

Rent growth picked up in the start of 2024, taking rents to new record highs

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The median weekly rent value across all Australian dwellings has hit a fresh record high of \$627 per week, and rental costs range from \$770 per week in Sydney, to \$547 in Hobart (Figure 1).

Figure 1. Summary of median weekly rent and value change – data as of April 2024

Region	Median weekly rent	Monthly change in rents	Quarterly change in rents	Annual change in rents
Sydney	\$770	1.0%	3.0%	9.0%
Melbourne	\$589	0.8%	2.8%	9.6%
Brisbane	\$649	0.8%	2.1%	8.5%
Adelaide	\$589	0.6%	2.4%	9.1%
Perth	\$669	1.2%	3.9%	13.6%
Hobart	\$547	0.2%	2.5%	-0.2%
Darwin	\$617	-0.3%	-0.1%	3.5%
Canberra	\$674	0.6%	1.9%	1.8%
Combined capitals	\$659	0.9%	2.9%	9.4%
Combined regionals	\$540	0.7%	2.5%	6.4%
National	\$627	0.8%	2.8%	8.5%

Source: CoreLogic

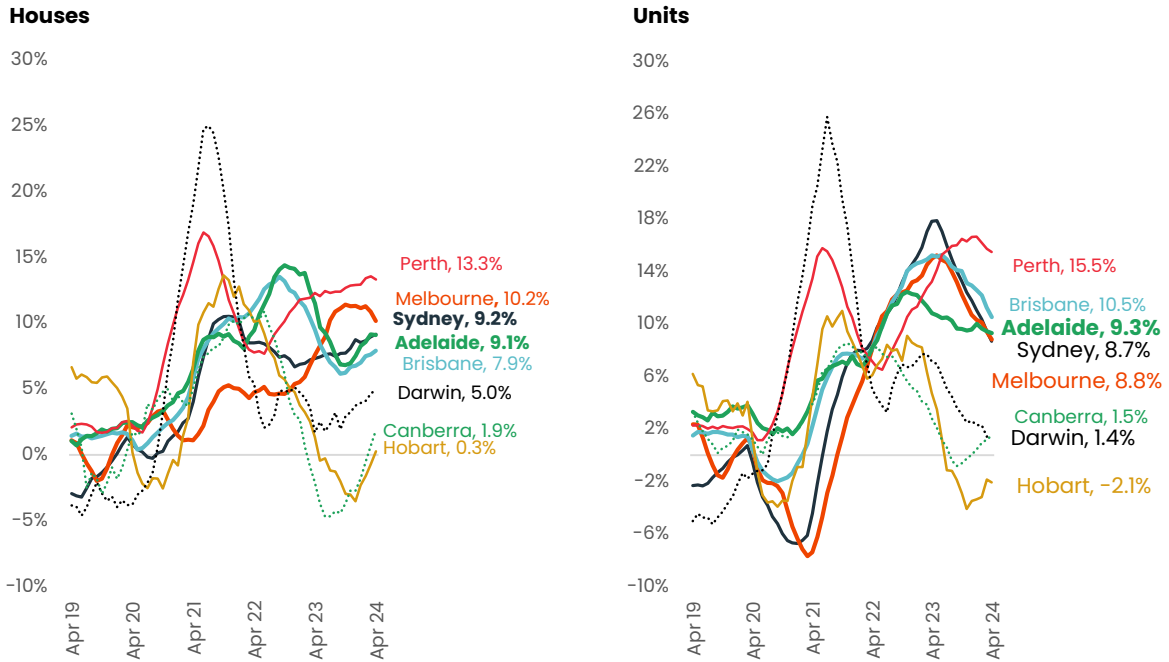
Rather than rent increases being limited by affordability constraints, annual rent growth has once again started *gathering pace* at the start of 2024. Nationally, annual rent growth went from a recent low of 8.1% in October 2023, to 8.5% in April.

Even markets where rents had been falling are now showing values start to steady, or increase again. Figure 2 shows rolling annual growth in house and unit rents by greater capital city area. Canberra house rent falls bottomed out at -3.4% in the year to September, though rents have been rising over the past seven months, taking the market back into a year-on-year increase of 1.8%. In Hobart, house rents are back in positive growth territory, and unit rents seem close to flattening out.

Figure 3 shows regional rent growth is also back on the rise. Annual growth in regional unit rents bottomed out at 5.0% in the year to September, and climbed back up to 6.9% in the 12 months to April. Regional house rents have seen an even more dramatic reacceleration, where annual growth in rents has gone from 3.4% in September to 6.2% in April this year. The pick up in regional rent growth was most pronounced in regional QLD and Tasmania houses (each saw a pick up in annual growth of 350 basis points between September 2023 and April this year).

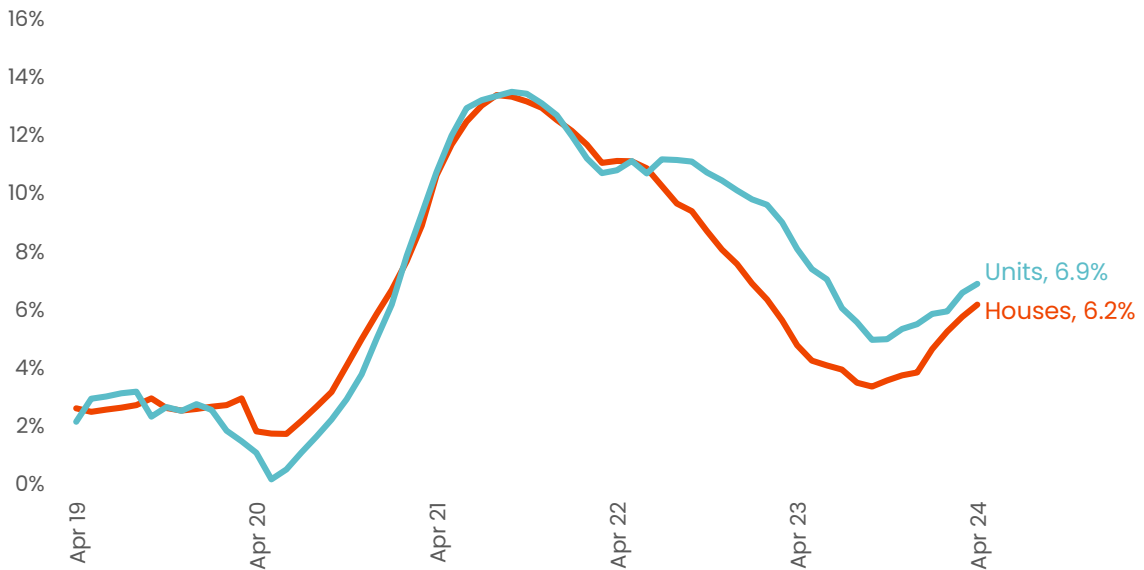
Part of the reason for the re-acceleration in rents nationally could be due to renters being forced into more affordable, peripheral housing markets as they become priced out of more desirable and central metropolitan locations. Areas where rents are slightly lower may offer more space for group households or have slightly less competitive rental conditions which are potentially being more targeted by prospective tenants.

Figure 2. Rolling annual change in rent values, houses and units



Source: CoreLogic

Figure 3. Rolling annual change in regional Australia house and unit rents

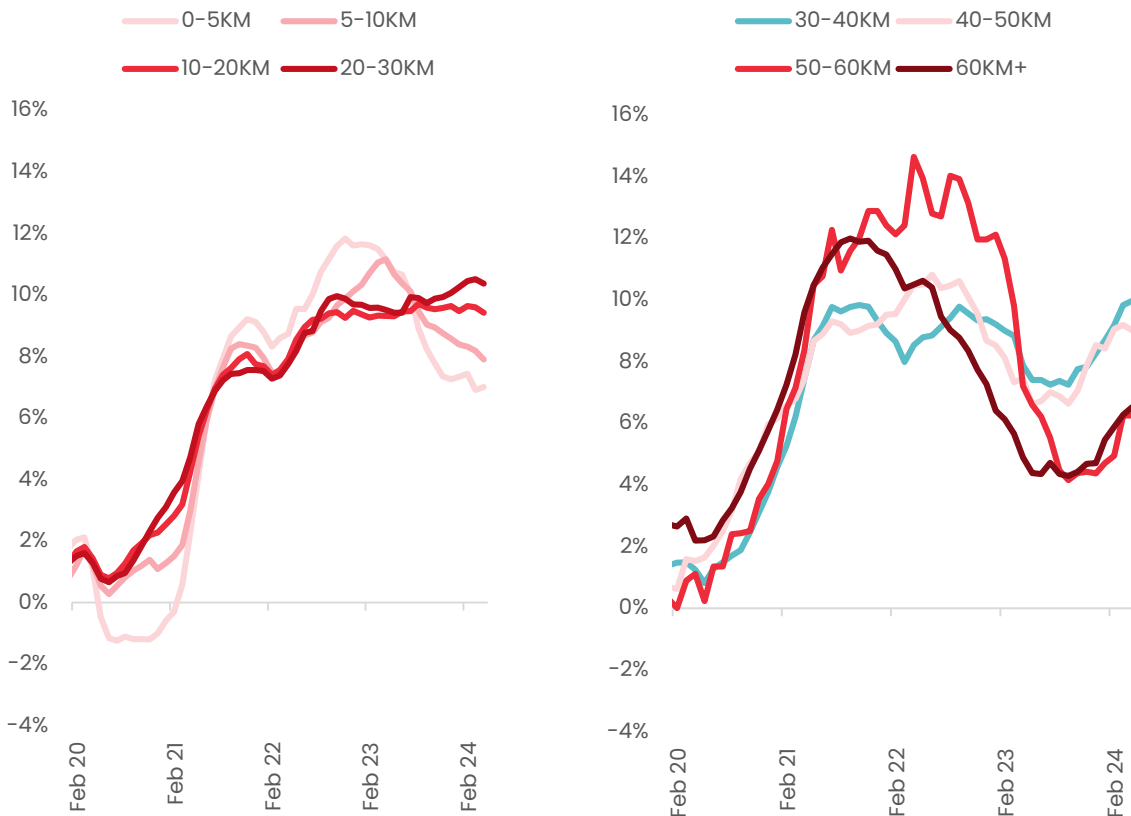


Source: CoreLogic

This is reflected in figure 4, which shows average annual rent growth across SA3 regions by the average dwelling distance to the nearest CBD. Between October last year and April this year, growth re-accelerated most strongly in greater capital city areas within 30-40km of city centres. In Sydney, this included Campbelltown, where annual growth went from 9.1% in October to 13.4% in the year to April. In Brisbane this included Jimboomba, where annual rent growth went from 3.8% to 6.4% in the same period. Casey – North in Melbourne is also within this distance, where annual house rent growth went from 11.7% to 13.1% in the same period.

While these outer-suburban markets are seeing the most rapid re-acceleration in rents, the pickup in rent growth has been fairly broad-based, with only rent markets within 10 km from city centres showing a consistent easing in average annual growth. Many of these markets are only seeing rent growth ease from a very recent high.

Figure 4. Rolling annual growth in SA3 rent values, averaged by distance to CBD



Source: CoreLogic

Outside of these regional variations, supply and demand pressures remain high across Australia’s rental market more broadly. On the demand side, experimental estimates from the ABS suggest average household size only continued to decline to 2.50 people in June 2023. This comes despite a material uplift in group households, which was far outpaced by a rise in lone and two-person households.

Net overseas migration in the year to September was just under 550,000, with temporary visa holders accounting for over 90% of this figure. This means overseas arrivals were particularly likely to skew to rental accommodation through the period. Considering an average household size of 2.5 people, net overseas migration levels implied new household formation of over 200,000 in the year to September. At a time where supply constraints persist in the residential construction industry, only 173,000 new dwellings were completed in the same period.

Given there is little that can be done on the supply side for renters in the short term, reprieve in the rental market is most likely to come from a moderation in net overseas migration, as some temporary migrants start to depart, and arrival numbers normalise post-COVID. Centre for Population forecasts indicate this could occur from next financial year. Until then, renters may be seeking more shared accommodation, or exploring cheaper rental markets across the outer metro fringes or regional Australia.

Figure 5. Change in capital city SA3 rental values from peak, by distance from GPO (km) - dwellings

SA3 name	Median weekly rental value	Mean distance from GPO (km)	Annual change	Change from peak %	Peak date
Greater Sydney					
Sydney Inner City	\$967	2.5	7.7%		
Leichhardt	\$1,058	3.9	8.0%		
North Sydney - Mosman	\$901	4.3	6.6%		
Eastern Suburbs - North	\$1,201	5.1	10.9%		
Marrickville - Sydenham - Petersham	\$1,005	6.2	8.4%		
Chatswood - Lane Cove	\$959	7.1	4.7%		
Eastern Suburbs - South	\$1,027	7.7	8.8%		
Botany	\$980	7.7	8.3%		
Canada Bay	\$907	8.8	8.7%		
Strathfield - Burwood - Ashfield	\$764	9.4	8.6%		
Manly	\$1,240	9.9	3.6%	-1.0%	Mar-24
Ryde - Hunters Hill	\$755	11.7	7.4%		
Kogarah - Rockdale	\$770	12.2	8.3%		
Canterbury	\$673	12.5	10.0%	-0.1%	Dec-23
Warringah	\$1,103	14.3	10.4%		
Ku-ring-gai	\$1,201	14.6	10.2%		
Auburn	\$719	15.0	9.4%		
Hurstville	\$758	16.0	11.2%		
Carlingford	\$763	17.1	11.4%		
Pennant Hills - Epping	\$845	17.1	6.0%	-0.6%	Oct-23
Bankstown	\$763	18.6	13.3%		
Cronulla - Miranda - Caringbah	\$870	21.2	7.8%		
Merrylands - Guildford	\$689	21.2	11.7%		
Parramatta	\$622	21.3	7.8%	-1.5%	Nov-23
Hornsby	\$793	22.4	8.6%	-0.2%	Mar-24
Sutherland - Menai - Heathcote	\$938	23.8	12.5%		
Pittwater	\$1,335	24.8	8.4%	-0.5%	Mar-24
Baulkham Hills	\$897	24.9	6.5%		
Fairfield	\$665	27.1	14.8%		
Liverpool	\$672	28.1	12.9%		
Blacktown	\$637	29.8	14.2%		
Blacktown - North	\$780	34.9	8.7%		
Rouse Hill - McGraths Hill	\$866	35.5	9.0%		
Bringelly - Green Valley	\$743	37.7	10.7%		
Mount Drutt	\$587	37.9	12.8%		
Campbelltown (NSW)	\$590	39.4	13.4%		
St Marys	\$593	40.1	9.6%		
Gosford	\$697	47.8	7.8%		
Penrith	\$623	48.5	9.4%		
Greater Melbourne					
Camden	\$714	48.5	8.6%		
Richmond - Windsor	\$611	49.8	6.2%		
Wollondilly	\$632	66.0	6.3%		
Wyong	\$618	70.2	6.8%		
Blue Mountains	\$630	71.3	5.7%		
Melbourne City	\$661	1.5	4.0%		
Yarra	\$701	3.4	7.7%		
Port Phillip	\$642	5.0	6.4%		
Stonnington - West	\$655	5.1	8.5%		
Brunswick - Coburg	\$636	6.2	9.9%		
Darebin - South	\$691	6.4	7.3%		
Essendon	\$587	7.0	7.8%		
Maribyrnong	\$569	7.5	10.2%		
Boroondara	\$758	8.9	9.9%		
Stonnington - East	\$699	9.7	9.4%		
Darebin - North	\$543	10.9	13.0%		
Moreland - North	\$544	11.5	11.2%		
Keilor	\$602	11.7	13.5%		
Hobsons Bay	\$596	11.7	12.9%		
Glen Eira	\$658	11.9	10.0%		
Banyule	\$593	13.8	12.4%		
Bayside	\$958	14.7	5.0%	-0.2%	Mar-24
Whitehorse - West	\$639	14.9	8.5%		
Manningham - West	\$722	15.6	12.8%	-0.1%	Mar-24
Brimbank	\$476	16.5	11.3%		
Monash	\$683	18.2	11.0%		
Whitehorse - East	\$629	19.8	11.0%		
Manningham - East	\$767	21.9	11.3%	-0.5%	Feb-24
Tullamarine - Broadmeadows	\$528	22.0	14.1%		
Whittlesea - Wallan	\$537	24.1	14.0%		
Kingston	\$667	24.1	10.1%		
Nillumbik - Kinglake	\$670	24.2	6.9%		
Dandenong	\$553	25.1	16.2%		
Wyndham	\$515	25.6	13.1%		
Maroondah	\$604	26.4	11.2%		
Knox	\$607	27.3	11.3%		
Melton - Bacchus Marsh	\$479	32.3	9.5%		
Sunbury	\$509	33.5	6.3%		
Casey - North	\$583	37.4	13.1%		

Figure 5. Change in capital city SA3 rental values from peak, by distance from GPO (km) – dwellings – Continued

SA3 name	Median weekly rental value	Mean distance from GPO (km)	Annual change	Change from peak %	Peak date
Yarra Ranges	\$629	38.7	11.3%		
Frankston	\$558	39.7	8.8%		
Casey - South	\$583	42.8	11.5%		
Macedon Ranges	\$596	51.7	5.5%		
Cardinia	\$564	53.0	13.4%		
Mornington Peninsula	\$654	56.6	3.6%	-0.1%	Mar-24
Greater Brisbane					
Brisbane Inner	\$712	1.6	9.5%		
Brisbane Inner - East	\$758	3.7	7.2%		
Brisbane Inner - West	\$747	3.9	7.9%		
Brisbane Inner - North	\$702	4.3	10.5%		
Holland Park - Yeronga	\$651	5.0	8.9%	-0.01%	Mar-24
Sherwood - Indooroopilly	\$717	6.5	8.6%		
Carindale	\$785	7.4	8.3%		
Nathan	\$699	8.6	9.1%	-0.1%	Mar-24
Chermside	\$660	8.7	7.7%		
The Gap - Enoggera	\$759	9.2	8.8%		
Nundah	\$651	10.1	10.0%		
Mt Gravatt	\$739	11.6	9.5%		
Bald Hills - Everton Park	\$748	12.1	8.8%		
Kenmore - Brookfield - Moggill	\$854	12.4	2.3%		
Wynnum - Manly	\$749	12.7	12.6%		
Centenary	\$745	13.1	5.4%		
Sunnybank	\$702	14.7	11.0%		
Sandgate	\$647	15.6	8.2%		
Forest Lake - Oxley	\$590	15.7	8.9%		
Rocklea - Acacia Ridge	\$691	16.7	8.5%		
The Hills District	\$730	17.6	6.5%		
Capalaba	\$738	18.8	12.2%		
Springwood - Kingston	\$559	20.1	6.7%		
Strathpine	\$582	20.7	7.9%		
Springfield - Redbank	\$562	24.5	7.2%		
Browns Plains	\$593	24.9	9.4%		
North Lakes	\$626	25.2	7.3%		
Loganlea - Carbrook	\$618	26.9	7.5%	-0.004%	Mar-24
Redcliffe	\$597	27.7	9.5%		
Cleveland - Stradbroke	\$714	30.0	7.7%		
Ipswich Inner	\$530	30.0	7.1%		
Beenleigh	\$572	32.3	10.0%		
Narangba - Burpengary	\$599	33.5	9.2%		

SA3 name	Median weekly rental value	Mean distance from GPO (km)	Annual change	Change from peak %	Peak date
Jimboomba	\$676	37.7	6.4%		
Caboolture	\$574	43.1	10.8%		
Bribie - Beachmere	\$592	45.7	6.0%		
Ipswich Hinterland	\$536	55.9	5.4%		
Beaudesert	\$555	61.4	9.5%		
Caboolture Hinterland	\$579	67.8	8.1%	-0.7%	Feb-24
Greater Adelaide					
Adelaide City	\$601	1.3	8.7%		
Unley	\$673	3.4	5.2%		
Norwood - Payneham - St Peters	\$651	4.2	9.6%		
Prospect - Walkerville	\$637	4.7	8.1%		
Burnside	\$775	5.2	7.1%		
West Torrens	\$603	5.3	7.6%		
Mitcham	\$657	8.0	7.7%		
Port Adelaide - East	\$608	8.0	11.3%		
Charles Sturt	\$613	8.0	8.2%		
Campbelltown (SA)	\$632	8.6	9.6%		
Holdfast Bay	\$616	10.7	7.8%		
Marion	\$621	11.3	9.7%	-0.1%	Mar-24
Port Adelaide - West	\$581	12.3	10.5%		
Tea Tree Gully	\$591	15.4	8.9%		
Salisbury	\$551	16.2	12.8%		
Adelaide Hills	\$622	24.5	6.3%		
Onkaparinga	\$568	25.3	9.8%	-0.2%	Mar-24
Playford	\$495	27.0	11.4%		
Gawler - Two Wells	\$507	38.0	10.1%	-0.1%	Mar-24
Greater Perth					
Perth City	\$738	2.8	11.3%		
South Perth	\$762	4.7	14.2%		
Belmont - Victoria Park	\$666	6.2	17.8%		
Bayswater - Bassendean	\$655	7.6	15.2%		
Cottesloe - Claremont	\$1,164	8.2	8.6%		
Stirling	\$687	9.1	16.1%		
Canning	\$688	10.6	13.9%		
Melville	\$830	10.9	12.7%		
Fremantle	\$792	14.4	11.5%		
Kalamunda	\$671	16.1	16.1%		
Gosnells	\$642	16.4	16.1%		
Swan	\$668	18.8	17.1%		
Cockburn	\$692	19.3	14.4%		

Figure 5. Change in capital city SA3 rental values from peak, by distance from GPO (km) – dwellings – Continued

SA3 name	Median weekly rental value	Mean distance from GPO (km)	Annual change	Change from peak %	Peak date	SA3 name	Median weekly rental value	Mean distance from GPO (km)	Annual change	Change from peak %	Peak date
Joondalup	\$753	20.5	9.5%			Greater Darwin					
Armadale	\$620	24.1	17.2%			Darwin City	\$612	1.9	1.1%	-2.6%	Aug-23
Mundaring	\$662	24.5	17.2%			Darwin Suburbs	\$609	10.0	4.1%	-0.3%	Mar-24
Wanneroo	\$656	28.7	11.7%			Palmerston	\$610	16.3	4.7%	-1.0%	Oct-23
Kwinana	\$591	32.6	13.7%			Litchfield	\$713	30.7	5.5%	-0.6%	Sep-22
Serpentine - Jarrahdale	\$683	34.7	19.0%			Australian Capital Territory					
Rockingham	\$606	43.7	11.2%			North Canberra	\$688	2.6	1.8%		
Mandurah	\$588	67.8	11.7%			South Canberra	\$719	5.1	1.4%		
Greater Hobart						Woden Valley	\$685	8.8	0.9%	-1.2%	Jun-22
Hobart Inner	\$598	2.7	-2.8%	-3.5%	May-22	Belconnen	\$645	9.0	1.7%	-1.2%	Jun-22
Hobart - North East	\$575	7.8	0.5%			Molonglo	\$674	9.3	-0.4%	-4.7%	Sep-22
Hobart - North West	\$519	10.6	0.2%	-0.5%	Mar-23	Weston Creek	\$679	10.6	3.4%	-0.7%	Jun-22
Hobart - South and West	\$581	13.0	-0.1%	-0.8%	Feb-23	Gungahlin	\$693	11.3	1.3%	-1.6%	Aug-22
Brighton	\$517	17.4	1.5%	-0.2%	Mar-24	Tuggeranong	\$674	16.5	2.8%		
Sorell - Dodges Ferry	\$525	23.8	3.2%	-0.1%	Mar-24						

Source: CoreLogic

Despite weekly rents being at record highs nationally, the more granular rent market data shows some markets are still below peak. CoreLogic analysed 310 SA3 markets across Australia, and there were 66 regions (just over a fifth of areas analysed) where values are not at record highs.

Around 9% of SA3 rent markets in Australia have just started to slip from recent highs

Of the SA3 rent markets analysed, 9% were down from peaks in February or March this year, suggesting they were slipping from recent highs. Unfortunately for renters, these markets had only seen declines from recent highs of -0.4% on average, or the dollar value equivalent of \$2 less on median weekly rents. The 27 markets did not have one discernible trend, and included high-end Sydney spots like Manly, Hornsby and Pittwater, lifestyle regions like the Mornington Peninsula in Melbourne and Sorell - Dodges Ferry in Hobart, and rural regions like Dubbo and Albany. It is worth noting there is strong seasonality in rent data, so even these slips from recent highs may not be indicative of a longer-term trend.

Rent markets with more sustained discounts

Other markets had more sustained declines from their peak. Some of these were more remote, regional areas such the South East Coast market of Tasmania where rents were down -16.5% (or \$84) from their high in January 2023. A drawcard for our major regional centres, the popular Southern Highlands market of NSW has not only had subdued annual rent growth of just 0.8%, but rents in this region were down -5.4%, or \$41 per week, for the high in May 2022. Shoalhaven is also down -1.7% from the high in July 2022, the equivalent of a \$10 fall on weekly rents, which peaked at \$599 per week.

Some pockets of the Sydney rent market were also below peaks from 2023, such as Canterbury, Pennant Hills - Epping and Parramatta, but the fall from peak in these areas were closing in quickly, as rent values rose an average of 8% in those markets in the past year.

By far the biggest falls from peak were across the Pilbara, where despite surging rents in recent years, they have not returned to the highs associated with the 2010s resource boom. East Pilbara rents are -37.9% (the equivalent of \$509 lower) than the record high in October 2012. In West Pilbara, weekly rents are still -24.6% (or \$321 lower) than in October 2011.

About the data

Median weekly rental value refers to the 50th percentile of rental valuation 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 rental observations and a low standard error on the median values have been included. Data is at April 2024