

# Vacancy rates a boon for buyers

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A NEW report shows Cairns' tight rental vacancy rate has created the best conditions for investors in a decade, but property managers are far from inundated with new business.

The Real Estate Institute of Queensland Residential Vacancy Report for the March quarter showed just 1.3 per cent of Cairns rental properties weren't tenanted, down 0.4 percentage points from 1.7 per cent last year.

The document pointed out that while the city would "benefit from new supply to the rental market ... developers are struggling to get funding for larger projects".

"The consistent high demand is starting to see rent rises to the tune of around \$10 to \$15 a week," it read.

"Three bedroom houses have lifted \$45 a week from December 2017 to December 2018. Investors continue to enjoy some of the best gross rental yields in the state."

Indeed, Cairns vacancy rates are lower than the Sunshine Coast on 3 per cent, Noosa at 2 per cent and the Gold Coast at 1.8 per cent.

The only region that posted tighter data was the Fraser Coast with 1.1 per cent.

Over the past 10 years, the 2010 March quarter recorded the highest vacancy rate at 5.2 per cent.

By the following year that had decreased to 3.8 per cent.

The September 2011 quarter was the last time Cairns recorded a vacancy rate of more than 3 per cent.

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AMANDA BOCCALATTE, LJ HOOKER  
CAIRNS EDGE HILL

With 26 years' experience in real estate, LJ Hooker Cairns Edge Hill property investment manager Amanda Boccalatte still believes more development will eventually happen in the Far North.

But she said despite the perfect conditions, "investors have been pretty low on the ground for quite some time".

"There's not a lot and I don't know why," she said.

"The vacancy rate is good but if you're an investor you do have to look at all sorts of things such as growth and capital gain.

"A couple of years ago I was working with a buyer's agent and they were recommending Cairns as a great place to invest and a lot of people bought through them.

"These agents have all their figures and forecasts, they look at growth in the city (and) employment."

She said a surge in population was needed to kickstart economic growth.

"For me it's been unpredictable. This month we'll rent 20 houses and next month houses might be a bit slower. There's no pattern to anything. But I know (the development) will happen. I believe it will," Ms Boccalatte said.