

The logo for rent.com.au, featuring the word "rent" in a red sans-serif font with a red house icon above the letter 'e', followed by ".com.au" in a black sans-serif font.

rent.com.au

RENTAL MARKET SNAPSHOT

FEBRUARY 2023

Monthly report
1 March 2023

For further information, or to organise an
interview with Rent.com.au CEO Greg
Bader, email media@rent.com.au

OVERVIEW | FEBRUARY 2023

VACANCY RATE CHANGES

NEW SOUTH WALES There were 5.7% fewer rentals available in <u>NSW</u> in February 2023 compared to January	VICTORIA Availability in <u>Victoria</u> was down 10.6% in February 2023.	QUEENSLAND The number of rentals in <u>QLD</u> fell by 5.9% from January to February 2023	WESTERN AUSTRALIA January saw a 6.4% drop in the number of available <u>WA</u> rental properties
SOUTH AUSTRALIA January showed a 5.5% drop in the number of rentals available in <u>SA</u> from January	TASMANIA <u>Tasmania</u> records the only increase in availability in February, up 2.2%	NORTHERN TERRITORY Availability in the <u>Northern Territory</u> was down 11.7%, the most significant of all states	AUS. CAPITAL TERRITORY In February, the number of properties available in the <u>ACT</u> decreased by 7.1%

Rent.com.au's **February 2023** report shows changes in Australian median rental prices, affordability, and time on the market. Get the latest data on the metro and regional property leasing trends.

Ready to rent your first home or purchase an investment property?

Stay on top of the Australian rental market with Rent.com.au's latest report on property trends in each capital city. How did your state or territory perform this month?

KEY HIGHLIGHTS

- › **Sydney, NSW:** Sydney has the highest median rent for both apartments (\$600) and houses (\$750) compared to other metro areas.
- › **Perth, WA:** Perth saw the greatest monthly change in median rent for apartments (5.8%).
- › **Hobart, TAS:** Hobart had the most significant decrease (-4.2%) during the same period.
- › **Melbourne, VIC:** Melbourne had the biggest monthly change in median rent for houses (1%) compared to other metro areas.
- › **Canberra, ACT:** The price per room was highest in Canberra (\$253) and lowest in Perth (\$200).
- › Overall, the national median rent for apartments increased by 2.7% and for houses increased by 0.8%, while the price per room increased by 2% compared to the previous month.

MEDIAN RENT & PRICE PER ROOM | FEBRUARY 2023

Metro area	APARTMENTS	Monthly change	HOUSES	Monthly change	PRICE PER ROOM	Monthly change
Sydney, NSW	\$600	0.8%	\$750	2.6%	\$325	7.6%
Melbourne, VIC	\$480	2%	\$495	1%	\$212	0%
Brisbane, QLD	\$500	0%	\$600	0%	\$210	-0.9%
Perth, WA	\$480	5.8%	\$560	1.7%	\$200	7%
Adelaide, SA	\$420	0%	\$520	0%	\$185	1%
Hobart, TAS	\$470	-4.2%	\$570	-0.8%	\$208	-3.3%
Darwin, NT	\$520	0%	\$650	-2.3%	\$206	-2.9%
Canberra, ACT	\$540	0%	\$670	1.4%	\$253	-3.5%
National median	\$540	2.7%	\$575	0.8%	\$240	2%

Source: 2023 Rent.com.au property listing data

PRICE TRENDS | FEBRUARY 2023

MEDIAN RENTS

Australian renters are grappling with a mixed bag of rent surges as the shortage of homes worsens across the country. Rising demand has been a significant contributor, and the recent return of overseas students and the resumption of migration further intensified the competition for inner-city apartments.

While the beginning of the pandemic saw a rise in vacancy rates and a decline in rents in Melbourne and Sydney's CBDs, the opposite is true today. Strong demand is fuelling a rebound in rental prices. The rental crisis has made things challenging for renters, but landlords are not raising rents above market rates solely to offset their borrowing costs. Strong demand in the rental market is another key driving force behind ongoing increases.

The current housing market is a cause for concern for renters and homebuyers alike. In February, the Housing Industry Association predicted that the rate of new home construction would drop to the lowest level in ten years due to various factors, including skills and material shortages and higher costs. This could exacerbate the already-existing supply issues and make it even harder for renters to find an affordable place to live.

The New South Wales Greens announced in early February their intentions to address the current difficult situation facing renters in Sydney by introducing legislation after the March state election. Their proposed legislation would include a rent freeze and an end to no-grounds evictions. Additionally, the party aims to establish an independent organisation responsible for setting rent controls, introducing limits on the amounts and frequency of rent increases, and providing greater oversight of landlords. Jenny Leong, Greens' spokesperson for housing and Newtown MP, plans to introduce legislation for an immediate rent freeze, hoping to provide relief to the millions of renters in NSW who are struggling with the current system.

The proposal put forth by the Greens to limit the rental of entire homes on Airbnb to 90 days per year has been welcomed by Jennifer Beveridge, the CEO of Tenants Victoria. This proposal aims to increase the availability of rental properties for residents by limiting their use as tourist accommodations, similar to the measures introduced in cities like London and Amsterdam. According to Ms Beveridge, Tenants Victoria advocates for a review of the impact of short-term rental platforms on the rental housing market by the Victorian Government, which would pave the way for more regulation. Ms Beveridge has noted that tenants on low and middle incomes in the private market are disproportionately affected by the current rental crisis.

Much like most of Australia, South Australia is also experiencing an increase in rental prices, prompting new legislation to ban practices such as encouraging prospective tenants to bid higher or advertising a "rent range". The aim is to promote market stability and protect tenants from potential exploitation. The proposed laws are expected to be introduced to parliament soon.

PRICE PER ROOM

The latest data reveals that the median price per room for apartments in Australia has increased annually by 23.6% to reach \$340, while for houses, it has increased by 13.7% to reach \$193. The price per room metric offers an alternate outlook on the approximate cost to rent a room in a home in Australia. It can aid renters in finding affordable units, landlords set occupancy and pricing, and investors evaluate property performance before investing.

Sydney topped the list for the highest median price per room for both apartments and houses, while Melbourne followed closely behind. Brisbane and Perth ranked third in the list for apartments and houses, respectively.

ANNUAL CHANGE TO PRICE PER ROOM | FEBRUARY 2023

Metro area	APARTMENTS	% change (annual)	HOUSES	% change (annual)
Sydney, NSW	\$385	23.2%	\$250	14.3%
Melbourne, VIC	\$325	31.3%	\$173	15.6%
Brisbane, QLD	\$283	13.3%	\$182	9.5%
Perth, WA	\$290	16%	\$175	16.7%
Adelaide, SA	\$225	11.1%	\$176	12.8%
Hobart, TAS	\$233	1.4%	\$211	8.5%
Darwin, NT	\$243	11.1%	\$190	3.6%
Canberra, ACT	\$395	18.4%	\$223	3.5%
National median	\$340	23.6%	\$193	13.7%

Source: 2023 Rent.com.au property listing data

PRICE TRENDS | FEBRUARY 2023

HOW ARE THE REGIONS FARING?

According to the latest data, the median rent across Australia increased by 2% in February compared to the same month in the previous year, reaching \$500/week. However, there were noticeable differences in rental prices by state and territory. Queensland saw the most significant increase in median rent, rising by 4% to \$520, while South Australia had the second-highest increase with a rise of 5.5%. In contrast, Tasmania experienced a decrease of 3.8%, down to \$432, while the Northern Territory saw the largest drop of 6.4%. Interestingly, New South Wales and Western Australia had no change in median rent compared to February 2022.

REGIONAL RENTS | FEBRUARY 2023

State/Territory	February 2023	% change from Feb '22
New South Wales	\$510	0%
Victoria	\$400	0%
Queensland	\$520	4%
Western Australia	\$510	2%
South Australia	\$380	5.5%
Tasmania	\$432	-3.8%
Northern Territory	\$510	-6.4%
Aus. Capital Territory	n/a	n/a
National median	\$500	2%

Source: 2023 Rent.com.au property listing data

TIME ON MARKET

The time on market (TOM) or time to lease (TTL) for Australia's rental properties provides valuable insight in several ways for property owners and managers. It goes some way to indicate how well a property is performing in the market, provides insight into overall rental market conditions and market trends, and helps landlords and property managers decide whether to lower the price or make some improvements in the property if the rental has been on the market for a long time.

The latest data on property leasing times in major Australian metro areas shows that the average time it takes to lease an apartment or a house has decreased in most regions compared to the same month the previous year. In February 2023, apartments in Sydney, Melbourne, Brisbane, and Perth were leased on average within 12-14 days, with Perth showing the fastest leasing times for both apartments and houses. Meanwhile, houses in Adelaide and Canberra took longer to lease, with average times of 16 and 24 days, respectively.

In terms of changes over the past year, apartments and houses in most regions were leased faster in February 2023 than in the same month in 2022. However, Adelaide experienced no change in apartment leasing times and a slowdown in house leasing times. At the same time, Hobart saw a slight increase in apartment leasing times and a significant increase in house leasing times. Darwin also saw a considerable rise in house leasing times. Overall, the data suggests that the property market in most metro areas is currently favourable for landlords, with leasing times decreasing and some areas experiencing strong demand for rental properties.

HOW LONG ARE PROPERTIES TAKING TO LEASE? | FEBRUARY 2023

Metro area	APARTMENTS			HOUSES		
	APARTMENTS	Monthly change	Annual change	HOUSES	Monthly change	Annual change
Sydney, NSW	14 days	13% faster	33% faster	21 days	24% faster	5% slower
Melbourne, VIC	14 days	17% faster	42% faster	19 days	23% faster	12% faster
Brisbane, QLD	12 days	9% faster	22% faster	17 days	10% faster	13% slower
Perth, WA	14 days	5% faster	14% faster	14 days	5% faster	8% faster
Adelaide, SA	15 days	No change	7% slower	16 days	16% faster	16% slower
Hobart, TAS	18 days	7% slower	3% slower	19 days	No change	37% slower
Darwin, NT	21 days	19% faster	11% faster	24 days	24% change	14% slower
Canberra, ACT	19 days	32% faster	26% slower	24 days	13% change	37% slower

Source: 2023 Rent.com.au property listing data



ABOUT

Rent.com.au is made for renters. The company puts renters' needs front and centre to give them more control of their renting experience. Rent.com.au's biggest goal is to make renting an awesome alternative to homeownership for millions of Australians who choose to rent.

Of the many achievements to date, Rent.com.au has delivered marketing-leading products and services that have improved this experience, such as Renter Resume, which more than 1 million Australians use to help them stand out from the crowd.

From search features to products and services and a community that supports and informs, Rent.com.au is committed to making renters feel heard, empowered, and optimistic that things can be better.

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