

Vacancies continue downward spiral across New South Wales

For immediate release

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Residential vacancies in Sydney have fallen to a low not seen since November 2011, according to the REINSW Vacancy Rate Survey results for February 2023.

“The drop in the vacancy rate for Sydney overall in January to 1.5% was shocking,” REINSW CEO Tim McKibbin said. “But the downward spiral has continued in February, with the rate dropping by another 0.1% to be just 1.4%. Not since November 2011 has the availability of rental accommodation in Sydney been so low, almost to the point of being non-existent.”

The drop in the rate for Sydney overall is a result of vacancies decreasing in both the Inner and Outer Rings of Sydney.

“Sydney’s Inner Ring dropped to 1.4%, a decrease of 0.3% for the month,” Mr McKibbin said. “The Outer Ring also dropped to be 1.5% (-0.1%). Bucking the trend, the Middle Ring remained relatively stable, experiencing only a slight 0.1% rise to 1.3%.

“We haven’t seen a rental market like this for more than 12 years. Calling it a rental ‘crisis’ just doesn’t seem to adequately describe what’s happening in the market and the turmoil, pain and stress that is being experienced by everyone involved – tenants, landlords and property managers.”

Outside Sydney, vacancies in the Hunter region followed the Sydney trend.

“The availability of rental accommodation in the Hunter region dropped by 0.9% to be just 1.5%,” Mr McKibbin said. “In contrast, the Illawarra region rose to 2.3% (+0.9%).”

Vacancies also remain extremely tight across most regional areas of New South Wales, with the Central West, Coffs Harbour, Murrumbidgee, Northern Rivers, Orana, Riverina and South Coast areas all recording drops. Only in the Albury, Central Coast and South East areas did vacancies ease.

“Rents are skyrocketing because there’s not enough property available to feed the rental market,” Mr McKibbin said. “It’s purely an issue of supply and demand. We have diminishing supply and growing demand.

“Put simply, we need more property. It’s time for the NSW Government to take on the fundamental issue of supply.”

**For more information, please contact:
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About REINSW

The Real Estate Institute of New South Wales (REINSW) is the peak industry body for real estate and property professionals in NSW. It represents more than 2000 agencies across residential sales, property management, commercial, strata management, buyers’ agency, agency services and auctioneering. Established in 1910, REINSW works to improve the standards, professionalism and expertise of its members to continually evolve and innovate the industry. It lobbies the government and industry on behalf of members, develops new products and services to benefit agencies and professionals, and offer training and ongoing professional development. For more information, visit reinsw.com.au.

Residential vacancy rate percentage

The REINSW Residential Vacancy Rate Report is based on the proportion of unlet residential dwellings to the total rent roll of REINSW member agents on the 15th of each month.

Carried out monthly, the research – a survey of REINSW member agents conducted by Survey Matters – collects the total properties on agency rent rolls, the number of properties that were vacant on the 15th of the month, and the postcode in which a majority of agents' rental properties are located. The suburb-level rates reported by agents are weighted based on ABS Census 2016 Dwelling Characteristics. The February 2023 report is based on survey responses covering 98,423 residential rental properties.

	Feb-23	Jan-23	Dec-22	Nov-22	Oct-22	Sep-22	Aug-22	Jul-22	Jun-22	May-22	Apr-22	Mar-22
SYDNEY												
Inner	1.4%	1.7%	2.5%	1.6%	2.3%	2.1%	2.2%	2.2%	2.9%	2.3%	2.1%	2.6%
Middle	1.3%	1.2%	1.0%	1.3%	1.1%	1.1%	1.2%	1.4%	1.4%	1.6%	3.3%	2.7%
Outer	1.5%	1.6%	1.5%	1.8%	1.7%	1.5%	1.6%	1.6%	1.5%	1.6%	1.7%	1.7%
Total	1.4%	1.5%	1.8%	1.6%	1.8%	1.6%	1.7%	1.7%	2.0%	1.8%	2.3%	2.2%
HUNTER												
Newcastle	3.1%	4.1%	4.5%	2.4%	2.2%	2.5%	1.7%	2.0%	2.5%	3.0%	2.0%	1.5%
Other	1.0%	1.9%	1.6%	1.3%	0.7%	1.1%	1.4%	1.4%	1.4%	0.9%	1.6%	0.8%
Total	1.5%	2.4%	2.1%	1.5%	1.1%	1.4%	1.4%	1.6%	1.7%	1.3%	1.7%	1.0%
ILLAWARRA												
Wollongong	1.5%	1.1%	1.0%	0.8%	2.3%	1.1%	1.1%	0.2%	0.8%	0.8%	0.4%	0.7%
Other	2.9%	1.7%	2.0%	1.3%	1.3%	3.5%	1.2%	2.0%	1.0%	1.2%	2.0%	0.5%
Total	2.3%	1.4%	1.6%	1.1%	1.8%	2.4%	1.2%	1.2%	0.9%	1.0%	0.3%	0.6%
REGIONS												
Albury	1.0%	0.8%	1.1%	0.4%	0.9%	0.7%	1.0%	1.2%	0.5%	1.0%	0.4%	0.6%
Central Coast	1.5%	1.4%	1.7%	1.5%	1.1%	1.4%	1.2%	1.3%	2.1%	1.0%	1.4%	1.3%
Central West	1.4%	1.6%	1.3%	1.0%	0.9%	0.6%	0.7%	1.0%	1.3%	0.6%	0.6%	0.4%
Coffs Harbour	1.6%	1.8%	2.6%	1.1%	1.8%	1.3%	1.6%	1.5%	1.5%	1.8%	1.6%	1.4%
Mid-North Coast	0.8%	0.8%	1.1%	0.8%	1.2%	1.2%	1.0%	2.2%	2.1%	1.9%	1.5%	1.3%
Murrumbidgee	1.6%	1.7%	2.9%	2.3%	2.2%	1.7%	0.4%	1.5%	0.8%	1.8%	1.2%	0.9%
New England	1.8%	1.1%	0.5%	0.7%	1.0%	1.6%	1.2%	0.7%	1.2%	0.9%	1.5%	1.0%
Northern Rivers	1.5%	1.8%	2.2%	0.4%	4.6%	5.3%	4.1%	2.0%	1.3%	0.7%	1.4%	0.8%
Orana	1.5%	2.2%	3.1%	1.7%	1.8%	1.9%	1.5%	1.9%	1.6%	1.5%	1.7%	1.7%
Riverina	0.6%	1.2%	0.7%	0.8%	0.9%	0.5%	0.4%	0.5%	0.6%	0.5%	0.6%	0.4%
South Coast	1.9%	3.2%	1.7%	1.7%	1.9%	2.0%	2.0%	1.9%	1.5%	1.3%	1.1%	2.4%
South Eastern	2.3%	1.7%	1.0%	0.4%	1.1%	3.6%	2.1%	1.0%	1.5%	2.0%	1.2%	1.8%