



rent.com.au

RENTAL MARKET SNAPSHOT

JANUARY 2023

**Monthly report
1 February 2023**

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

OVERVIEW | JANUARY 2023

VACANCY RATE CHANGES

| | | | |
|---|---|---|---|
| NEW SOUTH WALES There were 4% fewer rentals available in <u>NSW</u> in January 2023 compared to December | VICTORIA Availability in <u>Victoria</u> was down 5.3% in January, the most significant of all states | QUEENSLAND The number of rentals in <u>QLD</u> rose by 3.4% from December 2022 to January 2023 | WESTERN AUSTRALIA January saw a 6.8% increase in the number of available <u>WA</u> rental properties |
| SOUTH AUSTRALIA January showed an 8.2% uptick in the number of rentals available in <u>SA</u> from December | TASMANIA <u>Tasmania</u> records the largest increase in availability, up 31% | NORTHERN TERRITORY Compared to Dec 2022, Jan 2023 saw a 10.9% increase in availability in the <u>NT</u> | AUS. CAPITAL TERRITORY In January, the number of properties available in the <u>ACT</u> increased by 3.2% |

Rent.com.au's **January 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 CITY HIGHLIGHTS

- › **Sydney, NSW:** The price per room in Sydney remained unchanged in January 2023, but the apartment and house rents have increased slightly.
- › **Melbourne, VIC:** Melbourne's apartment prices increased by 4.2% in January, with the price per room also experiencing a 5.6% increase. Meanwhile, house rents remained steady.
- › **Brisbane, QLD:** The rents in Brisbane stayed put in January, with no change in apartment prices, while house rents went up by a modest 1.6%. The price per room saw a slight increase of 4.2%.
- › **Perth, WA:** Both apartment and house rents in Perth increased slightly, by 0.4% and 1.8%, respectively. The price per room saw a 1.6% increase.
- › **Adelaide, SA:** In January, apartment rents in Adelaide climbed 4.7%, and house rents increased by 3.8%. The price per room experienced a 3.2% rise.

MEDIAN RENT & PRICE PER ROOM | JANUARY 2023

| Metro area | APARTMENTS | Monthly change | HOUSES | Monthly change | PRICE PER ROOM | Monthly change |
|------------------------|--------------|----------------|--------------|----------------|----------------|----------------|
| Sydney, NSW | \$595 | 3.3% | \$730 | 1.3% | \$300 | No change |
| Melbourne, VIC | \$470 | 4.2% | \$490 | No change | \$212 | 5.6% |
| Brisbane, QLD | \$500 | No change | \$600 | 1.6% | \$212 | 4.2% |
| Perth, WA | \$452 | 0.4% | \$550 | 1.8% | \$186 | 1.6% |
| Adelaide, SA | \$420 | 4.7% | \$520 | 3.8% | \$183 | 3.2% |
| Hobart, TAS | \$490 | 6.1% | \$575 | 4.3% | \$215 | 6.9% |
| Darwin, NT | \$520 | 5.7% | \$665 | 9.7% | \$212 | 1.4% |
| Canberra, ACT | \$540 | 0.1% | \$660 | -2.2% | \$262 | -3% |
| National median | \$525 | 4.7% | \$570 | 3.5% | \$235 | 3.8% |

Source: 2023 Rent.com.au property listing data

PRICE TRENDS | JANUARY 2023

MEDIAN RENTS

The rental market in Australia's major cities is getting tighter. According to a recent report by PropTrack, there has been a surge in demand for rentals, with 31.1% more enquiries per listing in the capital cities. However, while demand is growing, the number of properties available for rent is staying low. Combined listings in the capital cities have decreased 21.1% from last year and have dropped 50% since COVID-19 hit its first peak in April 2020.

The return of many people who left Sydney and Melbourne during the pandemic and a surge of newcomers from overseas is putting further strain on the already tight rental market. As a result, apartment median rents in the major cities saw a 4.7% increase from December 2022 to January, and house rents rose by 3.5%. It is clear that rental prices are on the rise, no matter where you look.

The surge in house prices is a major factor affecting the rental market in Australia. With more families moving to the country and opting to buy homes instead of rent, the number of available rental properties is declining. This shortage is driving up rental prices and making it harder for renters to find a place to call home. Supply chain problems and financial difficulties within the construction industry are likely contributing to Australia's current rental market challenges.

In January 2023, rental prices in Australia's major cities saw slight increases except for Brisbane, where prices remained unchanged. Melbourne saw the biggest increase in apartment rents (4.2%), while Adelaide experienced the largest rise in house rents (3.8%). The price per room also experienced increases in most cities, with Melbourne seeing the largest increase (5.6%).

In January, media attention was focused on the rental market in Australia. The Real Estate Institute of NSW called on the state government to address the issues in the market. In Victoria, a pilot program was launched to address maintenance and repair needs in social housing. A report by Knight Frank predicted double-digit growth in 2023, while concerns were raised about the impact on those in need of affordable housing as the National Rental Affordability Scheme approaches its end.

PRICE PER ROOM

According to the latest report by Rent.com.au, apartments in Sydney and Melbourne have experienced the most significant rise in room prices, with Sydney topping the list with a 24.6% yearly hike in the price per room. 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 led the pack in January 2023 in terms of the annual change in apartment price per room, with a 24.6% increase to reach \$374. Hobart saw the smallest growth in price per room for apartments, with just a 4.5% annual change. The national median apartment price per room has increased by 22.6% over the past year, now at \$325.

ANNUAL CHANGE TO PRICE PER ROOM | JANUARY 2023

| Metro area | APARTMENTS | % change (annual) | HOUSES | % change (annual) |
|-----------------|------------|-------------------|--------|-------------------|
| Sydney, NSW | \$374 | 24.6% | \$250 | 11.1% |
| Melbourne, VIC | \$300 | 23.7% | \$166 | 11.1% |
| Brisbane, QLD | \$275 | 12.2% | \$183 | 10% |
| Perth, WA | \$275 | 10% | \$173 | 15.6% |
| Adelaide, SA | \$200 | No change | \$176 | 14% |
| Hobart, TAS | \$261 | 4.5% | \$210 | 10.5% |
| Darwin, NT | \$230 | 9.5% | \$195 | 6.4% |
| Canberra, ACT | \$336 | -0.7% | \$216 | No change |
| National median | \$325 | 22.6% | \$190 | 11.8% |

Source: 2023 Rent.com.au property listing data

PRICE TRENDS | JANUARY 2023

HOW ARE THE REGIONS FARING?

Regional rent prices in Australia increased 8.8% from January 2022 to January 2023, with the national median reaching \$490. New South Wales and Victoria both saw a 5.2% increase, while South Australia had the highest growth at 12.5%. The Northern Territory was the only region to see a decrease, with a 3.6% drop in rent prices.

| REGIONAL RENTS JANUARY 2023 | | |
|-------------------------------|--------------|-----------------------|
| State/Territory | January 2023 | % change from Jan '22 |
| New South Wales | \$505 | 5.2% |
| Victoria | \$400 | 5.2% |
| Queensland | \$500 | 11.1% |
| Western Australia | \$500 | 11.1% |
| South Australia | \$360 | 12.5% |
| Tasmania | \$450 | 7.1% |
| Northern Territory | \$525 | -3.6% |
| Aus. Capital Territory | N/A | N/A |
| National median | \$490 | 8.8% |

Source: 2023 Rent.com.au property listing data

TIME ON MARKET

Considering the monthly change in time on market (TOM) or time to lease (TTL) for Australia's rental properties provides valuable insight for property owners and managers in several ways. 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. Rent.com.au uses the average time on market measure to explain the movement in median rents across Australia.

In January 2023, Sydney had the quickest leasing time for apartments, taking 16 days on average, with a 1% faster monthly change and a 48% increase from the previous year. Hobart experienced a slower monthly change with a 12% increase, bringing the average leasing time to 16 days. However, it still had a 33% increase from the previous year. On the other hand, Canberra had the slowest leasing time, with 28 days and a 34% slower monthly change, leading to a 38% slower leasing rate than the previous year.

| HOW LONG ARE PROPERTIES TAKING TO LEASE? JANUARY 2023 | | | | | | |
|---|------------|----------------|---------------|---------|----------------|---------------|
| Metro area | APARTMENTS | Monthly change | Annual change | HOUSES | Monthly change | Annual change |
| Sydney, NSW | 16 days | 1% faster | 48% faster | 28 days | 34% slower | 9% slower |
| Melbourne, VIC | 17 days | 7% slower | 51% faster | 25 days | 27% slower | 11% faster |
| Brisbane, QLD | 13 days | 8% slower | 23% faster | 19 days | 16% slower | 16% slower |
| Perth, WA | 15 days | 8% slower | 21% faster | 15 days | 5% slower | 13% faster |
| Adelaide, SA | 15 days | 6% slower | 7% faster | 19 days | 28% slower | 19% slower |
| Hobart, TAS | 16 days | 12% slower | 33% slower | 19 days | 25% slower | 27% slower |
| Darwin, NT | 26 days | 19% slower | 17% slower | 31 days | 58% slower | 36% slower |
| Canberra, ACT | 28 days | 34% slower | 38% slower | 28 days | 35% slower | 42% 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.

Visit www.rent.com.au today.

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FRESH READS

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- › [Study havens: The ultimate guide to renting in Melbourne's university suburbs](#)
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