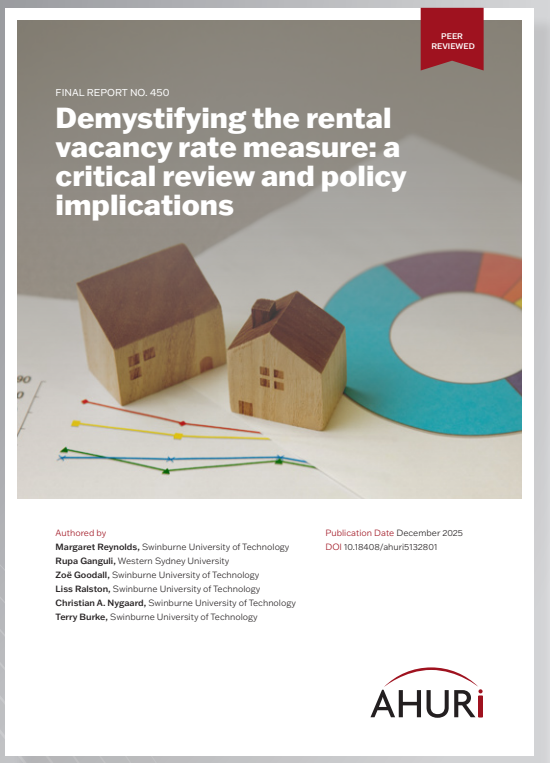
AHURI

RESEARCH SUMMARY

Cracking the rental vacancy rate: a deep dive into the metric shaping housing decisions



What this research is about

This research is the first critical analysis of the Australian private rental vacancy rate (RVR) — an important, but often unquestioned, housing market signal. It investigates the different methodologies, strengths and limitations of the measure, and how it is used and interpreted.

Why this research is important

Policymakers and developers commonly use RVRs to guide decisions about where and when to build housing, and for rental providers, they can be a signal to raise rents. A comprehensive understanding of this measure is therefore crucial, particularly during a housing crisis. Yet RVRs are provided only by commercial organisations, using methodologies that are often opaque and produce different outcomes. This research presents a detailed examination of this key housing market indicator to better inform decision-making in public and private sectors.

Based on

Final Report No. 450: *Demystifying the rental vacancy rate measure: a critical review and policy implications*

Authored by

Margaret Reynolds,
Swinburne University of Technology

Rupa Ganguli,
Western Sydney University

Zoë Goodall,
Swinburne University of Technology

Liss Ralston,
Swinburne University of Technology

Christian A. Nygaard,
Swinburne University of Technology

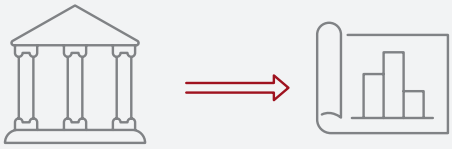
Terry Burke,
Swinburne University of Technology

Publication date

December 2025

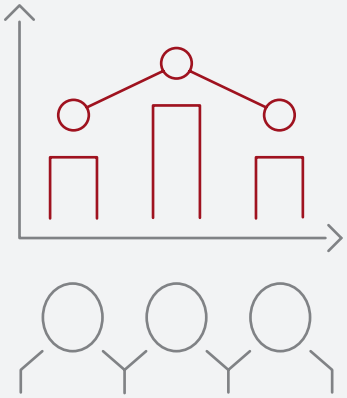
View the report

At a glance



In most countries, governments produce rental vacancy rates.

Australia relies on commercial organisations.



Vacancy rates vary as much as 1.8% between data providers due to the different methods used.

The commodification of property data limits access to those who can afford it.

Governments and developers use rental vacancy rates in housing policy and planning.

Key findings:

An international outlier

Australia differs from other countries in how it calculates RVRs in two ways:

- In most countries vacancy data is produced by the government, while Australia relies on commercial organisations.
- Most countries include all unoccupied dwellings in vacancy rates, while Australia focuses only on vacant rental properties.

Inconsistent methodologies

Australia has five commercial producers of RVRs, which all base their metrics on surveys of property managers or rental properties advertised online.

Different approaches result in different outcomes, and the methods used to arrive at RVRs are often opaque.

Affordability barriers

Detailed Australian RVR outputs are only available for a fee. This commodification of property data results in unequal access to information.

Only organisations with sufficient funds can access detailed RVR data to inform their decision-making, while advocacy groups and lower-income residents are often locked out.

Regional and metropolitan markets stabilise differently

An equilibrium rental vacancy rate is achieved when market forces of supply and demand are balanced, leaving rents unchanged.

Modelling of Victoria's rental markets between 2011 and 2024 revealed periods of disequilibrium (when supply and demand were not in balance) were slower to correct in regional Victoria compared with Melbourne.

RVRs used in housing supply planning and policy

Government departments use RVRs to forecast and model housing market dynamics, and some state governments use them to help determine the location of social housing or where to prioritise development application approvals.

Private developers also use RVRs to drive decisions about housing supply.

Rental bond records offer an alternative

Rental bond records are a publicly collected data source from which RVR information can be obtained.

RVRs derived from the Victorian Residential Tenancies Bond Authority data track well against major commercial producers' figures, but with greater regional coverage.

'Detailed Australian RVR outputs are only available for a fee. This commodification of property data results in unequal access to information.'

Policy actions:

Changes to RVRs

RVR measures could drill down to smaller geographic areas that are not constrained to administrative boundaries like government jurisdictions, and vacancy rates should be tracked over long periods.

Monitoring RVR deviations against long-term equilibrium levels could lead to more informed decision-making.

A more critical lens

Policymakers could be more critical of the 'norms' promoted by commercial providers of RVRs, and commentary around market conditions reflecting 'tight', 'weak' or 'healthy' markets.

This research indicates such norms are unlikely to be based on independent robust, empirical, long-run analysis.

Social phenomena should be considered

Policymakers should be mindful that RVR changes could be viewed as rental markets 'self-correcting', when in fact they are underpinned by undesirable circumstances.

These could include people dropping out of the market, becoming homeless, or residing in overcrowded rental properties.

A government-produced RVR

The Federal Government and/or state and territory governments could produce RVR data in-house as an independent alternative, and potentially cheaper, source of this 'top tier' housing indicator.

A government-produced RVR with a transparent methodology may also incentivise commercial producers to improve their transparency and address limitations to remain competitive.

Utilisation of bond data

Using rental bond data to produce an alternative RVR measure could be explored.

However, rental bond data is not consistently collected or managed across states and territories, limiting its use in its existing form.

'The Federal Government and/or state and territory governments could produce RVR data in-house as an independent alternative, and potentially cheaper, source of this 'top tier' housing indicator.'

Broadened data collection

Further development of government collection and reporting of housing data, including data on overall dwelling stock and usual occupancy, would also be beneficial.

Research design:

The research used a mixed methods approach, integrating a literature review, analysis of various datasets, and interviews with producers and users of RVR data. The methodologies of all five commercial producers of RVRs were examined, and the outputs of two were compared to assess consistency. Data from the Victorian Residential Tenancies Bond Authority was analysed to produce an alternative RVR measure. RVR data for Victoria over 13 years was examined for insights into how different markets deviate from and adjust back to a long-term equilibrium. A review of international RVR measures was also undertaken to compare Australia's approach.

To cite the AHURI research, please refer to:

Reynolds, M., Ganguli, R., Goodall, Z., Ralston, L., Nygaard, C, and Burke, T. (2025) *Demystifying the rental vacancy rate measure: a critical review and policy implications,* AHURI Final Report No. 450, Australian Housing and Urban Research Institute Limited, Melbourne.

Available from the AHURI website at ahuri.edu.au/research/final-reports/450