

Executive summary

The Whitsunday region is currently growing much faster than projected. The population could reach 50,000 residents within the next decade. If this happens this will mean a 22% lift in the current resident population.

However, new housing supply has dropped remarkably, and the market is now undersupplied.

Dwelling prices, land values and weekly rents are rising. The Whitsunday housing market is in the upswing phase of the property cycle.

I believe that if the current population growth rate continues and new housing supply remains constrained then the Whitsunday's housing values are likely to continue to rise over the next 12 to 24 months. This growth rate might surprise on the upside.

Yet the local market – at present - remains very affordable compared to other relative locations.

Another positive is that the city is creating new jobs, and that job growth rate is increasing. The unemployment rate remains low which is also good news as a high rate of unemployment has been a problem for the Whitsunday region in the past.

The region has also bounced back strongly post Covid, with some 880,000 tourists visiting the Whitsunday's last year. Yet on the domestic front, visitations are on the slide. This is of import, as tourists injected \$1.34 billion into the local economy last year. One in three local jobs are because of tourism and last year's tourists added an estimated \$19,000 into each local wallet.

The average gross local household income is \$169,500, some 12% higher than the Queensland average. The local economy is currently worth \$4.35 billion and is also growing strongly. The area supports 4,125 local businesses and last year \$74 million worth of commercial development was approved in the Whitsunday area.

Two challenges face the area. One, keeping up new affordable housing supply and two, elevating domestic tourist visits. These are something that the Whitsunday Regional Council should investigate and as a matter of urgency.

Key findings

Property clock

- The Whitsunday housing market – see **chart 1** - is in the upswing phase of the property clock.
- The typical property cycle is four years and, on average, about half of this time is spent in stagnation. The upswing is often short. A downturn can be longer than an upswing.
- Where a location is positioned on the property clock depends on the balance between supply and demand. A recovery is when demand starts to exceed supply; a downturn is when these two measures swap around, and a stagnation is when supply is adequate relative to demand.
- The upswing phase is characterised by tightening supplies against high and/or rising demand. Property prices and rents often rise sharply during this phase of the property cycle. It sometimes is labelled a 'seller's market'.
- It must be noted that sometimes a location misses a cycle and sits in stagnation for a long period of time. This happens when the market was oversupplied or overpriced during the previous cycle. This was the case across the Whitsunday's region – due to oversupply – after the global financial crisis, circa 2008/09.
- My final comment here is that as a location's population get larger – an increasing economy of scale so to speak – the fluctuation between the peak and trough of the property cycle become less pronounced in terms of a change in sale volumes, prices and/or rents.
- For example, in the late 1980's local dwelling sales fell from 674 in 1989 to just 97 trades in 1990, an 86% fall in transactions. Between 2007 and 2011 the sales fall was just 57% and between 2012 and 16, the reduction in sale volume was around 28%. In short, residential slowdowns are gentler as the market get larger.

Housing market

- There were just under 3,000 residential sales across the Whitsunday Regional Council area (WRC) over the past twelve months. Whilst down on previous years, **chart 2** shows that demand remains historically high.
- There were 565 land sales, 854 detached house sales and 680 attached dwelling (apartments and townhouses) sales during the year ending March 2024.
- Most of the house and attached dwelling sales were priced under \$500,000. See **chart 3**.
- At present the median house price across the WRC is just \$510,000 and this value is \$362,000 for attached dwellings.
- **Tables 1 and 2** outline that the Whitsundays remains very affordable in terms of housing when compared to Australia's capital cities and many relevant major regional markets across Queensland. Some
- **Table 3** also shows that the Whitsunday area is one of the cheapest areas - on a price per square metre basis – to buy a vacant block of land across urban Queensland.
- There were only 554 houses listed for resale also across the WRC area as of March this year. This represents just under eight months supply. When it comes to attached dwellings, the available resale supply was a very tight 142 listings. This equates to a 2.5 month supply line.
- **Charts 4 and 5** shows that the amount of stock for resale has fallen significantly over recent years.
- In a similar vein the number of dwellings available for rent has also fallen substantially over recent years. There is currently under 50 homes to lease across the region, equating to a 1.2% vacancy rate. See **chart 6**.
- Real estate is all about supply and demand. When demand exceeds supply, prices and rents rise and this has been the case across the WRC over recent years. See **chart 7**.

- The price of vacant urban land – on a rate per square metre basis - has also risen, in concert with rising end land prices – which currently have a median value of \$235,000 in the area – and a fall in the size of the allotments sold. The typical urban allotment sold in the WRC is currently 890m². See **chart 8**.
- Most new allotments registered last year were sized between 800m² and 1,000m² (41%) followed by 39% between 600m² and 800m². Just 6% of the new urban land supply is under 600m². See **chart 9**.

Housing affordability opportunities

- There is a strong case - based on housing affordability, forecast demographics and buyer wants/dynamics - to allow more smaller allotments across the region.
- To achieve this, their delivery needs be accompanied with sensible infrastructure charges. Such charges work best when they are levied as a percentage of the land price not a flat fee. A 5% fee based on the price helps ensure cheaper new housing product. Higher housing price points usually equate to a better location and a high degree of existing (and often new) amenity. Many middle to top-end buyers can (and will) afford to pay more. Infrastructure fees also need to be levied at operational works or lot registration rather than early in the development process.
- The Sunshine Coast – in my opinion is quite progressive with its new allotment mix - with some 60% of its new land sized under 450m². Last year, one in ten new allotments are sized under 200m².
- In addition, 80% (4,200) of the Sunshine Coast's 5,300 approved residential allotments have operational works, ensuring a consistency of new housing supply. As noted later, just 29% or 269 new allotments across the Whitsunday area have operational works. This is under the current underlying demand, which is around 550 new homes per annum.
- Also, consideration should be given to allowing – in fact - encouraging back yard homes. This is being done now in South Australia and Western Australia, with strong take up.
- I have hyperlinked the current backyard or ancillary home regulations in [Western Australia](#) and [South Australia](#). The Western Australian rules are smart.

Housing demographics

- The Whitsunday area supports:
 - 41,000 residents, with a median age of 40
 - 880,000 visitors
 - 29% of the existing dwellings are unoccupied for much of the year
 - 78% of the dwellings are detached houses
 - Most hold three or four bedrooms and one or two cars
 - Most households rent – 38%, followed by 32% who own their home outright
 - Just under 40% of households have children at home, whilst a third hold a couple (only) and a quarter hold a single resident
 - Yet only 20% of the population live a couple and just 8% of the population live alone
 - The area supports 8,300 children – or 22% of the population
 - There are 2.3 adults per occupied home and when including children this occupancy lifts to 2.9 people
- See **chart 10**.

Population + growth

- The Whitsunday's is currently growing at around 1,250 new residents per annum. This is much higher than the 660 annual increases experienced over the past decade and stronger than the current 550 yearly lift projected for the area over the next decade. See **chart 11**.
- If the WRC area continues to experience the current strong growth, then some 50,000 will call the Whitsunday's home in time for the Brisbane Olympics in 2032. If this occurs it will mean a 22% lift over the current resident population.
- At present – and based on the 1,250 recent increase in population - there is a need to build some **550 new dwellings per annum** across the area. If the past and projected population growth figures come back into play, then the annual dwelling demand would fall back to between **250 and 300 new builds each year**.

- **Chart 12** shows that much of this future population growth is likely to take place across these demographic segments:
 - Retirees looking for low maintenance living solutions
 - Mature families looking to upgrade their housing
 - Empty nesters looking to downsize

New housing supply

- There are just under 1,000 dwellings approved that have not yet started construction across the WRC area. Some 29% or 269 of these have received operational works. See **chart 13**.
- Based on annual dwelling demand – as outlined above – this existing supply is tight, even if the lower projected population estimates eventuate.
- A dwelling approval is the beginning of the supply process and last year's local dwelling approvals – which were just 200 – was also way below underlying demand. See **chart 14**.
- And **chart 15** shows that most of this new supply is in very small projects. This trend can further exasperate new dwelling supply.
- Furthermore, a more accurate measure of actual new housing supply is a dwelling registration. This happens when the property title is transferred from the developer to the buyer and takes place at settlement.
- When including acreage allotments, there were just 123 new registrations across the WRC area last year. See **chart 16**.
- **Chart 17** shows the interplay between housing demand and two measures of new dwelling supply – dwelling approvals and dwelling registrations.
- Looking forward, Queensland Treasury – as of December 2023 – estimates that the WRC has just 210 new dwellings in broadhectare supply over the next two years and 1,870 in total over the next five years. This will not be enough, especially if the current level of demand continues.

- In summary, when it comes to new housing supply the Whitsunday's region is struggling to keep up with demand. The steady increase in local population growth has now tipped the new housing market across the WRC area into undersupply. Revisit **chart 17**.
- This will place further pressure in future local dwelling prices and weekly rents.

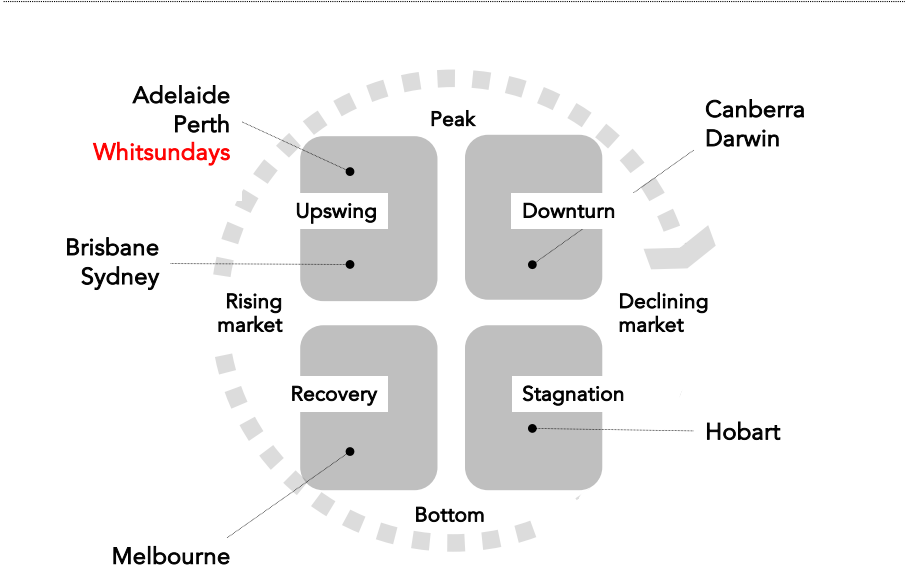
Things economic

- A strong local positive is that the region is creating new jobs, and that job growth rate is increasing. The unemployment rate remains low which is also good news as a high rate of unemployment has been a problem for regional towns, including the Whitsunday's, in the past.
- In concert with an improving local labour market has been a rapid increase in the registrations of new businesses across the area. At present the WRC area holds 4,125 registered businesses.
- See **chart 18**.
- **Chart 19** outlines which occupations hold the most local jobs. The top three are accommodation and food, construction, and retail services.
- Whilst tourism is not defined separately by the official statistician, Queensland Tourism estimates that one in four local jobs are filled directly by tourist activities. When looking wider this impact is one in three jobs when you include supporting employment like professional services, real estate agents and the like.
- And on that note, the Whitsunday's hosted 880,000 tourists last year and these visitors spent some \$1.34 billion during their stay. See **chart 20**. The region has recovered – tourism wise – strongly since the Covid-related restrictions.
- But **table 4** shows that whilst international visits to the region is improving, domestic visitations peaked in late 2022. The region – as mentioned above – saw a strong domestic tourist bounce back after Covid but is now struggling.

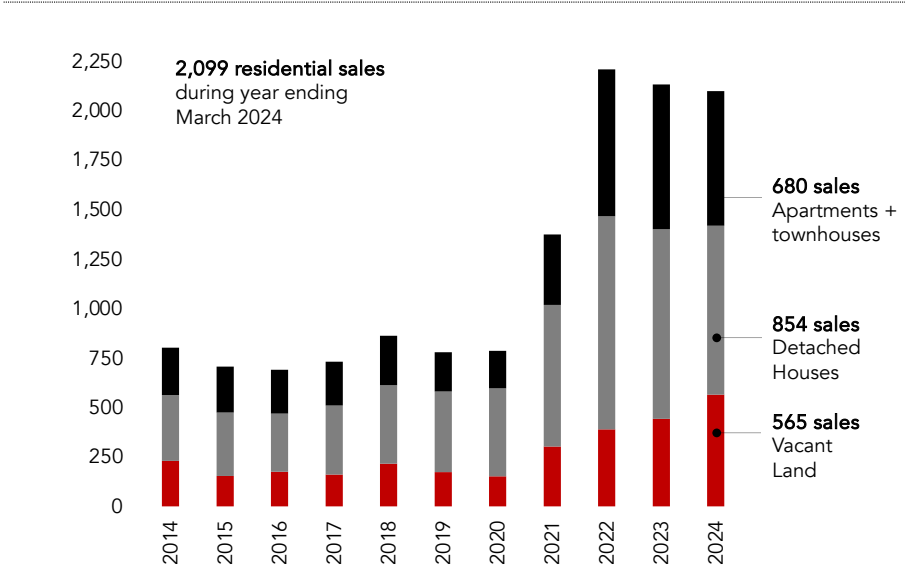
- For mine this is because there are cheaper travel options – like going to Indonesia (Bali) and New Zealand - and because Airlie Beach's main street has seen little by way of gentrification over the past decade. In short, it is looking rather tired.
- A third possible reason – again in my opinion - is the regular reporting of coral bleaching of the Great Barrier Reef. This seems – like most media reporting these days – to be sensationalism, as any deterioration is slight according to recent scientific reports.
- Local tourism is important as it has been estimated that visitors to the Whitsundays added on average, some \$19,000 into the annual bank account of residents last year and it is estimated that the average gross household income across the WRC is currently \$169,500, which nets to \$154,000 in terms of disposable income. This is 12% higher than the Queensland average.
- **Chart 21** shows that the Whitsunday's economy is worth \$4.35 billion, and that the local economy has been growing strongly over recent years. In addition, there were \$74 million worth of non-residential developments approved across the WRC last year.
- **Appendix 1** outlines 13 major new development projects – worth some \$11.35 billion in total – that are either active or proposed across the Whitsunday region.
- These projects are set to further boost the local economy by enhancing infrastructure, tourism, and residential facilities, contributing to the Whitsunday region's longer-term growth and economic sustainability.

Supporting information

1. Matusik Property Clock
Whitsunday region + Australian capitals

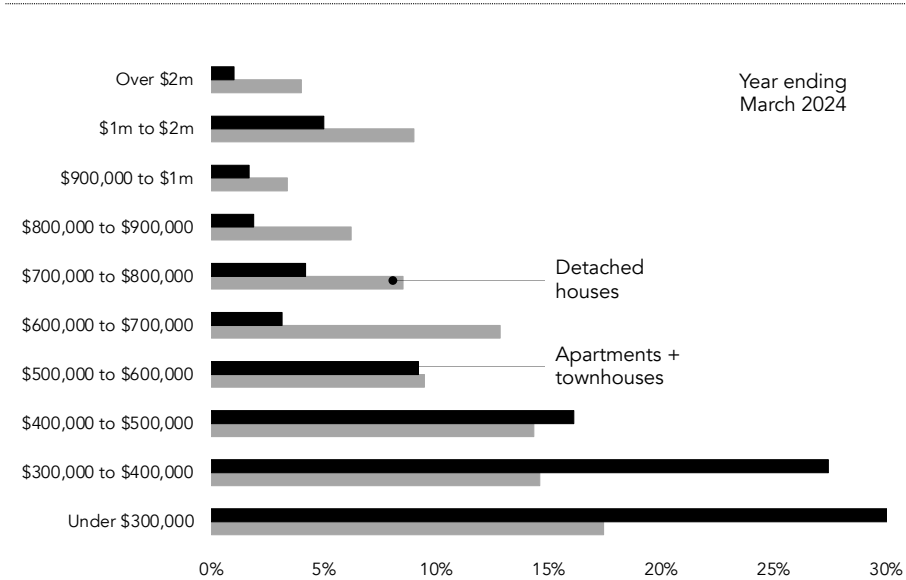


2. Residential sales
Whitsunday Regional Council



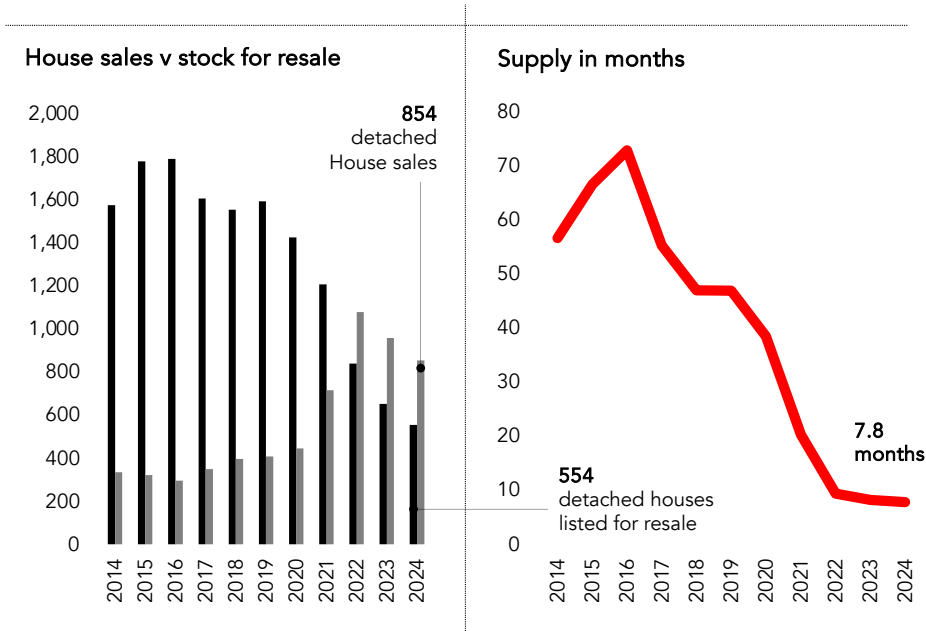
3. Dwelling sales by price group

Whitsunday Regional Council

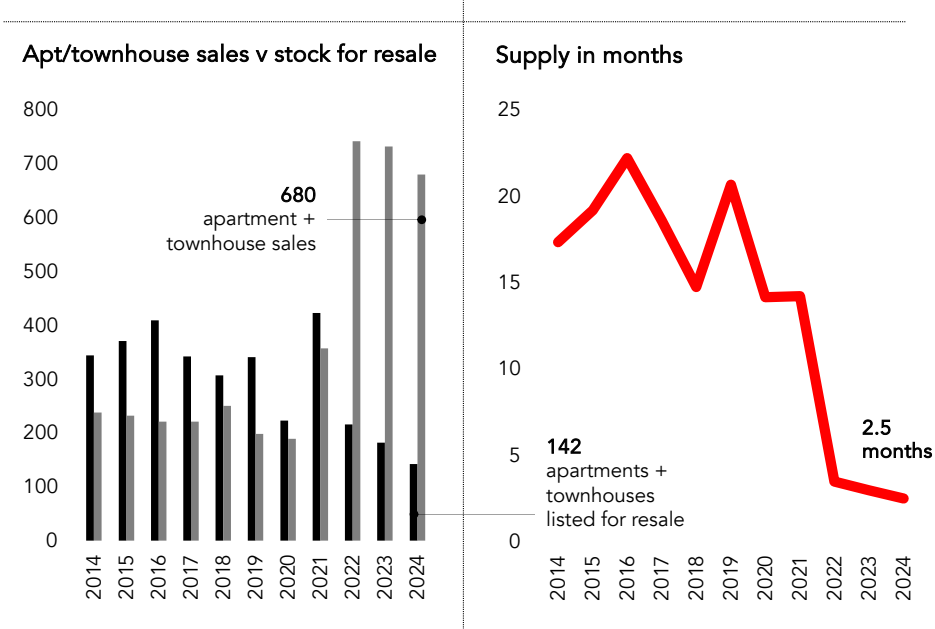


4. Detached house sales versus stock for resale

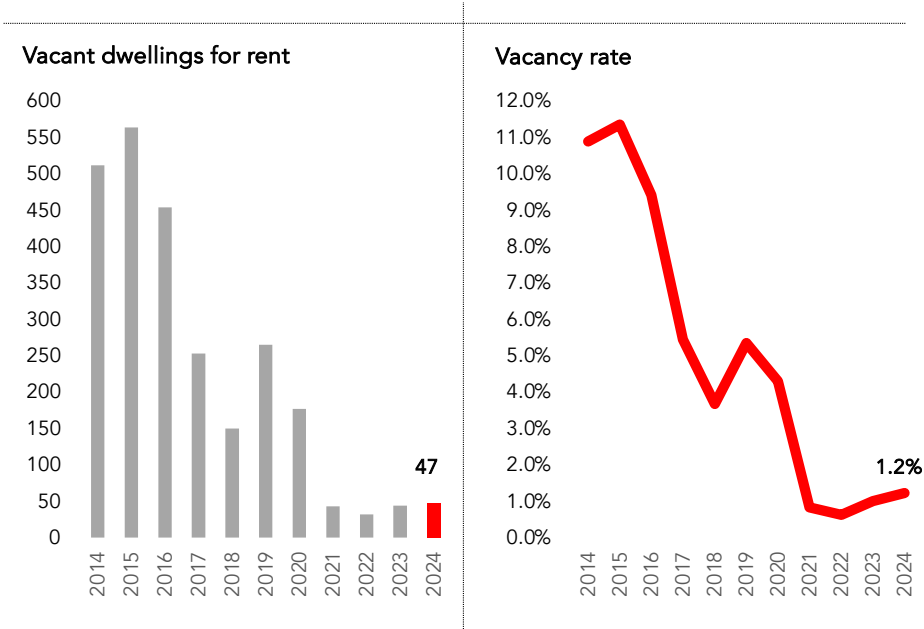
Whitsunday Regional Council



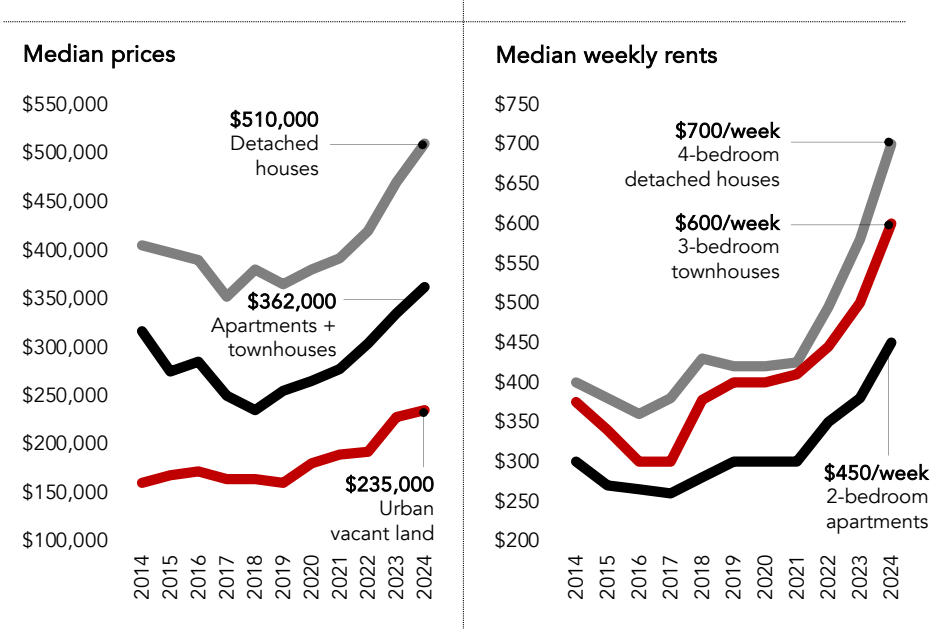
5. Apartment + townhouse sales versus stock for resale
Whitsunday Regional Council



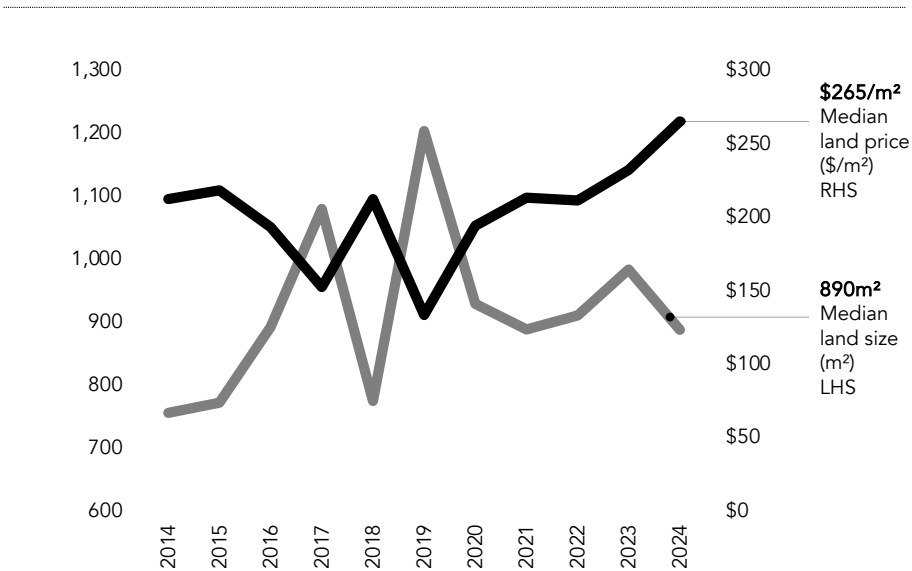
6. Vacant dwellings for rent + residential vacancy rate
Whitsunday Regional Council



7. Median residential prices + weekly rents
Whitsunday Regional Council

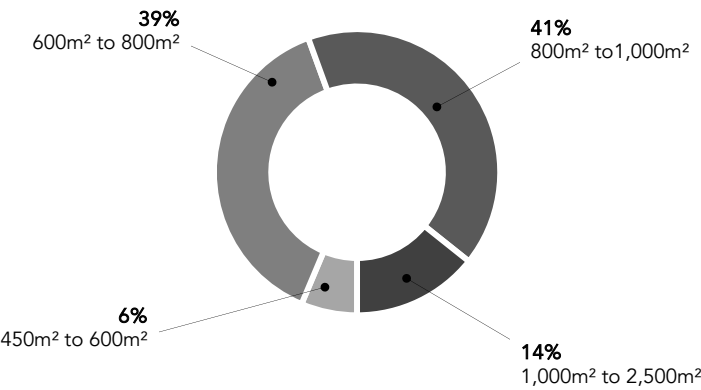


8. Urban vacant land
Whitsunday Regional Council



9. Urban allotments registered by lot size

Whitsunday Regional Council



Year ending March 2024
Allotments under 2,500m²

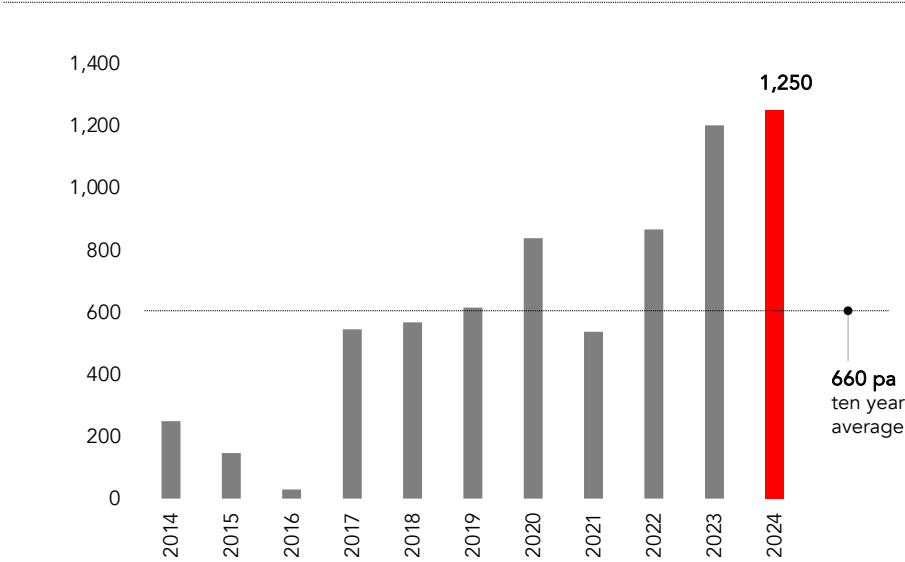
10. Housing demographics

Whitsunday Regional Council

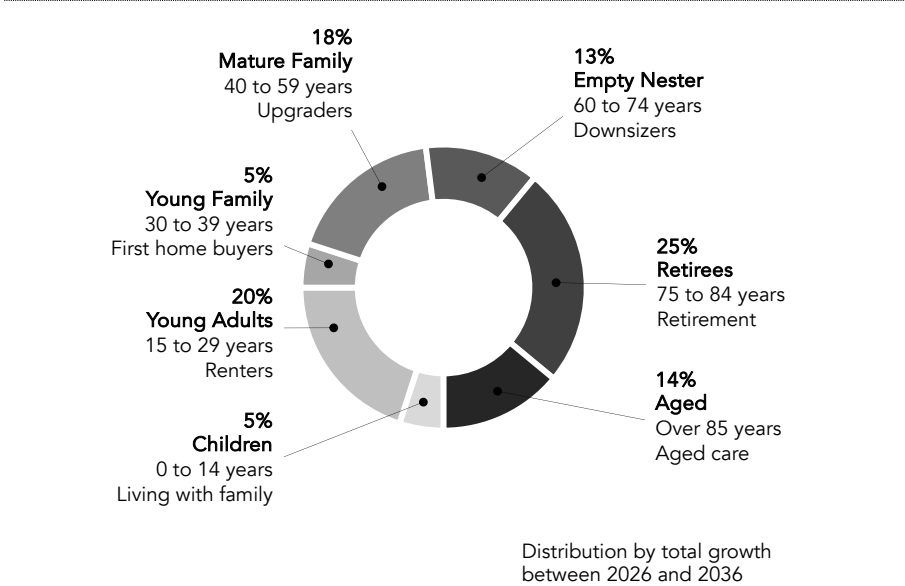
People		Cars per dwelling	
Residents ¹	41,000	No cars	6%
Median age	40	One car	35%
Unemployment rate	4.6%	Two cars	37%
Tourists ²	880,000	Three + cars	22%
Private dwellings		Dwelling tenure	
Occupied	71%	Owned	32%
Unoccupied	29%	Mortgage	30%
Total private dwellings	17,885	Rented	38%
Dwelling type		Household type	
Detached houses	78%	Couples/kids at home	26%
Townhouses + villas	9%	Couples/no kids at home	32%
Apartments	9%	Single parent with kids	10%
Bedrooms per dwelling		Group living	7%
One bedroom	7%	Living alone	25%
Two bedrooms	19%	% of residents	
Three bedrooms	43%	Couples/no kids at home	20%
Four + bedrooms	31%	Living alone	8%

¹ As of June 2024, Matusik estimates. ² Calendar 2023. Rest as of August 2021.

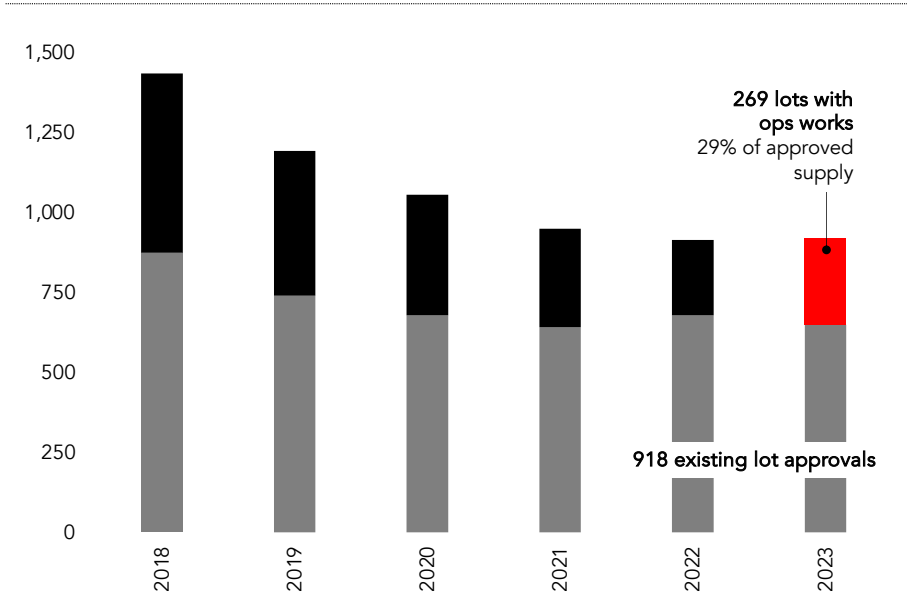
11. Annual population growth
Whitsunday Regional Council



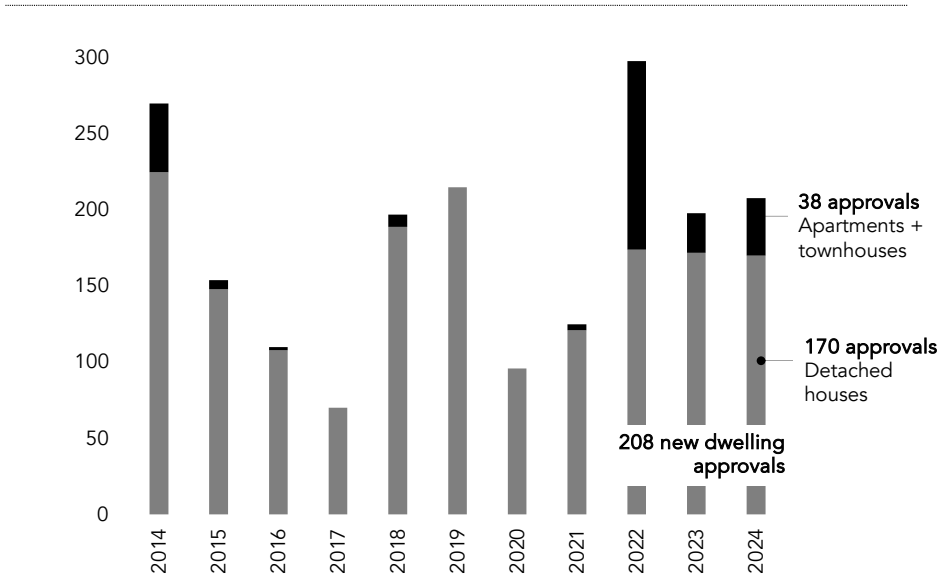
12. Age group forecasts
Whitsunday Regional Council



13. Existing approved dwelling supply
Whitsunday Regional Council

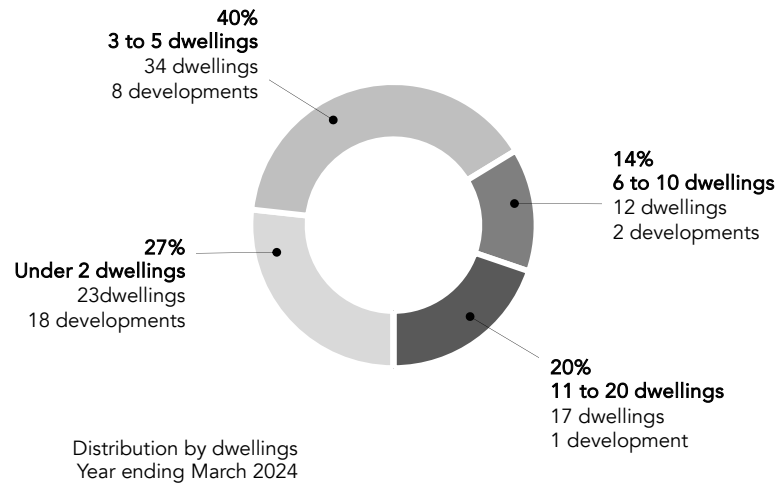


14. New dwelling approvals
Whitsunday Regional Council



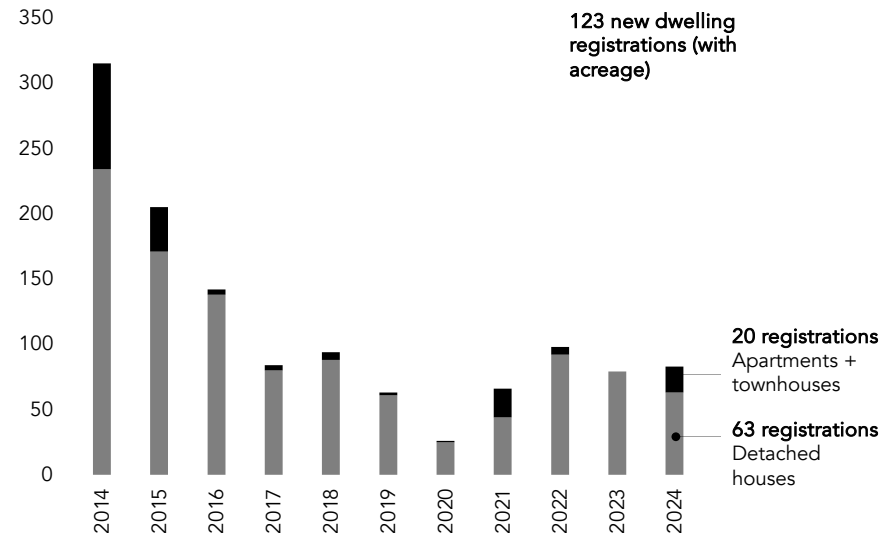
15. Detached house development approvals by size

Whitsunday Regional Council

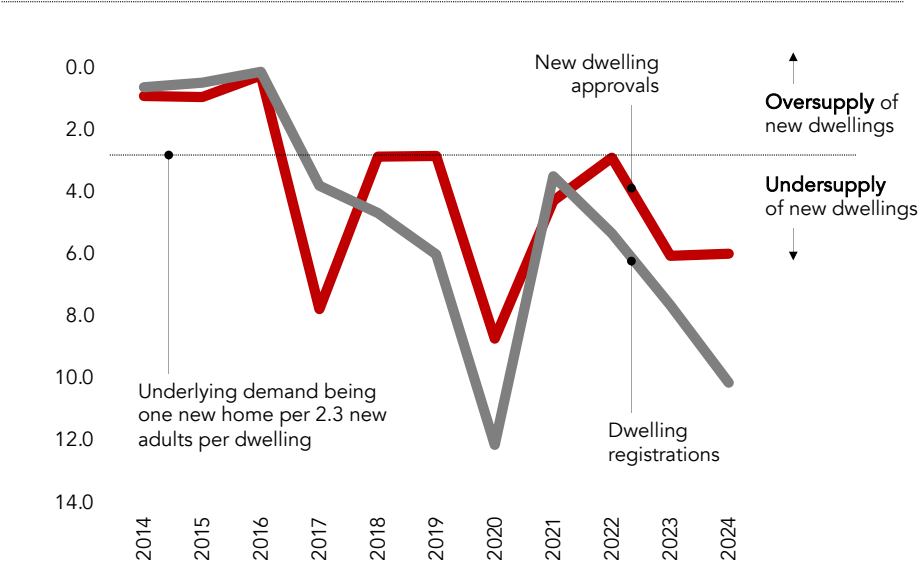


16. New dwelling registrations

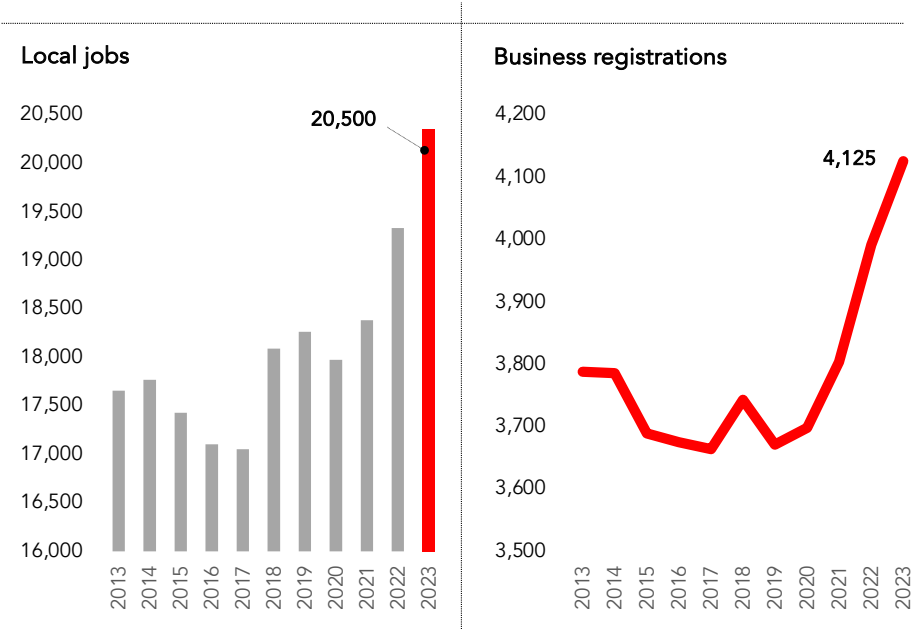
Whitsunday Regional Council



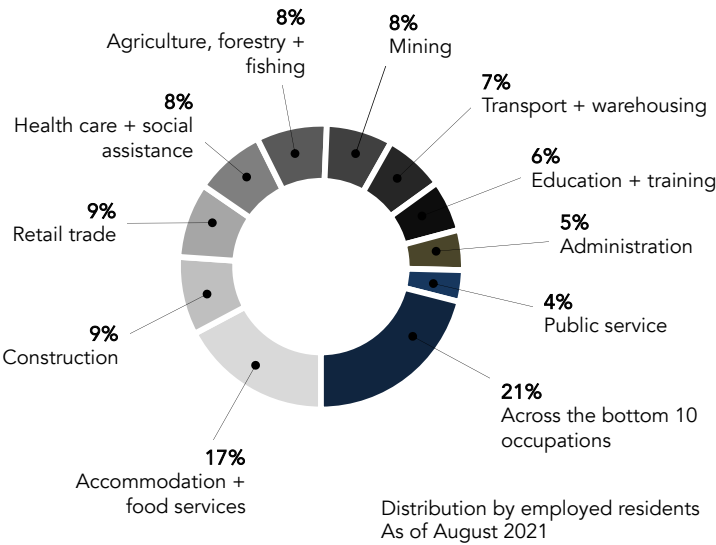
17. New dwelling supply v demand status
Whitsunday Regional Council



18. Employment + business registrations
Whitsunday Regional Council

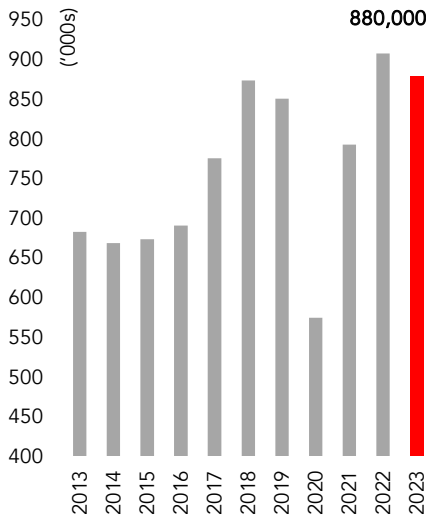


19. Top 10 jobs by occupation
Whitsunday Regional Council

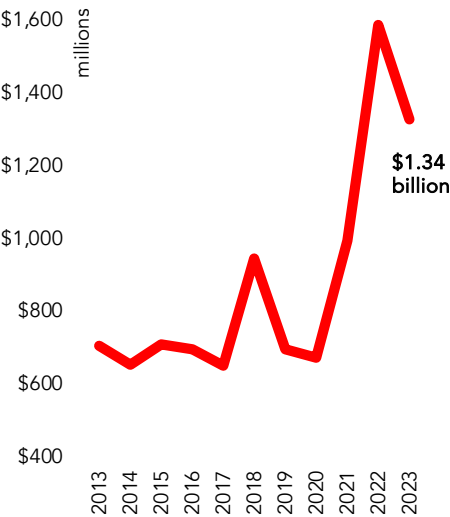


20. Tourists and tourism expenditure
Whitsunday region

Tourists



Tourism expenditure



21. Gross Regional Product + Commercial development approvals
Whitsunday Regional Council

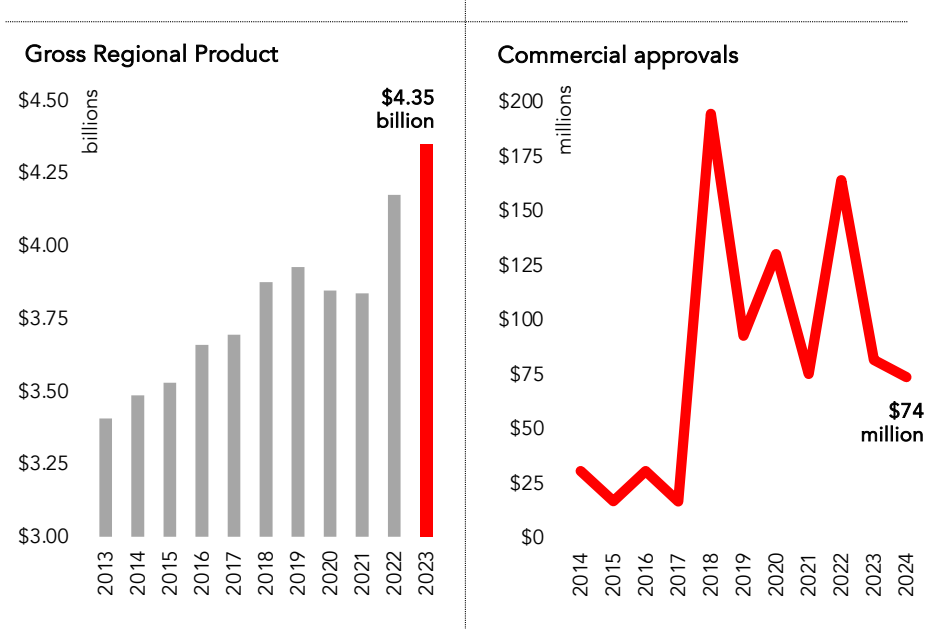


Table 1

Australian capitals and select Queensland major urban regions
Median detached house + attached dwelling prices

Location	Detached houses	Attached dwellings
Capitals		
Sydney	\$1,340,000	\$775,000
Melbourne	\$850,000	\$613,000
Brisbane	\$846,000	\$535,000
Adelaide	\$720,000	\$529,500
Perth	\$620,000	\$430,000
Canberra	\$970,000	\$620,000
Hobart	\$685,000	\$545,000
Darwin	\$565,000	\$370,000
Capitals	\$910,000	\$629,000
Queensland regions		
Cairns	\$620,000	\$342,000
Townsville	\$468,000	\$300,000
Whitsunday region	\$510,000	\$362,000
Mackay	\$485,000	\$330,000
Livingstone Shire	\$700,000	\$400,000
Gladstone	\$446,000	\$277,000
Bundaberg	\$534,000	\$405,000
Fraser Coast	\$572,000	\$435,000
Gympie	\$575,000	\$396,000
Noosa	\$1,293,500	\$1,070,000
Sunshine Coast	\$1,000,000	\$705,000
Gold Coast	\$1,080,000	\$745,000
Toowoomba	\$550,000	\$380,000
Matusik Analysis + Domain (Price Finder). Median price over the year ending March 2024.		

Table 2

Select Whitsunday suburbs

Median detached house + attached dwelling prices

Location	Detached houses	Attached dwellings
Airlie Beach	\$1,590,000	\$488,750
Bloomsbury	\$450,750	n/a
Cannonvale	\$724,500	\$347,000
Jubilee Pocket	\$634,250	\$278,500
Woodwark	\$1,136,000	\$535,000
Whitsunday region	\$510,000	\$362,000
Matusik Analysis + Domain (Price Finder). Median price over the year ending March 2024. Suburbs with over 10 house or attached dwelling sales over the past twelve months.		

Table 3

Select Queensland major urban regions

Median residential land price per square metre

Location	\$/m ²
Cairns	\$393
Townsville	\$303
Whitsunday region	\$211
Mackay	\$291
Livingstone Shire	\$303
Gladstone	\$255
Bundaberg	\$264
Fraser Coast	\$341
Gympie	\$311
Southeast Queensland	\$843
Toowoomba	\$367
Queensland urban areas	\$672
Matusik Analysis + Queensland Government. All residential land sales, regardless of size. Median price over calendar 2023.	

Table 4
Whitsunday region
Recent tourist numbers and visitor nights

Quarters	Domestic		International	
	Visitors	Visitor nights	Visitors	Visitor nights
Sept 2022	920,000	4,395,000	27,000	169,000
Dec 2022	851,000	4,866,000	57,000	310,000
March 2023	862,000	4,732,000	92,000	618,000
June 2023	765,000	4,180,000	117,000	849,000
Sept 2023	729,000	3,087,000	132,000	979,000
Dec 2023	724,000	2,706,000	156,000	1,139,000
Avg spent per visitor	\$1,665		\$779	
Matusik Analysis + Queensland Tourism. Average spent as at December Qtr. 2023.				

Appendix 1

The **top 13 recently announced development projects** across the Whitsunday region:

1. The **Collinsville Green Energy Hub** in Queensland is a significant renewable energy project with a development value of \$7.5 billion. This large-scale wind and solar initiative will greatly enhance the region's green energy capacity and economic vitality.
2. The **Proserpine Wind Farm** is an expansive renewable energy project with a development value of approximately \$1.3 billion. This wind farm will significantly boost local renewable energy supplies, promoting sustainability and supporting the region's energy needs.
3. The **Whitsunday Paradise development** is a \$1.1 billion project in Bowen. It includes 1,756 residential lots, 340 units, 47 townhouses, an AFL field, and a service centre, and extensive community amenities, aiming to boost local housing and infrastructure.
4. The **Port of Airlie** is a key development with a total investment value of \$750 million. It enhances Airlie Beach as a gateway to the Whitsundays, offering a new marina capable of accommodating large yachts and increasing tourism.
5. The **Shute Harbour Marina Resort** is a \$252 million development. It features a 395-berth marina, a 100-room hotel, and a vibrant commercial, retail, and dining precinct, enhancing local tourism.
6. The **Hamilton Island Sundays Hotel** is an exciting new development valued at \$120 million. This boutique family-friendly hotel aims to enhance the luxury accommodation options on the island, featuring stunning views and top-notch amenities.
7. The **Whitsunday Skyway** project represents a major development with a capital investment of \$79 million. This ambitious project aims to enhance the region's tourism by introducing a state-of-the-art aerial cableway, offering unique perspectives of the Whitsundays' stunning landscapes and boosting local economic growth.

8. The **St Bees Retirement Village** in the Whitsundays, Queensland, is undergoing development with a value of \$75 million. This project involves extensive civil engineering work to prepare for 230 new units, enhancing local retirement living options.
9. The Stage 4 expansion of the **Proserpine Prawn Farm** significantly boosts its production capacity, representing a development value of \$50 million. This investment enhances sustainable practices and increases the farm's contribution to the local economy by leveraging advanced aquaculture technologies.
10. The **Bowen Jetty**, a historic Whitsundays landmark, has been granted a \$50 million refurbishment by the Queensland Government to ensure it remains safe and accessible for public use. This investment is part of broader efforts to preserve and enhance the jetty's infrastructure for future generations.
11. The **Hook Island Eco Resort** in the Whitsundays, Queensland, is undergoing a significant redevelopment valued at \$35 million. This project aims to restore the resort with eco-friendly infrastructure, enhancing tourism and promoting sustainable travel in the region.
12. The **Cannonvale Commercial Centre** in the Whitsundays, Queensland, is a significant development valued at \$25 million. This centre aims to enhance local commerce, providing new business opportunities and boosting the regional economy.
13. The development value for the **Collinsville Community Precinct** in the Whitsunday Region is \$14.6 million. This funding will be used for upgrades including a new library, community centre, theatre refurbishments, and the relocation of heritage buildings. This investment is part of broader efforts to enhance community infrastructure in the region.

Background stuff

Report date

- 26th May 2024
- Report validity: 12 months

Geographic areas

- Whitsunday Regional Council
- Postcodes 4800, 4802 and 4805

Typical data sources

- Price Finder
- Queensland Government, various
- Qld Rental Tenancy Authority
- ABS Census
- ABS Publications, various
- Matusik Database

Matusik Property Insights

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- Matusik prides itself as a trusted source of property analysis. Michael is seen by many as a 'voice of reason amongst the distortion'.
- For more general information www.matusik.com.au

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