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# Housing surge tipped

## REIQ expects property market to turn around within 12 months

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QUEENSLAND'S leading real estate body is predicting good things for the Mackay market off the back of a rental vacancy decrease.

The latest REIQ Vacancy Report indicates the region may finally be back in the black when it comes to property.

Rental vacancy rates have halved to 3.6 per cent in the past year, down from 7.9 per cent in 2016.

REIQ spokesperson Felicity Moore said on Friday that regional Queensland has delivered good results in the wake of several bleak years.

"To see this market at 3.6 per cent, which although it is technically just outside the healthy range is still in reasonable good shape ... this is really encouraging," she said.

"It has been consistently improving over the past couple of years and we have much to be optimistic about."

However, Ms Moore did acknowledge the Queensland market typically moves more slowly than the southern markets, hence the "slow but steady" growth.

"The (Mackay) market started high in 2015-16 and nothing's happened in a big swoop, it's just been a very steady and incremental market. We're a slow and steady market unlike the other states," she said.

"We did have a fast period just as the mining boom was heating up, 2008, 2009, 2010, and rents edged up but with-

out an external factor we just potter along."

New employment opportunities and cycling out of the mining bust are direct contributors to the drop in vacancy rates.

Ms Moore believes home owners in the region will begin to see sales price growth within the next year.

"You start to see jobs pick up, unemployment goes down, rental markets tighten, vacancy rates go down and then usually what happens 6-12 months after the vacancy rates drop is that sale prices go up," she said.

"People move to an area, they try it out, if the employment works out well and they like the area they look at buying.

"It's a fairly good bellwether of how the sales market is going to go in six months time."

Ms Moore said Mackay is in a unique situation with its coal mining industry.

"The other thing we know about Mackay is that it has some of the best fuel-making coal in the world and globally fuel-making production is increasing.

"Mackay's suppliers to the mines have been tooling up and hiring – they only do that when they have the work," she said.

"From about the end of June from 2018 I am going to predict some good level positive growth to the Mackay median house price."

Mackay's current average house sale price is \$337,000 according to CoreLogic data.