



Thursday 4 October 2007

Australian Property Monitors Rental Report – September Quarter –

- **Generation Y influencing strongly growing rental values.**
- **Sydney landlords continue to put up the rent. Asking rents for Sydney houses have increased by 14 per cent to \$400 per week (the first time the \$400 mark has been reached) and units by 12 per cent to \$380 per week for the year to September.**
- **Low rental yields in Perth shows that its property market is Australia's most over-valued. Perth houses returned a gross rental yield in the September quarter of a meagre 3.4 per cent. Rental values for Perth houses grew by 23 per cent over the year but has slowed to just three per cent for the latest quarter.**
- **Conditions for renters in Melbourne continue to deteriorate. Asking rents for houses rose by 16 per cent to \$330 per week for the year to September while rents for units climbed 12 per cent to \$290 per week.**
- **Some relief for Brisbane renters in the September quarter as asking rents stabilised off the back of strong growth in rents in the year leading up to the quarter. Brisbane rents for units stayed steady over the quarter at \$300 per week, but are up five per cent for the year. Houses also remained steady over the quarter at \$320 per week, but are up 10 per cent over the year.**
- **Investors in Adelaide, Darwin, Hobart and Newcastle have all experienced steady increases in rental prices. The asking rent for houses in all these cities has grown by eight per cent over the year.**

COMMENTS & FORECASTS:



**Michael McNamara,
General Manager for Australian Property Monitors
commented on the rental market:**

"APM has released new figures today that show that there has been no relief from rising rents in most Australian capitals.

"Weekly asking rents in all capital cities are at record highs. Whilst giving renters very little relief, increasing gross rental yields are expected to drive stronger property markets in the Eastern capital cities, especially in apartment markets. Investors will see stronger investment fundamentals as a reason to prefer property as an asset class.

“Inner city markets are experiencing rapidly rising rents through the influence of Generation Y. Now in their late 20’s and leaving home, as this generation enters the rental market, expect them to keep pushing rental values upwards in our most sought after locations. Gen Y, for the most part, would rather pay exorbitant rent in inner city locations than live in what they see as the cultural wasteland of suburbia.”

Median Weekly Asking Rents: Houses						Gross Rental Yield: Houses					
	Sep-07	Jun-07	Sep-06	3 month % Change	12 Month % Change		Sep-07	Jun-07	Sep-06	3 month % Change	12 Month % Change
Sydney	\$400	\$385	\$350	4%	14%	Sydney	4.00%	4.00%	3.80%	0%	6%
Melbourne	\$330	\$320	\$285	3%	16%	Melbourne	4.30%	4.30%	4.00%	-1%	5%
Brisbane	\$320	\$320	\$290	0%	10%	Brisbane	4.80%	4.80%	4.60%	0%	3%
Adelaide	\$280	\$280	\$260	0%	8%	Adelaide	4.70%	4.70%	4.50%	1%	6%
Canberra	\$400	\$390	\$340	3%	18%	Canberra	4.80%	4.70%	4.70%	1%	3%
Perth	\$320	\$310	\$260	3%	23%	Perth	3.40%	3.30%	3.10%	2%	10%
Darwin	\$410	\$398	\$380	3%	8%	Darwin	5.10%	4.70%	4.40%	9%	14%
Hobart	\$280	\$280	\$260	0%	8%	Hobart	5.20%	5.10%	4.90%	2%	5%
Newcastle	\$270	\$270	\$250	0%	8%	Newcastle	4.50%	4.60%	4.20%	-1%	7%
Gold Coast	\$400	\$400	\$375	0%	7%	Gold Coast	4.40%	4.40%	4.50%	2%	-1%
Sunshine Coast	\$360	\$350	\$325	3%	11%	Sunshine Coast	3.90%	4.10%	3.70%	-5%	5%

Median Weekly Asking Rents: Units						Gross Rental Yield: Unit					
	Sep-07	Jun-07	Sep-06	3 month % Change	12 Month % Change		Sep-07	Jun-07	Sep-06	3 month % Change	12 Month % Change
Sydney	\$380	\$380	\$340	0%	12%	Sydney	4.90%	5.00%	4.60%	-1%	6%
Melbourne	\$290	\$285	\$260	2%	12%	Melbourne	4.90%	4.90%	4.50%	0%	9%
Brisbane	\$300	\$300	\$285	0%	5%	Brisbane	4.90%	4.90%	4.60%	0%	6%
Adelaide	\$230	\$230	\$195	0%	18%	Adelaide	5.00%	5.10%	4.70%	-3%	6%
Canberra	\$370	\$350	\$330	6%	12%	Canberra	5.70%	5.90%	6.40%	-3%	-10%
Perth	\$320	\$300	\$265	7%	21%	Perth	4.20%	4.10%	3.70%	2%	13%
Darwin	\$340	\$325	\$340	5%	0%	Darwin	5.70%	5.40%	5.20%	7%	10%
Hobart	\$240	\$230	\$200	4%	20%	Hobart	4.40%	4.70%	4.80%	-7%	-9%
Newcastle	\$220	\$225	\$210	-2%	5%	Newcastle	4.10%	4.10%	3.90%	0%	5%
Gold Coast	\$340	\$360	\$320	-6%	6%	Gold Coast	4.90%	5.00%	4.80%	-1%	3%
Sunshine Coast	\$310	\$285	\$250	9%	24%	Sunshine Coast	4.50%	4.70%	4.20%	-6%	6%

Source: www.homepriceguide.com.au

Copyright 2006 Australian Property Monitors

NB: APM has used exclusively, 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:
 Michael McNamara
 Australian Property Monitors
 General Manager
 APM Toll free - 1800 817 616
 Mobile - 0403 546 552