



## RENTAL MARKET SNAPSHOT

### Monthly market report: August 2018

**Media Release**  
**01 September 2018**

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# August 2018: Market overview

## STATE/TERRITORY OVERVIEW

<b>NSW</b> Apartment prices dropped 1.9% in August <a href="#">Read more</a>	<b>VIC</b> Melbourne apartments on market 10% longer <a href="#">Read more</a>	<b>QLD</b> Room prices 4.3% higher in August <a href="#">Read more</a>	<b>WA</b> Perth room prices up 11.7% (apartments) in August <a href="#">Read more</a>
<b>SA</b> Still offers the cheapest regional rents (\$270/wk) <a href="#">Read more</a>	<b>TAS</b> Hobart room price up 18.4% (apartments) <a href="#">Read more</a>	<b>NT</b> House rents drop most significantly of all capitals <a href="#">Read more</a>	<b>ACT</b> Canberra sees biggest drop in room price (down 9%) <a href="#">Read more</a>

Rent.com.au has released its latest report for August 2018 based on property leasing data. The report illustrates the shift in Australian median rental property prices (both metro and regional) rental affordability (the median room price metric) and days on market.

*Looking to rent your first home or purchase an investment property?  
 Staying informed about changes in Australian rental market is vital when deciding on your next move. Rent.com.au has released the latest property trends for each capital city.*

### MONTHLY HIGHLIGHTS:

- The cost of renting a room has increased across the country with a rise in the national median rent for apartments up 2.9%, while house rents jumped 0.7% year-on-year.
- **Canberra** metro was the only capital city to see median rents climb for all property types.
- Six of eight state/territory capitals have median house rents above \$400 a week.
- The most significant fall in the cost of rooms (overall) was in **Darwin**, down 6.2% from July.

## How the states and territories compared in August 2018

### Median rent (apartments v houses) and price per room

SOURCE: RENT.COM.AU © 2018

Metro area	Apartments	% change	Houses	% change	Price per room	% change
SYDNEY	\$530	↓1.9%	\$600	0%	\$275	↑0.9%
MELBOURNE	\$410	0%	\$420	0%	\$173	↑0.5%
BRISBANE	\$400	0%	\$425	↑1.2%	\$158	↓1.2%
PERTH	\$320	0%	\$360	0%	\$123	↑0.8%
ADELAIDE	\$295	↓1.7%	\$370	0%	\$133	0%
HOBART	\$350	↑2.9%	\$430	↓4.4%	\$157	↓0.6%
DARWIN	\$380	0%	\$450	↓8.2%	\$150	↓6.2%
CANBERRA	\$450	↑5.9%	\$540	↑5.9%	\$200	↓2.4%
<b>National median</b>	<b>\$450</b>	<b>0%</b>	<b>\$430</b>	<b>0%</b>	<b>\$186</b>	<b>↑0.5%</b>

## Price trends

### Median rents.

Across Australia's metro areas, rents stayed flat in August. In a shift from its July trajectory, **Canberra** was the only capital to record an increase in median rent across all property types, with rents this month up 5.9% for apartments and houses, respectively.

It wasn't too long ago that it was being commonly reported that **Sydney** had a severe housing shortage (due, by and large, to strong demand for properties and insufficient supply), a mismatch which had the effect of bidding up prices. But markets have a way of self-correcting and, as we've noted in recent reports, this is what appears to be happening in the NSW capital. In August, Sydney apartment rents fell 1.9% to \$530 a week, which is hardly drastic, but it's now the second month in a row prices have fallen since prices peaked at \$550 a week in May.

[Rent.com.au](#) Chief Executive Officer, Greg Bader said that despite a year-on-year increase in rental volume, median rents aren't changing too radically. "It has been well reported that Sydney's housing market is flattening, and prices are dropping, so with high levels of stock and high vacancies, it's likely rental rates are going to follow suit," he said.

"Demand for properties in Sydney metro is softer than it once was, and while this is starting to have a pronounced impact on housing prices, rental rates have plateaued. With a greater supply of available rental accommodation, it's likely that rents will eventually start to slip and make for a far friendlier renter's market."

### Price per room.

The cost of renting a room in Australia has increased year-on-year, with the most noticeable change in apartment rents. The national median for apartments in Australia's metro areas was \$283 a week in August, up 2.9% from 12 months back. Across the state and territory capitals, the biggest jump was in **Hobart** room prices, an 18.4% rise year-on-year with rooms now priced around \$231 a week. House prices, on the other hand, didn't move far – only rising 0.7%. Houses in **Canberra** saw the biggest drop in price per room, down 9% to \$181 a week. In August, the cheapest room for renters would be in a **Perth** house – just \$116 a week.

Price per room year-on-year: Apartments v Houses				
SOURCE: RENT.COM.AU © 2018				
Metro area	Apartments	% change from AUG 2017	Houses	% change from AUG 2017
SYDNEY	\$328	↑3.1%	\$200	0%
MELBOURNE	\$265	↑1.1%	\$133	0%
BRISBANE	\$240	↑4.3%	\$135	↑1.5%
PERTH	\$218	↑11.7%	\$116	↑2.6%
ADELAIDE	\$155	0%	\$126	↑0.8%
HOBART	\$231	↑18.4%	\$150	↑0.8%
DARWIN	\$165	↓5.7%	\$150	0%
CANBERRA	\$322	↓2.4%	\$181	↑9%
<b>National median</b>	<b>\$283</b>	<b>↑2.9%</b>	<b>\$143</b>	<b>↑0.7%</b>

## Price trends

### Regional rents.

Regional rents shifted in just three of eight capital cities in August. Price rises were recorded in **South Australia**, **Tasmania** and the **Northern Territory**. The most significant of the three was SA – a rise of 1.8% to a median of \$270 a week. Renting in the NT's regions remains the most expensive option for house hunters around Australia with a median rent of \$450 a week, followed closely by **New South Wales** at \$400 a week. SA recorded the cheapest regional rent prices – a comparable bargain at just \$270 a week.

Regional Rents			
% change between July 2018 and August 2018			
SOURCE: RENT.COM.AU © 2018			
State/Territory	July 2018	August 2018	% change
NSW	\$400	\$400	0%
VIC	\$300	\$300	0%
QLD	\$360	\$360	0%
WA	\$330	\$330	0%
SA	\$265	\$270	↑1.8%
TAS	\$295	\$300	↑1.6%
NT	\$445	\$450	↑1.1%
ACT	unavailable	unavailable	unavailable
<b>National median</b>	<b>\$360</b>	<b>\$360</b>	<b>0%</b>

### Days on market.

Apartments took longer to shift in **Perth** than in any other state or territory capital in August, taking 38 days (up 5% month-on-month and 11% year-on-year). However, apartments moved fastest in **Hobart** (just 17 days). **Canberra** houses were fastest to lease on leave Rent.com.au in August (taking around 17 days on site) against a slowdown for **Darwin** (43 days, 28% longer than July).

Conditions look to be slowly improving in Perth, with houses now moving 9% faster year-on-year and averaging 37 days before coming off market.

Days on market						
% change in no. days on market (Apartments v Houses)						
SOURCE: RENT.COM.AU © 2018						
Metro area	APARTMENTS days on market August 2018	% change from July 2018	% change from August 2017	HOUSES days on market August 2018	% change from July 2018	% change from August 2017
SYDNEY	25	↓7%	↑25%	26	↓3%	↑19%
MELBOURNE	22	↑10%	↑5%	23	0%	↑2%
BRISBANE	25	↑10%	↓10%	24	↓3%	↑4%
PERTH	38	↑5%	↓11%	37	↑4%	↓9%
ADELAIDE	25	↑1%	↓5%	25	↑3%	↑7%
HOBART	17	↑20%	↑63%	20	↑10%	↑43%
DARWIN	37	↓8%	↓1%	43	↑28%	↑8%
CANBERRA	16	↑3%	↑8%	17	↓1%	↑6%

## Annual change in market conditions

### Sydney market



↓ 3.6%

\$530/week



↓ 3.2%

\$600/week

Year-on-year, **Sydney's** rental market showed signs of slowdown with slight falls in weekly apartment and house prices. The NSW capital saw a 3.6% drop in apartment rents (to \$530 a week) and 3.2% fall in house rents, now \$600 a week.

### Melbourne market



↑ 2.5%

\$410/week



↑ 5%

\$420/week

Renting an apartment in **Melbourne** metro was 2.5% more expensive in August than it was 12 months prior - now \$410 a week. House rents were up 5% to \$420 a week. The cost of a room in a Melbourne apartment was also up in August from the year prior (1.1%) to \$265 a week.

### Brisbane market



↑ 2.5%

\$400/week



↑ 3.6%

\$425/week

Over in **Brisbane**, median weekly house rents picked up 3.6% year-on-year to August, now \$425 a week. Following a similar trend, apartment median rents were up 2.5% to \$400 a week. Apartments in the Brisbane metro area took 10% longer to come off market in the 12 months to August, averaging 25 days before leasing.

### Perth market



0%

\$320/week



↑ 2.6%

\$360/week

In **Perth**, median house rents were up 2.6% to \$360 a week from this time last year, while apartment rents remained stable at \$320 a week. Comparing the change in price per room, a room in a Perth apartment was 11.7% more expensive than a year back, now costing around \$218 a week.

## Annual change in market conditions (cont.)

### Adelaide market



↑ **3.5%**

\$295/week



↑ **5.7%**

\$370/week

Over in **Adelaide**, median weekly house rents jumped up by 5.7% in August to \$370 a week. Similarly, apartment rents were up 3.5% to \$295 a week. Houses in Adelaide metro were on market for around 7% longer this August (25 days) compared to August 2017.

### Hobart market



↑ **9.3%**

\$350/week



↑ **16.2%**

\$430/week

Some interesting changes are evident when comparing the 12-month change in **Hobart** rents. Median house rents were up 16.2% to \$430 a week, while apartment prices were up 9.3% to \$350 a week, indicative of the more recent affordability issues in the Tasmanian capital.

### Darwin market



**0%**

\$380/week



**0%**

\$450/week

Of all the cities, **Darwin** was the only capital to record no change in apartment or house median rents. The cost of renting an apartment in Darwin remains at \$380 a week or a house for \$450 a week. Darwin houses took around 8% longer to shift year-on-year, now averaging 43 days before coming off market.

### Canberra market



↑ **9.7%**

\$450/week



↑ **10.2%**

\$540/week

Since last August, **Canberra's** median house rents have increased by 10.2% to \$540 a week. Similar trends were evident with apartments, which rose in price by 9.7% annually to \$450 a week. The cost of a room in a house also increased in Canberra by 9% to \$181 a week.