



RENTAL MARKET SNAPSHOT

December 2020

Media release

01 January 2021

For further information, or to organise
an interview with Rent.com.au CEO
Greg Bader, email media@rent.com.au
or call 1300 736 810

Rental market overview: December 2020

State and territory overview

New South Wales Rents for both apartments and houses down in <u>Sydney</u> in December	Victoria <u>Victoria</u> records only regional price drop month-on-month	Queensland Consistent median rent rises for <u>Brisbane</u> apartments and houses	Western Australia While <u>Perth</u> market still tight, conditions have eased slightly
South Australia Regional rents up by 7.1% in <u>South Australia</u> in December	Tasmania <u>Hobart</u> records consistent change in price per room in Dec	Northern Territory <u>Darwin</u> records the most significant change in regional rents	Aus. Capital Territory <u>Canberra</u> median house rents up by 2.9% in December

Australia's leading rental property website [rent.com.au](https://www.rent.com.au) has released its report for December 2020, 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 to the Australian rental market is vital when deciding on your next move. [Rent.com.au](https://www.rent.com.au) has released the latest property trends for each capital city.*

Report highlights

- December saw rises in median rent for apartments in Darwin, Brisbane, Adelaide, Perth and Hobart.
- While the national price per room remained unchanged in December 2020, Brisbane also recorded the most notable change, affected by growth in median rents for both property types.
- For the first time in 12 months, Sydney's apartment and house median rents were down, dropping 2.1% and 3.2% respectively month-on-month.

Median rent (apartments v houses) and price per room

How the states and territories performed in December 2020 and % change month-on-month

SOURCE: RENT.COM.AU © 2020

Metro area	Apartments	% change	Houses	% change	Price per room	% change
<u>SYDNEY</u>	\$460	-2.1%	\$600	-3.2%	\$260	0%
<u>MELBOURNE</u>	\$380	0%	\$435	1.1%	\$187	-1.5%
<u>BRISBANE</u>	\$407	1.7%	\$470	2.1%	\$180	2.8%
<u>PERTH</u>	\$370	1.3%	\$420	0%	\$150	-0.6%
<u>ADELAIDE</u>	\$320	1.5%	\$400	0%	\$150	0%
<u>HOBART</u>	\$375	1.3%	\$460	-1%	\$183	1.6%
<u>DARWIN</u>	\$400	11.1%	\$560	-3.4%	\$166	-2.3%
<u>CANBERRA</u>	\$480	0%	\$597	2.9%	\$237	-1.2%
National median	\$415	-1.1%	\$465	0%	\$200	0%

Price trends in December 2020

Median rents.

As 2020 ends, it will likely go down as one of the toughest, and more interesting years that the Australian property market has navigated. In a way no one could have predicted - from a global pandemic to large-scale economic downturn, Australia's rental market has still managed to prove fairly resilient.

While the initial shock of COVID-19 led to a decline in rental values in some areas particularly between April and September, Australian rental values were largely higher by December 2020, according to Rent.com.au's latest market report.

In spite of this, COVID-19 had a severe impact on select rental markets across the country in 2020. Inner-city markets in Sydney, Melbourne and to a lesser extent, Brisbane, were heavily impacted by international border closures. Notably, the vast majority of overseas arrivals tend to be renters.

Over in places like Perth and Darwin, however, there's been a very different dynamic. Several years of low new supply additions has seen both those rentals markets tighten. This is reflected well in the NT, where rents have significantly increased month-on-month for apartments.

A demand for lifestyle areas is a trend that could have been amplified (but not necessarily triggered) by COVID-19 - we've certainly seen a strong narrative of Australians fleeing metro areas in search of a sea (or tree) change in housing media this year.

Rent.com.au chief executive officer Greg Bader said some rental demand is being driven by renters who are keeping a close eye on property availability and what prices are doing, and landlords who are scoping their competition and pricing accordingly. "Many renters view the beginning of the new year as the ideal time to find a home, and with high rental demand comes an influx of new rental listings and vacant properties for rent," he said. "Many leases will also expire in early 2021, as well as moratoriums on evictions ending in TAS and ACT, so I expect we'll see some heightened rental demand in the coming months."

Price per room.

Rent.com.au's price per room metric offers another way to look at the cost of renting in Australia. Looking at the annual change from the December data, all metro capitals bar one (Adelaide) saw an upward trend in price per room for houses, with the most significant change in Perth, up 13.9% to \$136/week. The cost of a room in an apartment in Perth was also up year-on-year, rising 4% to \$208/week. Areas with consistent upward changes for both apartments and houses included Brisbane, Perth, and Hobart.

The 12-month change in Price Per Room				
SOURCE: RENT.COM.AU © 2020				
Metro area	Apartments	% change from DEC 2019	Houses	% change from DEC 2019
<u>SYDNEY</u>	\$300	0%	\$200	3.4%
<u>MELBOURNE</u>	\$230	-8%	\$142	1.2%
<u>BRISBANE</u>	\$225	2.3%	\$155	6.9%
<u>PERTH</u>	\$208	4%	\$136	13.9%
<u>ADELAIDE</u>	\$160	-8.6%	\$133	0%
<u>HOBART</u>	\$210	5%	\$172	3.5%
<u>DARWIN</u>	\$157	-3.6%	\$156	7.1%
<u>CANBERRA</u>	\$312	-8.1%	\$200	13.2%
<i>National median</i>	\$250	-3.8%	\$156	4%

Price trends in December 2020

Regional rents.

December 2020 marked the continuation of some positive change in prices for the regions, as apartments and houses in the outer suburbs and regions benefited from being an escape from the city in COVID times. This new internal migration will create a unique growth opportunity. In December, the Northern Territory recorded the most significant price spike in regional rents, climbing 9.5% to \$515/week.

The NT was one of four states to record an upward change in its regional median rent. Tasmania climbed 9.3% to \$350/week, followed by South Australia (7.1% to \$300/week) and finally in Western Australia, up 1.3% to \$380/week. Victoria recorded the only price drop, down 1.2% to \$395/week.

The highest regional rents in December were in the Northern Territory at \$515/week, followed by New South Wales at \$420/week.

Regional Rents		
% change from November to December 2020		
SOURCE: RENT.COM.AU © 2020		
State/Territory	December 2020	% change from Nov '20
<u>NSW</u>	\$420	0%
<u>VIC</u>	\$395	-1.2%
<u>QLD</u>	\$350	0%
<u>WA</u>	\$380	1.3%
<u>SA</u>	\$300	7.1%
<u>TAS</u>	\$350	9.3%
<u>NT</u>	\$515	9.5%
<u>ACT</u>	n/a	n/a
<i>National median</i>	\$400	1.2%

Time on market.

Rent.com.au's average time on market measure is designed to provide some context to the movement in median rents across Australia.

Of all metro areas, Brisbane was the one to record the most significant change to time on market, month-on-month. Apartments leased quickest in the QLD capital in December, coming off the market in 24 days (11% faster). Year-on-year, the metro capital to record the greatest change was Melbourne, today taking 86% longer (now 42 days) to move an apartment than it did in Nov 2019.

Time on Market						
% change in no. days on market (Apartments v Houses)						
SOURCE: RENT.COM.AU © 2020						
Metro area	APARTMENT days on market DEC 2020	% change from NOV 2020	% change from DEC 2019	HOUSES days on market DEC 2020	% change from NOV 2020	% change from DEC 2019
<u>SYDNEY</u>	30 days	3% faster	7% slower	21 days	2% faster	18% faster
<u>MELBOURNE</u>	42 days	4% slower	86% slower	22 days	10% faster	3% faster
<u>BRISBANE</u>	24 days	11% faster	16% slower	15 days	1% faster	33% faster
<u>PERTH</u>	20 days	8% slower	33% faster	16 days	0% change	36% faster
<u>ADELAIDE</u>	23 days	9% slower	22% slower	15 days	2% faster	25% faster
<u>HOBART</u>	19 days	7% slower	36% slower	15 days	1% faster	1% faster
<u>DARWIN</u>	19 days	2% slower	55% faster	15 days	6% slower	53% faster
<u>CANBERRA</u>	16 days	5% faster	11% faster	14 days	5% faster	27% faster



About

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

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 is used by almost 1 million Australians to help them stand out from the crowd.

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

Visit www.rent.com.au today.

Press & ASX

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