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House rents down as unit rents rise

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AUSTRALIA'S median rents fell by 0.2 per cent for houses in the three months to September, but rents for units gained 1.1 per cent.

Australian Property Monitors said for the three months to September, rents for houses in Sydney, Melbourne, Brisbane, Perth and Darwin remained steady, while rents fell 2.9 per cent in Adelaide, 2.1 per cent in Canberra and 1.6 per cent in Hobart.

Sydney was the only market where median weekly rents grew in the quarter for units, gaining 2.2 per cent, while rents in other cities remained stable.

Rents in Canberra were down by 2.3 per cent and Hobart rents fell 6 per cent.

However, rents for the past year have increased 3.3 per cent and 3.1 per cent in Canberra and Sydney respectively.

APM said the performance of the rental market for units was

better than for houses in most capital cities, with median asking rents for units approaching parity with those for houses in many capital cities.

The current median weekly asking rent for units is \$350 in Melbourne, \$460 in Sydney, \$360 in Brisbane, \$370 in Perth and \$430 in Canberra.

"Though rental growth has been generally stable over the September quarter for both houses and units, annual figures show unit rental prices have increased at a significantly greater rate in most capital cities compared to houses," APM senior economist Andrew Wilson said. "This indicates competition from discontented first home buyers entering the rental market, particularly in late 2010 and early 2011."

He said the median weekly asking rentals for units was now fast approaching that of houses in many capital cities due to more demand for units for lifestyle and affordability reasons and less demand for outer-suburban houses.