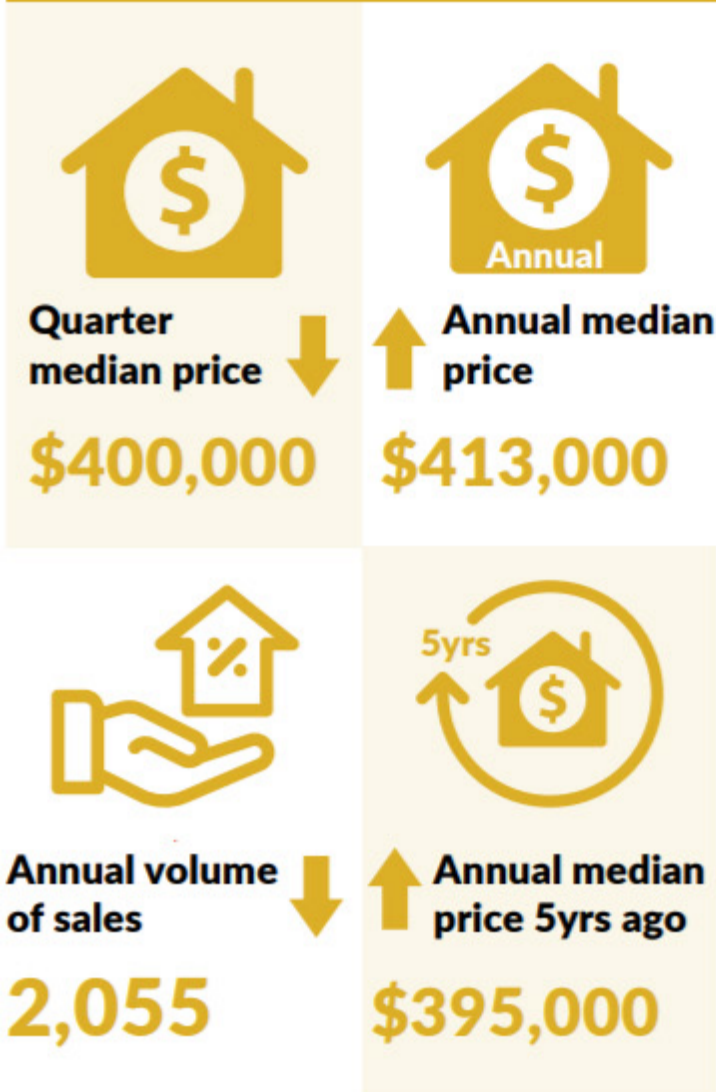
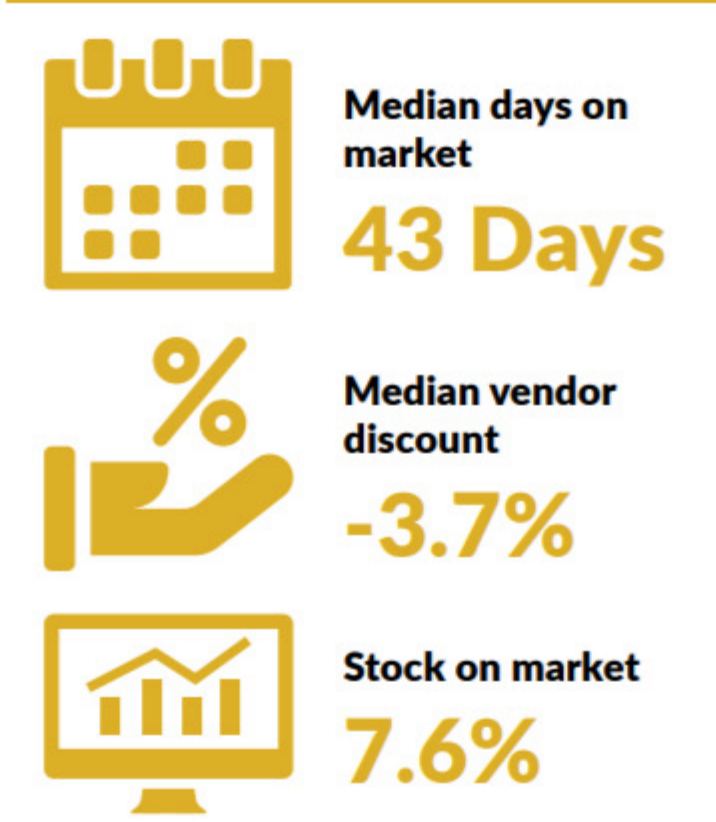


**HOUSE MARKET (<2400M<sup>2</sup>)**

**HOUSE MARKET**


**The median house price in Cairns is currently \$400,000 - a slight increase over the year ending June.**

**Cairns Market Holding Its Ground**

**The Cairns property market held its ground over the June quarter; however, its unit sector appears to be bearing the brunt of the pandemic.**

The median house price in Cairns is currently \$400,000 - a slight increase over the year ending June.

The unit market is experiencing tougher conditions with prices softening, partly due to the sluggish tourism sector.

First home buyers are out in force across the region, with many keen to make the most of the HomeBuilder scheme to build or buy a new home.

Demand for vacant land is correspondingly strong with the potential for an undersupplied market to become a reality next year.

The Cairns rental market has also bounced back from its temporary period of market softness with the vacancy rate back down to 2.4 per cent and rents on the rise, too.

**Regional Economy and Infrastructure Investment**

Works are underway at the Cairns TAFE campus as part of the more than \$13 million investment to ensure the Far North has world-class training facilities to provide the skilled workforce needed for jobs now and into the future.

“We know our apprentices and trainees will play a vital role in our State’s economic recovery,” Minister for Training and Skills Development Shannon Fentiman said.

Member for Cairns Michael Healy said the State Government’s investment in the campus will see the completion of the automotive workshop as well as a hair, beauty and hospitality precinct, a new customer service point and upgrade to the Banggu Minjaany Art Gallery.

“This is great news for the Cairns region. Not only are we providing world-class training facilities for the region, there will also be around 45 local jobs supported during construction,” Mr Healy said.

“Work is also under way on the solar panel project which will improve the campus’ environmental footprint.”

The Minister said the impacts of COVID-19 are far-reaching and investment in training infrastructure is vital to continue to support the Queensland economy and to ensure Queenslanders have the skills they need for employment.

“One of the most important ways to help rebuild the economy is to support our apprentices and boost skills and training by investing in world class infrastructure,” the Minister said.

“We are also backing local businesses to provide more opportunities to employ an apprentice or trainee thanks to our free apprenticeships initiative and the newly announced Apprentice and Trainee Boost as part of the Back to Work program.

“In Far North Queensland, more than 1200 young people are already being supported to undertake a free apprenticeship or traineeship and we want that number to grow.”

**House Market (<2400m<sup>2</sup>)**

The Cairns region was set to be more negatively impacted than most other Queensland regions during the lockdown, but it held its ground over the June quarter.

Its median house price dipped by 0.5 per cent to \$400,000 over the quarter and recorded an increase of 0.7 per cent over the year ending June.

## EMPLOYMENT MARKET

### CAIRNS



Unemployment Rate

**4.8%**



Participation Rate

**62.9%**

## UNIT MARKET



Quarter median price ↓

**\$215,000**



Annual median price ↓

**\$222,000**



Annual volume of sales ↓

**1,097**



Annual median price 5 yrs ago ↑

**\$220,000**

## UNIT MARKET



Median days on market

**63 Days**



Median vendor discount

**-4.5%**



Stock on market

**7.3%**



REIQ Cairns Zone Chair Thomas Quaid said the local economy had benefited from the temporary – as it turned out – reopening of interstate borders, however holidaymakers from intrastate were continuing to be out in force.

House prices were being supported by the continued low volume of listings, with robust competition among buyers for properties on the market, he said.

Buyers were often missing out on securing their preferred properties due to the tight supply levels. That situation is reflected in the volume of sales, which are down about 53 per cent compared to the previous quarter, according to QMM data.

One of the main drivers of the current market was due to the HomeBuilder scheme, Mr Quaid said. First home buyers in particular were taking advantage of not only the \$25,000 grant to build or buy a new home but also the First Home Owners Grant and regional boost, which could tip \$45,000 into the purchase of a property.

The affordable price points in Cairns meant that first-time buyers could potentially buy a block of land and build a four-bedroom, two-bathroom house for between \$400,000 and \$450,000.

Mr Quaid expects stronger results over the September quarter, however, only time will tell what may happen to the market after the end of the JobKeeper scheme next year.

His advice to vendors thinking of selling is to take advantage of the current market conditions, which includes strong buyer demand and on-point bank valuations, because there is more certainty about now than what might happen next year.

### Unit and Land Markets

The Cairns unit market is not faring quite as well with median prices reducing over the quarter and the year. The median unit price fell 1.3 per cent over the June quarter to \$215,000 and was also down 1.3 per cent over the year ending June. Only 120 unit sales were recorded during the June quarter, down significantly from the previous three-month period.

The median days on market for Cairns units have also increased from 59 to 63 days compared to 2019. Mr Quaid said the weakness in the Cairns unit market was partly due to the struggles of the tourism sector with fewer holidaymakers booking short-term letting accommodation.

Land sales in the region, on the other hand, are strengthening due to strong first home buyer activity. The median vacant land price in Cairns is now about \$222,000. Mr Quaid said vacant land in new estates is selling quickly with that stock generally attractive to first-time buyers. Suburbs with plenty of land sales activity include Gordonvale, Smithfield, Trinity Beach and Kewarra Beach.

The geographical constraints of Cairns, with the ocean on one side and mountains and wet tropics on the other, mean that an undersupply of developable land may kick in next year. Mr Quaid said developers were scrambling to get projects shovel-ready to take advantage of the HomeBuilder scheme with some sites already selling lots in the second or third project stages.

### Rental Market

The Cairns rental market has bounced back from its temporary soft conditions during the lockdown.



