for houses. This reflects a generally more subdued housing market in Brisbane, although annual rent rises for houses at +2.7% and +1.4% for units were recorded.

Further mixed results were reflected in Adelaide where a generally subdued housing market for both buyer and tenant activity meant house rents were steady with unit rents falling by -1.8 %.

Canberra also recorded a fall in unit rents down by -2.3% with house rents falling by -1.0%, which can be attributed to increased buyer activity providing less competition for rental properties.

Darwin again recorded significant rental growth for both units and houses over the September quarter reflecting to a large degree the impacts of the transient nature of the workforce. Nonetheless, the Darwin rental market continues to struggle with an underlying shortage of available housing.

Investment yield outcomes over the September quarter were variable across the capital cities. Sydney yields weakened slightly for both houses and units, while yields for houses in Melbourne rose as price weakness in the investment market continued. Yields in other capitals remained relatively flat although as expected, yields for Perth properties climbed as a result of recent steep rent increases.

Overall, rental markets will continue to produce varied outcomes reflecting the underlying drivers of each capital city.

In Sydney, Perth and Darwin, pressure on rents will continue as declining affordability impacts on first home buyers' borrowing capacity with housing shortages and population increases combining to keep vacancy rates tight.

For other markets, such as Melbourne, subdued housing market conditions, higher vacancy rates and less competition for available properties should see rental prices remain steady over the shorter-term.”

About Australian Property Monitors (APM)

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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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For more information or to arrange an interview, please contact:

• Emma Casey, Reservoir Network

02 9955 8000 / 0401 494 436

email: emma@reservoirnetwork.com.au