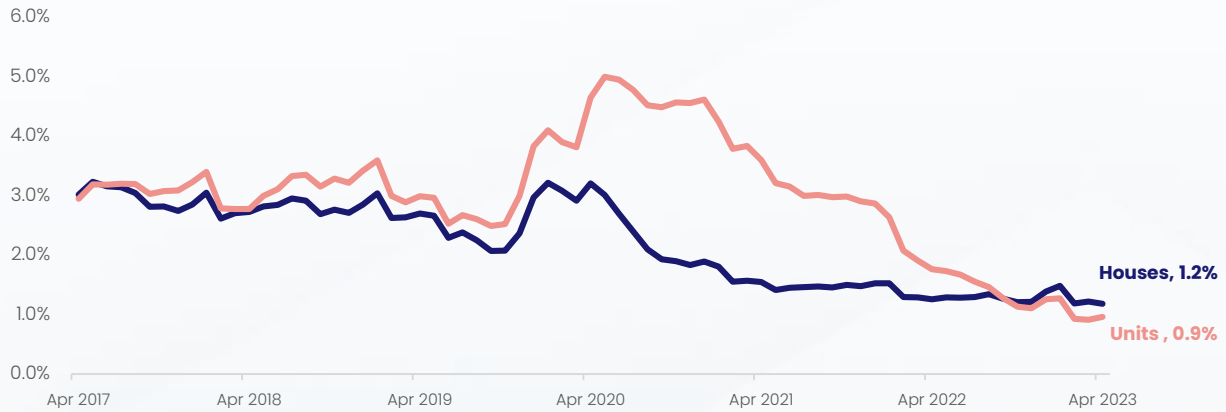


## A surge in overseas migrants and international students coupled with a significant shortfall in rental listings has led to the strongest annual rental increase on record for Australia's capitals.

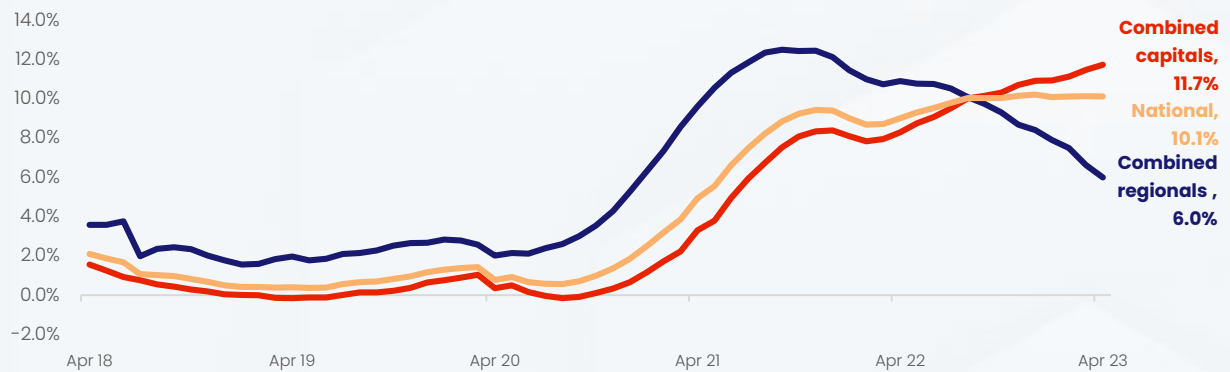
CoreLogic's national dwelling rental index recorded an increase of 0.8% for April, up 2.8% over the past three months and 10.1% higher for the year. The combined capitals annual rental increase of 11.7% in the past year was a new record and largely underpinned by increasing demand for capital city units.

- ▶ The mismatch between supply and demand continues to be the driving force pushing capital city rents higher. Over the four weeks to April 30<sup>th</sup>, the total supply of capital city rental listings was -20.9% below the level recorded this time last year and -39.8% below the five-year average.
- ▶ With the exception of Hobart and Canberra, vacancy rates across the capitals remain near record lows, and well below the 3% to 5% average rate considered indicative of a balanced rental market.
- ▶ Each capital city excluding Darwin (-0.3%) and Canberra (-0.2%) recorded a rise in dwelling rental values in April. Melbourne recorded the strongest rental appreciation, up 1.4%, followed by Sydney (1.3%), Perth (1.3%) and Adelaide (0.8%). Regional SA (1.1%) recorded the highest monthly rental increase across the rest-of-state markets, followed by regional Queensland and regional WA (both at 0.6%).
- ▶ Momentum is clearly easing across regional rental markets as internal migration rates normalise and vacancy rates move off recent record lows.
- ▶ Regional rents rose 1.3% over the past three months and 6.0% over the year to April, down from a cyclical peak of 12.5% over the 12 months to November 2021.
- ▶ Stronger rental growth through April saw Melbourne (\$535 p/w) lose its position as the country's most affordable rental capital to Adelaide (\$534 p/w), while Sydney (\$711 p/w) remains the country's most expensive capital to rent in after displacing Canberra three months ago.
- ▶ Growth across capital city unit rents continues to outpace house rents, increasing 1.6% and 0.9% in April, respectively. The continued preference for the unit sector reflects both the strong demand from migrants and foreign students, who typically first settle in medium to high density housing, as well as a preference for more affordable accommodation.
- ▶ Sydney and Melbourne continue to record the strongest growth in unit rents across the capitals. In April, both cities recorded a new peak rate of growth in both quarterly and annual trends.
- ▶ Sydney's unit rents increased 5.8% for the rolling quarter and 19.1% for the year to April. Melbourne's unit rents rose 5.0% for the three months and 15.2% over the year.
- ▶ It's unlikely there will be much in the way of relief for renters in the short to medium term, with the flow of migrants expected to remain high and rental supply expected to remain low. Given that the flow of new unit approvals has held below average since 2018, the rental market will likely continue to have supply issues over the medium to long term.

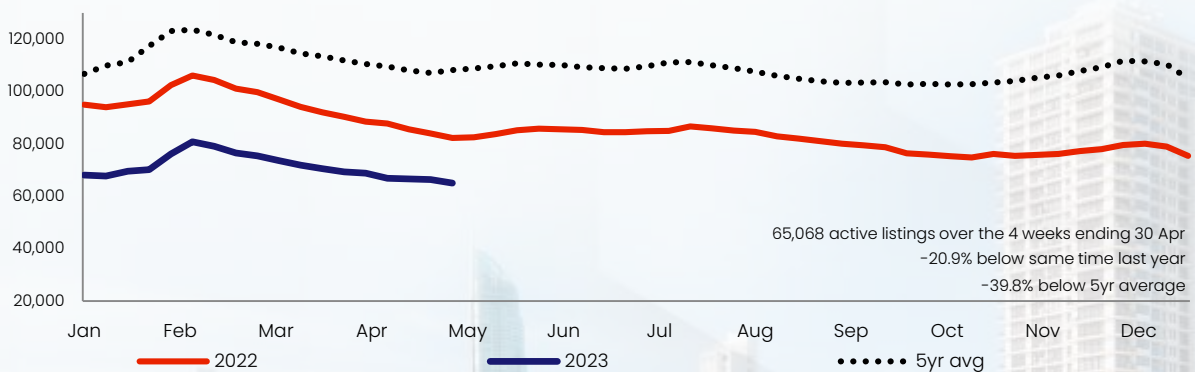
National monthly vacancy rate – House v Units



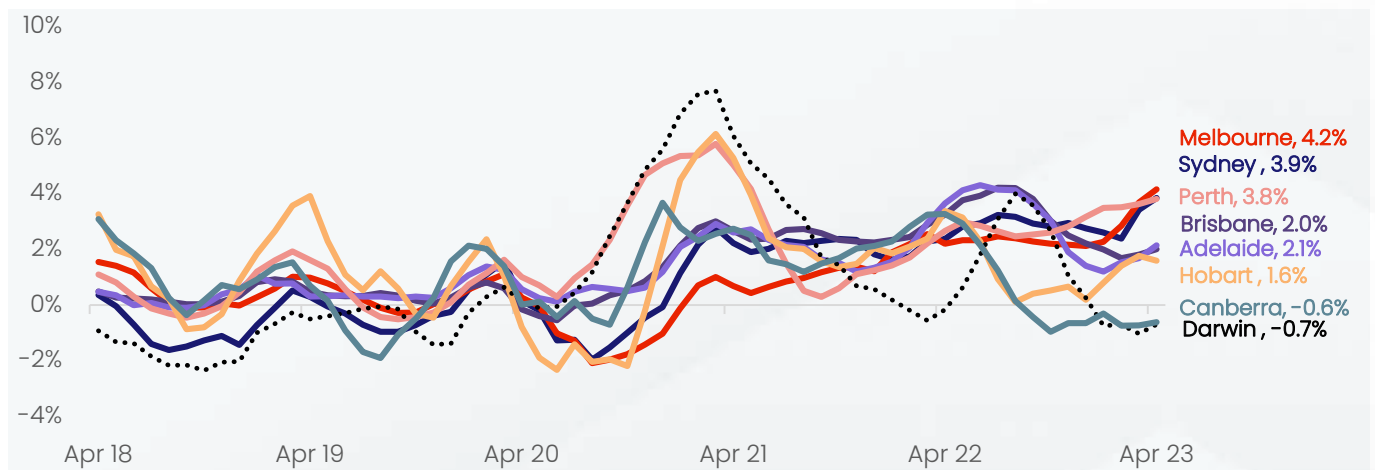
Rolling annual change in rents (all dwellings)



Total rental listings – Combined capitals (all dwellings)



Rolling quarterly change in rental dwelling values – Capitals cities



Key rental and yield statistics – Data to April 2023 – By property type

|                      | Sydney | Melbourne | Brisbane | Adelaide | Perth | Hobart | Darwin | Canberra | Regional NSW | Regional Vic | Regional QLD | Regional SA | Regional WA | Regional Tas | Combined capitals | Combined regionals | National |
|----------------------|--------|-----------|----------|----------|-------|--------|--------|----------|--------------|--------------|--------------|-------------|-------------|--------------|-------------------|--------------------|----------|
| <b>Dwellings</b>     |        |           |          |          |       |        |        |          |              |              |              |             |             |              |                   |                    |          |
| Median rent          | \$711  | \$535     | \$604    | \$534    | \$583 | \$567  | \$587  | \$677    | \$550        | \$446        | \$575        | \$389       | \$497       | \$436        | \$603             | \$512              | \$577    |
| Monthly change       | 1.3%   | 1.4%      | 0.7%     | 0.8%     | 1.3%  | 0.5%   | -0.3%  | -0.2%    | 0.2%         | 0.5%         | 0.6%         | 1.1%        | 0.6%        | 0.2%         | 1.1%              | 0.5%               | 0.9%     |
| Quarterly change     | 3.9%   | 4.2%      | 2.0%     | 2.1%     | 3.8%  | 1.6%   | -0.7%  | -0.6%    | 0.9%         | 1.4%         | 1.5%         | 2.2%        | 2.1%        | -0.3%        | 3.3%              | 1.3%               | 2.8%     |
| Year-to-date change  | 4.7%   | 5.1%      | 2.5%     | 2.5%     | 5.0%  | 2.3%   | -1.3%  | -0.9%    | 1.0%         | 1.7%         | 2.0%         | 3.5%        | 2.8%        | 0.3%         | 4.1%              | 1.6%               | 3.5%     |
| Year-on-year change  | 13.1%  | 11.6%     | 11.7%    | 10.9%    | 13.2% | 3.9%   | 4.3%   | -0.7%    | 3.8%         | 4.0%         | 8.1%         | 7.4%        | 8.6%        | 4.6%         | 11.7%             | 6.0%               | 10.1%    |
| Current vacancy rate | 1.2%   | 0.8%      | 1.1%     | 0.4%     | 0.6%  | 2.2%   | 1.4%   | 2.0%     | 1.5%         | 1.2%         | 1.3%         | 1.0%        | 1.2%        | 1.9%         | 1.0%              | 1.4%               | 1.1%     |
| Vacancy rate 12m ago | 2.0%   | 1.8%      | 1.1%     | 0.4%     | 1.2%  | 1.2%   | 1.6%   | 0.9%     | 1.3%         | 1.0%         | 1.3%         | 1.8%        | 1.7%        | 1.8%         | 1.6%              | 1.3%               | 1.5%     |
| Current yield        | 3.21%  | 3.44%     | 4.36%    | 4.11%    | 4.88% | 4.37%  | 6.43%  | 4.12%    | 4.14%        | 3.93%        | 5.01%        | 5.11%       | 6.45%       | 4.52%        | 3.68%             | 4.58%              | 3.89%    |
| Yield 12 mths ago    | 2.51%  | 2.81%     | 3.50%    | 3.75%    | 4.35% | 3.72%  | 5.98%  | 3.77%    | 3.60%        | 3.57%        | 4.34%        | 5.13%       | 6.03%       | 4.06%        | 3.00%             | 4.04%              | 3.23%    |
| <b>Houses</b>        |        |           |          |          |       |        |        |          |              |              |              |             |             |              |                   |                    |          |
| Median rent          | \$756  | \$553     | \$630    | \$555    | \$592 | \$578  | \$650  | \$715    | \$565        | \$457        | \$572        | \$396       | \$498       | \$449        | \$622             | \$515              | \$588    |
| Monthly change       | 0.9%   | 1.2%      | 0.6%     | 0.8%     | 1.3%  | 0.6%   | -0.3%  | -0.2%    | 0.2%         | 0.5%         | 0.6%         | 1.2%        | 0.5%        | 0.2%         | 0.9%              | 0.4%               | 0.8%     |
| Quarterly change     | 2.6%   | 3.6%      | 1.5%     | 2.0%     | 3.7%  | 1.3%   | -1.3%  | -1.1%    | 0.9%         | 1.3%         | 1.4%         | 2.3%        | 2.1%        | -0.4%        | 2.6%              | 1.2%               | 2.2%     |
| Year-to-date change  | 3.1%   | 4.5%      | 1.9%     | 2.4%     | 4.8%  | 1.9%   | -1.8%  | -1.5%    | 0.9%         | 1.7%         | 1.8%         | 3.4%        | 2.7%        | 0.4%         | 3.3%              | 1.5%               | 2.7%     |
| Year-on-year change  | 9.6%   | 9.1%      | 10.3%    | 10.7%    | 13.1% | 3.1%   | 2.3%   | -1.8%    | 3.5%         | 3.9%         | 7.0%         | 7.5%        | 8.1%        | 4.7%         | 9.7%              | 5.4%               | 8.4%     |
| Current vacancy rate | 1.5%   | 0.9%      | 1.3%     | 0.4%     | 0.6%  | 2.3%   | 1.5%   | 2.0%     | 1.5%         | 1.3%         | 1.4%         | 1.0%        | 1.1%        | 2.0%         | 1.1%              | 1.4%               | 1.2%     |
| Vacancy rate 12m ago | 1.7%   | 1.5%      | 1.1%     | 0.4%     | 0.9%  | 1.1%   | 1.3%   | 1.0%     | 1.2%         | 1.0%         | 1.3%         | 1.8%        | 1.4%        | 1.8%         | 1.3%              | 1.2%               | 1.3%     |
| Current yield        | 2.80%  | 2.96%     | 4.10%    | 3.93%    | 4.71% | 4.25%  | 5.82%  | 3.83%    | 4.08%        | 3.85%        | 4.91%        | 5.08%       | 6.33%       | 4.48%        | 3.39%             | 4.49%              | 3.66%    |
| Yield 12 mths ago    | 2.24%  | 2.43%     | 3.27%    | 3.54%    | 4.21% | 3.66%  | 5.58%  | 3.44%    | 3.51%        | 3.48%        | 4.23%        | 5.06%       | 5.91%       | 3.99%        | 2.79%             | 3.95%              | 3.07%    |
| <b>Units</b>         |        |           |          |          |       |        |        |          |              |              |              |             |             |              |                   |                    |          |
| Median rent          | \$663  | \$515     | \$533    | \$447    | \$516 | \$501  | \$504  | \$586    | \$491        | \$365        | \$583        | \$303       | \$490       | \$367        | \$560             | \$494              | \$549    |
| Monthly change       | 1.9%   | 1.7%      | 1.1%     | 1.0%     | 1.6%  | 0.4%   | -0.2%  | 0.0%     | 0.4%         | 0.8%         | 0.7%         | 0.8%        | 1.2%        | -0.1%        | 1.6%              | 0.6%               | 1.4%     |
| Quarterly change     | 5.8%   | 5.0%      | 3.6%     | 2.9%     | 4.9%  | 2.9%   | 0.1%   | 0.6%     | 1.0%         | 2.0%         | 2.0%         | 1.2%        | 2.6%        | 0.8%         | 4.9%              | 1.6%               | 4.3%     |
| Year-to-date change  | 7.3%   | 6.0%      | 4.6%     | 3.3%     | 6.2%  | 3.8%   | -0.6%  | 0.5%     | 1.3%         | 2.1%         | 2.6%         | 4.1%        | 4.1%        | -0.7%        | 6.1%              | 2.1%               | 5.3%     |
| Year-on-year change  | 19.1%  | 15.2%     | 16.5%    | 12.1%    | 13.6% | 7.2%   | 7.0%   | 2.4%     | 5.3%         | 5.1%         | 11.1%        | 5.9%        | 15.0%       | 3.6%         | 16.2%             | 8.6%               | 14.8%    |
| Current vacancy rate | 1.1%   | 0.7%      | 0.7%     | 0.3%     | 0.8%  | 1.9%   | 1.3%   | 1.9%     | 1.6%         | 1.1%         | 1.3%         | 1.1%        | 1.8%        | 1.7%         | 0.9%              | 1.4%               | 1.0%     |
| Vacancy rate 12m ago | 2.1%   | 2.1%      | 1.0%     | 0.5%     | 1.7%  | 1.3%   | 1.8%   | 0.8%     | 1.5%         | 1.0%         | 1.4%         | 1.8%        | 2.9%        | 1.9%         | 1.8%              | 1.5%               | 1.8%     |
| Current yield        | 4.11%  | 4.49%     | 5.44%    | 5.18%    | 6.41% | 4.99%  | 7.45%  | 5.10%    | 4.51%        | 4.54%        | 5.29%        | 5.73%       | 8.82%       | 4.88%        | 4.52%             | 5.02%              | 4.60%    |
| Yield 12 mths ago    | 3.15%  | 3.60%     | 4.63%    | 4.95%    | 5.49% | 4.02%  | 6.62%  | 4.83%    | 4.08%        | 4.13%        | 4.67%        | 6.13%       | 8.14%       | 4.56%        | 3.62%             | 4.48%              | 3.76%    |

## Top 10 Capital city SA3's with highest 12-month rental growth - Dwellings

| Rank                     | SA3 Name                         | SA4 Name                      | Median weekly rental value | Annual change | Vacancy rate |
|--------------------------|----------------------------------|-------------------------------|----------------------------|---------------|--------------|
| <b>Greater Sydney</b>    |                                  |                               |                            |               |              |
| 1                        | Botany                           | Sydney - City and Inner South | \$902                      | 26.3%         | 1.6%         |
| 2                        | Sydney Inner City                | Sydney - City and Inner South | \$923                      | 24.4%         | 1.4%         |
| 3                        | Eastern Suburbs - South          | Sydney - Eastern Suburbs      | \$946                      | 22.5%         | 0.8%         |
| 4                        | Kogarah - Rockdale               | Sydney - Inner South West     | \$706                      | 22.1%         | 0.7%         |
| 5                        | Canterbury                       | Sydney - Inner South West     | \$610                      | 21.3%         | 0.6%         |
| 6                        | Strathfield - Burwood - Ashfield | Sydney - Inner West           | \$699                      | 20.7%         | 0.8%         |
| 7                        | Auburn                           | Sydney - Parramatta           | \$646                      | 20.1%         | 1.1%         |
| 8                        | Eastern Suburbs - North          | Sydney - Eastern Suburbs      | \$1,138                    | 18.8%         | 1.5%         |
| 9                        | Hurstville                       | Sydney - Inner South West     | \$696                      | 17.8%         | 0.9%         |
| 10                       | Ryde - Hunters Hill              | Sydney - Ryde                 | \$721                      | 17.3%         | 1.3%         |
| <b>Greater Melbourne</b> |                                  |                               |                            |               |              |
| 1                        | Melbourne City                   | Melbourne - Inner             | \$647                      | 24.8%         | 1.0%         |
| 2                        | Port Phillip                     | Melbourne - Inner             | \$598                      | 17.6%         | 0.7%         |
| 3                        | Stonnington - West               | Melbourne - Inner             | \$613                      | 16.7%         | 0.7%         |
| 4                        | Yarra                            | Melbourne - Inner             | \$657                      | 15.1%         | 0.6%         |
| 5                        | Glen Eira                        | Melbourne - Inner South       | \$612                      | 14.7%         | 0.5%         |
| 6                        | Essendon                         | Melbourne - Inner             | \$551                      | 14.5%         | 0.6%         |
| 7                        | Brunswick - Coburg               | Melbourne - Inner             | \$579                      | 13.9%         | 0.5%         |
| 8                        | Darebin - South                  | Melbourne - Inner             | \$692                      | 13.8%         | 0.5%         |
| 9                        | Whitehorse - West                | Melbourne - Inner East        | \$587                      | 13.0%         | 0.8%         |
| 10                       | Boroondara                       | Melbourne - Inner East        | \$705                      | 12.6%         | 0.9%         |
| <b>Greater Brisbane</b>  |                                  |                               |                            |               |              |
| 1                        | Brisbane Inner                   | Brisbane Inner City           | \$664                      | 20.2%         | 1.0%         |
| 2                        | Ipswich Hinterland               | Ipswich                       | \$518                      | 16.1%         | 1.3%         |
| 3                        | Redcliffe                        | Moreton Bay - North           | \$583                      | 15.4%         | 1.4%         |
| 4                        | Forest Lake - Oxley              | Ipswich                       | \$559                      | 15.1%         | 0.8%         |
| 5                        | Nathan                           | Brisbane - South              | \$669                      | 14.8%         | 1.0%         |
| 6                        | Brisbane Inner - East            | Brisbane Inner City           | \$739                      | 14.4%         | 1.1%         |
| 7                        | Nundah                           | Brisbane - North              | \$594                      | 13.9%         | 0.8%         |
| 8                        | Ipswich Inner                    | Ipswich                       | \$498                      | 13.5%         | 1.2%         |
| 9                        | Mt Gravatt                       | Brisbane - South              | \$700                      | 13.3%         | 1.3%         |
| 10                       | North Lakes                      | Moreton Bay - South           | \$586                      | 12.8%         | 1.0%         |
| <b>Greater Adelaide</b>  |                                  |                               |                            |               |              |
| 1                        | Holdfast Bay                     | Adelaide - South              | \$523                      | 14.2%         | 0.5%         |
| 2                        | Charles Sturt                    | Adelaide - West               | \$570                      | 13.2%         | 0.4%         |
| 3                        | Mitcham                          | Adelaide - South              | \$648                      | 13.1%         | 0.5%         |
| 4                        | Gawler - Two Wells               | Adelaide - North              | \$462                      | 13.0%         | 0.3%         |
| 5                        | Playford                         | Adelaide - North              | \$437                      | 12.5%         | 0.3%         |
| 6                        | Campbelltown                     | Adelaide - Central and Hills  | \$585                      | 11.8%         | 0.4%         |
| 7                        | Adelaide Hills                   | Adelaide - Central and Hills  | \$597                      | 11.5%         | 0.6%         |
| 8                        | Port Adelaide - East             | Adelaide - North              | \$541                      | 11.4%         | 0.4%         |
| 9                        | Marion                           | Adelaide - South              | \$568                      | 11.2%         | 0.2%         |
| 10                       | Onkaparinga                      | Adelaide - South              | \$515                      | 11.1%         | 0.2%         |

Data source: CoreLogic

**About the data**

Median weekly rental values refers to the 50<sup>th</sup> percentile of rental valuations observed in the region. Growth rates are based on changes in the CoreLogic Rental Value index, which take into account value changes across the market. Only metrics with a minimum of 20 sales and rental observations and a low standard error on the median valuation have been included. Data is at April 2023

| Rank                  | SA3 Name                | SA4 Name                     | Median weekly rental value | Annual change | Vacancy rate |
|-----------------------|-------------------------|------------------------------|----------------------------|---------------|--------------|
| <b>Greater Perth</b>  |                         |                              |                            |               |              |
| 1                     | Mandurah                | Mandurah                     | \$543                      | 15.9%         | 1.0%         |
| 2                     | Bayswater - Bassendean  | Perth - North East           | \$568                      | 15.5%         | 0.4%         |
| 3                     | Canning                 | Perth - South East           | \$583                      | 15.2%         | 0.4%         |
| 4                     | Belmont - Victoria Park | Perth - South East           | \$563                      | 14.7%         | 0.7%         |
| 5                     | Gosnells                | Perth - South East           | \$535                      | 14.5%         | 0.4%         |
| 6                     | Wanneroo                | Perth - North West           | \$588                      | 14.2%         | 0.6%         |
| 7                     | Perth City              | Perth - Inner                | \$669                      | 13.7%         | 1.0%         |
| 8                     | Kalamunda               | Perth - South East           | \$586                      | 13.7%         | 0.4%         |
| 9                     | Fremantle               | Perth - South West           | \$703                      | 13.2%         | 0.8%         |
| 10                    | Stirling                | Perth - North West           | \$602                      | 13.2%         | 0.4%         |
| <b>Greater Hobart</b> |                         |                              |                            |               |              |
| 1                     | Brighton                | Hobart                       | \$498                      | 4.7%          | 1.6%         |
| 2                     | Hobart - North West     | Hobart                       | \$536                      | 4.4%          | 1.9%         |
| 3                     | Sorell - Dodges Ferry   | Hobart                       | \$518                      | 4.3%          | 2.5%         |
| 4                     | Hobart - South and West | Hobart                       | \$587                      | 4.1%          | 1.9%         |
| 5                     | Hobart - North East     | Hobart                       | \$577                      | 3.3%          | 2.2%         |
| <b>Greater Darwin</b> |                         |                              |                            |               |              |
| 1                     | Darwin City             | Darwin                       | \$595                      | 5.6%          | 1.4%         |
| 2                     | Darwin Suburbs          | Darwin                       | \$569                      | 4.4%          | 1.0%         |
| 3                     | Palmerston              | Darwin                       | \$582                      | 3.7%          | 1.9%         |
| 4                     | Litchfield              | Darwin                       | \$695                      | 1.7%          | 0.4%         |
| <b>ACT</b>            |                         |                              |                            |               |              |
| 1                     | North Canberra          | Australian Capital Territory | \$685                      | 1.3%          | 1.5%         |
| 2                     | South Canberra          | Australian Capital Territory | \$702                      | 0.1%          | 2.1%         |
| 3                     | Tuggeranong             | Australian Capital Territory | \$674                      | -0.2%         | 1.6%         |
| 4                     | Belconnen               | Australian Capital Territory | \$658                      | -0.9%         | 1.6%         |
| 5                     | Gungahlin               | Australian Capital Territory | \$700                      | -0.9%         | 2.0%         |
| 6                     | Woden Valley            | Australian Capital Territory | \$692                      | -2.1%         | 2.9%         |
| 7                     | Weston Creek            | Australian Capital Territory | \$677                      | -2.4%         | 1.7%         |
| 8                     | Molonglo                | Australian Capital Territory | \$679                      | -4.2%         | 5.0%         |