

# RENTAL REPORT

March 2010

www.apm.com.au  
www.homepriceguide.com.au



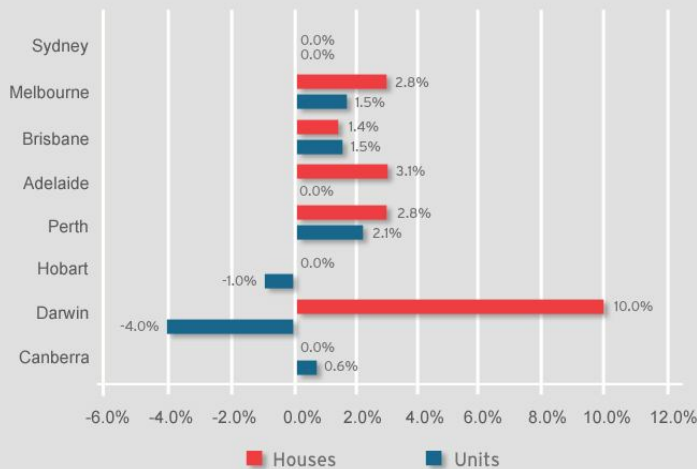
## Key findings:

- Rents return to growth nationally after a flat 2009
- Melbourne sees first quarter of rental growth for houses in 18 months
- Darwin median house rent jumps 15% in 12 months
- Rental yields well down year-on-year as price growth outstrips rental growth

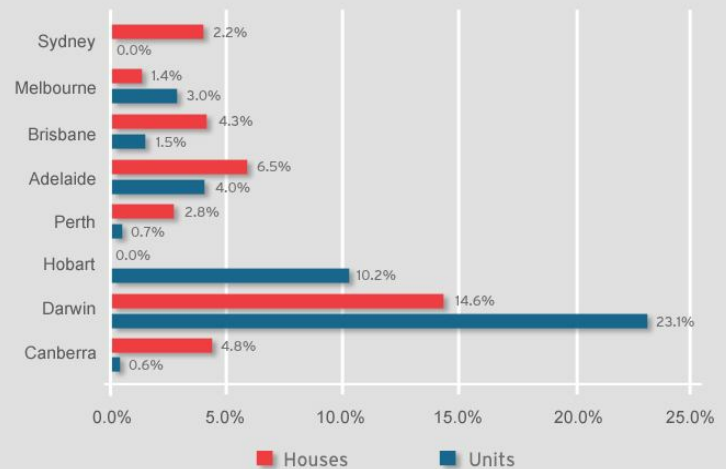
	Median Weekly Asking Rents - Houses				
	Mar-10	Dec-09	Mar-09	QoQ % Δ	YoY % Δ
Sydney	460	460	450	0.0%	2.2%
Melbourne	370	360	365	2.8%	1.4%
Brisbane	365	360	350	1.4%	4.3%
Adelaide	330	320	310	3.1%	6.5%
Perth	370	360	360	2.8%	2.8%
Hobart	300	300	300	0.0%	0.0%
Darwin	550	500	480	10.0%	14.6%
Canberra	440	440	420	0.0%	4.8%

	Median Weekly Asking Rents - Units				
	Mar-10	Dec-09	Mar-09	QoQ % Δ	YoY % Δ
Sydney	420	420	420	0.0%	0.0%
Melbourne	340	335	330	1.5%	3.0%
Brisbane	345	340	340	1.5%	1.5%
Adelaide	260	260	250	0.0%	4.0%
Perth	358	350	355	2.1%	0.7%
Hobart	243	245	220	-1.0%	10.2%
Darwin	480	500	390	-4.0%	23.1%
Canberra	403	400	400	0.6%	0.6%

Asking Median Rents (Qtr on Qtr %)



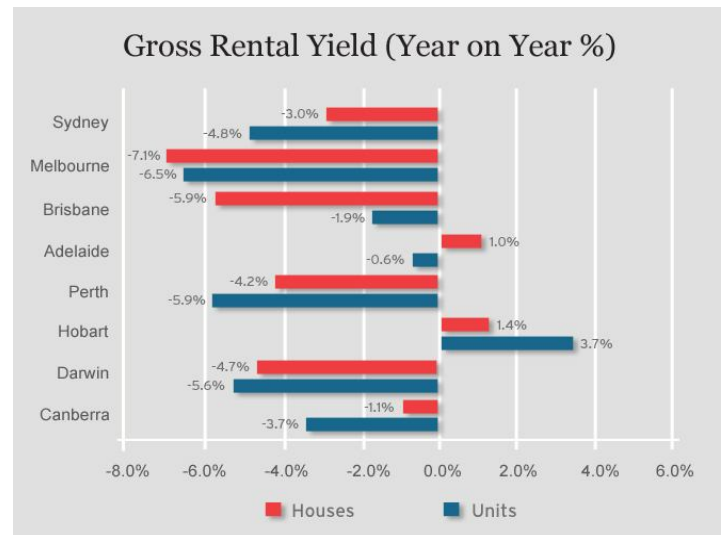
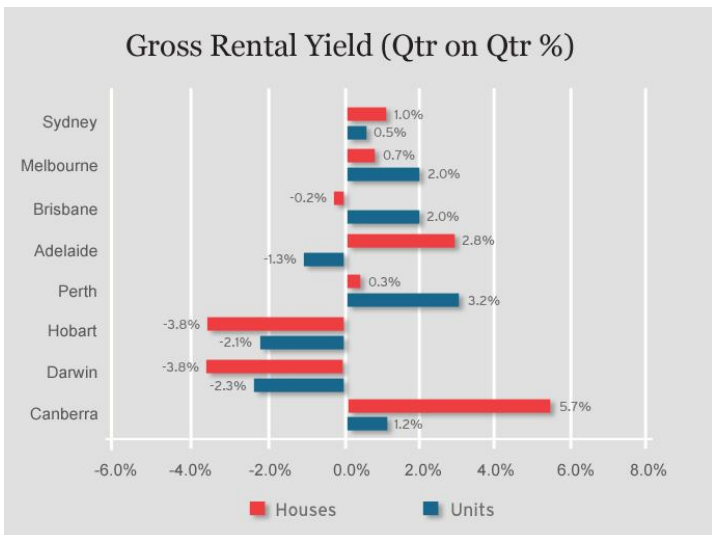
Asking Median Rents (Year on Year %)



NB: APM has used only rental properties to determine the values needed to calculate the Gross Rental yield. Asking rent 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).

Gross Rental Yields - Houses					
	Mar-10	Dec-09	Mar-09	QoQ % Δ	YoY % Δ
Sydney	4.47%	4.43%	4.61%	1.0%	-3.0%
Melbourne	3.87%	3.84%	4.17%	0.7%	-7.1%
Brisbane	4.51%	4.51%	4.79%	-0.2%	-5.9%
Adelaide	4.41%	4.29%	4.36%	2.8%	1.0%
Perth	4.06%	4.05%	4.24%	0.3%	-4.2%
Hobart	4.91%	5.10%	4.84%	-3.8%	1.4%
Darwin	4.80%	4.99%	5.03%	-3.8%	-4.7%
Canberra	4.92%	4.65%	4.98%	5.7%	-1.1%

Gross Rental Yields - Units					
	Mar-10	Dec-09	Mar-09	QoQ % Δ	YoY % Δ
Sydney	5.13%	5.10%	5.39%	0.5%	-4.8%
Melbourne	4.57%	4.48%	4.88%	2.0%	-6.5%
Brisbane	4.90%	4.80%	4.99%	2.0%	-1.9%
Adelaide	4.73%	4.80%	4.76%	-1.3%	-0.6%
Perth	4.62%	4.48%	4.91%	3.2%	-5.9%
Hobart	5.41%	5.53%	5.22%	-2.1%	3.7%
Darwin	5.42%	5.55%	5.74%	-2.3%	-5.6%
Canberra	5.65%	5.58%	5.86%	1.2%	-3.7%



## Comments and Forecasts

*Commenting on the APM Rental Report: Matthew Bell, Economist - Australian Property Monitors*

"National rents rose by more in the March quarter than in any quarter in 2009. With total rental growth for 2009 just under 2%, the average rental growth across capital cities in the March 2010 quarter rebounded to 1.5%."

"The factors that kept a lid on rents in most cities in 2009 are no longer apparent. Job security and income growth has returned as unemployment peaked at 5.8%, much lower than was expected this time last year. Stock-market related wealth increased as the All Ordinaries rose 50% from its February 2009 lows. The historically low interest rates and the First Home Owner Boost that made moving from renting to ownership much more attractive in 2009 are long gone. The recent series of interest rate rises mean that landlords have to factor in rate increases since September into their costs, some of which is likely to be translated into rent increases."

"Australia is suffering from a relatively low supply of new properties being built which provides no relief for the current low vacancy rates, particularly in the major rental markets of Sydney and Melbourne. The nation's population continues to grow at historically high levels with the resulting strong demand for property forcing prices higher. Rising prices means that affordability is once again a major issue restraining potential homebuyers moving from rental accommodation to ownership."

"Gross rental yields have fallen in nearly all major capitals in the 12 months to March as property price growth outstripped rental growth for the majority of 2009. March 2009 was the high point for yields as property prices hit their bottom while rents continued to rise. For the rest of 2009, rents remained steady whilst house prices continued to grow, rising over 12%. With the outlook for price growth remaining strong, yields are expected to soften through 2010."

"Over the last five years, rental growth for most of the major capitals averaged 6%-7% for houses and 7%-10% for units. As the economy continues to improve as the year progresses, rents are expected to get back to and exceed those longer term levels of annual growth."

**For more information or to arrange an interview, please contact:**

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