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RENTAL MARKET SNAPSHOT

June 2022

Monthly report
01 July 2022

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

Rental market overview: June 2022

In summary

New South Wales In June, <u>Sydney</u> houses were the most expensive of all property types (\$690/week)	Victoria <u>Melbourne</u> room prices rose for the first time since June 2021, up 18.9%	Queensland Regional rents rose most steeply in <u>Queensland</u> in June, up 4.2%	Western Australia <u>Western Australia</u> recorded a 4.9% drop in vacancies in the month to June
South Australia <u>Adelaide</u> apartments were the most affordable by median rent, now \$380/week	Tasmania Apartment room costs in <u>Hobart</u> jumped by 41.9% annually to June 2022	Northern Territory <u>Northern Territory</u> regional rents are the most at \$500/week	Aus. Capital Territory <u>Canberra</u> takes the title for most expensive apartments in May at \$520

Australia's leading rental property website [Rent.com.au](https://www.rent.com.au) has released its June 2022 report based on property leasing data. The report illustrates the shift in Australian median rental property prices (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.

TLDR (Too long; didn't read)

- > Vacancy issues continue: Since 10 August 2021 (Census night), the number of available rental properties has dropped by 23%.
- > Sydney was the only metro capital to record consistent increases in the median rent month-on-month for both property types.
- > More than a million properties (1,043,776) were sitting vacant on Census night (10 August 2021) out of the nearly 11 million dwellings.

MEDIAN RENT & PRICE PER ROOM						
HOW THE STATES & TERRITORIES PERFORMED IN JUNE 2022						
Metro area	APARTMENTS	% change (monthly)	HOUSES	% change (monthly)	PRICE PER ROOM (all property types)	% change (monthly)
Sydney	\$525	0.9%	\$690	1.4%	\$290	0%
Melbourne	\$410	2.5%	\$460	0%	\$197	2.6%
Brisbane	\$450	0%	\$550	0%	\$198	0.5%
Perth	\$420	0%	\$495	-1%	\$175	2.9%
Adelaide	\$380	0%	\$485	1%	\$175	4.1%
Hobart	\$395	-10.2%	\$550	3.7%	\$197	-2.9%
Darwin	\$470	-0.4%	\$620	3.3%	\$210	1.9%
Canberra	\$520	-1.8%	\$675	2.2%	\$266	4.3%
National median	\$460	0%	\$520	0%	\$220	1.8%

Source: Rent.com.au property listing data © 2022

Price trends in June 2022

Median rents

It's been a challenging month. Renters are under increasing strain as cost-of-living pressures bite country-wide, and they face up against rent rises. And as the cost of basic living essentials increases, the number of affordable homes is only getting lower. It's not just a matter of 'moving elsewhere,' either. The lack of affordable properties in both city and regional areas is making sure of that.

City and regional areas report high competition levels as affordability worsens across Australia. It's a harsh combination of high demand meeting low vacancy rates and escalating prices, creating a tough market for renters to navigate. The number of homes available to rent has been decreasing since the pandemic's start. Since the Australian Bureau of Statistics took its Census back in August 2021, there are 23% fewer available rentals across Australia. Victorian vacancies are down 32%, Queensland 27%, and New South Wales 21%. These numbers look less intensive month-on-month (Northern Territory and Western Australia are currently worst affected, down 4.9%), but the situation remains challenging.

More than a million properties (1,043,776) were sitting vacant on Census night (10 August 2021) out of the nearly 11 million dwellings. They're a mix of second homes, empty investment properties and gig-economy holiday rentals, prompting thought to encourage property owners to return these homes to the rental pool to relieve some of the current rental pressure.

As high demand and low vacancy combine, prices are also increasing across many parts of Australia. Higher mortgage interest rates could also impact affordability as some landlords seek to increase rents to cover costs. So what's being done? Newly instated Prime Minister Anthony Albanese has pledged to build 20,000 social housing properties over the next five years as part of a \$10 billion program. Caps on short-term rentals have been introduced in popular locations to help free up rentals for tenants. Renters are also being encouraged to consider buying a home with the rollout of the government's shared equity scheme, Help to Buy.

Looking at June's median rent data, the most affordable metro capital was Adelaide, where apartment rents were \$380 a week. Sydney was the only metro capital to record consistent increases in the median rent month-on-month for both property types.

What will a room in a rental cost me?

The price per room metric provides an alternate perspective on the cost of renting space within a property in Australia. Apartment rooms cost 16% more on average to rent in June 2022 than they did 12 months ago, with the steepest changes seen in Hobart (up 41.9% to \$305/week), Melbourne (up 18.9% to \$267) and Perth (up 12.8% to \$253/week). House costs were also up, year-on-year, with an average of 7.8% across the board.

Melbourne apartments have become more expensive for the first time in since June 2021, rising 18.9% annually. The most significant change was seen in Darwin, with costs up 17.8% to \$207/week. A room in a Canberra apartment will set renters back \$347/week (up 6.9%) – and the most expensive of all metro areas this month.

PRICE PER ROOM				
ANNUAL CHANGE IN COST TO RENT A ROOM (JUNE 2022)				
Metro area	APARTMENTS		HOUSES	
	Price per room in June 2022	Annual change from June 2021	Price per room in June 2022	Annual change from June 2021
Sydney	\$325	12.1%	\$226	9.7%
Melbourne	\$267	18.9%	\$153	9.5%
Brisbane	\$260	13%	\$166	8.7%
Perth	\$253	12.8%	\$153	5.7%
Adelaide	\$200	8.1%	\$160	9.1%
Hobart	\$305	41.9%	\$190	3.6%
Darwin	\$225	7.1%	\$207	17.8%
Canberra	\$347	6.9%	\$216	9.5%
National median	\$290	16%	\$172	7.8%

Source: Rent.com.au property listing data © 2022

Price trends in June 2022

How are the regions faring?

Record-low vacancy rates aren't just being seen in the metro areas. Strong population growth in Australia's regions and greater housing demand for detached houses due to a desire for a better lifestyle have been contributing factors.

In June, regional rents lifted slightly by 1.1% to \$460 weekly. Regional renters have needed to dedicate a higher proportion of their incomes towards rent than their capital city counterparts, which seems unlikely to change in the immediate future. Much of the regional growth has been in the areas adjacent to the major capital city boundaries.

Regional Queensland led the pace of growth in June 2022, recording a month-on-month increase of 4.2%. Queensland was one of just two states to see prices rise. Despite a 6.5% fall in weekly rent, the Northern Territory remains the most expensive across Australia at \$500 a week, compared to South Australia at \$330 a week.

REGIONAL RENTS		
HOW HAVE REGIONAL RENTS CHANGED IN THE MONTH TO JUNE 2022?		
State/Territory	June 2022	% change from May 2022
New South Wales	\$495	1%
Victoria	\$390	0%
Queensland	\$490	4.2%
Western Australia	\$450	0%
South Australia	\$330	0%
Tasmania	\$420	0%
Northern Territory	\$500	-6.5%
Aus. Capital Territory	n/a	n/a
National median	\$460	1.1%

Source: Rent.com.au property listing data © 2022

Time on market

Rent.com.au's average time on market measure is designed to explain the movement in median rents across Australia. The 17 median days to lease a property in Adelaide in May was 24% slower than in May – and the most significant change to time in market for both property types across the board.

Melbourne apartments stayed on market longest of all property types in June, averaging 24 days on Rent.com.au before leasing. Apartments saw some increased activity, with this property type moving quicker in Brisbane (5% faster month-on-month to 12 days) and Adelaide, 1% faster to 14 days.

TIME ON MARKET						
HOW LONG ARE APARTMENTS & HOUSES TAKING TO LEASE?						
Metro area	June 2022	APARTMENTS		June 2022	HOUSES	
		MONTHLY Change from May 2022	ANNUAL Change from June 2021		MONTHLY Change from May 2022	ANNUAL Change from June 2021
Sydney	20 days	1% slower	31% faster	21 days	4% slower	2% faster
Melbourne	24 days	No change	43% faster	21 days	No change	19% faster
Brisbane	12 days	5% faster	31% faster	14 days	6% faster	2% faster
Perth	19 days	4% slower	12% faster	16 days	3% slower	16% faster
Adelaide	14 days	1% faster	28% faster	17 days	24% slower	1% faster
Hobart	17 days	19% slower	1% slower	20 days	16% slower	7% faster
Darwin	18 days	1% slower	2% faster	20 days	16% slower	20% slower
Canberra	19 days	13% slower	8% slower	20 days	27% slower	18% slower

Source: Rent.com.au property listing data © 2022



About

Rent.com.au is made for renters. The company put 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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