

Rent.com.au monthly market snapshot March 2018 rental prices

Property leasing data released by Rent.com.au for March illustrates the shift in Australian median rental property prices (both metro and regional) and rental affordability (the median room price metric).

Key Highlights:

- Signs of change in the **Brisbane** market, with median rents down for apartments and houses in March.
- **Hobart's** apartment prices took a sharp turn upward in March, rising 9.4%, the highest of all capitals
- **Perth** remains the most affordable option for renters looking for shared accommodation – just \$124/week.
- Properties in **Hobart** aren't staying vacant long - dwellings shifted 5% faster month-on-month, while **Melbourne** also moved 2% faster.

How the states and territories compared Median rent (apartments v houses) and price per room						
Metro area	Apartments	% change	Houses	% change	Price per room	% change
SYDNEY	\$530	↓1.9%	\$600	0%	\$275	↓1.79%
MELBOURNE	\$420	↓2.3%	\$420	0%	\$175	↓2.78%
BRISBANE	\$395	↓1.3%	\$415	↓1.2%	\$159	↓3.64%
PERTH	\$315	↓1.6%	\$360	0%	\$124	↑0.81%
ADELAIDE	\$295	↓1.7%	\$365	↑1.4%	\$132	↓0.62%
HOBART	\$350	↑9.4%	\$450	↑3.4%	\$160	0%
DARWIN	\$380	↑1.3%	\$477	↑6.1%	\$165	↑2.05%
CANBERRA	\$440	↑2.3%	\$515	↓1.9%	\$190	↓5%
National median	\$440	0%	\$425	↓1.2%	\$183	2.22%

Median rents

Hobart apartment rents rise highest of all cities

In **Hobart**, rental demand remained high and continued to grow; house prices were up 3.4% to \$450/week against a 9.4% increase in apartment prices (now \$350/week). **Sydney** rents are still high (to no one's surprise), but cooling demand could be behind the stabling cost of both property types, apartment median rents were flat in March and dropped by 1.9%, but houses remained unchanged.

Median rents (continued)

Melbourne apartment prices dropped 2.3% month-on-month to \$420/week, marking the first drop-off since November 2017 when prices fell 2.4% to \$400/week. Rent.com.au Chief Executive Officer, Greg Bader said the Melbourne rental market appears to be following Sydney down. "Melbourne remains a solid and competitive market, and stronger population growth is one factor that's driving demand," he said. "Melbourne's advantage over **Sydney** is in its position as a population growth leader."

Positive news for renters looking to lease properties in **Brisbane**, Queensland with both apartment and house median rents dropping off in March. Apartment prices fell 1.3% to \$395/week while houses dropped 1.2% to \$415/week.

Property Pursuit Director, Meighan Hetherington said the tenant demand cycle in Brisbane had followed the established five-year pattern again, with the peak in tenant demand being mid-January to late-February.

"Lease renewals for houses in this period achieved moderate increases of between 3-5%, and new leases were largely re-let with 12-month leases," Ms Hetherington said. "Multiple applications on well-priced houses were received during this period."

"Demand in March has also followed the five-year pattern by falling from the peak in February," she said. "Vacancy without price adjustments has units continue to require aggressive price reductions to attract tenants."

Ms Hetherington said in Brisbane, units continued to be challenged by the high levels of supply for tenants to choose from. "Asking rents had to be decreased by 2-8% to compete for tenant interest and secure long leases," she said. "Tenant expectations have risen considerably in the past 12 months: air conditioning in all bedrooms and the living area is now high on the list of 'needs' for properties over \$500/week, and a lack of a pool has become a challenge for properties over \$850/week."

The Queensland suburbs with the most significant changes in rent		
Suburb	% change	Median rent
Herston	↓14.11%	\$440
Dalby	↓11.79%	\$260
Varsity Lakes	↓11.6%	\$520
Blackwater	↓10.5%	\$205
Mount Sheridan	↓10%	\$395
Stafford	↓8.18%	\$395
Runcorn	↓7.27%	\$400
Coombabah	↓7.22%	\$420
Frenchville	↓6.98%	\$280
Gympie	↓6.67%	\$280

Affordability

Perth still a shared accommodation bargain, but room costs falling in Brisbane

Renters looking to score a good deal on apartment prices would have found the best options in **Adelaide** (just \$162/week for a room), against \$116/week in **Perth** for a room in a house.

Nationally, **Perth** remained the most affordable capital at just \$124/week for all property types, closely followed by **Adelaide** (\$132/week) and then **Brisbane** (\$159/week). Brisbane also saw the most significant change in price per room in March; down 3.64%.

Price per room			
Metro area	Apartments	Houses	National Price Per Room
Sydney	\$310	\$200	\$275
Melbourne	\$287	\$148	\$175
Brisbane	\$231	\$133	\$159
Perth	\$187	\$116	\$124
Adelaide	\$162	\$123	\$132
Hobart	\$200	\$143	\$160
Darwin	\$190	\$162	\$165
Canberra	\$277	\$163	\$190
National median	\$275	\$147	\$183

The metric also showed that **Sydney** once again outranked all other state/territory capitals at \$275/week for a single room (national price per room). By property type, both apartments and houses were least affordable of all capitals (apartments - \$310/week, houses - \$200/week).

Rent.com.au's price per room metric was developed in a bid to improve the rental search process for the Australian market, Mr Bader said.

"RENT's price per room metric helps both renters and property owners/investors look differently at the cost of renting," he said. "The figure is more relevant to this audience, particularly renters seeking shared accommodation, and gives them a more accurate representation of how they will need to budget."

Regional rents

Most regional areas stable, but small falls in QLD and SA

Median rents across the regions remained largely stable in March – consistent with data from **February**. Both Queensland and South Australia recorded a decrease in the median rent month-on-month, down 2.8% (QLD) and 1.9% (SA). Properties in the Northern Territory's regions are still yielding high rental amounts with the weekly price unchanged at \$450/week. For renters, this means still no relief in sight as the territory remains the most unaffordable of all capitals.

Regional rents			
State	FEBRUARY '18	MARCH '18	% change
NSW	\$400	\$400	0%
VIC	\$290	\$290	0%
QLD	\$350	\$360	↓2.8%
WA	\$330	\$330	0%
SA	\$260	\$255	↓1.9%
TAS	\$275	\$275	0%
NT	\$450	\$450	0%
ACT	unavail	unavail	unavail
National median	\$360	\$360	0%

Time on market

Melbourne and Hobart properties move off market faster

Time on market in **Darwin** improved significantly in March, dropping 16% to take an average of 30.6 days to lease an apartment. Trends were much the same in **Melbourne** and **Hobart**, where both apartments and houses shifted quicker under a continued wave of rental demand, dropping time on market down.

In **Melbourne**, apartments moved 10% faster (24.8 days on average) and houses 2% faster (20.8 days). **Hobart** saw similar movement with a 7% improvement for apartments (13.1 days) and 5% for houses (now 15.2 days). Mr Bader said this movement across several capitals was indicative of healthy leasing activity prompting increased demand. *"This is good news for property owners and investors who are seeing their vacancy time reduced,"* he said.

Time on market				
Metro area	Apartments	% change	Houses	% change
SYDNEY	21 days	2% faster	23.8 days	4%
MELBOURNE	17.8 days	10% faster	20.8 days	2% faster
BRISBANE	24.8 days	4% faster	26 days	0%
PERTH	36.4 days	1% faster	34 days	2% slower
ADELAIDE	24.5 days	7% slower	22.9 days	5% slower
HOBART	13.1 days	7% faster	15.2 days	5% faster
DARWIN	30.6 days	16% faster	37.9 days	5% slower
CANBERRA	13.2 days	5% faster	18.1 days	20% slower

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About rent.com.au

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