

News Release

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Strong Mackay property market ripe for development

Headline summary:

- **Mackay is the strongest performing regional location in North Queensland and northern Australia**
- **Developers are increasingly turning their attentions to the region as demand for new product strengthens**
- **A mixed-use development site in the city's Northern Beaches precinct is set to be highly sought after as it launches to the market**

As the strongest regional economic performer in northern Australia and North Queensland, Mackay is currently offering strong opportunities for property investors, and particularly for developers, according to Knight Frank.

Craig Stack, Knight Frank Partner and Head of the company's Mackay and Townsville offices, said the time for taking on new development in the city was right.

"Opportunities are ripe for investors and developers across both the residential and commercial sectors, fuelled by rapidly forming demand," he said.

"Mackay's economy is performing really well – far better than any other regional location in Queensland and across northern Australia.

"The region is experiencing very strong employment growth, driven primarily by the mining services sector.

"With 12,000 more people employed in June 2018 than June 2015 the unemployment rate for the region fell to 2.7%, and this has re-established an economic confidence across its business and residential community.

"The end game for development sites can be understood once again after a long period of doubt about whether new product would be occupied.

"Mackay retained a very strong average household income, even during the mining downturn, and things changed so quickly through 2018, with residential occupancies now the strongest in Queensland and rental growth very strong."

The September 2018 REIQ Vacancy measure indicates a vacancy rate of only 0.9% in the city. The Residential Tenancies Authority quarterly data shows residential rents growing by more than 10% for all housing forms in each of the past two years.

"The residential market is performing well, as well as the commercial markets," **Mr Stack** added.

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“Retailers in the centres we manage in Mackay are achieving stronger turnover per square metre than in other areas in North Queensland, and very good demand for industrial properties is leading to much higher rents.”

While economic muscle is returning to Mackay, **Mr Stack** said the chance to acquire well positioned mixed use sites is rare, so developers were pouncing on these properties when they hit the market.

“Developers are increasingly turning away from Sydney and Melbourne and looking elsewhere to invest, particularly regional areas, and Mackay is attracting a lot of attention,” he said.

“We have a property about to hit the market prime for a residential and commercial development, and already we are fielding enquiries from potential buyers.”

The 14.2 hectare parcel of land, an amalgamation of three parcels with three street frontages, is located in the heart of Mackay’s Northern Beaches precinct, at 644-648 Mackay-Bucasia Road at Rural View. The asking price is \$3.9 million.

Situated in Mackay’s growth corridor, the property is suitable for a variety of uses including residential lots, units, a retirement village, a child care centre, medical, commercial and a nursery, and could accommodate all these uses together.

“This is a terrific infill site surrounded by fully developed social and service infrastructure, including shopping centres, a bowls club, secondary schools and a developing residential estate,” Mr Stack said.

“It is one of the very few sites in North Queensland where a developer can create different outcomes along the prominent road frontages and the corners, while working on the elevated main area of the property for intensive residential uses.

“The early interest in the property has come from developer groups from South East Queensland who have experienced a recovering market and recognise that properties with appeal to several uses are worth investigating.”

For further information, please contact:

Craig Stack – Partner, Head of Townsville and Mackay, Knight Frank
Craig.Stack@au.knightfrank.com +61 438 716 006

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Notes to Editors

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