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'Best in a decade'

FNQ property market soars while construction surges

REAL estate sales in Cairns are the best in a decade while the latest building approvals are up 83 per cent.

Real Estate Institute of Queensland zone chairman Tom Quaid said the last six months had been the best in 10 years. CAIRNS real estate has reached territory rarely seen in the past decade as the region rides a wave of sales fuelled by government stimulus and low interest rates.

The national property cClock, released through Herron Todd White, shows Cairns has emerged as a rising market along with Gladstone, Mackay, Emerald and the Gold Coast.

Herron Todd White researcher Rick Carr attributed the rocketing market to the federal government's coronavirus building stimulus.

"Building approval figures are experiencing an upturn from the stimulus of the new HomeBuilder grants scheme introduced in June 2020," Mr Carr wrote in the Cairns Watch report.

Building approvals were up 35.6 per cent between May and September.

"Approval levels are bound to accelerate even further while the HomeBuilder grants remain in place, backed up by the robust land sales activity."

He said the rise in demand in the last quarter of 2020 had generated "rising pressure on prices especially for houses".

The median house price has also inched north about 4.8 per cent.

"The latest trend median prices, for properties sold in the month of October 2020, came in at a new high of \$431,000 for houses, and at \$222,000 for units and \$195,000 for vacant land," Mr Carr wrote.

The residential construction sector has been hailed as one of the leading drivers for an economic recovery in the Far North during 2021.

Residential sales manager for Quaid Real Estate and REIQ zone chairman for Far North Queensland, Tom Quaid, said he had not seen sales levels in Cairns reach the current heights.

"It has been quite some time since we have been on that side of the clock," Mr Quaid said. "We haven't had a six-month period like this for more than a decade.

"This is the most buoyant conditions I have experienced since I began selling in 2013."

He said one recent sale, a block with a dated Queenslander in North Cairns, reached \$50,000 above the asking price, with six offers made in the 48 hours after it was listed.

"It has been a very long time since we have had that kind of story where we are getting sales at or above expectations so quickly," Mr Quaid said.

He said the rising demand for property was consistent across Cairns, although the availability of housing stock was becoming an issue.

"We don't have pressure to sell at the moment — the interest rates are low and there is additional bank support," Mr Quaid said.

"We are not seeing forced sales from those that need to sell. Low interest rates are giving people a lot more mobility in the market compared with two years ago; they are not travelling and instead thinking more space or a larger yard.

"At the moment we are seeing most houses going within a week to 10 days of being listed."

Most of the sales were driven by local owner-occupiers: "They tend to be more committed and hold on for the longer term," Mr Quaid said.



"In the GFC we had a lot of investors piling on and then they backed out — that's when we saw prices crash."

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