

National Vacancy Rates Fall to 1.2% in July — Rental Squeeze Intensifies

FOR IMMEDIATE RELEASE

12 August 2025

Australia’s rental market tightened further in July, with the national vacancy rate falling to 1.2%, down from 1.3% in both June 2025 and July 2024, according to the latest SQM Research data.

This drop leaves just 37,863 rental vacancies nationwide, compared to 39,027 last month and 39,701 a year ago, signalling sustained pressure on tenants and limited relief in sight.

Vacancy Rates - Jul 2025						
City	Jul 2024 Vacancies	Jul 2024 Vacancy Rate	Jun 2025 Vacancies	Jun 2025 Vacancy Rate	Jul 2025 Vacancies	Jul 2025 Vacancy Rate
Sydney	12123	1.7%	11482	1.6%	10841	1.5%
Melbourne	7979	1.5%	9414	1.8%	9325	1.8%
Brisbane	3786	1.1%	3147	0.9%	3089	0.9%
Perth	1462	0.8%	1457	0.8%	1401	0.7%
Adelaide	1103	0.7%	1268	0.8%	1348	0.8%
Canberra	1312	2.2%	920	1.5%	942	1.5%
Darwin	190	0.7%	115	0.5%	126	0.5%
Hobart	335	1.2%	175	0.6%	155	0.6%
National	39701	1.3%	39027	1.3%	37863	1.2%

Methodology: SQM calculates vacancy rates using online rental listings that have been advertised for three weeks or more, compared to the total number of established rental properties. This approach avoids incomplete agency surveys or raw listings that may not reflect genuine availability. More info: [Methodology](#).

Capital City Highlights

The national trend points to sustained pressure on renters, particularly in Sydney, Brisbane, and Perth, where vacancy rates remain below 1.6%. While Melbourne and Adelaide show signs of stabilization, the overall picture suggests landlords continue to hold the upper hand, with limited supply driving competition and rental price growth.

As the spring leasing season approaches, all eyes will be on whether new housing supply can ease the squeeze—or if renters will face another round of tightening conditions.

City	Vacancy Rate	Vacancies	MoM Change	YoY Change	Market Note
Sydney	1.5%	10,841	↓ from 1.6%	↓ from 2.5%	Competitive market: full percentage point drop in a year.
Melbourne	1.8%	9,325	↓ from 9,414	↑ from 1.5%	One of the few capitals with higher year-on-year availability.
Brisbane	0.9%	3,089	Flat	↓ from 3,786	Tight supply amid strong demand.
Perth	0.7%	1,401	Flat	N/A	Among the lowest availability nationwide.
Adelaide	0.8%	1,348	↑ from 1,103	N/A	Slight rise in stock suggests modest easing.
Canberra	1.5%	942	↑ from 920	↓ from 2.2%	Improved over past year despite small monthly rise.
Darwin	0.5%	Minimal	Flat	N/A	Very low turnover and high affordability pressures.
Hobart	0.6%	Minimal	Flat	N/A	Limited stock and slow movement.

Advertised Rents Analysis – Week Ending 12 August 2025

Australia’s rental market remains under pressure, with advertised rents rising nationally and several capital cities recording sharp annual increases, according to the latest SQM Research Weekly Rents Index.

For the week ending 12 August 2025, the national combined rent average reached \$651.60—up 1.0% over the rolling month and 4.5% year-on-year. The capital city average sits even higher at \$748.02, reflecting a 4.3% annual increase.

- **Sydney** remains the most expensive capital, with combined rents averaging \$859.38 per week. House rents rose 5.1% over the past year, while units increased 2.5%. The rolling monthly growth of 0.9% suggests continued upward momentum.
- **Melbourne** recorded a 3.8% annual rise in combined rents, with houses up 4.1% and units up 3.3%. Weekly movements were modest, indicating a stabilising trend.
- **Brisbane** saw strong growth in unit rents, up 6.6% annually and 1.7% over the month. Combined rents rose 5.5% year-on-year, despite a slight weekly dip.
- **Perth** posted a 5.7% annual increase in combined rents, though both house and unit rents declined slightly over the past week and month.
- **Adelaide** showed mixed signals, with unit rents up 5.3% annually but house rents rising just 1.8%. Combined rents increased 2.9% year-on-year.
- **Canberra** recorded subdued growth, with combined rents up just 1.5% annually. Unit rents fell 1.0% over the month, while house rents remained flat.
- **Darwin** led the nation in annual house rent growth, surging 14.2%. Combined rents rose 8.9% year-on-year, driven by a 2.6% monthly increase in unit rents.
- **Hobart** followed closely, with combined rents up 9.1% annually. House rents rose 9.2%, while units climbed 8.8%, reflecting strong demand and limited supply.

Expert Commentary

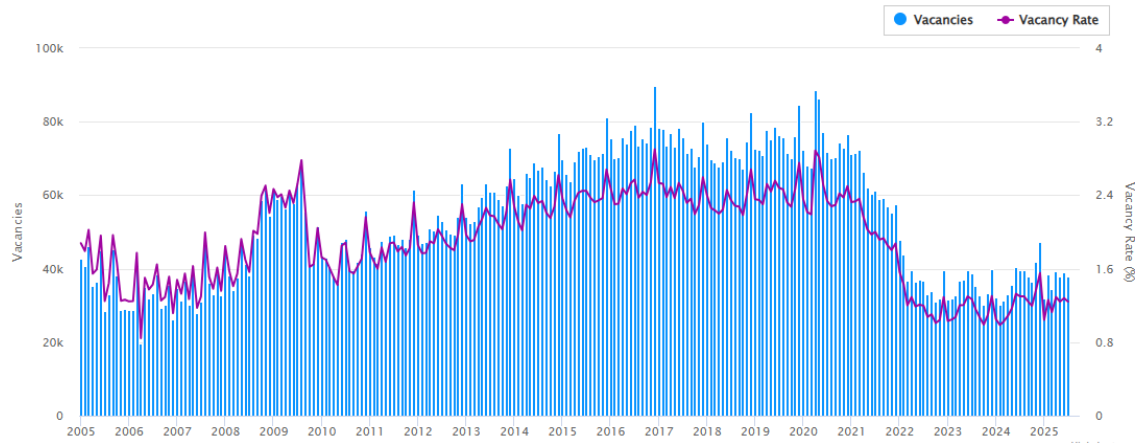
“Vacancy rates remain tight across most capital cities, and this is continuing to place upward pressure on rents,” said Louis Christopher, Managing Director of SQM Research.

“While there are short-term fluctuations—particularly in Perth and Canberra—the broader trend is clear: rental affordability is deteriorating, especially in Sydney, Brisbane, and Hobart. Unless we see a meaningful uplift in rental supply, particularly in the inner and

middle rings of our major cities, the market will remain challenging for tenants heading into spring.”

SQM Research Weekly Rents Index					
Week ending 12 Aug 2025		Rent (\$)	Chg on prev wk(\$)	Rolling month % chg	12 mth % chg
Sydney	All Houses	1,076.91	0.09 ▲	0.6% ▲	5.1% ▲
	All Units	710.98	1.02 ▲	1.2% ▲	2.5% ▲
	Combined	859.38	0.64 ▲	0.9% ▲	3.8% ▲
Melbourne	All Houses	768.72	1.28 ▲	0.4% ▲	4.1% ▲
	All Units	575.64	0.36 ▲	0.1% ▲	3.3% ▲
	Combined	656.09	0.74 ▲	0.3% ▲	3.8% ▲
Brisbane	All Houses	766.79	-3.79 ▼	0.7% ▲	4.8% ▲
	All Units	611.46	3.54 ▲	1.7% ▲	6.6% ▲
	Combined	696.86	-0.49 ▼	1.1% ▲	5.5% ▲
Perth	All Houses	828.82	-0.82 ▼	-0.3% ▼	6.2% ▲
	All Units	650.39	-2.39 ▼	-0.7% ▼	4.4% ▲
	Combined	754.91	-1.47 ▼	-0.4% ▼	5.7% ▲
Adelaide	All Houses	669.07	-2.07 ▼	-0.4% ▼	1.8% ▲
	All Units	526.75	4.25 ▲	-0.2% ▼	5.3% ▲
	Combined	620.79	0.08 ▲	-0.4% ▼	2.9% ▲
Canberra	All Houses	774.37	-3.37 ▼	0.0% ▲	-0.8% ▼
	All Units	582.51	-2.51 ▼	-1.0% ▼	4.4% ▲
	Combined	669.47	-2.90 ▼	-0.4% ▼	1.5% ▲
Darwin	All Houses	777.53	-7.53 ▼	0.8% ▲	14.2% ▲
	All Units	563.12	2.88 ▲	2.6% ▲	4.1% ▲
	Combined	650.67	-1.37 ▼	1.7% ▲	8.9% ▲
Hobart	All Houses	583.31	-1.31 ▼	2.0% ▲	9.2% ▲
	All Units	503.32	-0.32 ▼	1.2% ▲	8.8% ▲
	Combined	551.37	-0.92 ▼	1.7% ▲	9.1% ▲
National	All Houses	723.00	1.00 ▲	1.1% ▲	4.5% ▲
	All Units	569.00	0.00	0.7% ▲	4.6% ▲
	Combined	651.60	0.54 ▲	1.0% ▲	4.5% ▲
Cap City Average	All Houses	865.00	-2.00 ▼	0.2% ▲	5.0% ▲
	All Units	645.00	0.00	0.8% ▲	3.5% ▲
	Combined	748.02	-0.94 ▼	0.5% ▲	4.3% ▲

National Vacancy Rates



For Further Information

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About SQM Research

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