



# No relief on rental stress

TOWNSVILLE'S razor-thin rental vacancy rate highlights a serious undersupply of available houses and apartments across the city, new research shows.

Herron Todd White's latest Townsville Rent Roll Survey reveals the city's residential rental vacancy rate stood at 2.07 per cent in June.

The city's vacancy rate has hovered around the 2 per cent mark since March.

HTW North Queensland director Jason Searston said Townsville's vacancy rate fell below 2 per cent in March and had made little improvement since.

Mr Searston said the city had one of the tightest rental markets in the state and it was unlikely to change significantly in the short-term.

"It is very tight across the board and rents are very, very strong," he said.

"We have consistent and solid demand for rentals that is outstripping the amount of new housing and unit stock entering the market.

"There is not enough housing being produced to push the vacancy up."

Mr Searston said demand was being driven by the resources boom and the arrival of the 3rd Battalion Royal Australian Regiment in the city earlier this year.

"That brought an influx of more than 3000 people to the city and saw vacancy fall below 2 per cent," he said.



**SQUEEZED IN:** With a vacancy rate at 2.07 per cent in June, Townsville has one of the tightest rental markets in the state.

Mr Searston said Townsville's lean vacancy rate had seen rents rise by \$10 to \$20 a week over the past six months, with some CBD rents soaring to as much as \$600 per week.

A breakdown of the HTW

figures for June shows house rentals at just 1.94 per cent vacancy and apartment availability at 2.28 per cent.

Mr Searston said the city was yet to see a corresponding housing construction surge as developers ident-

ified a market with a strong appetite for new stock.

"We are not seeing a significant amount of new development, but I believe we are in the early stages of that and will start to see more activity very soon," he said.

Major residential projects under way in Townsville include Honeycombes Property Group's \$450 million Central precinct, where work is about to start on the 44-unit Paddington building and where units have

predominantly sold to investors keen to help take up the rental demand.

Another 98 units are being built at Castle Point in Belgian Gardens, plus 70 units in Springbank Urban Village at Fairfield Waters.

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