



Wednesday 21 January 2009

Embargoed until 1am Thursday 22 January

Quarterly APM Rental Series – December 2008

- Rents hold steady or rise modestly in all capital cities in the December quarter
- Darwin is now Australia's most unaffordable capital city, with median rents jumping 25% for houses and 20% for units in one year
- Sydney renters still do it tough, as demand for well located properties continues to outstrip supply
- Growing rental yields coupled with lower interest rates give existing property investors a glimmer of hope
- Lower interest rates will not lure sufficient new property investors to relieve critical supply shortages and infrastructure constraints in the medium term

Median Weekly Asking Rents					
Houses					
	Dec-08	Sep-08	Dec-07	QoQ % Δ	YoY % Δ
Sydney	\$450	\$430	\$385	4.7%	16.9%
Melbourne	\$350	\$350	\$330	0.0%	6.1%
Brisbane	\$350	\$350	\$330	0.0%	6.1%
Adelaide	\$300	\$290	\$280	3.4%	7.1%
Canberra	\$420	\$400	\$400	5.0%	5.0%
Perth	\$360	\$350	\$320	2.9%	12.5%
Darwin	\$500	\$480	\$400	4.2%	25.0%
Hobart	\$290	\$290	\$273	0.0%	6.4%
Newcastle	\$300	\$295	\$280	1.7%	7.1%
Gold Coast	\$420	\$420	\$400	0.0%	5.0%
Sunshine Coast	\$390	\$390	\$370	0.0%	5.4%

Median Weekly Asking Rents					
Units					
	Dec-08	Sep-08	Dec-07	QoQ % Δ	YoY % Δ
Sydney	\$400	\$400	\$370	0.0%	8.1%
Melbourne	\$315	\$310	\$290	1.6%	8.6%
Brisbane	\$330	\$315	\$300	4.8%	10.0%
Adelaide	\$240	\$240	\$230	0.0%	4.3%
Canberra	\$400	\$380	\$395	5.3%	1.3%
Perth	\$350	\$330	\$330	6.1%	6.1%
Darwin	\$420	\$400	\$350	5.0%	20.0%
Hobart	\$240	\$230	\$225	4.3%	6.7%
Newcastle	\$245	\$245	\$230	0.0%	6.5%
Gold Coast	\$350	\$350	\$340	0.0%	2.9%
Sunshine Coast	\$310	\$315	\$295	-1.6%	5.1%

Source: www.homepriceguide.com.au

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Gross Rental Yield					
Houses					
	Dec-08	Sep-08	Dec-07	QoQ % Δ	YoY % Δ
Sydney	4.50%	4.35%	4.08%	3.3%	10.3%
Melbourne	4.24%	4.10%	4.05%	3.5%	4.7%
Brisbane	4.53%	4.49%	4.58%	0.9%	-1.2%
Adelaide	4.41%	4.31%	4.46%	2.3%	-1.1%
Canberra	4.85%	4.73%	4.69%	2.5%	3.4%
Perth	4.14%	4.00%	3.60%	3.5%	14.9%
Darwin	5.38%	5.45%	4.70%	-1.4%	14.4%
Hobart	5.11%	5.07%	4.93%	0.8%	3.6%
Newcastle	4.82%	4.76%	4.64%	1.3%	3.9%
Gold Coast	4.43%	4.37%	4.46%	1.3%	-0.7%
Sunshine Coast	4.14%	4.08%	4.08%	1.4%	1.5%

Gross Rental Yield					
Units					
	Dec-08	Sep-08	Dec-07	QoQ % Δ	YoY % Δ
Sydney	5.39%	5.21%	5.06%	3.5%	6.5%
Melbourne	4.84%	4.70%	4.70%	2.8%	2.9%
Brisbane	4.96%	4.70%	4.71%	5.6%	5.3%
Adelaide	4.87%	4.85%	4.97%	0.4%	-1.9%
Canberra	5.75%	5.62%	5.84%	2.2%	-1.5%
Perth	4.82%	4.62%	4.46%	4.4%	8.0%
Darwin	6.39%	6.70%	5.57%	-4.7%	14.7%
Hobart	5.09%	4.84%	4.93%	5.1%	3.0%
Newcastle	4.68%	4.62%	4.35%	1.3%	7.6%
Gold Coast	4.98%	4.88%	4.95%	2.0%	0.6%
Sunshine Coast	4.59%	4.40%	4.40%	4.4%	4.4%

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Comments and Forecasts

Commenting on the APM Rental Series December results is Liam O'Hara, Senior Economist, Australian Property Monitors:

"There has been a slight up-tick in median weekly rents in the December 2008 quarter, offering some respite to renters from the aggressive double-digit price increases they put up with in the early stages of 2008.

"Particularly, the growing population of renters in units will be pleased to hear that their landlord's appetite for hiking up the rent seems to be diminishing. Changes in median asking rents are gradually slowing.

"For landlords, rental yields have risen very modestly, but are only slightly above short-term interest rates. This does not provide an adequate premium for new potential investors to enter the market, and therefore supply additional rental accommodation. There's no immediate ease to the rental squeeze and the expected end to the First Home Owners' Boost, in mid 2009, for new dwellings will not assist long-term price stability in the rental market.

"That said, moderations in rental increases will be more evident as the constraints of a slower economy, falling incomes and higher unemployment reduce the willingness and capacity of renters to pay significantly more in Australia's major capital cities."

NB: APM has used exclusive, rental properties only, in determining the values needed to calculate the Gross Rental yield. For the first time specific rental value versus total capital value is calculated for each rental property on the market for the recorded period. We use a combination of asking rents collected from advertisements and APM's own Automated Valuation Models (AVM).

For more information please call:

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About Australian Property Monitors (APM)

APM, publishers of www.homepriceguide.com.au, is the leading national supplier of online property price information to buyers and sellers, professional real estate agents, valuers and financial markets. APM has been helping our customers make informed decisions through our services since 1989.

APM monitors residential property activity from a variety of sources including auctions, government and semi-government agencies, real estate advertising, real estate agents through its own call centre and APM's own researchers. This vast pool of information ensures APM's databases contain the latest and most detailed house price information available.