

# Which regions have seen the highest rent value increases over the year?

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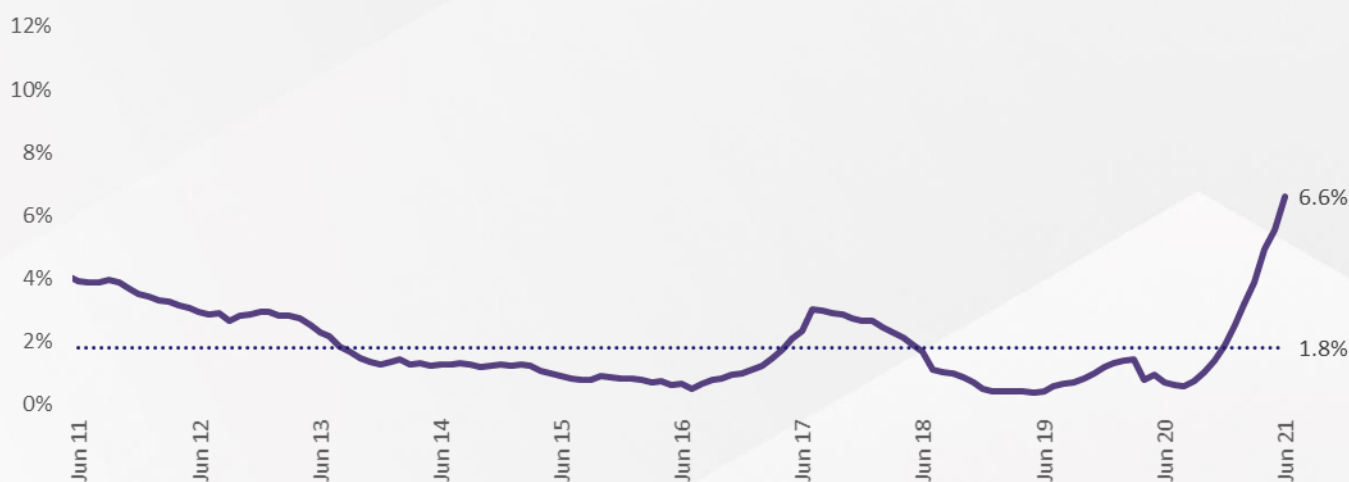
The CoreLogic [Quarterly Rental Review](#) for June showed a strong uplift of 6.6% in rent values over the year. This follows a decade of relatively subdued annual rent growth, averaging 1.8% since June 2011. The annual growth rate of 6.6% marked the strongest annual uplift in over a decade.

CoreLogic data across 88 SA4 markets<sup>1</sup> shows that, as with the current housing market upswing, rental market increases have been broad-based. Annual rent increases were observed across 79 of the 88 SA4 markets analysed, ranging from a 0.2% rise in the North East and North West Melbourne rent markets, to a 23.7% increase in rent values across the South East of Tasmania.

Areas which had seen a *decline* in rent values over the year were largely concentrated across Greater Sydney and Greater Melbourne, with the exception of a slight decline in Outback Northern Territory rent values.

Figure 2 outlines the highest and lowest gains in rent values for the 2020-21 financial year, while the full list of SA4 results is provided in figure 5. Among the top 10 regions for annual growth in rents were five Perth markets, Darwin, and regional, lifestyle markets of Australia.

**Figure 1. Rolling annual growth in rent values and decade average, national dwellings**



Source: CoreLogic

The South East of Tasmania tops the list with rent value growth of 23.7%. Applying this growth figure to the median rent suggests an increase of \$83 per week in rent over the year. The region has seen a -19.3% decline in total rent listings counted over the June 2021 quarter, compared with June 2020. Net internal migration data suggests for the year to June 2020, the South East region saw a positive migration trend, of an additional 660 people

moving to the region from other parts of Australia. Historic overseas migration to the region has also been positive, and may have contributed to upward pressure on rent values. While regional migration data is lagged to the previous financial year, more recent [provisional migration estimates](#) also shows positive internal migration across regional Tasmania more broadly.

<sup>1</sup> 'SA4' regions refer to Statistical Area 4 regions defined by the [ABS in 2016](#). There are close to 90 SA4 regions across Australia, which typically range between populations of 100,000 and 500,000 people.

Figure 2. Highest and lowest change in rent values - SA4 dwelling markets, 2020-21 Financial Year

Greater capital city or rest of state	SA4 name	Median rent value	Annual change in rents	Quarterly change in rents
<b>Highest changes</b>				
Regional Tas.	South East	\$ 430	23.7%	8.8%
Greater Darwin	Darwin	\$ 548	21.8%	4.5%
Greater Perth	Mandurah	\$ 432	21.0%	4.0%
Regional NSW	Richmond - Tweed	\$ 620	19.9%	4.1%
Regional Qld	Sunshine Coast	\$ 621	17.8%	4.5%
Greater Perth	Perth - South West	\$ 477	17.6%	3.4%
Greater Perth	Perth - North East	\$ 458	17.3%	2.8%
Regional NSW	Coffs Harbour - Grafton	\$ 525	16.7%	3.5%
Greater Perth	Perth - South East	\$ 452	16.5%	3.4%
Greater Perth	Perth - North West	\$ 494	16.3%	2.6%
<b>Lowest changes</b>				
Greater Melbourne	Melbourne - Inner	\$ 446	-7.2%	0.8%
Greater Sydney	Sydney - Parramatta	\$ 479	-2.1%	0.7%
Greater Melbourne	Melbourne - Inner East	\$ 537	-1.6%	0.9%
Greater Sydney	Sydney - Inner South West	\$ 525	-0.9%	0.9%
Regional NT	Northern Territory - Outback	\$ 487	-0.9%	-0.9%
Greater Sydney	Sydney - City and Inner South	\$ 653	-0.8%	3.1%
Greater Melbourne	Melbourne - Inner South	\$ 540	-0.6%	-0.2%
Greater Sydney	Sydney - Inner West	\$ 622	-0.6%	1.2%
Greater Melbourne	Melbourne - West	\$ 394	-0.6%	-0.2%
Greater Melbourne	Melbourne - North West	\$ 419	0.2%	0.2%

Source: CoreLogic

Greater Perth is comprised of six SA4 submarkets, five of which are featured in the top 10 list for annual growth in rental values. Across these five regions, rental markets have tightened significantly in the past year, seeing an average decline of -29.5% in rental listings counted between the June 2020 and June 2021 quarters. In the case of Mandurah, the volume of rental listings had declined over -40%. Detailed ABS employment data suggests that each of these regions had also seen an uplift in employment across the mining industry over the past 12 months, which may have added to the demand for rental properties in these markets.

It is also worth noting for Perth and Darwin rental markets that strong uplifts in rent values may be exacerbated by a longer term retreat of investor activity. In 2014, a shift in housing demand was created by a decline in mining activity, and subsequent mining employment. Available rent listings (figure 3), and investor financing for the purchase of housing, trended down fairly consistently through the late 2010s, as investors responded to a fall in rental returns. The recent uplift in housing demand may be exacerbated across Perth and Darwin by this backdrop of slowly dwindling rental supply.

Figure 3. Monthly total rental listings count – Greater Perth and Darwin



Source: CoreLogic

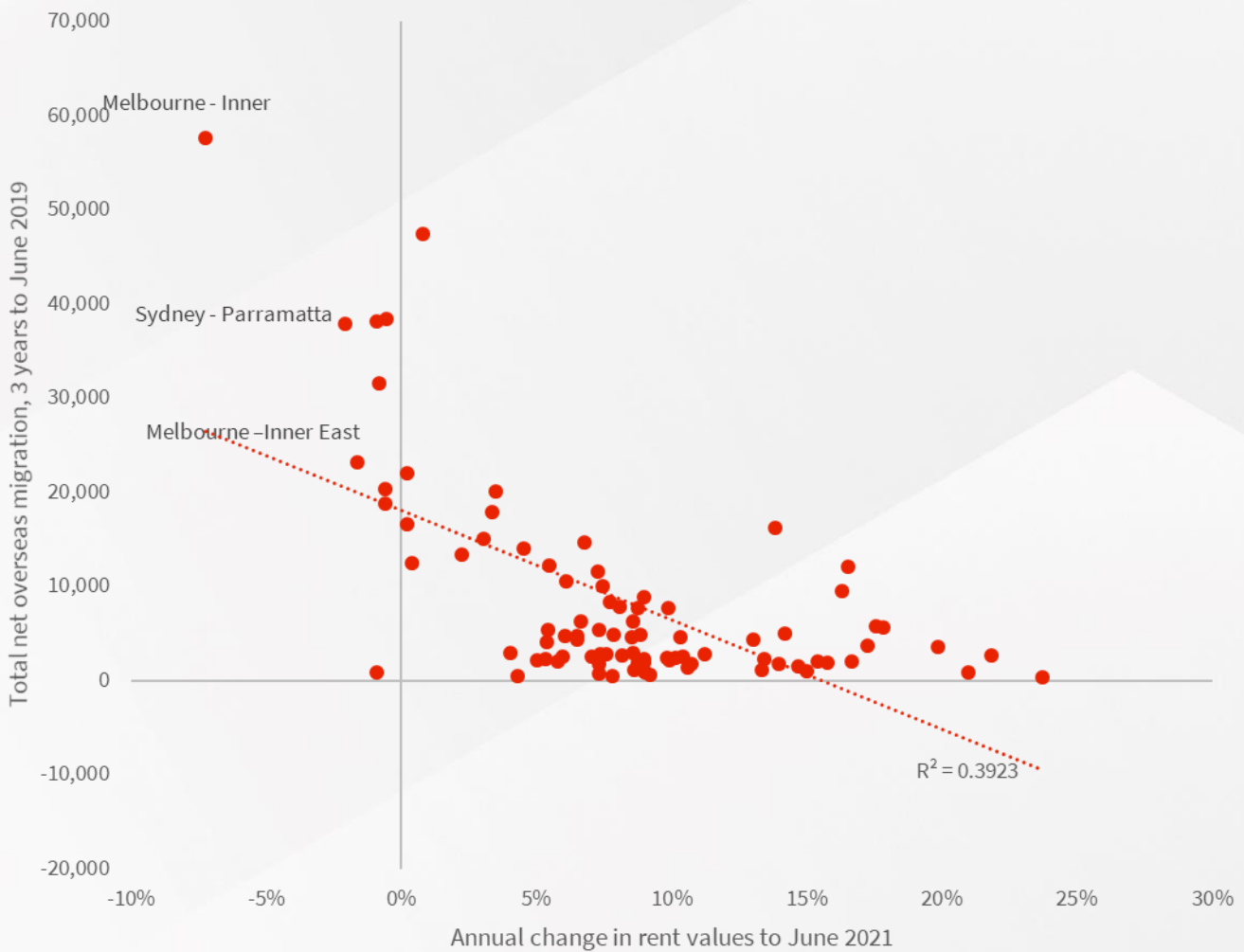
The regions that have experienced rental declines over the year still largely reflect areas that had previously been exposed to high levels of overseas migration.

Figure 4 plots the sum of net overseas migration in the three years to June 2019 (a pre-pandemic measure), against the annual change in rent values across SA4 markets.

The trend shows a negative correlation between overseas migration and annual rent growth for the 2020-21 financial year, reinforcing the impact international border closures have had on reducing rental demand. It is thought that because most overseas migrants and visitors to Australia are initially renters, concentrating in built up areas of Sydney and Melbourne, that a halt in overseas migration has most immediately, and disproportionately, impacted rental markets.

Other trends evident across regional rent market performance are those that are also reflected in purchasing price growth and internal migration. Regional Australian rental markets have generally outperformed those across the capital cities, rising 11.3% over the year compared with a 5.0% rise in capital city rents. But some of the highest growth across rent and property values has occurred in lifestyle markets, here remote work may have enabled more ‘tree-change’ and ‘sea-change’ movement among Australians in capital cities. There may also have been an increase in the purchase of holiday homes throughout the pandemic, which would restrict stock available for longer term rental accommodation.

**Figure 4. Annual growth in rent values vs net overseas migration – SA4 markets**



Looking ahead, the current trends of rental demand are highly likely to be informed by how COVID-19 continues to impact border movements. It is worth noting that COVID has created a need for more resident mining staff across WA and the NT, as well as cut off a source of demand for rental markets across Sydney and Melbourne. These sudden demographic shifts have created a dramatic change in rental demand, while the supply of rental

housing is relatively inelastic in its response. Gradually, more investment housing may ease rent growth across Perth and Darwin, while some Sydney and Melbourne investors may withdraw from these markets until international borders reopen to pre-pandemic migration levels.

Figure 5. Highest and lowest change in rent values - SA4 dwelling markets, 2020-21 Financial Year

Greater capital city or rest of state	SA4 name	Median rent value	Annual change in rents	Quarterly change in rents
Rest of Tas.	South East	\$ 430	23.7%	8.8%
Greater Darwin	Darwin	\$ 548	21.8%	4.5%
Greater Perth	Mandurah	\$ 432	21.0%	4.0%
Rest of NSW	Richmond - Tweed	\$ 620	19.9%	4.1%
Rest of Qld	Sunshine Coast	\$ 621	17.8%	4.5%
Greater Perth	Perth - South West	\$ 477	17.6%	3.4%
Greater Perth	Perth - North East	\$ 458	17.3%	2.8%
Rest of NSW	Coffs Harbour - Grafton	\$ 525	16.7%	3.5%
Greater Perth	Perth - South East	\$ 452	16.5%	3.4%
Greater Perth	Perth - North West	\$ 494	16.3%	2.6%
Rest of NSW	Southern Highlands and Shoalhaven	\$ 549	15.8%	4.4%
Rest of Qld	Central Queensland	\$ 407	15.4%	1.0%
Rest of WA	Western Australia - Outback (South)	\$ 386	15.0%	4.0%
Rest of WA	Bunbury	\$ 430	14.7%	3.1%
Greater Perth	Perth - Inner	\$ 605	14.2%	2.5%
Rest of NSW	Mid North Coast	\$ 464	13.9%	2.2%
Rest of Qld	Gold Coast	\$ 600	13.8%	4.3%
Rest of Tas.	Launceston and North East	\$ 408	13.4%	4.1%
Rest of WA	Western Australia - Outback (North)	\$ 649	13.3%	2.4%
Greater Sydney	Central Coast	\$ 545	13.0%	3.1%
Greater Brisbane	Brisbane - East	\$ 566	11.2%	3.6%
Rest of NSW	Central West	\$ 404	10.7%	2.1%
Rest of NSW	Murray	\$ 331	10.6%	2.9%
Rest of Vic.	Latrobe - Gippsland	\$ 387	10.4%	2.0%
Greater Melbourne	Mornington Peninsula	\$ 500	10.3%	3.3%
Rest of Qld	Wide Bay	\$ 379	10.1%	2.7%
Rest of NSW	Hunter Valley exc Newcastle	\$ 461	9.9%	3.4%
Rest of NSW	Newcastle and Lake Macquarie	\$ 532	9.9%	2.3%
Rest of Qld	Toowoomba	\$ 391	9.8%	2.8%
Rest of SA	South Australia - Outback	\$ 299	9.2%	0.2%
Rest of Tas.	West and North West	\$ 357	9.0%	3.2%
Rest of Qld	Mackay - Isaac - Whitsunday	\$ 444	9.0%	0.3%
Rest of WA	Western Australia - Wheat Belt	\$ 378	9.0%	2.0%
Rest of Vic.	Hume	\$ 395	9.0%	3.1%
Greater Sydney	Sydney - Northern Beaches	\$ 1,002	9.0%	2.6%
Greater Hobart	Hobart	\$ 499	8.8%	2.4%
Rest of NSW	Illawarra	\$ 563	8.7%	2.5%
Rest of Vic.	Bendigo	\$ 406	8.7%	2.8%

Figure 5 (continued). Highest and lowest change in rent values - SA4 dwelling markets, 2020-21 Financial Year

Greater capital city or rest of state	SA4 name	Median rent value	Annual change in rents	Quarterly change in rents
Rest of NSW	Far West and Orana	\$ 340	8.6%	0.5%
Greater Brisbane	Moreton Bay - North	\$ 426	8.6%	2.7%
Rest of Vic.	Geelong	\$ 461	8.6%	2.6%
Greater Brisbane	Brisbane - North	\$ 508	8.5%	2.4%
Rest of NSW	Riverina	\$ 375	8.1%	1.5%
Greater Adelaide	Adelaide - South	\$ 446	8.1%	2.7%
Rest of Qld	Cairns	\$ 439	7.9%	2.2%
Rest of Qld	Queensland - Outback	\$ 369	7.8%	-0.3%
Greater Adelaide	Adelaide - West	\$ 444	7.7%	1.4%
Rest of NSW	New England and North West	\$ 355	7.6%	2.6%
Greater Adelaide	Adelaide - North	\$ 390	7.4%	2.4%
Greater Brisbane	Moreton Bay - South	\$ 484	7.4%	2.7%
Greater Brisbane	Logan - Beaudesert	\$ 429	7.3%	2.6%
Rest of Vic.	Warrnambool and South West	\$ 384	7.3%	1.2%
Rest of Qld	Darling Downs - Maranoa	\$ 313	7.3%	1.5%
Australian Capital Territory	Australian Capital Territory	\$ 620	7.3%	1.6%
Rest of Qld	Townsville	\$ 389	7.1%	-0.2%
Greater Brisbane	Brisbane - South	\$ 515	6.8%	2.3%
Greater Sydney	Sydney - Baulkham Hills and Hawkesbury	\$ 727	6.6%	4.1%
Greater Brisbane	Brisbane - West	\$ 584	6.5%	1.3%
Greater Sydney	Sydney - Outer West and Blue Mountains	\$ 487	6.5%	1.3%
Greater Adelaide	Adelaide - Central and Hills	\$ 491	6.1%	2.5%
Greater Brisbane	Ipswich	\$ 388	6.0%	1.9%
Rest of Vic.	North West	\$ 328	6.0%	1.9%
Rest of Vic.	Ballarat	\$ 376	5.8%	1.2%
Greater Brisbane	Brisbane Inner City	\$ 522	5.4%	2.2%
Greater Sydney	Sydney - Outer South West	\$ 476	5.4%	1.1%
Greater Sydney	Sydney - Sutherland	\$ 709	5.4%	0.8%
Rest of SA	South Australia - South East	\$ 330	5.3%	-0.1%
Rest of Vic.	Shepparton	\$ 356	5.0%	2.2%
Greater Sydney	Sydney - Blacktown	\$ 483	4.5%	1.3%
Rest of SA	Barossa - Yorke - Mid North	\$ 304	4.3%	2.6%
Rest of NSW	Capital Region	\$ 506	4.0%	0.9%
Greater Sydney	Sydney - Eastern Suburbs	\$ 767	3.5%	2.9%
Greater Sydney	Sydney - North Sydney and Hornsby	\$ 743	3.4%	2.4%
Greater Sydney	Sydney - South West	\$ 514	3.0%	0.8%
Greater Melbourne	Melbourne - Outer East	\$ 478	2.2%	0.5%
Greater Melbourne	Melbourne - South East	\$ 438	0.8%	0.8%
Greater Sydney	Sydney - Ryde	\$ 576	0.4%	1.9%
Greater Melbourne	Melbourne - North East	\$ 427	0.2%	-0.1%
Greater Melbourne	Melbourne - North West	\$ 419	0.2%	0.2%
Greater Melbourne	Melbourne - West	\$ 394	-0.6%	-0.2%
Greater Sydney	Sydney - Inner West	\$ 622	-0.6%	1.2%
Greater Melbourne	Melbourne - Inner South	\$ 540	-0.6%	-0.2%
Greater Sydney	Sydney - City and Inner South	\$ 653	-0.8%	3.1%
Rest of NT	Northern Territory - Outback	\$ 487	-0.9%	-0.9%
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