WESTERN QUEENSLAND ALLIANCE OF COUNCILS

NWQROC North West Queensland Regional Organisation of Councils

RAPAD REMOTE AREA PLANNING & DEVELOPMENT BOARD

SWQROC SOUTH WEST QLD REGIONAL ORGANISATION OF COUNCILS

WQAC HOUSING SOLUTIONS STUDY

REGIONAL AUSTRALIA INSTITUTE

To Build and Grow the Potential of Western Queensland

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wqac.com.au

Cultural Acknowledgement

The members of the Western Queensland Alliance of Councils respect and honour First Nations Elders past, present and future. We acknowledge the stories, traditions and living cultures of First Nations Peoples and their rich contribution to society.

Preface

Similar to other infrastructure deficits in Western Queensland (such as roads, water and digital communications), the availability and diversity of quality housing stock is a key barrier to growing the economic and social potential of Western Queensland. In turn, this situation also constrains the growth potential of the State and Nation which relies on the productivity of regions such as Western Queensland to generate wealth for re-distribution.

In an effort to understand and quantify the apparent market failure in housing throughout Western Queensland, the Western Queensland Alliance of Councils (a collaborative partnership between the North West Queensland Regional Organisation of Councils (NWQROC), the Remote Area Planning and Development Board (RAPAD) and the South West Queensland Regional Organisation of Councils (SWQROC)) have invested in and worked jointly with the Regional Australia Institute (RAI) to produce this Report.

In doing so, we acknowledge that the housing challenges facing communities in Western Queensland are multifaceted and will require the collective efforts of all levels of government and the private sector if enduring and tangible solutions are to be achieved.

This Report represents the first step on behalf of the WQAC to understanding the issues, documenting them, and identifying potential solutions - for which we invite further analysis and suggestions on the way forward.

Finally, we thank the Councils, various stakeholders and the RAI who contributed significant time, energy and expertise to the key themes captured in this Report.

Executive Summary

Western Queensland has experienced chronic and severe underinvestment in housing for many years. This has led to a situation where a lack of housing is constraining population, employment and business growth. This lack of housing must be remedied for the region to prosper, particularly over the next few years as future investment opportunities are realised.

There are jobs going unfilled in Western Queensland simply due to a lack of suitable housing. In June 2021 there were over 500 jobs advertised in the Outback Queensland Region (which does not include the South West). Around half of these jobs were for professional and skilled tradespeople. Renewed investment in housing in the region will provide much-needed housing for people to fill these vacant jobs.

An adequate and appropriate stock of housing would also enable local private enterprise to realise nascent opportunities and create new jobs. To date these opportunities and potential jobs have been hamstrung by constrained access to skilled and unskilled labour, underscored by insufficient and substandard housing. Lifting housing investment in the region will create further demand for skilled tradespeople, and with cross portfolio support this can be used to train a new generation of people in the region with these in-demand skills.

This study has identified the severity of the issue by surveying each of the Western Queensland Alliance of Councils' 22 members. The shortfall in housing across the region is 1,480 dwellings. On top of that, council-supplied housing needs to increase by 296 dwellings, and 248 council-owned dwellings are in need of major refurbishment.

The underlying level of underinvestment in housing in the region is significant. The per-capita level of investment into housing in Western Queensland is less than one fifth of what occurs in Greater Brisbane. That is, over the three years to June 2020 the average value of approved residential building work – whether new home building or renovation work – was a mere $320 per capita across the 22 LGAs that make up the WQAC region. In Greater Brisbane it was $2,675.

In addition to identifying the scale of the problem, this study also set out to outline the nature of the underinvestment – that is, how it arises. Western Queensland towns have a unique combination of characteristics that unfortunately conspire against new home building and renovating – they generally have small (and shrinking, or at best, holding steady) populations, are in remote locations and have an existing housing stock that is low in value relative to average building costs. These characteristics underscore barriers on both the demand and supply sides of home building and renovating, including severely constrained access to finance whereby banks require much larger deposits for mortgages for homes in small and low-cost markets.

While the study has focused its attention on the region's market dynamics, the situation in Doomadgee Aboriginal Shire sits outside any market framework. Namely there is no private housing market (for home purchase or home rental) in the community – a situation underscored by the unconventional land tenure of the town. Moreover – in contrast to all other LGAs – its population is growing. Home building has not kept up with this growth and overcrowding is a significant and chronic problem. There is a clear role for state and federal funding to address this basic need.

This study also looks to solutions to address the specific barriers to local home building and renovating. Through a variety of local, state and federal measures, these solutions aim to address the key barriers of constrained access to finance as well as the issue of scale.

Three measures canvassed in some detail are:

1. WQAC to establish an unlisted residential property fund – an investment vehicle to attract large-scale equity investment into housing in the region. The initial investment would be into new and substantially upgraded council housing. Subsequent investment could be into housing in the region's private rental markets.

2. State Government to renew government employee housing through divesting itself of its existing stock and re-investing in a Build-Own-Operate-Transfer development of new dwellings spread across the WQAC region.

3. Federal Government to introduce a Regional New Home Guarantee applicable to households looking to build or substantially renovate a home in locations where sales prices are significantly lower than average build costs.

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Background

- The Western Queensland Alliance of Councils (WQAC) commissioned the RAI to conduct a study into housing market failure in the region – this market failure being a severe underinvestment into housing (whether new home building or major renovation work) that has accumulated over many years, if not decades, despite underlying demand.
- The study investigates different (place-based) solutions for the different types of housing markets in the region.
- The study began in late March 2021and RAI staff conducted fieldwork in mid-April and in mid-May. Specifically, RAI staff visited and gathered local insights and experiences from a range of government, industry and community stakeholders in the towns identified in figure 1 below. Virtual and phone consultations were conducted with each of the remaining seven Councils.

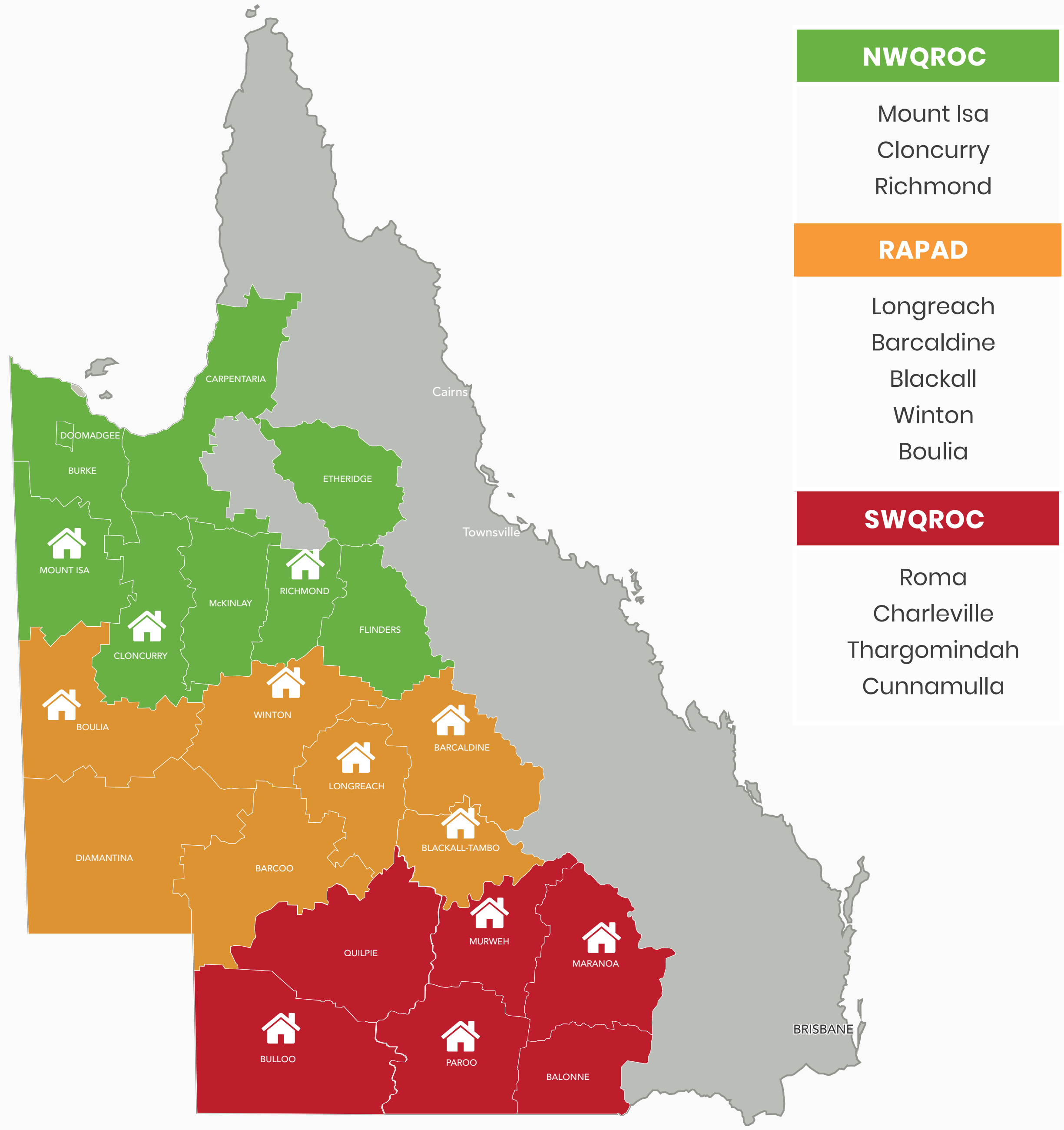


Figure 1 WQAC Councils - Fieldwork locations

Local Housing Market Failure

This section illustrates key characteristics of Western Queensland towns that underscore local housing market failure. It highlights the variation in the scale of this underinvestment and also outlines the specific mechanics of the underinvestment.

KEY CHARACTERISTICS OF WESTERN QUEENSLAND TOWNS

Western Queensland towns have a unique combination of characteristics that unfortunately conspire against new home building and renovating:

- Small populations – either growing very slowly, holding steady, or even shrinking
- Low volumes of sales
- Remote locations
- Low housing sales prices relative to minimum average build costs

The truer a greater number of these characteristics are for a given town, the more significant the underinvestment is likely to be.

The table below shows these metrics for each of the local government areas. It also shows just how severe the underinvestment[1] is across the region. That is, **across each of the WQAC Local Government Areas, total residential building work approved per capita was worth an average of just $319 per annum over the three years to June 2020. In Greater Brisbane it was $2,676.**

Table 1 Housing underinvestment: key characteristics across WQAC LGAs

LGA	Annual value of approved residential building work per capita, $ (avg over the 3 yrs to June 2020)	Population (2020)	Median sales prices, $		
			Yr to June 2018	Yr to June 2019	Yr to June 2020
Diamantina	0	286	-	-	-
Etheridge	12	794	-	-	-
Barcoo	56	263	-	-	-
McKinlay	67	823	-	-	85,000
Paroo	82	1,554	70,000	35,500	54,500
Burke	116	354	-	-	-
Mount Isa	157	18,578	250,000	252,500	259,000
Longreach	199	3,407	117,500	180,000	155,000
Carpentaria	205	1,970	-	-	-
Boulia	217	416	-	-	-
Richmond	257	813	117,000	-	-
Cloncurry	309	3,004	110,000	170,000	135,000
Murweh	354	4,220	125,000	95,000	83,750
Winton	359	1,135	125,000	137,500	109,000
Maranoa	427	12,688	235,000	191,000	225,000
Quilpie	440	774	-	-	125,000
Barcaldine	448	2,814	150,000	60,000	102,500
Balonne	542	4,321	185,000	231,500	225,000
Blackall-Tambo	601	1,845	116,000	63,000	80,000
Doomadgee	604	1,534	-	-	-
Flinders	756	1,512	100,000	66,500	80,000
Bulloo	1,055	324	-	-	-
Total WQAC	**319**	**63,429**			

1. Table 1 uses the per-capita value of council-approved residential building, which is generally larger-scale and structural in nature. These figures would not include any expenditure in the form of regular maintenance on the housing stock. This is an indication of the scale of underinvestment in absolute terms and also relative to what occurs in Brisbane.

It also illustrates the rough relationship that these characteristics have with housing underinvestment – in particular (with some exceptions) it shows that the smaller the population and the lower the established house price, the more severe the underinvestment. It shows three groups of LGAs according to the severity of annual, per-capita underinvestment: those with investment less than \$100, those between \$100 and \$300, and those with investment greater than \$300 per annum.

LGAs with the lowest per-capita level of investment (less than \$100 per capita per annum) are generally those with the smallest populations and low (if any) recorded median sales prices. With the exception of the Paroo LGA, this group's average population in 2020 was just **542 people** and **median sales prices were well below \$100,000**.

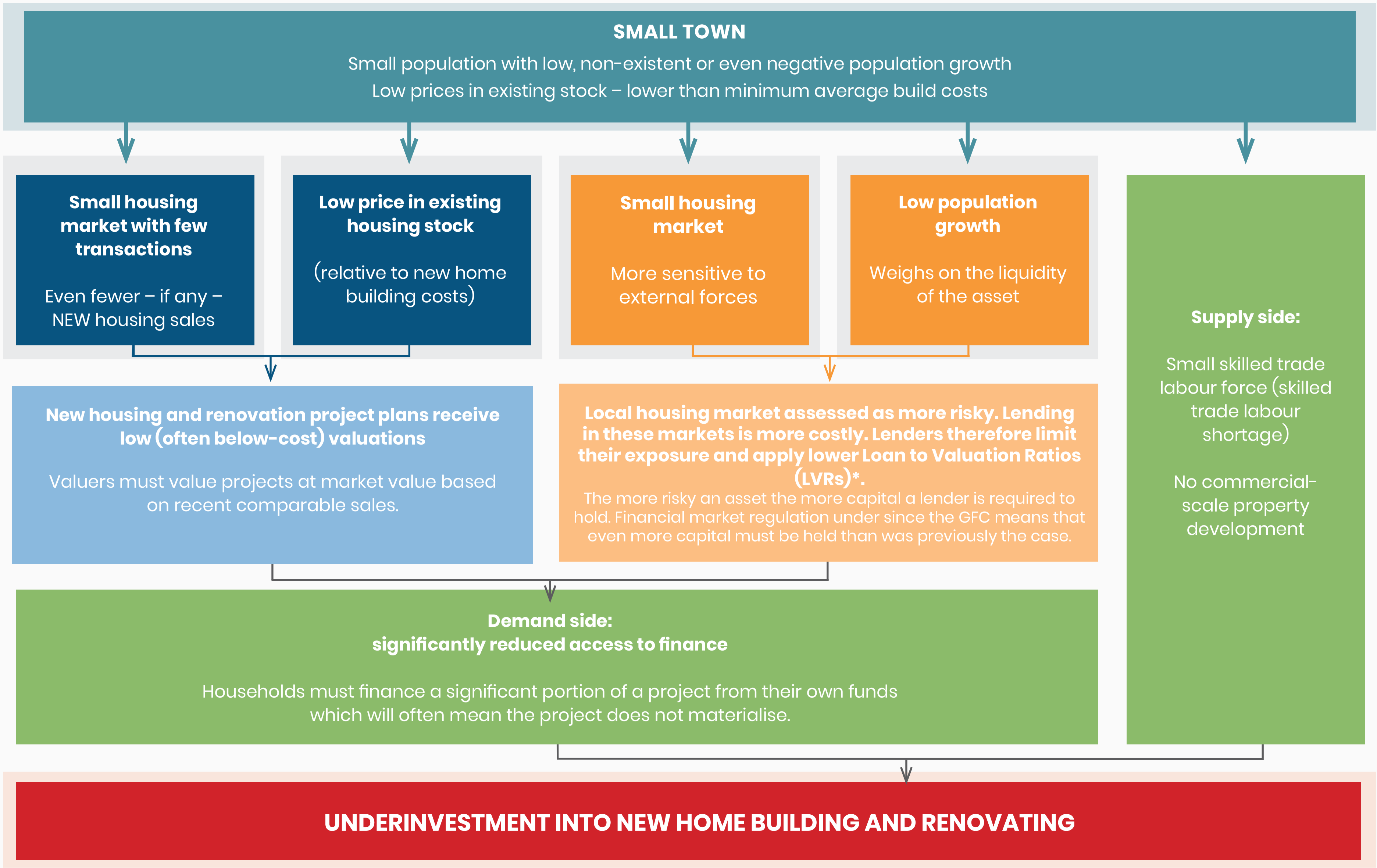
The next group of LGAs which had higher levels of housing investment (between \$100 and \$300 per capita per annum) have larger populations and higher median sales prices. **Mount Isa is an exception**, with a very large population and a disproportionately low level of per-capita housing investment. Aside from Mount Isa, this group's average population in 2020 was **1,392 people** and **median sales prices** (Mount Isa aside) **were between \$117,00 and \$180,000**.

The group of LGAs with the highest levels of housing investment (more than \$300 per capita per annum) have the largest populations (again with some exceptions) and highest median dwelling prices. The average population in this group (aside from Quilpie and Bulloo) in 2020 was **3,675 people** and **median sales prices were between \$60,000 and \$235,000**.

Overall, these characteristics – size and established housing stock values, in addition to remoteness – underpin a series of consequences on both the demand and supply sides of home building and renovating that ultimately result in underinvestment. This is illustrated in Figure 2 and explained in more detail further below.

An overall exception to this framework of understanding the degree of underinvestment in Western Queensland is Doomadgee Aboriginal Shire. Its population – in contrast with each of the other LGAs of the WQAC – has grown in nine out of the 10 years to 2020. Yet underinvestment is severe and has resulted in overcrowding in its existing stock of homes. Additionally the land in Doomadgee is under a Deed of Grant in Trust, representing an additional barrier to a typical market approach to providing local housing – this form of tenure does not allow the land to be used as collateral for finance raising. With unencumbered title Doomadgee would be better able to raise the capital needed to develop additional housing. But in the current circumstance, state or federal funding is crucial to meeting this community's housing needs.

Figure 2 Regional Housing Market Failure



**An LVR is the share of a home's value that is funded by a loan. 90 per cent – if not 95 per cent – is a typical LVR limit for regular metropolitan markets – a situation whereby a bank is financing 90 – 95 per cent of the value of a property, and the mortgagee has to finance the remaining 10-5 per cent from their own funds. When a bank limits LVRs in particular postcodes, this means the home buyers in that market have to fund a larger share of the cost of a home from their own finances/savings.*

STRUCTURAL BARRIERS TO NEW HOME BUILDING AND RENOVATING

Demand-side barriers arising out of low valuations:

- A small town will have a small housing market with relatively few transactions. Of the transactions that do take place rarely (if ever) are they for newly-built dwellings. The low prices at which these transactions occur mean that **any new home building (or substantial renovation) project that a local household may be considering will have its valuation weighed down, often to a point where the project is valued at below cost.** This is because valuers must assign projects a market value based on recent comparable sales.

Demand-side barriers arising out of higher risk:

- Additionally, the small and highly localised nature of many of these markets mean that they are **more sensitive to external developments and shocks and are therefore more risky areas** in which to lend compared with more populous areas. The relatively slow population growth in these markets also means that **housing is less liquid than in metro and more populous (and growing) areas**. Again, this adds to the risks of lending in such markets.
- Since the GFC financial market regulations have tightened. Regulation requires banks to hold increasing amounts of capital against their assets. The level of capital required depends on the riskiness of the assets held – the greater the risk, the greater the capital lenders are required to hold. **Lending to borrowers in more risky markets is now more costly** (compared to a decade ago) for banks because of the additional capital they must hold[2] .
- As a result of the above factors, banks have tended to limit their exposure to (limiting LVRs in) regional and remote areas. This compares to metro and more populous markets where borrowers can finance a larger share of the value of a property through a mortgage.
- **The consistent feedback across the region was that this tight credit environment had become especially acute in the last 10 years** or so, indicating this is a result of policy change rather than just cyclical changes in credit conditions.
- A local real estate agent summed up the situation as it relates to major renovation work:

> ***"They'll lend you the amount to buy the home, but not what you need to renovate it."***

2. www.apra.gov.au/news-and-publications/apra-increases-capital-adequacy-requirements-for-residential-mortgage

The overall mechanics of these demand-side barriers – low valuations and greater assessed risk – are illustrated in Figure 3. Specifically, it considers a scenario of a modest new home building project in Winton estimated to cost approximately $440,000[3].

In this scenario, a typical loan – covering 90 per cent of the cost of the project – would be worth $396,000. The household would have to finance the remaining $44,000 with its own funds. Considering local incomes, this would be very affordable for local households.

The first barrier is a low valuation. If the project was valued at Winton's median house price ($109,000 in the year to June 2020), rather than the build cost, then a typical loan (covering 90 per cent) on this value would only finance $98,100 of the project, leaving the remaining $341,900 to be financed from the household's own funds.

The next barrier is lenders' practices of lowering their exposure to more remote areas by applying lower LVRs. This scenario considers a case where a lender only lends 80 per cent of the value of the project. A loan that is 80 per cent of the reduced-value project would be worth a mere $87,200. The household would now have to fund $352,800 – the vast majority of the cost – from its own finances in order for the home to be built.

Local feedback was that in many towns the LVRs applied are often much more severe – 50 per cent in many cases. There are other towns in which banks simply won't even lend.

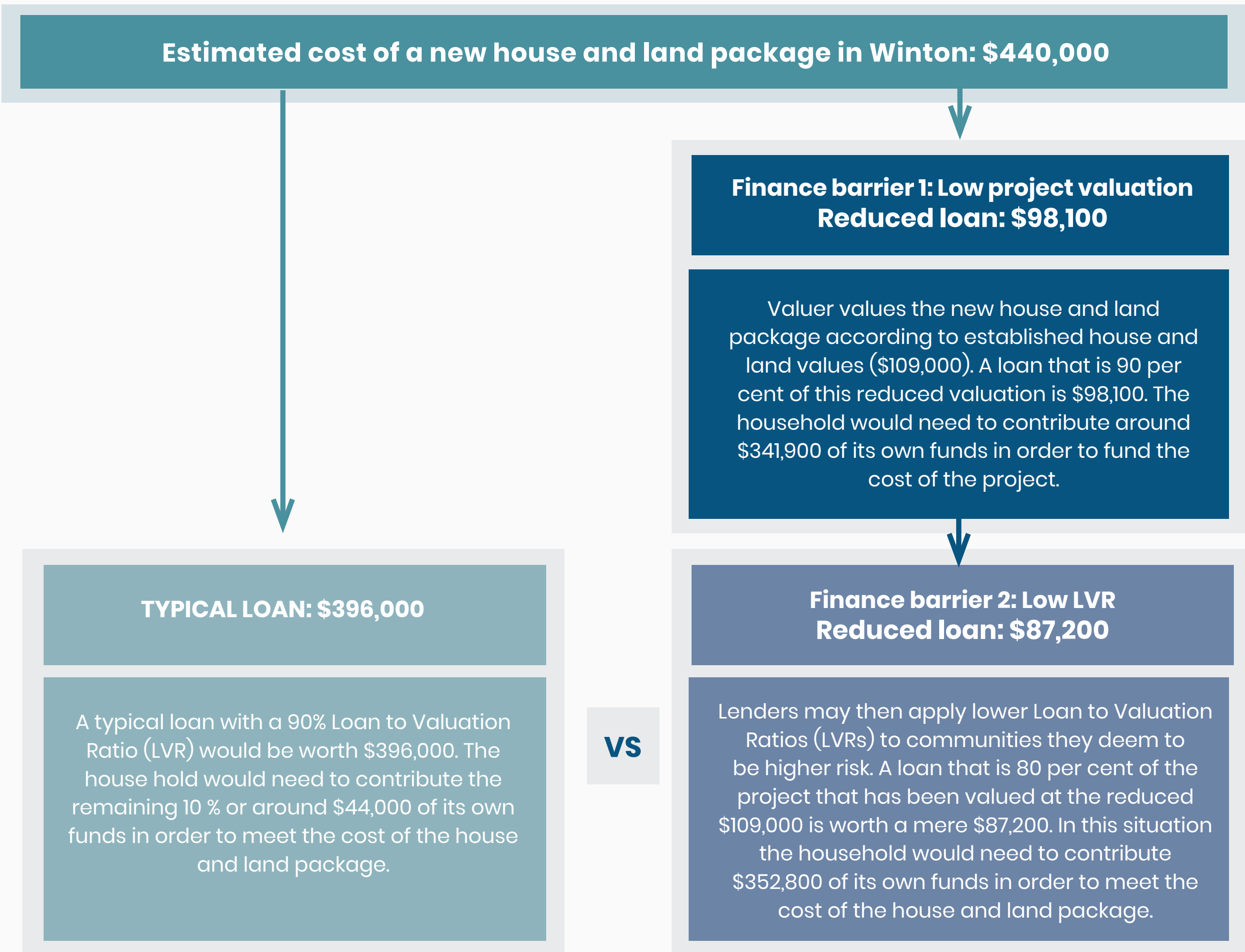


Figure 3 Winton Home Loan Example

3. Estimated cost based on consultation with builders (for building costs) in central west Queensland as well as Winton Shire Council (for land-servicing costs).

Supply-side barriers:

- The supply-side barriers are more intuitive – the small sizes of these towns and their housing markets mean the local trade labour force is small (if it exists). **Most towns reported severe trade labour shortages,** with the available local trade labour tending to prioritise commercial and government repair and maintenance ahead of residential work. The more remote the town, the more acute the shortage, as access to other larger towns' trade labour force was diminished. Reinvigorating housing investment in Western Queensland sets a platform for training a new generation of tradespeople – especially if cross-portfolio support can be achieved to enable this training to happen in the eastern region itself.
- Another supply-side constraint is the lack of a local property development industry akin to what occurs in more populous and metro markets – whereby new housing is brought online in substantial volumes through the development of new estates.

Overall, these barriers – particularly on the demand side – mainly apply to households. Because housing investment across Western Queensland largely rests on local households (in addition to investment from local and state governments in the form of employee or public and social housing) these barriers become especially potent in limiting overall investment into housing.
That is, larger-scale property development that may have some agility in working around financing barriers (through access to non-bank financing options) is simply not present in most of Western Queensland's small towns.

HOUSING IS A PRODUCTIVE ASSET: INSUFFICIENT AND INAPPROPRIATE HOUSING IS A HANDBRAKE ON ECONOMIC GROWTH AND DEVELOPMENT

- The underinvestment into housing is a **key handbrake on Western Queensland's economic growth and development. This was the universal feedback** across the spread of towns – ranging from small remote communities through to larger population centres – where RAI conducted its field work. For a number of smaller towns, this underinvestment not only stops growth, but also prevents these towns from absorbing natural demographic change (i.e., children growing up and moving out of home), potentially deterring young people from staying in their hometown, or older homeowners who would prefer to downsize.
- Employers – from government departments, to essential service providers, to private enterprise – all reported **difficulty in attracting and retaining staff in large part due to housing shortages and/or sub-standard housing**. Private enterprises reported that they had to alter or even limit their expansion plans due to an inability to attract and house sufficient extra staff.
- The RAI's Internet Vacancy Map[4] uses data from the National Skills Commission to map job vacancies across regional Australia. In June 2021 there were 503 jobs advertised in the Outback Queensland Region which covers much of the RAPAD and NWQROC Regions but does not include the SWQROC region. More than half of these jobs were professionals and skilled trades, and lack of accommodation is reported as being the main constraint preventing the employers advertising these positions from filling them. The jobs are there, but cannot be filled, to bring vital skills, services and income to these places, without suitable housing being available.
- The role of housing in regional economic growth and development can be summarised by a real estate agent's astute observation:

> ***"While a good house won't necessarily bring a family to the region, a bad one will send them packing".***

4. *https://www.regionalaustralia.org.au/home/regional-jobs-vacancy-map/*

Fieldwork - Thematic Study

RAI visited 12 towns across Western Queensland and had follow-up discussions with each of the remaining councils either over the phone or virtually. This section synthesises these discussions to illustrate the lived and local experience of the structural barriers to home building and renovating across Western Queensland.

SHORTFALLS IN THE SIZE, QUALITY AND MIX OF LOCAL HOUSING STOCKS

The most **severe outright housing shortages appear to be in the smaller and mid-sized LGAs.** In the Richmond, Boulia and Winton LGAs for example, there is no housing for staff needed to fill job vacancies.

In Richmond – at the time of consultation – the council alone had 10 vacancies that couldn't be filled because of accommodation shortages. In Boulia, employers are resorting to putting staff up in tourist accommodation or road camp accommodation. A local contractor ended up canning his plans to hire 10-12 staff because of insufficient local housing for these potential staff and their families. In Winton, the situation of a council employee leaving his/her council employment but remaining in the community (as opposed to moving to out of town and vacating his/her home) means there is no housing for the replacement staff member. Other locals spoke of remaining in share-house accommodation because there is no option to live separately. These particular situations are replicated across many LGAs.

The **most severe shortage is in Doomadgee Aboriginal Shire**. While Doomadgee has seen 19 additional dwellings built in recent years, overcrowding remains an issue. The level of home building is not keeping up with population growth. This issue of overcrowding is also present in the Normanton and Carpentaria LGAs.

In other LGAs, the ***quality* of available housing is a significant and widespread problem**. This was highlighted as a particular issue in the Mount Isa, Burke, Barcoo, Cloncurry, Longreach, Murweh, McKinlay, Etheridge, Carpentaria and Paroo LGAs. It is a significant handbrake on local economic growth and development for the mid-sized and smaller LGAs in particular – a considerable barrier to staff attraction and retention.

Other common – if not universal – feedback was that **local housing stocks did not have the right mix of housing**, with a need for greater diversity in dwelling types. In particular many reported that there was a **need for townhouse or unit-style accommodation for the young professionals** needed to fill those kinds of job vacancies who tended to be a little more transient.

BARRIERS ON THE DEMAND SIDE - ACCESS TO FINANCE

Access to **finance was just about universally reported as a problem.** Several stakeholders across a variety of LGAs lamented that banks would provide finance for new cars, plant and equipment, but not for housing, especially new housing.

While access to finance is generally constrained, **the severity tends to vary across the region and also across time**.

Generally, the smaller and more remote the town, the greater the barrier to finance for a home buyer. The Burke Shire Council for example reported that it was 'impossible to access capital from banks - even Queensland Country Bank won't lend in the Burketown postcode'.
More specifically, home buyers in areas that are more exposed to the resources sector – thereby experiencing boom and bust periods associated with mining activity – have experienced **significant fluctuations in accessing bank finance**. For example, during the peak of the mining boom, home buyers in towns such as Roma and Mount Isa could borrow 110 per cent of a property's value. In the subsequent bust period (which also coincided with a number of natural disasters) home buyers were met with severe borrowing restrictions – **only being able to borrow 50 per cent of a property's value**.

For some towns, including Thargomindah and Cunnamulla, these **severe restrictions are still in place, if borrowing is even available at all**.

While the effect of low valuations might not have featured as prominently as bank lending restrictions in stakeholder consultations, local valuers highlighted the local problems. **In LGAs with limited or no sales, valuers have difficulty in providing accurate estimates, whilst the cost to build is often well above the valuation provided.**

BARRIERS AND ISSUES ON THE SUPPLY SIDE

While councils have generally been proactive in **developing land for new housing**, the rate of absorption is varied and affected heavily by the cost to prepare the blocks and the cost to build (particularly in relation to the resale or ascribed value of the dwelling).

Most councils acknowledge that it is often commercially unviable for builders and developers to develop new house and land packages. Many towns don't even have a local builder – at best a couple of essential tradespeople. In some of the medium and smaller-sized LGAs that do have local builders there were examples of these builders having to obtain non-bank private financing to build new housing – moreover this was piecemeal and not systematic.

Naturally the larger population centres have sufficient scale for a local building industry. In Roma, for example, the Federal Government's Homebuilder program was having an impact on demand for new builds in Roma at the time of consultation, with local builders being present to meet that demand. Mount Isa's home building industry is however heavily exposed to the ebbs and flows (and associated challenges) of mining cycles.

Some councils have taken action where they are able to support local private housing development. Quilpie Shire Council introduced its own first home builder scheme, whereby the council provides 5% of the build cost up to $250,000. Flinders Shire Council – at the time of consultation – was looking to go to market on a range of commercial and residential building developments. The council was open to suppliers bringing in prefabricated dwellings to reduce costs and delays associated with the local trade shortage.

Trade shortages are widespread – almost universal – across Western Queensland. **This is a significant barrier on local capacity to generate new housing supply and maintain current stock**. There is significant competition for trade labour between government, commercial and residential projects, and often government and commercial work is preferred as it is more stable and lucrative. Local households and landlords often face long wait times for regular maintenance work. Many areas also rely on trade labour from out of town which comes with significant costs. In the Barcaldine LGA for example, much trade labour comes from Emerald; in the Diamantina LGA when there's need for an electrician, the sparky will come from Mount Isa charging $4,500 in travel and related costs alone.

The local trade shortages also become self-perpetuating. A number of areas also noted the inability to provide training to develop a pipeline of new trades locally. The need to bring trades in from other areas is also an issue, as there is often limited accommodation available to house them.

GOVERNMENT AND COUNCIL HOUSING

The **state and local governments are significant owners of real estate** across Western Queensland. This housing is for local people with low incomes (social housing) and also local employees (government or council employee housing). Housing is often an expectation of new employees and part of their remuneration packages.

In many of the smaller towns there is virtually **no private rental market**, and the **council often performs a pseudo-real estate function** in the community – local employers will seek any available council housing for their staff. Owning these properties – and absorbing the significant depreciation – is a very large financial burden.

In the medium-sized and larger towns, **state and local governments might rent housing directly from the private rental market for their staff**. In some cases, state government agencies rent housing from the local council. RAI's overall impression is that council and government employee housing – while not without flaws – is typically of a higher quality than what is generally available on the private rental market. Local and state government (and their employees) represent attractive tenants for local landlords and can thereby secure the better-quality stock that is available.

As with private enterprise in Western Queensland, **local housing shortages and deficiencies represent significant barriers to attracting and retaining staff in public-sector**. This hampers local communities' ability to bring in new and revitalising people.

Because of its **significant presence in local housing markets**, state government housing policy and plans **can weigh on the overall local market**. In Longreach, for example, the state government divested itself of a large volume of its stock. This flooded the local housing market and sank local housing values.
More generally, several councils noted the need for greater clarity regarding state government housing policy and plans. In Mount Isa, for example, the current program of state government housing sales might not be flooding this larger-sized local market, but there are reports that state government employees are struggling to secure appropriate housing on the private rental market.

Local councils are considering and have developed **creative local solutions to ensure housing for staff**. This includes asset recycling. In the Boulia LGA for example, the council has considered selling its current stock as means of expanding the private rental stock and using the proceeds to contribute to the development of new housing stock. In the Burke LGA, the council worked with Westpac and gained state ministerial approval to sell (off market) 21 council-owned properties at a 40 per cent discount to staff who were Indigenous staff members. In the Bulloo LGA, the council has a rent-to-buy scheme for staff members. **Employees subsequently have stronger ties to the community** and are often paying less in mortgage payments than they would be in rent. These arrangements have also helped to work around often poor housing valuations in these markets and higher finance requirements which act as a barrier to home ownership.

SMALL AND SENSITIVE MARKETS

Many of the housing markets in Western Queensland are **quite exposed to market shocks** due to a) their small size and b) concentrated home ownership by state or local government and in some instances private enterprise. The shock to the Longreach market outlined above was replicated in Cloncurry, the main difference being that the seller was a private corporation – about 40 to 50 homes were sold over a two-year period at around $100,000 each. Home sales in the five years prior to 2020 averaged around only 20 homes per annum.

The **limited number of sales is a significant hurdle in valuing housing** – there are limited sales on which to base estimates. Additionally, **local valuers are in short or non-existent supply**. Valuers are often brought in from larger, urban centres and may not have a deep understanding of local property market dynamics beyond what can be gleaned from often very patchy and dated data.

The size and sensitivity of these markets also **means that changes to the staffing of a local business or government agency can subsequently push a town into an under-supply situation**. Most (if not all) councils noted that every house they had for staff was occupied and that they each required more housing. This situation of near or full occupancy also limits the ability of the town to manage extra-ordinary demand situations, such as large construction projects, or seasonal demand, such as extra staff working for the tourist season.

Overcoming the Barriers

In identifying the nature of local housing market failure – the barriers to home building and renovating – across Western Queensland, this study paves the way for solutions to address these specific barriers. The solutions take advantage of some key features (outlined below) of Western Queensland's housing markets.

The solutions are also informed by the **Housing Survey of each of the WQAC's 22 member councils** (see Appendix 2 for full results), conducted as part of this overall study. This survey set out to quantify the level of unmet housing demand across Western Queensland's overall communities. It also set out to quantify the level of demand for council housing – whether this be demand for major refurbishment of existing stock, or demand for additional council housing.

The survey attracted a 100 per cent response rate and showed that across Western Queensland **demand for additional housing for the overall community was for some 1,490 dwellings** over the next three years. The need is also for these dwellings to be diverse in type – just over 50 per cent being detached housing, and the remaining dwellings ranging from semi-detached and town-house dwellings, to units and apartments. Naturally much of this demand is concentrated in some of the larger population centres, such as the Mount Isa and Maranoa LGAs. Doomadgee Aboriginal Shire is also a significant source of housing demand, given its existing overcrowding issues alongside ongoing population growth in the town. Demand for **additional council housing across the WQAC region was to the tune of 296 dwellings**, with the demand significantly concentrated in the **North West region. Demand for major renovations or knock-down rebuilds of council housing was to the tune of 248 dwellings** – most of these being in the **Central West region** and most of these being detached houses.

This aggregated level of demand could be of sufficient scale to attract commercial development and is integral to the first local-level solution set out below.

The ***method* of execution of the first two housing solutions outlined in this study is critical**. They would involve a large volume (and share) of housing transactions and building across Western Queensland and within each LGA. The markets within the WQAC are small and therefore highly sensitive to changes in demand that in other larger markets would be marginal. **The measures outlined in this study must be executed in such a way that the local housing markets are not disrupted**. Careful coordination would need to occur between any state government and local government action.

As a starting point, the local housing metrics in this study's chart pack (see Appendix 3) provide a baseline of each market's key metrics – showing (where available) the volume of transactions, prices, and rents, over time.

In addition to these measures to restart housing investment in Western Queensland, the nature of the current shortfall means that **'out-of-the-box' approaches** to the actual methods of home building should be considered, particularly given constrained trade labour availability. Building techniques that are less labour-intensive range from the still-emerging '3D printing' of homes through to the more established methods of prefabricated, transportable and modular housing. Planning and regulation particularly at the local and state level would need to adapt to support these non-traditional methods as there are currently many regulatory impediments to more widespread use of these techniques in regional Queensland.

BACKGROUND TO SOLUTIONS

Western Queensland's housing markets have particular features that can be taken advantage of for local solutions.

1. **The rental market – high yields.** Constrained supply in the rental market has driven rental prices higher relative to home values, giving rise to quite high yields. For regions where data is available, gross annual rental yields have averaged 8.7 per cent over the past three years. Very strong yields – above 10 per cent – are evident in four LGAs. Nationally, gross rental yields were 3.4 per cent in the year to June 2021.
2. **The rental market – low vacancy rates.** While the data is patchy and doesn't show very low vacancy rates, the universal feedback from across councils was that vacancies are extremely tight and that housing (of sufficient standard and quality) that does became vacant is quickly occupied.

Gross Annual Rental Yield - average 3 years to April 2021
Source CoreLogic

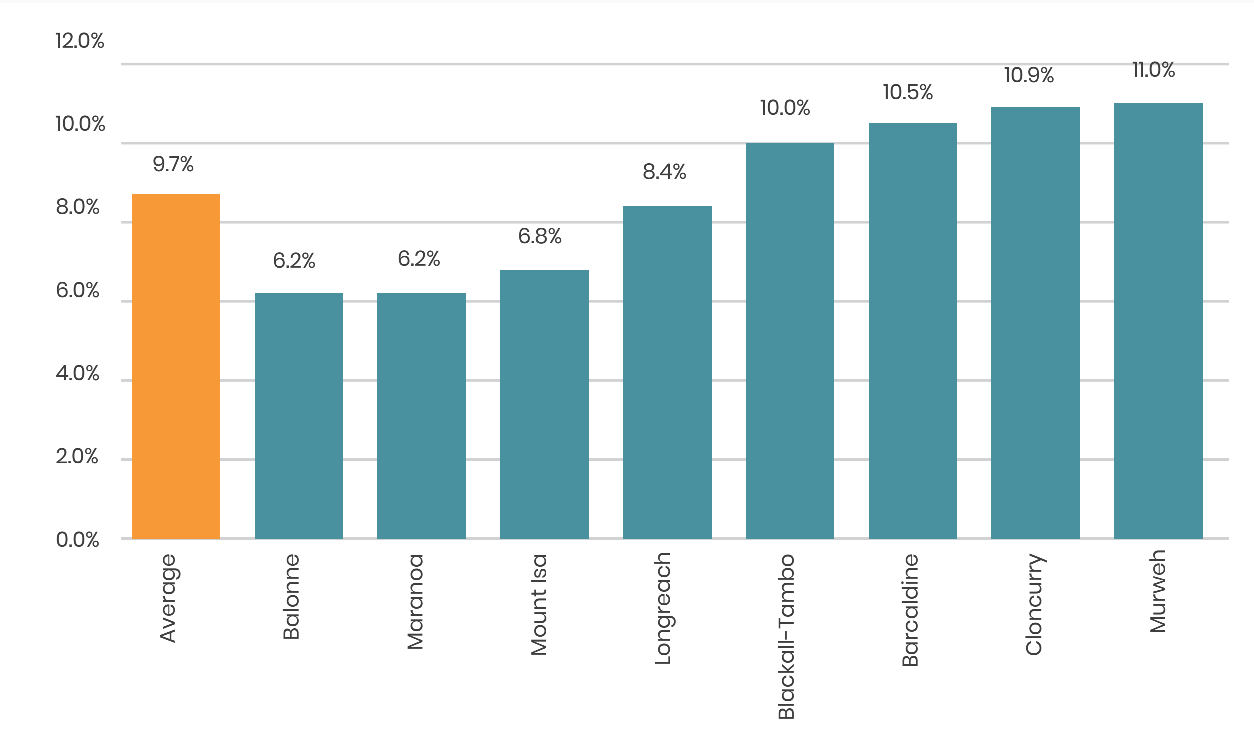
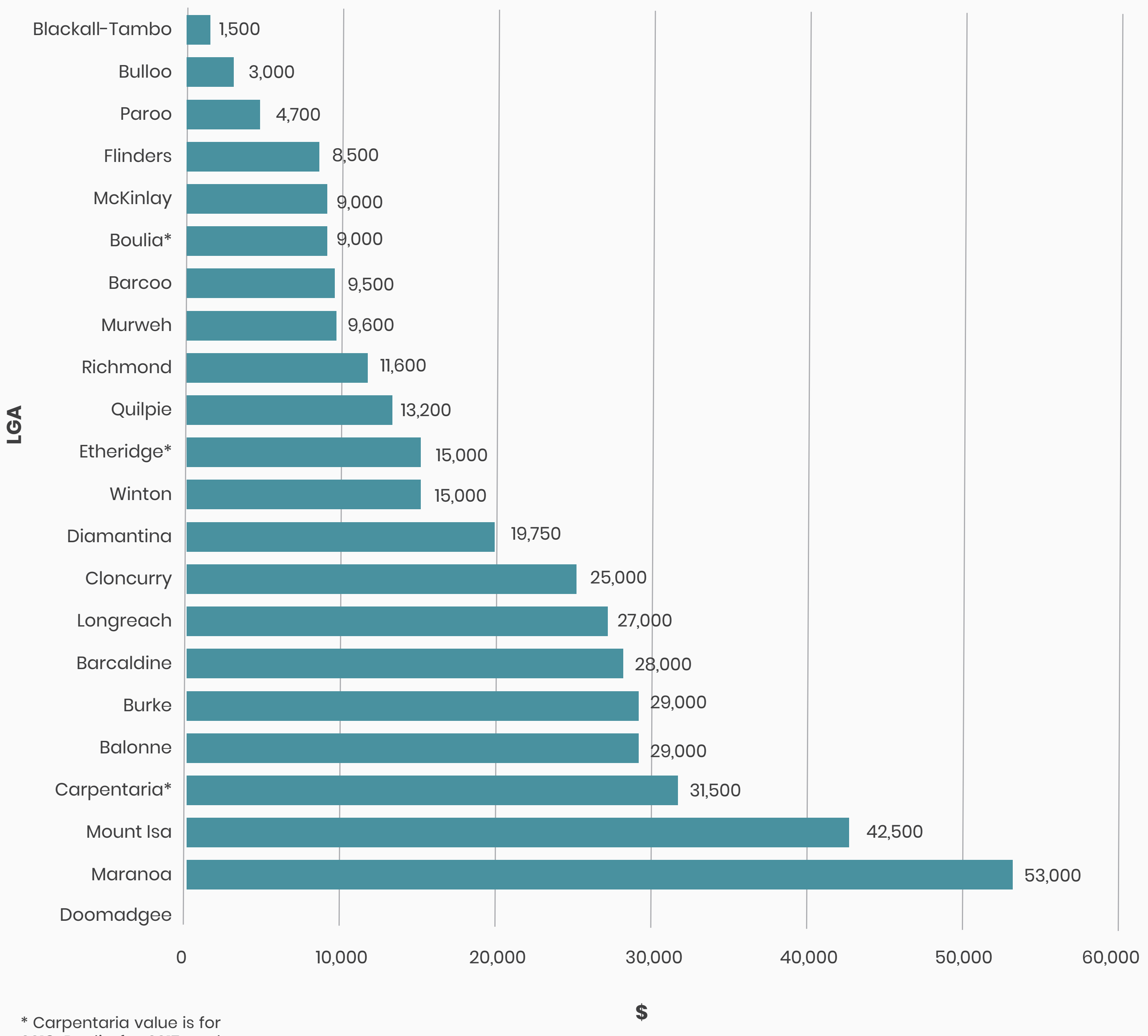


Figure 4 Gross annual rental yields

3. **Low land values.** In metro and more populous areas the land component of housing is a significant portion of overall costs. While housing construction costs are more expensive in more remote locations, these are generally more than offset by low land values. In the Bulloo LGA, for example, while construction costs in this very remote setting might be 30–40 per cent more than the state average, the LGA's median local unimproved land value was just $3,000 in 2020, a discount well beyond 30-40 per cent on the average residential land values across the state (and thereby more than offsetting high construction costs locally). In 2020, the median residential land value was $460,000 in Brisbane, $355,000 on the Gold Coast, and $170,000 in the Scenic Rim area.

WQAC median unimproved residential land values, 2020
Source: Queensland Valuer General



* Carpentaria value is for 2018, Boulia for 2017, and Etheridge for 2019

Figure 5 WQAC median unimproved residential land values, 2020

4. **Larger role of government.** The state and local governments are more significant landlords in Western Queensland than state-wide. CoreLogic data indicates government-owned housing accounts for a 13 per cent share of the overall stock of housing across Western Queensland. For Queensland as a whole, that share is just 4 per cent.

Tenure of housing stock - owner-occupied, private rental, government
Source: CoreLogic

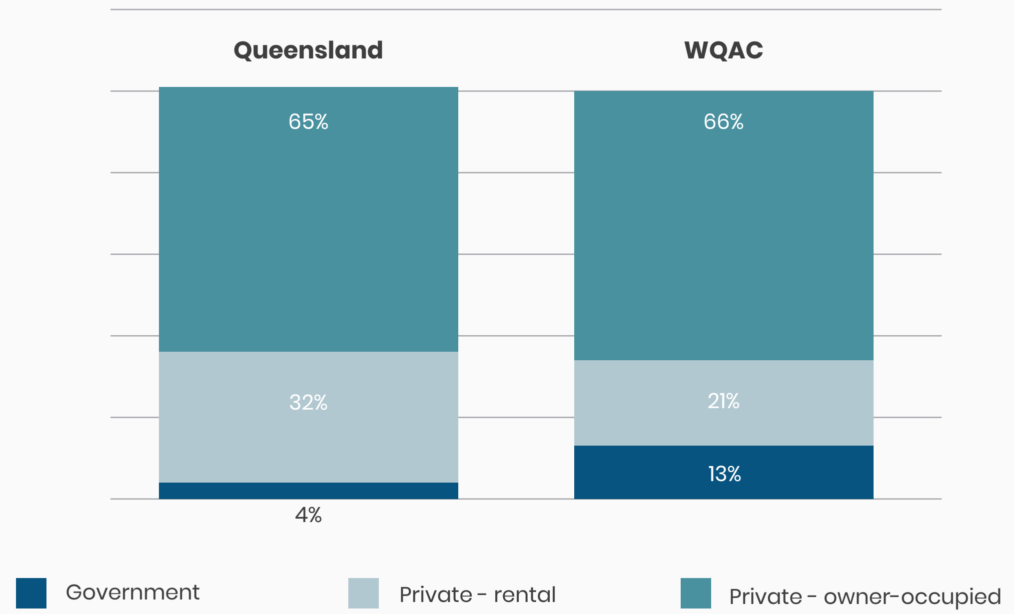


Figure 6 Tenure of housing stock

1. LOCAL MEASURE: ESTABLISH AN UNLISTED RESIDENTIAL PROPERTY TRUST, THE WQAC HOUSING FUND

OVERCOMING STRUCTURAL BARRIERS

The WQAC Housing Fund would be an investment vehicle that could attract large-scale investment into housing across Western Queensland.

The fund – into which institutional investors would invest – would be a local means of **overcoming one of the key structural barriers to home building and renovating: access to finance**. The barriers to accessing finance relate to debt financing, as highlighted in this study.

Institutional investment into the fund would represent equity financing for housing, thereby overcoming the debt-financing hurdles that stem from low valuations and restricted LVRs.

In the first instance, the fund could build and own the 544 new or substantially renovated homes currently demanded by the 22 local governments of the WQAC. Local governments or local government employees could then lease these homes from the fund, with the rents representing the fund's income stream.

Given the scale of the investment, it would also **overcome another key structural barrier to home building and renovating: access to skilled trades and commercial-scale residential property development**. The scale of the demand could be sufficient for a commercially viable housing development, albeit geographically dispersed across the region.

The fund could then **expand its investment by similarly building and upgrading housing stock across Western Queensland's private rental market, including for seasonal workers** (whether through renovation or knock-down rebuilding), with these private rents adding to the fund's income stream. While these would be more risky investments, **the private rental market in many LGAs is where the need for additional investment is greatest – this would be a very important function of the fund.**

AN UNLISTED PROPERTY FUND – AN ATTRACTIVE INVESTMENT FOR INSTITUTIONAL INVESTORS

AHURI research[5] finds that 75 per cent of institutional investors considered that a well-structured residential investment vehicle would encourage institutional investment in the private residential rental sector.

The investment offering of the WQAC Housing Fund – investment into aggregated local government housing across Western Queensland in the first instance – has a strong case:

- Residential property (generally) represents an asset class that is not strongly featured in the portfolios of superannuation funds. This fund would be a vehicle for those institutional investors seeking diversification through **exposure to residential property**.
- The **aggregated demand across Western Queensland** (see 1. Local housing demand: survey results in the Chart Pack below) should be of **sufficient scale to attract this investment**. AHURI research suggests the minimum investment level is $5 million. RAI's survey of the 22 councils in the WQAC shows there is demand for 248 dwellings to undergo major renovation or rebuilding and a further 296 additional dwellings to be built, thereby requiring investment of some multiples of this $5 million minimum.
- Provided the rents paid on these homes are around market rates (thereby producing the yields as highlighted above), the returns on a risk-adjusted basis should be attractive. In particular, the rents paid by local governments for their own housing stocks would represent **a low-risk, stable income stream**.

5. Newell,G., Lee, C.L. and Kupke, V. (2015) The opportunity of unlisted wholesale residential property funds in enhancing affordable housing supply, AHURI Final Report No. 249. Melbourne: Australian Housing and Urban Research Institute Limited. Available from: http://www.ahuri.edu.au/publications/projects/p72031.[26/07/2021].

- The WQAC could expand its ownership of dwellings beyond local government housing, and into Western Queensland's wider rental market. This rental market is characterised by strong yields as outlined above and (anecdotally) very low vacancy rates.
- The markets in which the homes are located – while all in Western Queensland – are diverse. i.e. the structure, nature and drivers of the local Mount Isa economy are different to the Barcaldine economy and different again to the Roma economy.
- Institutional investors are increasingly looking to the Environmental, Social and Governance (ESG) credentials of the assets into which they invest. Housing in regional and remote Queensland could be considered as having **strong social credentials,** given the barriers and impacts outlined in this study.

There are still challenges and obstacles to attracting such investment:

- A **critical outcome** of the fund is that it **brings about new home building and renovating in Western Queensland**. If the fund itself was to undertake this function, it would not simply be a passive fund - whereby its sole activity is in the acquisition of assets (dwellings) in return for an income stream (collecting rents). Further research is required to determine whether a fund must be passive in nature to attract sufficient institutional investment. If this is the case, then an appropriate structure must be designed to accommodate for this requirement. i.e. establishing a separate entity outside of the fund which would undertake the building and renovating of stock.
- The very nature of these small markets – as illustrated in this study (see Appendix 3 Chart Pack showing local housing metrics) – mean that **traditional market information (data) is not widely available and is often patchy**. This may represent a challenge for an institutional investor in the ongoing monitoring of this particular investment in the context of its wider investment portfolio.
- Issues of **(il)liquidity of the assets** are still present. Moreover, while there are mechanisms to improve the liquidity of the investment (for the benefit of the investor) this could represent a significant risk to the various communities. That is, if a fund can sell off its assets without regard for the effect on the local housing market and housing values, the wider community's housing values are at risk.
- The primary lessee of the dwellings – either individual councils or the WQAC as a whole – in guaranteeing the rental payments for these dwellings would have to pay these irrespective of actual occupancy rates. A council or the WQAC would be accountable to ratepayers in a situation whereby council funds are paying rents on an unoccupied dwelling.

NECESSARY AND IMPORTANT FEATURES OF THE FUND

AHURI research has identified certain features of an unlisted residential property fund that would be desirable, if not essential, for attracting institutional investment. In particular, the research found that:

- The most critical characteristic of a fund is that it is managed by an experienced manager
- A fund should contain a diversified portfolio by location
- A fund should deliver stable income returns
- It should have low debt levels
- A fund would absorb large scale investment – a minimum of $5 million
- The returns from the fund should have a low level of volatility
- Given the significant number of clients in residential property, experienced professional property managers should manage the actual properties and tenancies.

The research also identified a potential structure of an unlisted property fund:

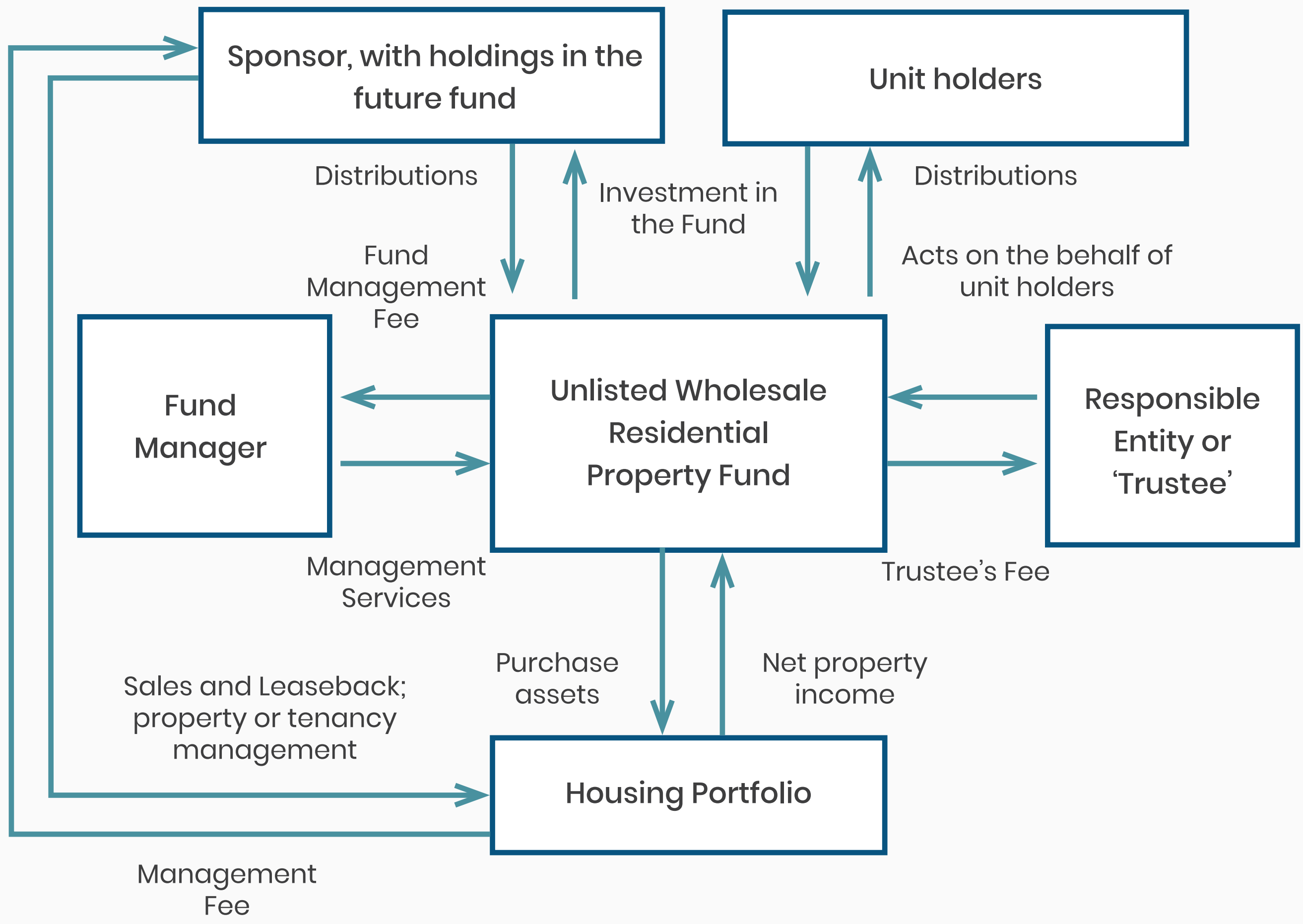


Figure 7 The structure of an unlisted wholesale residential property fund

This structure would need to be adapted to the specific needs of the Western Queensland communities. In particular the AHURI structure is for a fund that is a passive investment vehicle – engaged only in collecting rents. The building and upgrading of local housing stock would need to be factored into or around the design of any WQAC Property Fund, with consideration for institutional investors' preferences.

2. STATE MEASURES

BACKGROUND ON EXISTING STATE GOVERNMENT POLICIES AND PROGRAMS

Housing has long been an important issue for the Queensland State Government. The Queensland Government's housing measures and policies are underpinned by its *Housing Strategy 2017-2027*[6]. The Strategy's Objective is that every Queenslander has access to a safe, secure and affordable home that meets their needs and enables participation in the state's social and economic life.

The Strategy recognises and focuses on stronger partnerships between the State Government and the private and non-government sectors to grow supply. Close collaboration between the Queensland Government, the WQAC and the private sector will be essential in bringing about the state-based measures set out in this study and extending them into Western Queensland. Most recently, the Queensland Government has released the *Housing and Homelessness Action Plan 2021-2025*[7] to support the state's overarching Housing Strategy. Encouragingly, the Action Plan sets out specific support for regional housing[8] and the measures set out in this study dovetail neatly with this support:

'*Work with regional councils to increase and diversify the supply of housing, including opportunities for alternative government and non-government investment and incentives.*'

In conjunction with the Action Plan, the Queensland Government established a $1 billion Housing Investment Fund. The returns from this fund (up to $40 million per annum) are to be directed to new social housing supply. The focus of this Western Queensland study is addressing housing market failures in the region and so relates mostly to private (rather than social) housing. But the unique challenges and barriers in Western Queensland's private housing market mean that a targeted and strategic approach to deepening the availability of social housing in the region is essential. This study did not undertake a social housing needs analysis, but it is clear from the extremely low levels of investment (from any source) into housing in the region that the availability of social housing is not keeping up with community needs.

Some other State Government policies and programs relevant to Western Queensland include:

- Partnering with the construction and property development industry to bring about Build-to-Rent housing that includes affordable housing.
- Home owner grants – including the recently-concluded Regional Home Building Boost Grant in addition to the First Home Owners' Grant, which is directed to new housing only and is worth $15,000 for eligible buyers.

6. https://www.chde.qld.gov.au/about/strategy/housing [10/09/2021]
7. https://statements.qld.gov.au/statements/92391 [10/09/2021]
8. https://www.chde.qld.gov.au/__data/assets/pdf_file/0023/17429/QldHousingStrategyActionPlan2021-25.pdf [10/09/2021]

OVERCOMING STRUCTURAL BARRIERS, ADDRESSING ISSUES OF QUANTITY AND QUALITY

As with the features of the WQAC Housing Fund outlined above, the state-based measure outlined below would overcome the barriers to local home building by **aggregating demand**.

The **State Government is a significant landlord across Western Queensland**. The Department of Energy and Public Works estimates **its stock of homes for government employees is some 1,024 dwellings**. Importantly, this estimate doesn't account for additional government employee housing owned by other individual agencies – Queensland Health, Police. etc. Local feedback from RAI's fieldwork and consultations was that government employee housing generally represented the higher-quality segment of non-owner-occupier housing.
In upgrading its stock of housing, the state government could **divest itself of its existing stock and have new housing built through partnership with the private sector**. According to RAI's survey, the 22 WQAC Councils estimated that demand for additional housing in the overall communities across Western Queensland over the next three years was for **1,490 dwellings**.

Stock of QLD state government employee housing
Source: QLD Department of Energy and Public Works

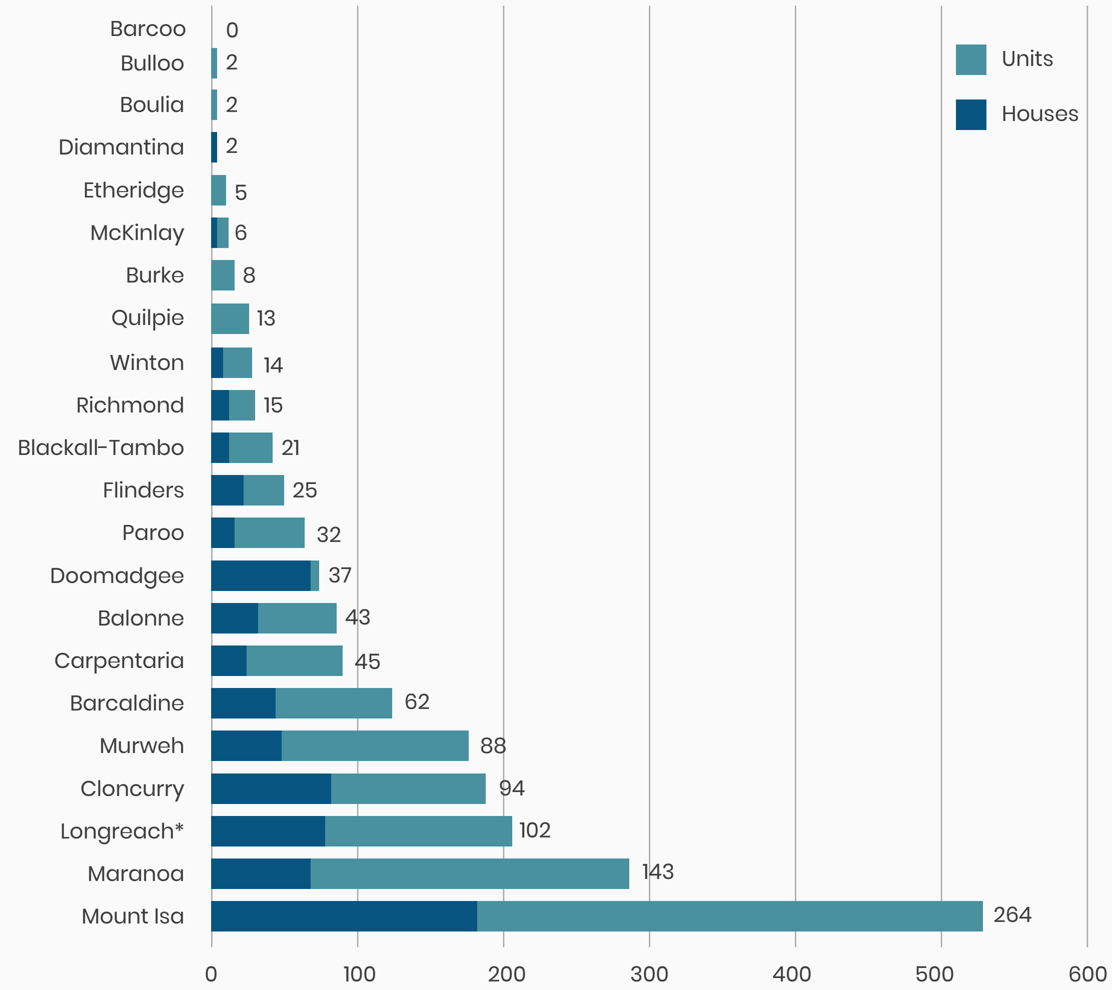


Figure 8 Stock of QLD Government Employee Housing

The sale of state government employee housing would represent **an injection of additional homes and perhaps of better-quality dwellings onto the private market** to meet this community demand – whether to the owner-occupier segment of the market or to the private rental market.

Construction of 1,024 dwellings for a government client could be a project **of sufficient scale and secured returns to attract a commercial developer and the requisite workforce**.

A 'BOOT' MODEL OF DEVELOPMENT

The re-investment into local housing for government employees could take the form of **a 'BOOT' – Build-Own-Operate-Transfer – model of development**. This is a structure of development and operation that is common in the provision of public infrastructure.

There are examples of this form of housing provision in other remote settings in other states. In Western Australia, the Osprey Village in Port Hedland was built, and is owned and operated by the construction company, Fleetwood Building Solutions.

- It materialised through a **joint venture with the WA state government**, through its Royalties for Regions program, Housing for Key Workers.
- The village provides **293 affordable rental homes and community facilities, for key workers** in that community but outside of (and not receiving the large salaries from) the mining industry. Towns where the mining sector is a large share of the local economy face inflated housing prices that are beyond the salaries of key workers outside of this industry.
- Critically, the **owner and operator of the village maintains it** – taking on responsibility for both the dwellings and facilities.

The leasing structure of the arrangement is as follows:

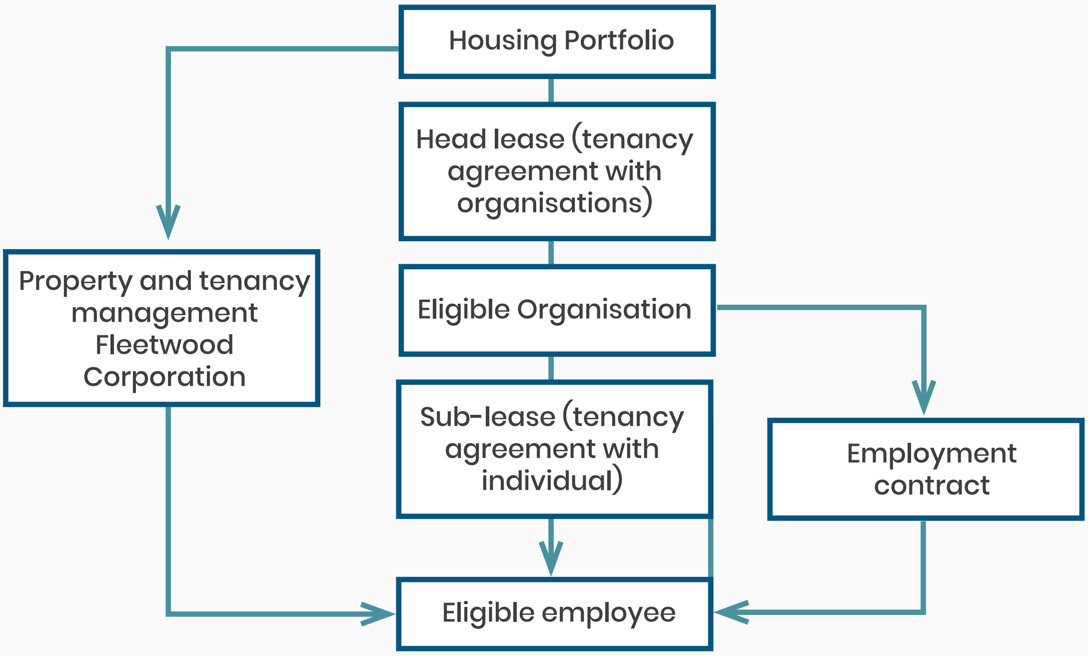


Figure 9 Leasing structure for WA housing development, Osprey Village

This model of development has some similarities with the Queensland Government's own Build-to-Rent program, currently running two pilot projects. In partnership with developers Mirvac and Frasers, the Queensland Government will provide subsidised rental accommodation for eligible tenants. These affordable rental homes will be situated in apartment blocks designed exclusively for renters that are being developed and built (and owned) by the large-scale developers, Mirvac and Frasers.

Taking the BTR program to Western Queensland would involve the State Government (the agencies providing employee housing) partnering with a developer to build, own and then lease the premises on its behalf.

THE ROLE OF STATE GOVERNMENT REGIONAL PLANS: GROWTH SCENARIOS

The state government has another important role in addressing the issues identified in this report. A major issue is that the emergence of regional housing shortages, rapid rises in the last 12 months in regional house prices and rents, and falls in rental vacancy rates, have caught government and communities completely off guard. This study has illustrated the severe under-investment in housing in regional Queensland for many years, with declines in the quantity and quality of housing stock. These declines have not been addressed yet, and have led, following a slight increase in mobility to regional Queensland through 2021 and early 2022, to a sharp contraction in the availability and affordability of housing.

- While the barriers are structural and market-based in nature, the State's Regional Plans need to be refreshed to play a more important role in addressing this long-running issue. Queensland's Regional Plans need updating – most are over a decade old, and much has changed in the intervening years, including the ongoing impacts of COVID-19. Importantly, reframing is needed as well as updating.

A Planning Response:

- Regional Plans need to more explicitly set the agenda for land release, housing construction and renewal, through better assessment of housing needs in the rural and remote regions in particular.
- This includes regional assessments of the volume and mix of housing required. Without specifics there can be no targets or improvement in the often quite dismal 'business as usual' conditions which continue to plague remote Queensland in particular.
- It is clear now that Regional Plans also need to include scenarios (and their implications) for higher and lower rates of growth. High growth scenarios should set out the pipeline of actions needed to cope with higher than usual housing demand and population growth.
- State government link-up is important here too, and the Department of State Development, Infrastructure, Local Government and Planning has the central role in advocating across state government for the infrastructure needed to support housing (and population) maintenance and growth across regional and remote Queensland

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THE ROLE OF THE FEDERAL GOVERNMENT IN OVERCOMING BARRIERS TO FINANCE

3. FEDERAL GOVERNMENT MEASURE: INTRODUCE A REGIONAL NEW HOME GUARANTEE

The **federal government has a role to play** in addressing the structural barriers to home building and renovating – in part because of the role that federal financial market regulation plays in exacerbating these barriers (as outlined earlier in this study).

Federal government action is also warranted because of the **widespread nature of these structural barriers**: separate RAI research shows that these structural barriers to finance are not limited to Western Queensland but are faced by households across regional Australia – in towns that share the characteristics as outlined earlier in this study (see Figure 1. Regional Housing Market Failure).

A guarantee for households seeking to buy or build new or substantially renovated housing in areas that have these key characteristics (small markets with low-value housing stocks and transactions) **would overcome a significant hurdle for households in the private market seeking to invest into housing.**

MECHANICS OF THE REGIONAL NEW HOME GUARANTEE

This form of support already exists for some home buyers – to similarly provide access to finance to eligible borrowers who would otherwise face prohibitively large deposits. That is, the federal government currently provides guarantees of up to 18 per cent of a home loan (allowing buyers to take out a home loan with a deposit as small as 2 per cent) for first home buyers, single parents and people looking to build.

A **Regional New Home (and major renovation) Guarantee would have to guarantee a larger portion of a home loan.** It is also critical that this guarantee is based on the cost of construction rather than the value of the property. This would be to address the key barrier to accessing finance – low valuations. In very extreme cases the financing gap is in the order of 70 per cent of a house and land package:

- Using the Winton example, a 10 per cent deposit on a Winton house and land package costing $440,000 would be $44,000. The cascading effects of financial barriers mean that a bank might end up requiring a deposit (equity) of $352,800. The difference between $352,800 and $44,000 – the gap this scheme would seek to narrow or even close – is $308,800, or 70 per cent of the cost of the house and land package.
- This is an extreme case – **a more reasonable share could be 30-40 per cent of the cost of the house and land package**. In the Winton scenario, a 30 per cent guarantee would be worth $132,000 – which is actually less than the maximum value of the guarantee currently on offer: 15 per cent of the value of a $950,000 new-build property ($142,500).
- Under this scenario the Winton household would be required to fund $220,300 of the $440,000 house and land package. $132,500 would be covered by the Regional New Home Guarantee, and the remaining $87,200 would be covered by the bank loan.

The Guarantee should also apply to loans for substantially renovating a property. Eligible households should be those seeking to build or substantially renovate a home in a market where there is a significant difference between the cost of a new house and land package and the prevailing prices at which homes are being traded. Eligible households should also be those who can comfortably service the loan.

4. ADDITIONAL MEASURES

LOCAL GOVERNMENT

1. Develop a local housing investment prospectus – promotion of local housing markets to smaller-scale investors seeking yields over capital gains.
2. Explore Council led initiatives – such as Winton Shire Council offering general rate concessions for both new and renovated dwellings, council-built homes in some towns (e.g. Cloncurry), lease to buy arrangements for council staff (e.g. Thargomindah), and council house sales to staff (e.g. Burketown).
3. Reassess town plans – make these more flexible and reassess how the surrounding expansive agricultural land is treated.
4. Show business case for one-, two-, and three-bedroom units (lower capital cost, favourable yields).
5. Explore the potential role of Community Land Trusts – a form of shared ownership of a property, where the land component of a residential property is owned by a community-based, not-for-profit legal entity and the actual building is owned (or leased long-term) by an individual household.

STATE GOVERNMENT

6. Review Stamp Duty and development charges for regional new builds

FEDERAL GOVERNMENT

7. Target Commonwealth support for regional housing - enabling infrastructure by balancing the Commonwealth's big project infrastructure investments with funding to enable regional councils to get more land 'development-ready', as local infrastructure costs are often a barrier to land release.
8. Introduce a Regional Trade Placement Incentive – this would be equivalent to what is offered to medical professionals placed in regional areas and would help address this key barrier to housing supply.
9. Invest into skills training, to providers in particular – investing in the availability of quality post-secondary education, training, and learning across regional Australia, to build on the expansion of JobTrainer and the rapid uptake of subsidised apprenticeships.

APPENDIX 1 – Terms of Reference

SIZE OF MARKET FAILURE

- Document the regional differences across Western Queensland between the cost of construction and market value of housing in order to identify the scale of mismatch in different communities.
- Tabulate the number and value of housing sales and construction in each Local Government Area in the region.
- Determine the size of the private rental market in each region.
- Estimate the vacancy rate of rental accommodation, including allowance for seasonal fluctuations.
- Tabulate typical rents in each region.
- Document examples of rental property quality (diversity) across Western Queensland and its ability to support different demographic groups such as the young, elderly, first nations and professionals.

IMPACT OF MARKET FAILURE

- Collate the views of local government on the impacts of the deficiencies in the current housing market on their communities, especially as these relate to:
  - » sustaining current populations and/or acting as a barrier to economic development and decentralisation.
  - » the impact on low income residents or 'at risk' community members from any shortfall in affordable and available rental accommodation.
- Collate the views of regionally-based employers and investors on the role of the housing market in their decisions and the degree to which a lack of housing constrains business investment, growth and productivity.
- Identify the possible cumulative impacts on the local and regional housing market due to the presence or future potential of major projects in specific communities.

RESPONSES TO MARKET FAILURE

- Collate the views of major banks and non-bank lenders, mortgage brokers and valuers on the difficulties regional borrowers have securing finance.
  - » Collate the views of builders (especially mid-size building firms with experience in the region) on the incentives and impediments to building regionally:
  - » single lots
  - » multi lot developments
  - » spec built homes
  - » building for rental
- Review with local governments their potential roles in addressing housing market failures eg:
  - » Planning
  - » Investment facilitation
  - » Closing financial gaps
  - » Supporting community housing
- Assess current Commonwealth and State Government strategies and policies to identify gaps in policy settings and/or instruments to help address the issues identified.
- Draw on inter-state or international examples (where available) of measures taken to address similar housing issues in small and remote communities.
- Provide realistic short and long term recommendations against the issues identified to help inform the WQAC's future advocacy agenda.

APPENDIX 2 – Stakeholder Consultation

LGA	ORGANISATION
NORTH-WEST Region	
Burke	Burke Shire Council
Carpentaria	Carpentaria Shire Council
Cloncurry	Outback Auctions and Real Estate
Cloncurry	Cloncurry Business Network
Cloncurry	Cloncurry Shire Council
Cloncurry	Glencore
Doomadgee	Doomadgee Aboriginal Shire Council
Etheridge	Etheridge Shire Council
McKinlay	McKinlay Shire Council
Mount Isa	Ausure
Mount Isa	Trevor Morris Builders
Mount Isa	Kidd and Co
Mount Isa	Matter Property
Mount Isa	City and Country Realty
Mount Isa	4825 Realty
Mount Isa	Mount Isa City Council
Richmond	Richmond Shire Council
Flinders	Flinders Shire Council
Carpentaria	Carpentaria Shire Council
RAPAD Region	
Barcaldine	P J Garland Builders
Barcaldine	Jenko and Son Pty Ltd
Barcaldine	Barcaldine Regional Council
Barcoo	Barcoo Shire Council
Blackall-Tambo	Barcoo Retirement Village
Blackall-Tambo	Blackall-Tambo Regional Council
Boulia	Boulia Shire Council
Boulia	PE & GC Road Contracting
Boulia	Peter Tonkies Carpentary
Boulia	Queensland Police Service
Diamantina	Diamantina Shire Council
Longreach	Longreach Regional Council
Longreach	Western Game Processing
Longreach	Longreach Real Estate

Longreach	Department of Regional Development, Manufacturing and Water
Longreach	Department of Agriculture and Fisheries
Longreach	Transport and Main Roads
Longreach	Queensland Police, Longreach
Longreach	NAB Longreach Branch
Longreach	Smith Brothers Mitre 10 Longreach
Longreach	Wyton Building
Longreach	PRW Agribusiness Longreach
Longreach	Longway Station
Longreach	Central West Hospital and Health Service, Longreach
Longreach	RAPAD
Winton	Winton Shire Council
SOUTH-WEST Region	
Balonne	Balonne Shire Council
Bulloo	Thargomindah Community Clinic
Bulloo	Ago Vires
Maranoa	Stanford Structural
Maranoa	Acumentis
Maranoa	Commonwealth Bank
Maranoa	Rosenberger Realty and Valuations
Maranoa	G.J. Gardner Roma
Maranoa	Maranoa Regional Council
Murweh	Ray White
Murweh	Chris Thomas Construction
Murweh	Commonwealth Bank
Murweh	Murweh Shire Council
Murweh	Nutriens
Paroo	Nutriens
Paroo	Paroo Shire Council
Quilpie	Quilpie Shire Council

APPENDIX 3 – Fieldwork Notes

CENTRAL WEST REGION

BARCALDINE REGIONAL COUNCIL

- Barcaldine has a significant rental shortage, with anything that's of decent quality being snapped up quickly and rental prices being quite high.
- **Demand for high-end housing is also strong** – houses in the $400-500,000 bracket get sold and rented quickly – this is a similar situation to Longreach and also consistent with demand for labour being concentrated in higher-paying, higher skilled jobs.
- In addition to 'manager housing' there could also be **untapped demand for town-house style housing for young single professionals**. There's an example of a complex of townhouses – 'the Rainbow Village' – built by the local engineering firm, GBA.
- The lack of skilled trade labour means that **trades have to come in from Emerald or Rockhampton** – which comes with associated costs of travel, meals and accommodation. Even if tradespeople would be interested to move to the town, ironically, there'd be insufficient housing to accommodate them.
- There was **varying feedback on the availability of land** – whether an estate-scale amount of land was in fact available to build. There is some local-builder appetite to build spec homes on land, but to make it financially more feasible (and manageable from a cash-flow perspective) the land needs to be available for purchase through an option or deferred-settlement arrangement, because of the barriers of accessing finance through the traditional banking sector.
- Using local builders, tradespeople and contractors is important from a quality control and risk assessment perspective – local trades people have to look their neighbours and clients in the eye when they're down the main street and at the local shops and schools.
- There are **significant projects in the pipeline that will bring significant ongoing full-time jobs** to the region and therefore additional demand for housing. Ensuring there is adequate and appropriate housing will be central to the success of these projects and the overall economic growth and development of the region.

BARCOO SHIRE

- Barcoo Council is a significant owner of residential property in the shire. The stock of housing has come into disrepair. **There's no real private rental market** – 'you're either working for the shire and living in shire-owned housing or, you're working in private enterprise and living in your own home'. And even those working outside of Council might rent from Council – because there's no private rental market, Council is acting as a pseudo real estate agent.
- **The lack of a private rental market is a handbrake on business** – local employers don't just advertise to fill a vacancy but have to go through significant hoops and arrange various 'work-arounds' simply to ensure there is accommodation for their staff.
- While there were some vacant dwellings in the shire at the time of consultation, this was unlikely to represent enough spare capacity. That is, if some extra positions were to be filled, there would very quickly be zero vacancies. This situation had arisen previously in the town of Jundah – when the town's Director of Nursing went on maternity leave it meant that there was no accommodation for her replacement.
- There's no capacity for larger groups of temporary, project-based workers. Eg. Specific measures will have to be arranged for workers who will be building a primary health centre in Windorah – as there is no available housing for this temporary workforce. Dongas are being considered.
- Greatest challenge is bringing the existing stock of Council dwellings up to scratch. At least - if not more than – 50 per cent of stock require upgrading. A lot of housing can't be considered as part of the actual functional stock because of their poor condition.

- On the current mix of housing – the shortage is concentrated in furnished 2-bedroom units. This seems to be most appropriate for what is generally a transient workforce.
- Key metrics – rent for flats are $120-140 per week. Houses are $180-240 per week. Council employees received a 50 per cent discount on these rates. Local (very ball-park estimates) of resale value of housing is $20-30k.
- Issues with maintenance – Barcoo Shire has its own building maintenance officer to maintain the stock of housing. But getting a tradesman to help this officer is hard. There is also a contracted plumber and electrician. But these trades are generally busy and non-urgent work comes with a long wait time.

BLACKALL-TAMBO REGIONAL COUNCIL

- Falling Blackall housing values appeared to be recovering after contracting significantly (alongside sharp reductions in local residential land values).
- Blackall-Tambo Council has expressed interest in bringing housing about through aggregating demand across the region – this could be viable for a large-scale developer and builder.
- Current accommodation for key workers in the local hospital and nursing home is at capacity and there is a need for more housing for these workers.
- The Blackall Wool Handling facility is a significant project progressing through the pipeline – involving a significant increase in the number of full-time, ongoing workers in the town. The current housing stock would be insufficient to house these additional workers.

BOULIA SHIRE

- There are approximately 100 houses in Boulia, of which Council has approximately 39 houses, each of which are tied to positions in the organisation. The Queensland Government owns 24 social housing properties, of which all but one is vacant. The Department of Education and the Queensland Police Service have one and two houses respectively. As such, **there are a very limited number of private properties either occupied by owners or available for rent**.
- While there are some duplexes and units in town, there are often issues of having only multi-bedroom houses available for single people who move to town. As such appropriately-sized housing is important.
- In terms of buying property in Boulia, low valuations of housing can make the loan process difficult and/or require buyers to have a larger deposit.
- Rental prices in Boulia can range from $190 and $245 per week. However, there are a lack of rentals available, constraining employers' abilities to hire new staff.
- Employers are resorting to putting staff up in tourist accommodation, or in the case of the local contractor, in road camp accommodation. **This same contractor has missed out on hiring 10 to 12 staff and their families because a lack of appropriate housing**. This is also affecting the ability to attract trades to the town.
- There are **no local homebuilders located in Boulia, and the cost to build is prohibitive**. The easiest and most cost-effective way is to bring in a transportable home, however freight costs are extremely high.
- There is some interest in renovating in Boulia, but generally the owner won't be able to make money back. There is capacity to get general maintenance down, but little else.
- The Boulia Council are developing a residential estate, with Stage One including 10 blocks.
- The Council has also considered selling some of their housing stock to allow them to build new houses, however there is still the issue of people having access to finance to buy the old houses.

DIAMANTINA SHIRE

- The **Council is the main landlord and property owner in Diamantina**. In Bedourie, there are about 60 houses, 11 of which are non-Council-owned. In Birdsville, there are about 3 or 4 non-Council-owned dwellings. This is generally in line with community expectations – that in a population that is highly transient, Council should own the dwellings that employers might seek to have their employees rent out. There is no private rental market.
- Council has recently acquired the local Aboriginal Housing Corporations' stock of housing and is allocating $750k to renovate this stock.
- Council housing stock is actually relatively young – the Council has been quite active in this space, building houses every 4 to 5 years. It has also been quite proactive with its workforce – growing the shire's trade labour force by having staff employed by Council. This has meant that its stock is actually in quite good condition.
- Rental accommodation is important – as the workforce in the shire is highly transient.
- State government guidelines on the uses of community housing (owned by the state government) are too rigid – whereby eligible occupants must have incomes below certain thresholds. Some of this housing can be left vacant even though there are people needing local housing. There is not a strong need for community housing in the shire as pensioners and low-income earners aren't a large part of the population. Moreover, a local employer might have staff requiring accommodation, but these employees won't qualify for state-owned community housing and so are left having to make alternative arrangements while housing is left vacant in the community.
- The constrained access to trades is highlighted by the situation that arises when there is a need for an electrician – an electrician from Mount Isa has to travel into the shire at a cost of$4.5k in travel alone.
- Depreciation is the biggest financial concern for the Council in relation to its stock of homes.
- Costs of construction – about $460k for a standard 3-bedroom, 2-bathroom home. Costs of land development – about $80k per lot.
- The Council charges $284 a week in rent for a standard 3-bedroom house. For Council employees, half of this rental charge is part of their remuneration package.

LONGREACH REGIONAL COUNCIL

- The local private rental market doesn't have sufficient (nor quality) stock. The reason for the poor state of rental properties comes down to:
    1. **Landlord budget constraints** – landlords may have bought when prices were higher. They now can't sell these homes and are therefore minimising losses (rather than maximising profits) by cutting maintenance expenditure. Even if they wanted to refinance to invest in the property to raise the standard to be able to charge a higher rent (as there is demand for high-end housing) they would unlikely be able to get finance to do so.
    2. **Access to trades.**
- The local private rental market also struggles to deal with the **seasonal nature of a lot of the residential housing demand** – i.e., tourism workers – in terms of both the availability of housing and also the type of housing.
- RAPAD currently has the license to occupy the former Longreach Pastoral College (along with the dormitory-style accommodation facilities), which expires at 31 December 2021– this could be repurposed to meet demand for that particular type of seasonal worker accommodation. This would be a similar measure to what other local governments have done with similar facilities.
- The impacts of a prolonged drought weighed heavily on Longreach – the local community and economy and therefore housing and house values. Mortgage defaults increased.
- In addition to the drought the **state government shocked the local housing market by selling off quite a large volume of stock** (relative to the size of the local market). This compounded

the effects of the drought on the local housing market, weighing even further on house values. Analysis of sales data shows above-average sales (by more than the standard deviation) particularly in the September quarter of 2014. In particular [RAI aside: this exemplifies sensitivity and therefore risks of small housing markets].

- Local feedback is that there is strong demand for (and little supply of) high-end housing, including rural-residential style housing. This is consistent with background economic dynamics of the type of labour being demanded in regional areas – highly skilled professionals and skilled trades.
- Paradox of the local market (and exemplifying the market failure) is that the Council has 35 shovel-ready lots on the market. Among this overall parcel of land/estate, only four lots have been sold to be built upon.
- As housing supply is naturally slow to respond (it takes a good year to plan and build a house), the local housing market (the rental market in particular) is starting to feel the pressure.
- Government employee housing has a role to play. Government employee housing is either owned and operated by the Department of Energy and Public Works or in some instances owned by particular agencies.
- In the instance of department-owned housing that is rented out to agencies, these agencies must pay either market rent or fair value in the instance of very small communities where there effectively is no private rental market. [RAI observation: the timing now could well be ripe for the department to turnover its stock – see notes on solutions]
- Department of Transport and Main Roads (TMR) in **Barcaldine has a proven record of managing its government employee housing such that it facilitates staff retention**. Staff tenancies in government employee housing tends to span five to 10 years. TMR is exercising a degree of flexibility and autonomy over its housing (and associated maintenance) contributing to higher retention rates of staff.
- **The Town Plan is a constraint on development** – particularly around developing rural residential land. There needs to be more flexibility around subdividing land. This type of development would be consistent with the local gauge that demand for high-end housing is especially strong and untapped.
- Local builders reported that they focused their businesses on commercial and government building work and maintenance now, after previously doing some new home building work – this is the better business strategy as the security and pipeline of the work is more secure and stable.
- The local builders and trades tend not to specialise but practice in a range of trades. Specialty trades just aren't available locally.

WINTON SHIRE

- There is a significant **housing shortage that intensifies in 'winter'** – due to the seasonal surge in demand stemming from workers in the **tourism and hospitality industries**. The current housing mix doesn't reflect the mix of demand, with significant shortages in unit-style housing. What is available is at 100 per cent occupancy.
- There is **significant rental demand for housing** – to the extent that local residents have approached Council to buy Council housing to rent out for relatively high yields.
- **Finance is a key constraint in Winton** – 80 per cent LVRs the norm. Residents reported that 20 years ago access to finance was easier, it wasn't an issue for the town.
- **A shortage in skilled tradespeople** in addition to real estate agents are key barriers to housing supply in the local community.
- Winton Shire Council is in the process of **developing shovel-ready land** – 16 blocks near the Winton hospital – using their own plant and equipment. In selling the land, the Council will seek to just sell at cost price.
- Each block will be sold at around $40,000 – that's around the cost of developing the land.

- These blocks should be ready to build on by early 2022. The Council has interest from buyers – some of the major private employers in town, government agencies and even just private individuals.
- Local builders and tradespeople focus their business on government and commercial (ie. Non-residential work) that is likely more stable, reliable and less risky than residential work. So long as this remains the case, then the maintenance of housing will always be under pressure.

SOUTH WEST REGION

BALONNE SHIRE - ST GEORGE

- From a Council perspective there is a shortage of quality rentals in St George, which is impacting recruitment and retention of staff. There is a lack of single person accommodation, either units or townhouses, leaving three or four bedroom houses with one person in them.
- There are plenty of houses for sale in the town, with the majority appearing to be fixer-uppers, at the $250,000 mark. The majority of good quality houses are sold quickly, which may be in part because accessing trades is difficult.
- There doesn't appear to be a lot of pent-up demand, other than in rentals. There are still vacant blocks available, in in-fill areas.
- The Council created a subdivision approximately 10 years ago with 20 house blocks, the majority of which have sold in the last few years. If Council were to do another development in a good spot, it would sell in a couple of years and create turnover in the market.
- Council has a housing strategy for managing internal housing stock. Its current stock includes 16 properties, some executive housing and some units, with three new properties to be built next year. The Council are also considering how to renew and repair housing earmarked for disposal.
- State Government employers and other employers struggle to find quality housing for staff. The State Government hasn't made much investment in housing stock and has divested much of its stock, and often uses the private market to fill housing gaps.
- The demand for housing mean leases are being filled within an hour. There is a lot of leasing being done privately. This makes it difficult to find accommodation, for example St Hilliers are building the library but are struggling to find accommodation.
- In terms of house prices, it is often cheaper to buy than rent. However accessing finance is still a challenge, with buyers requiring a larger deposit and finance taking longer to be processed, particularly in the smaller towns in the Shire. In some places people are trapped as they are paying for a house that is valued at less than the mortgage.
- There is a shortage of single person/young person accommodation – St George is a training centre with a dental school, training for doctors and nurses, and a QPS training centre.
- There is also an extensive agriculture sector (horticulture, cotton, grains) which creates seasonal demand for accommodation. Similarly, investment in infrastructure, such as road works, is also creating seasonal demand. There are up to 10 builders in town, three electrical firms and three plumbers, all family owned businesses, however there is usually a six to 12 month wait on work. There is a lack of specialist trades such as tilers, plasterers etc. There are also issues with getting materials and the cost of freight, which is increasing the cost to build and renovate.
- There is limited training options for trades in St George and very limited group training in the west.
- Much of St George has previously flooded; Council have subsequently constructed a levee, however there are still 30 houses outside of the levee. The floods have created issues with insurance and accessing finance for these properties. The Councils have run an incentive program to raise houses in the flood zones.

BULLOO SHIRE - THARGOMINDAH

- There is a shortage of housing in Thargomindah, with all available housing currently at (or near) capacity and limited diversity in the current stock. There is also a limited number of private rentals available in the market. Between 30% and 40% of housing in Thargomindah is Government owned. There is also no real estate agent operating in town.
- Thargomindah has a population of 270, of which Council staff account for approximately 25%. The Council provides housing for the majority of their staff.
- There are three teachers and 23 students attending the local school, and 10 children studying through the distance education facility. Each teacher is provided a house via the Queensland Government. The Health Facility has five staff members. Staff have access to two houses and one reliever flat. Similarly, the Queensland Police Service have two officers stationed in town and provide two houses. There is an earth moving contracting business located in Thargomindah – the business owns one house for the purposes of staff accommodation.
- Whilst the values of house prices are low, the cost and availability of finance to build or buy a house in Thargomindah is a barrier to home ownership and increased supply. The Council indicated that cost of construction is 30% to 40% more than in other areas and that to access a home loan, applicants need at least a 40% deposit. Over-capitalisation of a block is also an issue – with those who build unlikely to make back the money spent on building or renovating a home.
- **The primary impact is the inability to hire new staff and attract new people to the town**, as there is no available housing for them. While rents in town are affordable - between $120 and $150 per week, there is not the stock available.
- Due to the cost, there are limited incentives or benefits to own a home in Thargomindah, which results in people not wanting to commit to staying in the town. Medical and other government staff that do outreach to Thargomindah rarely stay the night, therefore don't require accommodation. However, it was indicated that availability of good quality housing might change that. It may also encourage more health and education placements for students.
- There is also very limited access to tradesmen to carry out work, and Council do not have the capacity to hire full-time tradesman in the town. There are also limited apprenticeship opportunities.
- The Bulloo Shire Council have subsequently set up a rent to buy scheme for their staff members, which gives people five years to save a deposit before they buy the property. This is supported through an arrangement with the Commonwealth Bank.
- The Council are also building six, two-bedroom flats for single staff members, which will free up family-size houses, as well as a set of independent living units for older people in the community.
- Whilst there are a small number of blocks available for development in Thargomindah, if Council were to develop these, it would cost approximately $70,000. As such Council would likely need to sell these at a loss to make the purchase and build viable for the homeowner.
- Other solutions need to support 'rightsizing', so that a single person is not taking up a three-bedroom family home, and support investment and development of new stock. The Council highlighted that some Federal and State Government infrastructure funding could be re-directed towards housing stock.

MARANOA SHIRE - ROMA

- There has been an increase in housing sales in Roma which has absorbed over supply left over from the gas boom. There has been interest from as far afield as Melbourne. There is more for sale than there is for rent in Roma, particularly in the last 18 months. Demand is generally for larger, four-bedroom, two-bathroom homes with air conditioning. Returns on properties are at 6% to 7%.
- Confidence in the local economy and community appears to be driving growth. Capital gain however are not considered a driver of demand in this market.
- Up until recently banking requirements were a barrier to buying houses in Roma as it was a restricted postcode, requiring larger deposits Roma (up to 30% with no lenders mortgage insurance). This changed in 2019 with Commonwealth bank the first to lift the requirements. However, during the mining boom, buyers were able to borrow 110% of the value of the house in Roma, leading to a lot of investor activity.
- As well as this, approximately 400 houses in Roma were flooded during the 2011 floods.
- This activity and the boom fueled significant development and number of new estates in Roma in the last 10 years, including a lot of duplexes and smaller blocks. At the end of the mining boom in 2014 there were a significant number of empty houses in Roma (estimated at 200).
- However, Roma has some of the most reactive soils in Australia, which makes building brick homes very difficult. A lot of these new builds were built in this style and often developed by out-of-town builders and then sold to investors sight unseen. Many of these new houses require some rectification work, and many are sitting empty. Building regulators have not gotten involved with these houses. These houses are known to locals.
- There are a variety of housing needs in Roma, including for housing for people with disabilities and older people, as well as lower cost housing for young people and single people i.e., two-bedroom, two bathroom). There may also be further demand from the mining sector as some resource companies' look to reduce their fly-in, fly-out workforce in the town, as well as demand from the health industry with the new hospital.
- The Council have previously sought to develop a block for a gated community, however there was not enough investor interest. There is the opportunity to develop Council owned land with the potential for 300 town blocks.
- Local builders appear to be busy, with HomeBuilder driving some of this demand. It can cost approximately $1,500 per square metre to build a house in Roma.
- The availability of housing and good-quality housing can impact the ability to attract people to the town. Government departments sometimes pay above market rates to get the best housing, which can subsequently inflate the market.

MURWEH SHIRE - CHARLEVILLE

- There has been an increased demand for rentals in Charleville. Since last year listings have been attracting a large number of applicants. This has resulted in higher rental prices, which is locking some people out of the market.
- In terms of buying, there are properties available, however lending restraints in Charleville require buyers to have a larger deposit. This may be because Charleville is still classified as a flood area. Lending is also impacted by valuations of properties in the area.
- Buyer confidence in the market has been affected by drought, floods, and the mining boom. People are hesitant to commit to property they can't sell. There was a property spike about five to ten years ago which has meant that people are currently holding properties that they can't get their money back for. Some are valued at less than half. This was post floods and during the mining boom. During the booms owners would get $400 per week in rent for properties.
- While there are houses available in Charleville, there does not appear to be enough higher quality housing, or enough diversity in the stock. There is demand for both lifestyle blocks for owner occupiers, and smaller properties such as duplexes for investors. Investor interest in

the town appears to be for properties valued at $100,000 where people think they can add some value.

- Most State Government Departments have or arrange housing for their staff (Police, Education, Health, Child Safety), however there isn't always enough and sometimes accommodation available isn't suitable for people with partners and families or pets.
- There are two relatively recent development sites in Charleville. The Racecourse Road Development was instigated by the Council, as a flood mitigation project to offer more housing out of flood areas – Stage 1 is complete, and there are plans for Stage Two but they have not been implemented. The second development was done privately by a landowner out of town, who subdivided a portion of land into five- and ten-acre blocks.
- There are at least six local builders in Charleville – they are reportedly all very busy. It is expensive to build in Charleville and it is acknowledged that if owners build a house, they will likely not make their money back if they sold it. This is often the same issue for renovations. The cost to build has increased by $300 to $400 per square metre, to $1,550 to $1,600 per square metre. Due to these issues, owners are struggling to finance new builds and renovations.
- There is work available in Charleville, which can draw people to the town, including expansion of the meat works by 70 jobs.
- There is plenty of land available to develop in Charleville, there is a lack of investment to drive it. A possible solution could be that superfund could fund the development of a number of new houses that Council could then commit to renting for a specific period of time.

PAROO SHIRE

- There are limited rental properties available in Cunnamulla. Median rent is $120 to $180, however rentals can be as high as $475. Rental prices have increased in the region, which subsequently is pushing up housing commission rents. This is impacting on the ability to attract staff - the local childcare centre needs two more staff, but there are no rental houses available for them.
- There also appears to be an "off-market" rental market, where houses will be available for rent but not on the open market, instead they are rented privately.
- There is also shortage of government housing for Government staff in Cunnamulla, forcing departments to turn to the private rental market. There will be further increased need with new allied health programs commencing, bringing more staff to the town.
- There is also a limited number of houses to buy in Cunnamulla. The local agent has between four and six properties on the market and noted that a higher price for a house in Cunnamulla would be $180,000. There has been increased investor interest in Cunnamulla, with investors buying and doing up some houses. Deposit requirements are higher in Cunnamulla, potentially up to 50% and lending is affected by valuations.
- Council owns approximately 10 houses for staff but needs at least four more. The lack of housing means that Council needs to hire locally, as they can't provide a house for someone who doesn't already live in the area.
- There hasn't been any new social housing in 20 years, and there is between 10 and 20 people who need housing in Cunnamulla.
- There are no house builders based in Cunnamulla. It is costly to renovate and as such a lot of stock is run down. Building costs in Cunnamulla appear to be approximately $2,000 per square metre. There also hasn't been any recent developments or subdivisions, or any new houses.
- The Council have identified that there are 18 properties vacant in Cunnamulla and they need a lot of maintenance. The Council are trying to talk to the owners to work on a solution for them to get the houses back into the rental market.
- The Council has resolved to try and source funding assistance to build two 2-bedroom duplexes and a 3-bedroom house for Council or other government staff.

QUILPIE SHIRE

- The effects of underinvestment has had an impact on economic development and growth, whilst it is hard to quantify missed opportunities, it is acknowledged that it is difficult to attract new people to the region if there is nowhere to buy or rent. There is a huge demand for housing and sellers can now ask for what they want.
- Demand has picked up in the last two years – the local economy is going well and there are a lot of jobs. The rural sector is booming and the drought has broken, and tourism going really well - people are now struggling to get staff. There is also the attraction of living in regional Australia.
- There is also demand stemming from State and Council staff wanting to live in their own homes, rather than renting or living in government houses. However, it is difficult to access finance to buy in Quilpie, with buyers often needing a 50% deposit. There is also the issue of people being able to maintain the capital value in their properties, and there is concern that people won't be able to get their money back.
- The Council has brought in two new relocatable homes and is budgeting to build three new houses next year. This will assist the Council to fill its own immediate housing need for its staff. The Council could use between five and ten new houses. Council and State Government have been the only ones building in Quilpie, there haven't been any private builds for some time.
- There is strong competition for rentals, with subsequent increases in rental prices to approximately $200 per week. The competition is for the better quality stock. As such the State Government are renting housing from Council and they are prepared to pay $500 per week.
- There are issues with the standard of housing in Quilpie, with quality dropping away over time. It is difficult to schedule maintenance, with private trades thin on the ground and the town's location making it difficult to get building materials. Some trades come in from out of town and will bring in external contractors from larger towns, such as Roma, Charleville and Chinchilla for a project. Council however has trades in-house, including one plumber, one electrician and one carpenter.
- There is no social housing in Quilpie.
- The Council have developed a subdivision of 30 blocks in 2012 and have organized to sell two blocks, and looking to sell four more. A couple of houses have been built and these have generally been Council homes. It costs $28,000 to develop each block and the Council have tried selling them for $25,000 and doing a two for one deal, however have not been able to recoup costs.
- The cost to build a four bed, two-bathroom house is $380,000 for a transportable, with 6x6 shed. It would be more for an in-situ house.
- In terms of the types of housing, Quilpie does not have enough smaller accommodation (duplexes, flat) for younger and older people. There is real demand for this kind of accommodation, related to attracting teachers, police, nurses, who don't want to have to maintain a big yard, it is better to have a townhouse with a courtyard, with a shared greenspace, and that is more modern.
- Council is involved in a secondary migrant program, however there isn't the accommodation available.
- The Council has had discussions with superannuation companies about long term investments in housing, with consideration for yields rather than capital gains.
- The Council is now getting paid to maintain State Government housing. There is potentially an opportunity to build and lease out housing to the State Government over a long-term fixed period. However the State Government needs to provide more information about its housing plans, including if it is divesting itself of stock.
- The Council is bringing in a new homebuilder grant – it will give homebuilders 5% of the value, up to $250,000.

NORTH WEST REGION

BURKE SHIRE

- Council is divesting property it built and has been providing it to staff. The Council are no longer comfortable with being both landlord and employer. The high levels of depreciation are also too much of a financial burden for a small Council. Council owns around one third of the housing stock in Burketown. Most of the staff are Aboriginal and have no prospect of home ownership as long as Council maintains ownership.
- There are no prospects for new builds in Burketown – it is too expensive and 'impossible to access capital from banks, and the Bank of Mum and Dad is absent'. Even Queensland Country Bank won't lend in the Burketown postcode. There is frustration that the banks will lend for purchase of a 4WD which may be roughly the same price as a house but won't lend for a house.
- The Council have agreement from Westpac to finance the sale of 21 Council owned properties to tenants, with a 40% discount on 'market price' needed for them to be involved. The big selling point for Westpac was that buyers are Aboriginal, and this is important to their corporate positioning. One person who is not a staff member is also eligible. Council needed Ministerial approval, which was obtained in 2020, for asset sales not on open market or by auction or tender.
- Buyers of these houses are provided with free legal services and have had help with financial skills and budgeting to ensure they know what they are getting into and will be able to service the loans and maintain the homes. For the staff the purchase will work out cheaper than their current rent.
- Council knows it will get an increase in its rating base. Revenue raised will go back into more Council built housing. The community are generally supportive of this.
- This arrangement is having a big impact on the buyers and their families – several generations of families who never held any hope of buying are now on the way.
- Westpac agreed to participate in the program in November 2020 and the first sale was in March 2021.
- The housing market does not work in Burke – there have been no new builds and renovations, and quality of stock deteriorating.
- Looking forward for its executive housing, Council likes the Defence model of having private owners buying the stock and then leasing through a central agency to tenants. Council would like to explore using institutional investors to underpin these investments. Executives are generally single people so Council needs more and better quality one- and two-bedroom units, than large freestanding houses.

CARPENTARIA SHIRE

- The finance gap is the biggest issue for Carpentaria. Banks won't lend for housing even for existing business customers. However, they will lend for a truck/grader/plant equipment worth over $1million. Banks are worried they may not be able to sell existing houses in Normanton. 45% of the population are Indigenous and 38% are unemployed. With no new homes being built, there is some overcrowding in existing housing.
- There is land available and the Council is working on two subdivisions. One of the Traditional Owner Groups (TOs) also has a large triangular parcel in Normanton which will be good for a subdivision of mixed accommodation housing 1, 2 and 3 bedrooms, or even a gated development.
- The Council is looking at a rural residential development with 28, various-sized lots with tank water, but there will need to be a slip lane for off-highway access. Council will put in a gravel road to facilitate land release of approx. 10 lots to market in the first stage.
- The Council is looking at subdividing nine acres of ex-State Government land on the current town boundary into nine residential lots. The land has water and power. It is on land next to the hospital and could sell for about $35,000 per block, which is the market currently.

- The Queensland Government has commenced building housing for employees currently in Normanton. Normanton also has a TO co-op called Bynoe which has investment capital in current housing stock and their main focus is housing. They use the investment in their housing assets to help financing for other development including a supermarket and specialty shops in Normanton.
- The Mayor would like to see a remote tax zone rebate to address the cost-of-living penalty in remote places, which would put more money back into the pockets of local people and would circulate through the local economy.

CLONCURRY SHIRE

- Whilst there are a range of houses for sale in Cloncurry, these are mostly older homes that require renovation work. Most houses are also three-bedroom, one bathroom. Council highlighted that there have been a number of show cause notices issued for dilapidated houses. A number of these appear to be investor owned.
- A lot of investors bought into the Cloncurry market during the mining boom between 2008 and 2012, many bought at the peak of the market and now can't sell and recover their money.
- Rent is expensive in Cloncurry, particularly for the quality. This is impacting worker attraction and is impacted by the disparity in wages of those working in the mines and those who aren't.
- The rental market is not particularly cheap, given the demand for housing from the mines i.e., $600 for a 4-bedroom home and $300 a week for a basic three bed, one bathroom home. This is difficult for low-income families and people. Council provides housing and rental assistance for their staff – they have 40 to 50 houses and units.
- Recently a large volume of homes was sold by a private corporation. Approximately 40 to 50 houses sold well below market value for approximately $100,000. This flooded the market with houses over a two-year period. However this also allowed young people and families to get into the market. Some of those who were able to buy have since been able to rent their houses out for $250 per week.
- There have been a number of subdivisions and new builds in the last few years. The Council is currently pursuing a project to build six executive style houses, to help attract professionals and their families to the region. To build 'in-situ' houses it will cost $690,000 per house. The Council are hoping that this development will also provide an example of how developments can be done in Cloncurry and encourage and attract investment in housing projects.
- For the most part, kit homes and transportable homes are the most cost-effective way to build new homes in Cloncurry, however there are questions about quality. Building a new home "in-situ" can cost between $400,000 and $600,000, or $2,000 to $2,500 per square metre.
- This is affecting demand for building new homes. Similar to Mount Isa and Roma, there is also climate and soil factors that need to be taken into consideration when building in this region, which subsequently affects what can be built.
- Whilst there are a reasonable number of trades available in Cloncurry, those seeking to have renovation or maintenance work done are competing with mines, stations and other larger organisations to access trades and cost is significantly higher.
- There is a need for the right types of accommodation - units, houses, short and long term, furnished and unfurnished. Noting this, the Council has altered the planning scheme to reduce the minimum block size from 800sqm to 400sqm.

DOOMADGEE ABORIGINAL SHIRE

- There is a significant housing shortage in Doomadgee – with 50 households on the waiting list for a dwelling. This is due to the town's consistent population growth, which has likely overshot state-government projections.
- There is no private housing market in the Shire, underscored by the local land being held in a Deed of Grant in Trust. This means local land values are ascribed a $0 value and banks won't lend against this.

- There is strong need for more consistency in funding local housing and infrastructure – not only for the housing and infrastructure's sake, but also for local capacity building. Because of inconsistencies in local housing and infrastructure project rollouts, local trainees have not been able to complete their trade training and become fully qualified. There is significant potential to develop a local trade labour force.
- The shire is currently developing a 90-allotment subdivision – preparing the land to be shovel-ready for much-needed new housing. This land would not only meet the existing need, but also represents the local planning for growth.
- Funding for local infrastructure is just as critical as funding for housing as the population continues to grow. This becomes more acute with the expanding footprint of the town. Eg. The town will soon need an additional water treatment plant and an additional or expanded sewage treatment works.
- Another example of local infrastructure deficiencies is that there are no footpaths.
- The community is ready when funding is made available – not only in relation to land being prepared, but also in relation to the types of dwellings required by local households – the council will build new housing in consultation and collaboration with local households.

ETHERIDGE SHIRE

- A housing shortage has slowly accumulated over the last 10 years – a tell-tale sign is that labourers and casuals are now struggling to find accommodation, whereas this wasn't the situation 10 years ago. Normally something would be available
- Another sign of the shortage is Ergon energy seeking to build an 'executive quarters' – rather than pay $150 a night for hotel/motel accommodation.
- The population is ageing and their housing needs are starting to change – council envisages that it will have to start developing independent-living style dwellings for those people who start to find their large homes too big to maintain and live in.
- Government housing is falling into disrepair, while private rental housing is generally 'sub-par' in quality.
- The poor-quality housing is an issue for retaining essential government workers – people won't tolerate the quality of government housing for very long, contributing to high staff turnover (and the associated costs).

FLINDERS SHIRE

- Yields are good on rental properties in Hughenden. The average rental price for properties in Hughenden is $190 per week.
- Flinders Shire Council (Council) recently purchased 14 houses, one temporary workers accommodation, and a social club. Council has undertaken renovations on these properties to bring them to rental standard. All are currently rented, with eight occupied by Council staff.
- In May 2021, 16 dongas were installed at the Alan Terry Caravan Park in Hughenden, with an additional 16 planned for 2021/22.
- The new Hughenden horticulture precincts have a need for accommodation for up to 100 workers and contractors, which equates to 50-60 houses required over the next three years.
- There is a shortage of builder contractors in the region, with work delayed on the Hughenden Multipurpose Health Service Facility and Flinders Discovery Centre.
- Council is open to alternative housing options such as modular housing and prefabricated buildings on vacant land to reduce costs and delays due to unavailability of trades.
- Council has invested $20 million in capital to encourage economic diversification, which includes the purchase of a hay farm, the development of 15-Mile 1.0, associated water licenses, and an aged care facility for independent living.

- Council has plans and associated land for the construction of a four-star, 54-bedroom motel.
- Council remains open to potential investors and businesses to develop housing and accommodation opportunities.

MCKINLAY SHIRE

- Housing supply has been tight for around 10 years.
- The quality of the housing stock is a significant problem. On the private rental market, an estimated 40 per cent of the homes were poor quality or substandard. Government housing was similarly not in good condition.
- The housing shortage makes recruitment very difficult, for both council, state government and local businesses – those seeking to fill local positions generally from outside of town.
- The existing housing stock could be better utilized – with spare capacity often not being directed to where there is need because the specific need might not fit local and state government housing allocation guidelines or policy.
- The ageing population means that household sizes are reducing, which creates a need for additional housing.
- There are significant resources-projects in the pipeline which will involve a large number of workers, some of whom will reside onsite or perhaps even in town – a housing assessment for this development is currently taking place. Irrespective of whether these workers will reside in town or onsite, the presence will represent additional overall economic demand in the shire which will likely generate additional local jobs requiring additional local housing.
- The local workforce is highly transient, requiring a well-functioning and adequately stocked rental market.
- The local workforce is also highly seasonal – lower year-round vacancy rates need to be accounted for.

MOUNT ISA CITY

- There is greater rental demand in the Mount Isa market and real estate prices have started to increase. Housing prices have previously been very low since the end of the mining boom between 2010 and 2014. The fortunes of the mine in Mount Isa directly affect confidence in the market.
- The increases in rent are pushing some people to buy because mortgage payments are cheaper than rent. Demand appears to be for houses on bigger blocks. From an investor perspective, there is limited opportunity in Mount Isa to make capital gains on property, however rental returns appear to be anywhere from 5% to 15%.
- There is a lot of older, and poorer quality stock in the housing market, a lot of which was built in the 1960s and 70s. There are plenty of three-bedroom one-bathroom houses, but not enough four-bedroom, two bathroom houses which are in demand.
- Mount Isa is landlocked by pastoral leases and native title, however there is some space available if further development was pursued. There are currently approximately 20 to 30 undeveloped blocks in Mount Isa. A lot of these blocks were bought during the boom, and people are holding onto them in the hopes they will make their money back. A block of land will cost $50.000 and $100,000 in Mount Isa.
- There is residential subdivision in Mount Isa that still has a number of empty blocks on it – there is only one house currently being built there – covenants on the development site mean that owners and developers are not allowed to put in medium-density properties or prefab or transportable buildings. However, it is thought that the one home currently being built may generate more interest and confidence in building a home in Mount Isa.

- It is expensive to build and renovate in Mount Isa – there are extra costs for freight, materials and labour. However, some investors are renovating their properties to earn greater rent.
- The cost to build is between $2,000 to $2,700. It's a harsh climate to build and builders need to be aware of that. Whilst there are a number of builders in town, they are often very busy and generally there are large wait times for trades. Those seeking to hire tradesmen must also compete with the mine. There is only one draftsman and one soil tester in town which limits the capacity for new builds.
- A lot of buyers were able to get finance for housing during the mining boom and prior to the Banking Royal Commission. Whilst banking regulations have tightened, generally there doesn't seem to be any major issues for people with a good credit and employment history in accessing a loan. However, first homeowners are generally unable to access the first home owner grant due to a lack of new or significantly renovated homes.
- State government is selling off housing stock and moving staff into the private market, and similarly public housing stock is being moved to the private market, because it is more cost effective than maintaining the houses, which require extensive work after each tenant. However, it is understood that some State government employees struggle to find appropriate housing in Mount Isa.
- There could be a role for State government agencies in new developments by committing to leasing or buying the housing.

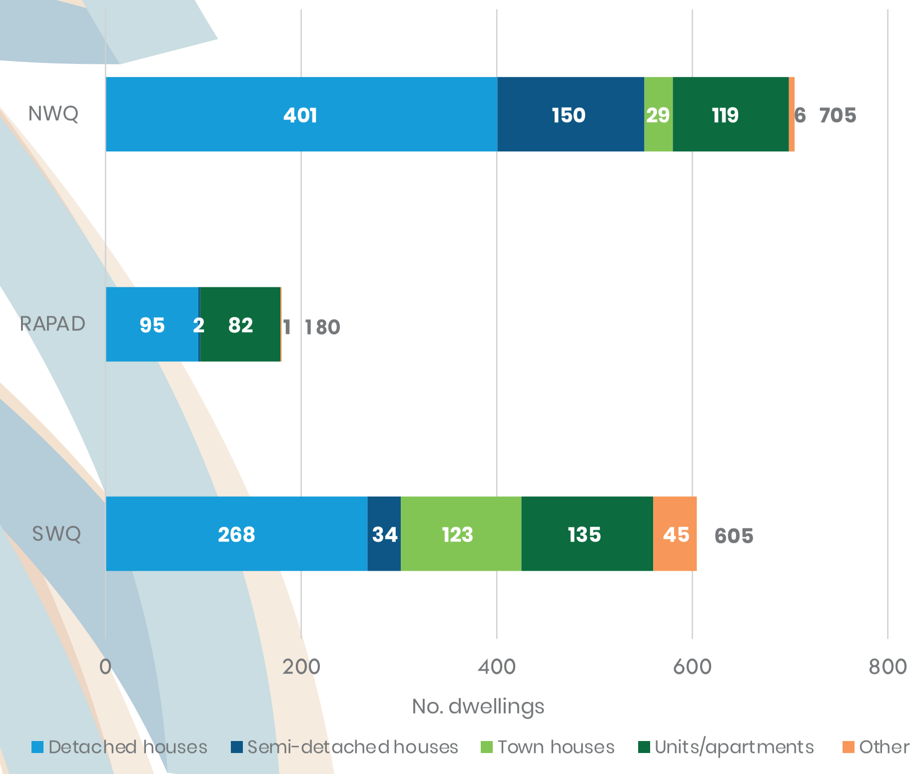
RICHMOND SHIRE

- There are currently no rental properties available in Richmond. An irrigation scheme is coming (the agronomics has been proven). Council would like to build another 50 houses and 30 units. There is proven demand for new housing - Council developed five lots in the industrial estate which sold out in six months – mostly to provide a town base for a nearby gold mine.
- However, there are currently no builders available and six month waiting list for tradespeople. Local construction trades have gone to Townsville to pick up work after the floods.
- Council has developed one-acre blocks at a cost of $34,000 each which it will sell for $20,000. The value to the Council is the increased rating base as an inducement for people to build. The Council will do another five lots of 1,600 square metres on the edge of town.
- The proposed irrigation scheme will bring 4,000 more people to town, MITEZ has done feasibility studies on three cotton gins in the region, one of which will be in Richmond. They will need a water license (1,000M). 1,000 people will be employed on the new farms. The town has adequate drinking water (new treatment plant) and sewerage to support this.
- FHOG has been helpful, state and fed adds to $45,000. People keen to build but hard to get finance and long waits for builders. Banks asking for up to 40% deposits. 10 blocks sold this year.
- Council owns 12 houses and 20 units, all of which are full, and it needs more accommodation for more staff. The Council have 10 job vacancies which can't be filled as there is no suitable accommodation.
- Recent developments include the Ammonite motel (20 years ago) – usually 80% occupancy – and now the new Mid Town motel and truck stop.

APPENDIX 4 - Chart Pack Part A – Housing Survey Results

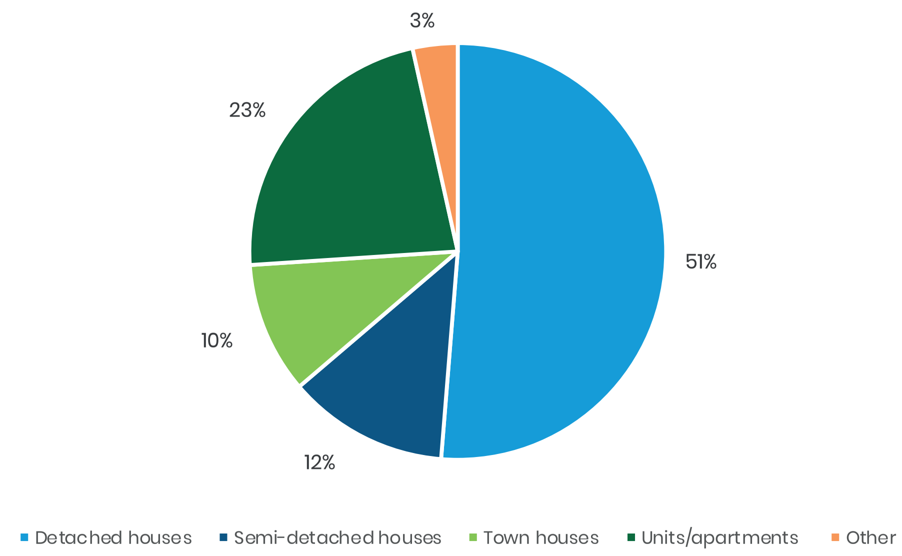
SUMMARY SURVEY RESULTS

Community demand for **new housing** - by ROC, by dwelling type



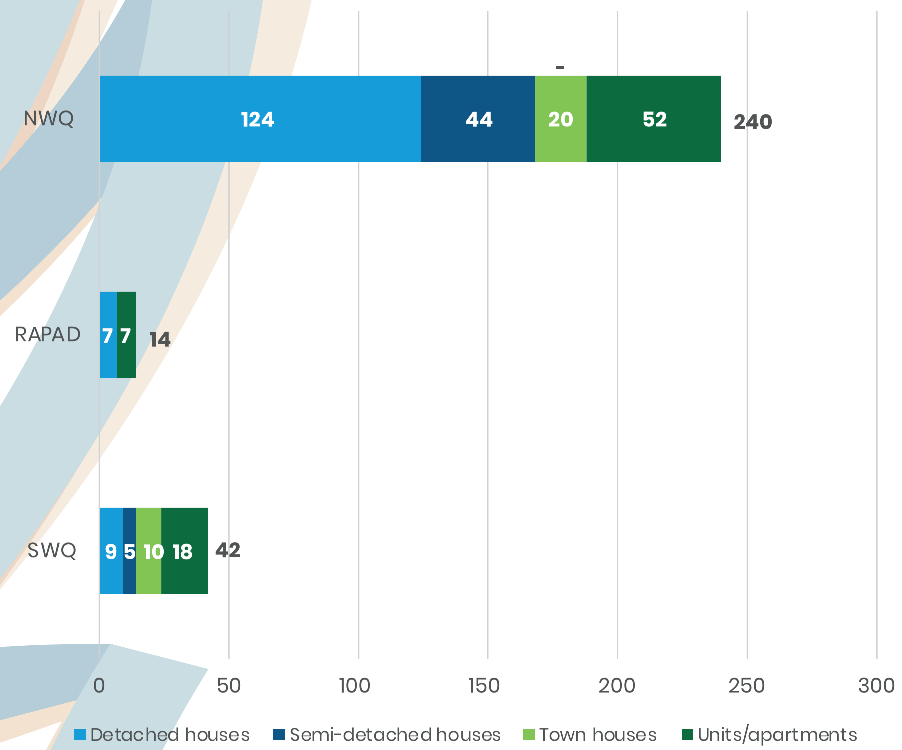
Estimated total new housing demand across Western Queensland over the next three years: 1,490 dwellings

Community demand for **new housing** - by ROC, by dwelling type distribution



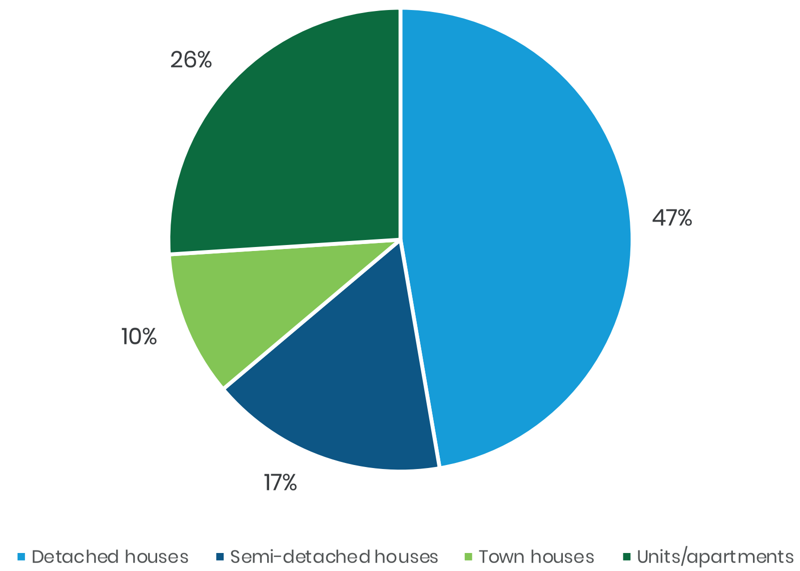
From Q4: What mix of new residential housing do you think your overall community will need over the next three years? Please list the number of each type of dwelling.

Council demand for new housing – by ROC, by dwelling type



Estimated demand for new council housing across Western Queensland: 296 dwellings

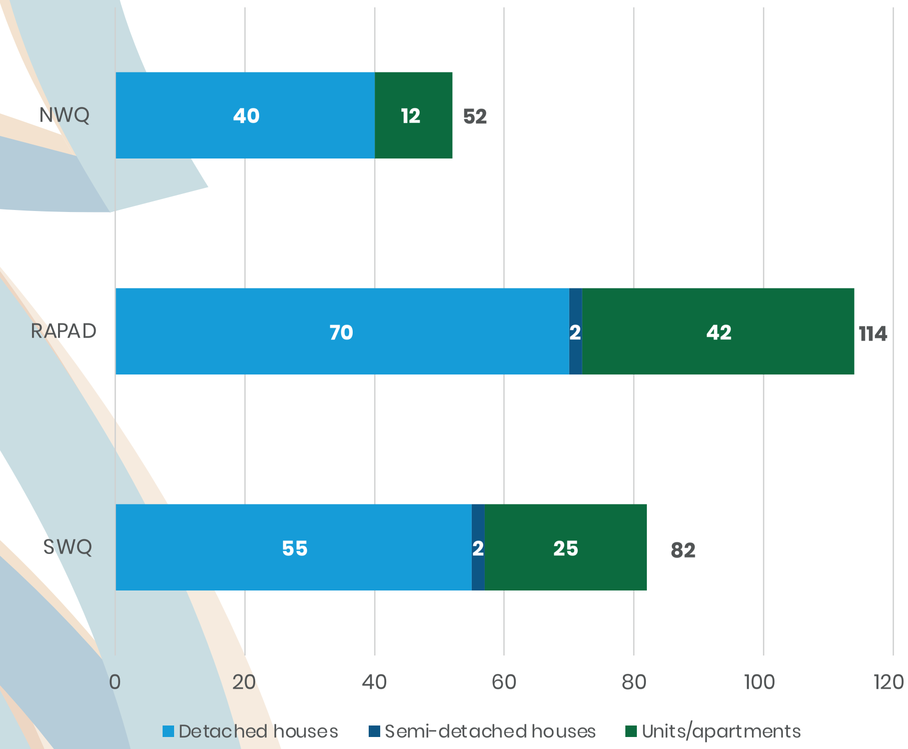
Council demand for new housing – by dwelling type distribution



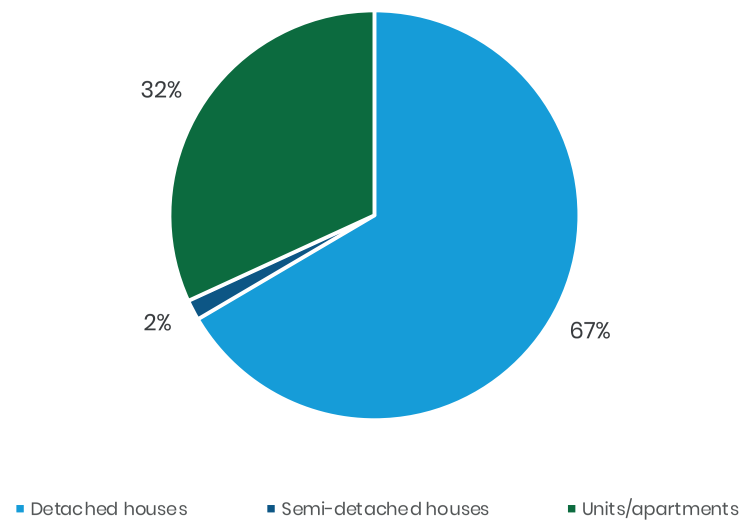
From Q11: Are you considering adding to your current stock of Council housing? Please state the number of dwellings.

Estimated demand for council housing upgrades (major): 248 dwellings

Council demand for **major renovations or rebuilds** - by ROC, by dwelling type



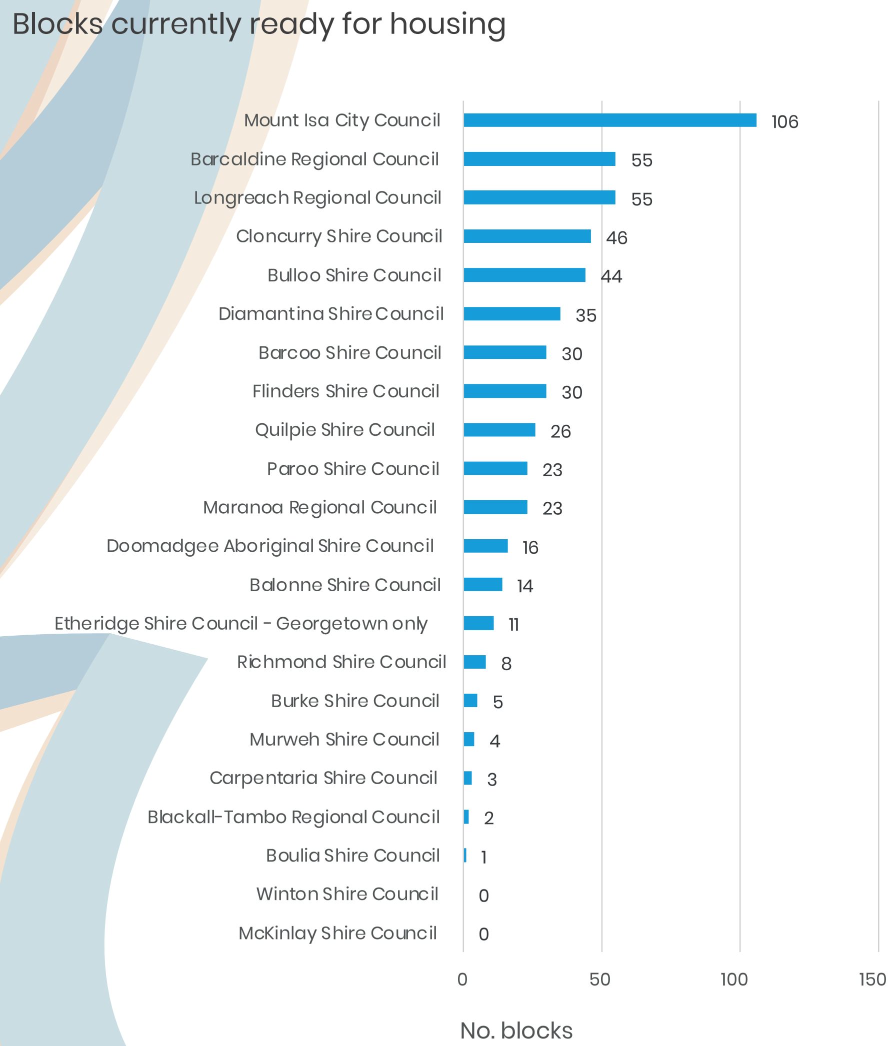
Council demand for **major renovations or rebuilds** - by dwelling type distribution

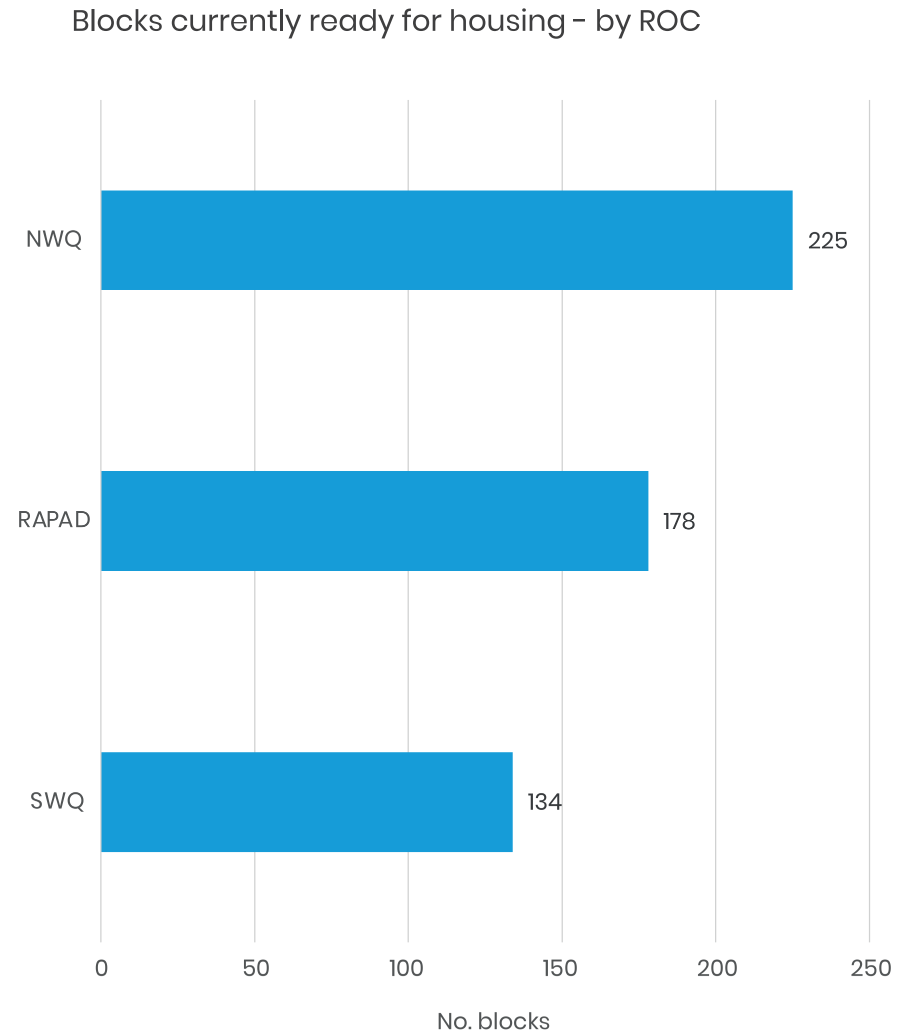


From Q10: Please list the number of each type of dwelling that is due for major renovation or rebuild.

DETAILED SURVEY RESULTS

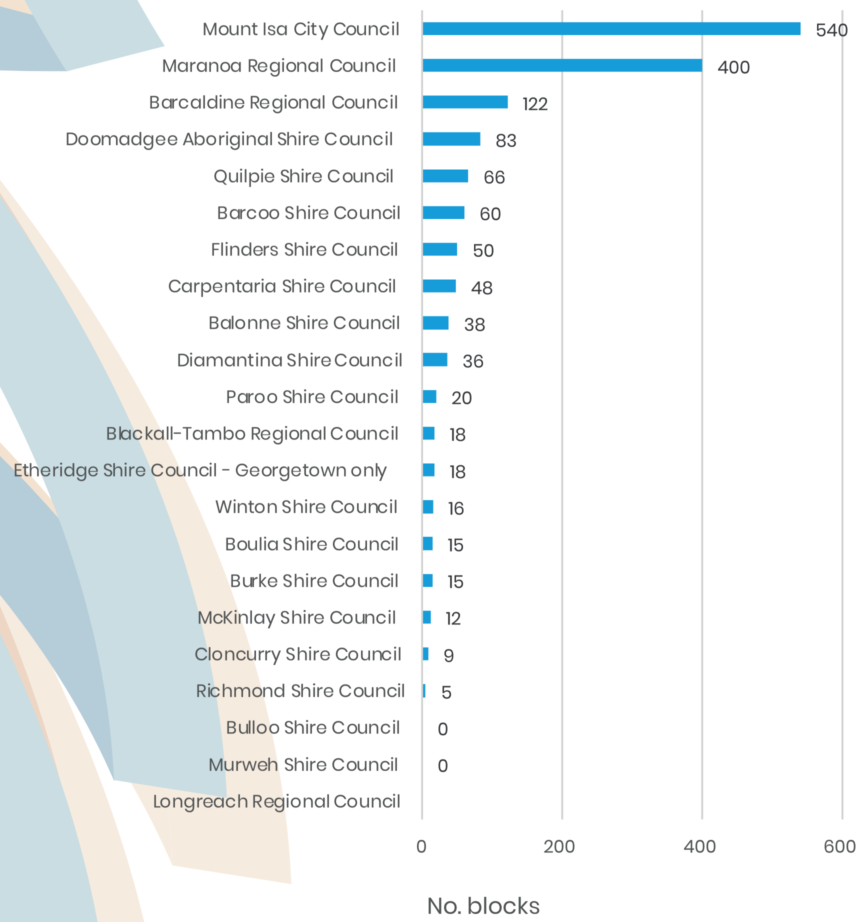
Q2. How many blocks do you currently have ready for residential housing?



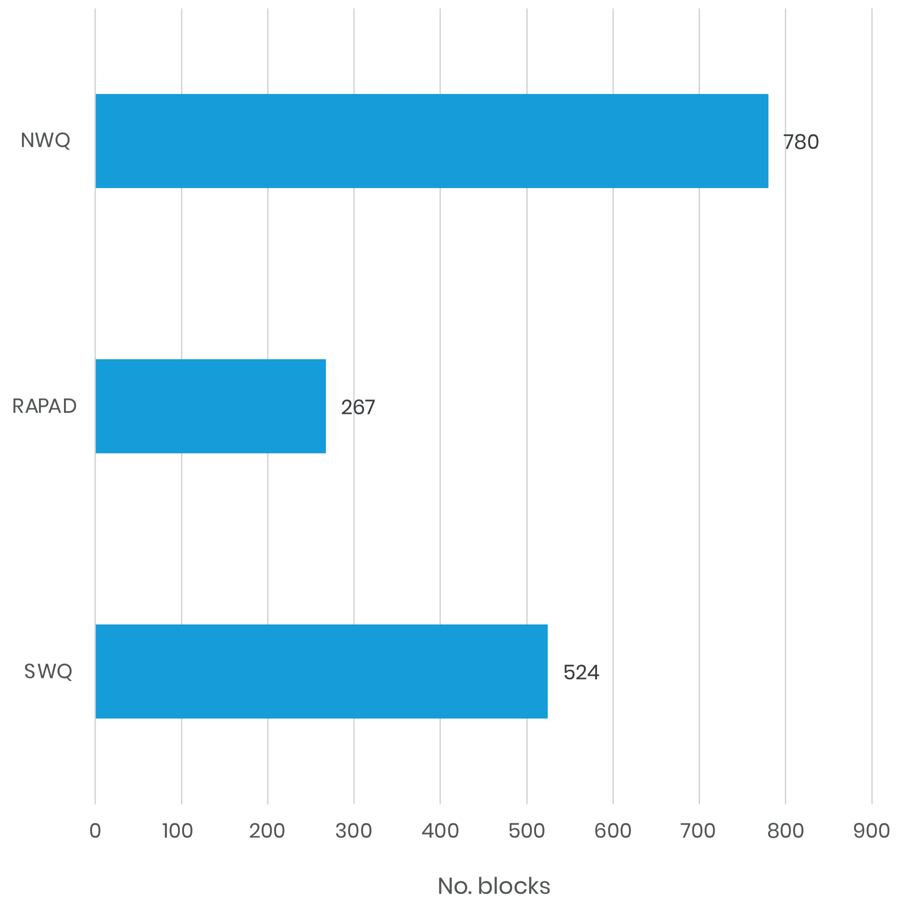


Q3. How many more blocks could you bring to the market in the next 3 years?

Blocks in the pipeline – ready for market in the next 3 years

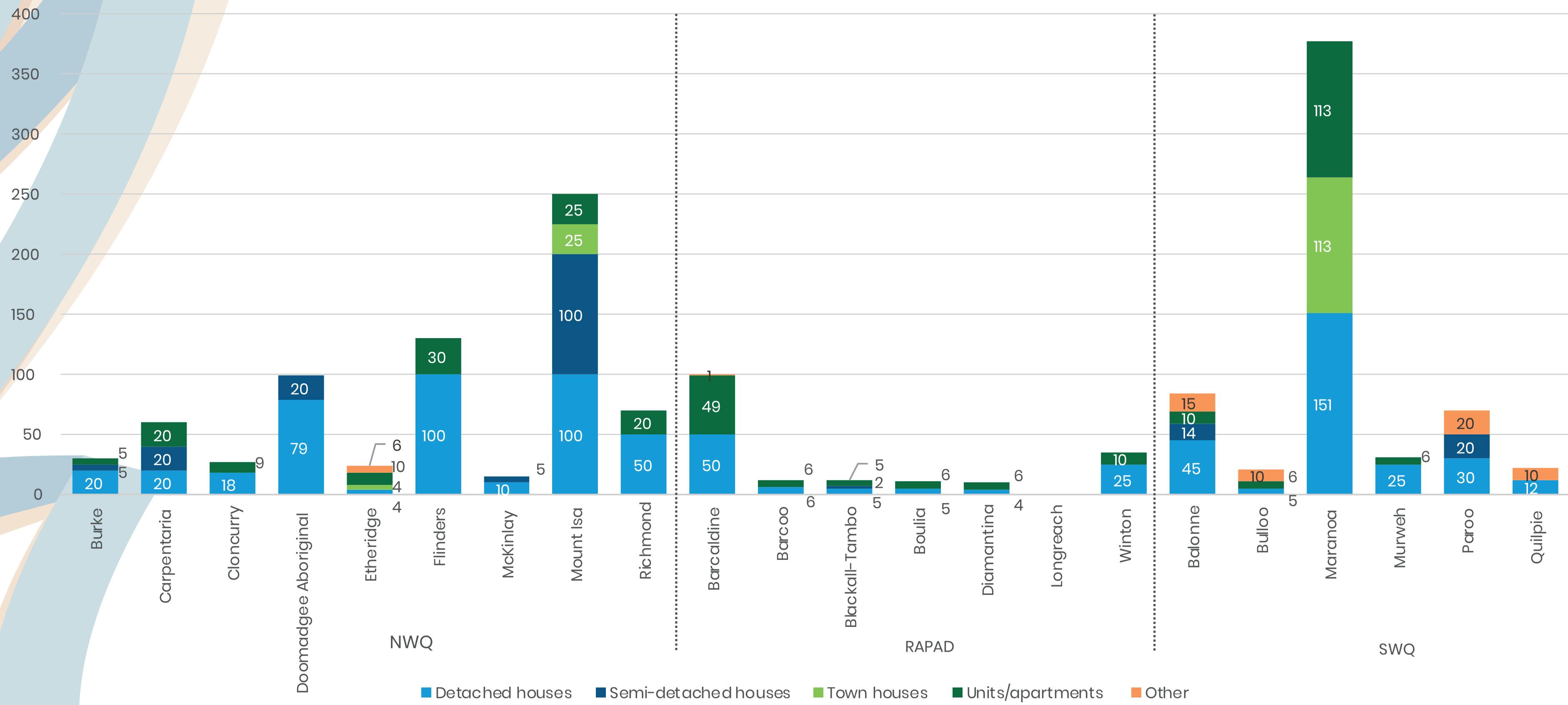


Blocks in the pipeline – ready for market in the next 3 years, by ROC



Q4. What mix of new residential housing do you think your overall community will need over the next 3 years? Please list the number of each type of dwelling.

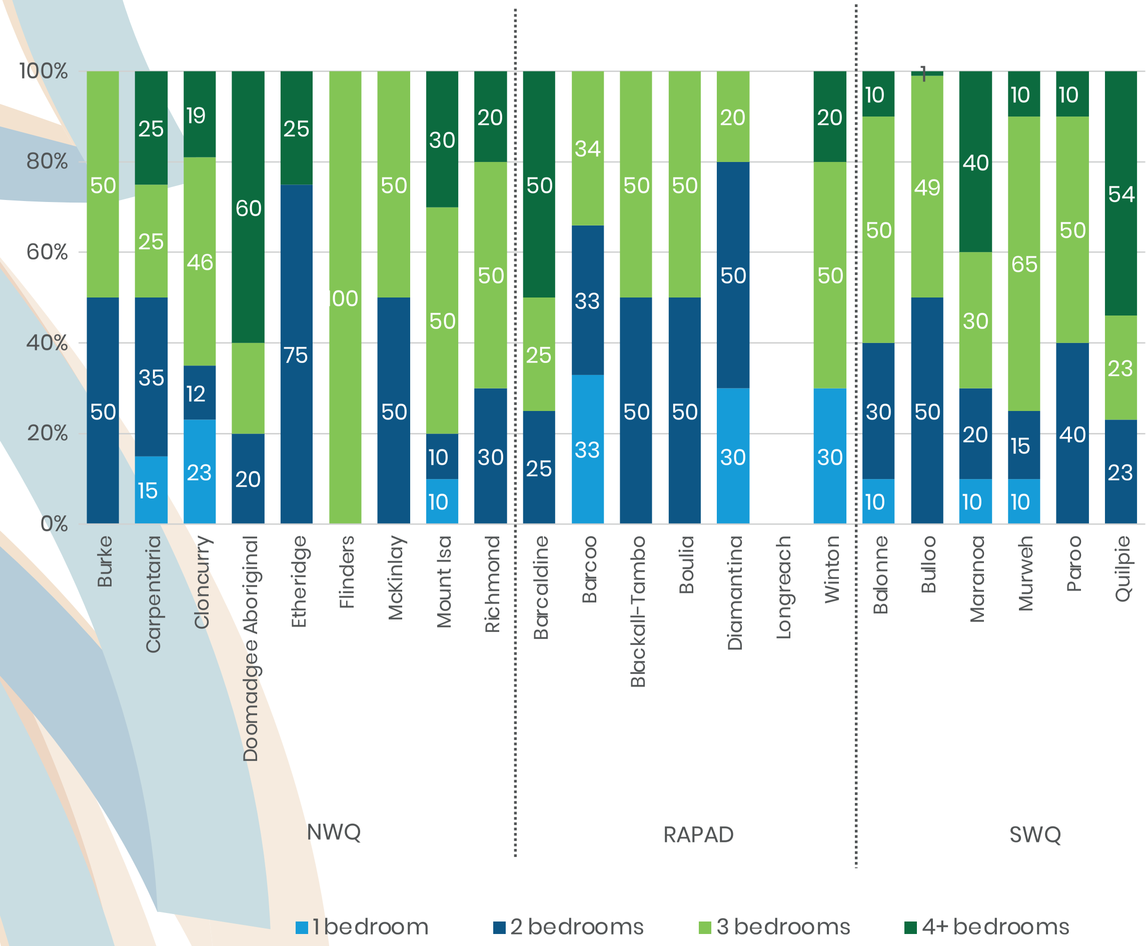
Community demand for **new housing** - , by dwelling type



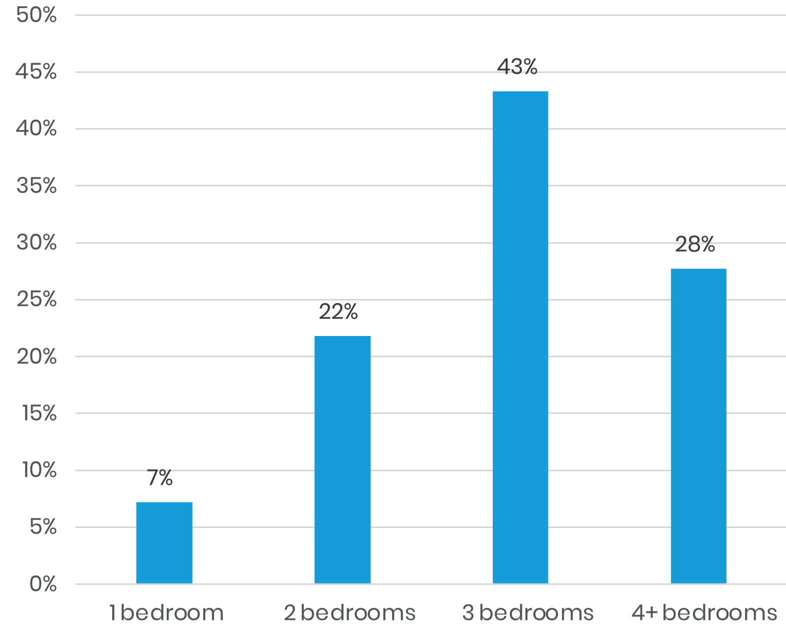
In response to Q5: If you listed 'Other' dwellings above, please outline what these other dwellings are – Barcaldine stated **Cabins (1),** *Etheridge and Bulloo stated* **Independent living for the aged (6 and 10),** *and Paroo state* **Tiny Homes (20).**

Q6. We would like to know a bit more detail about the mix of this required new housing. Approximately what percentage of these required new dwellings should be 1,2,3 or 4+ bedrooms?

Community demand for **additional new housing** - distribution by number of bedrooms

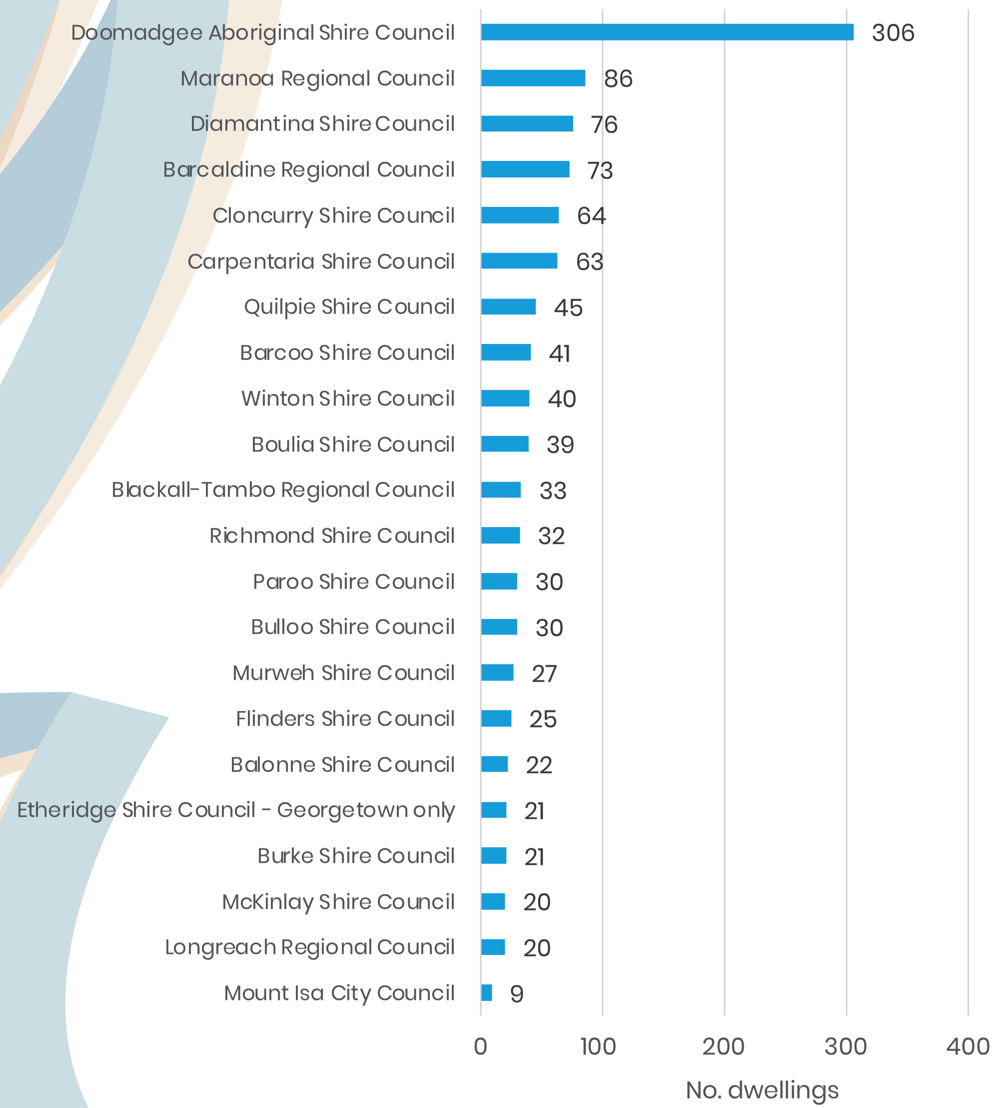


Community additional **new housing** demand - bedroom type distribution



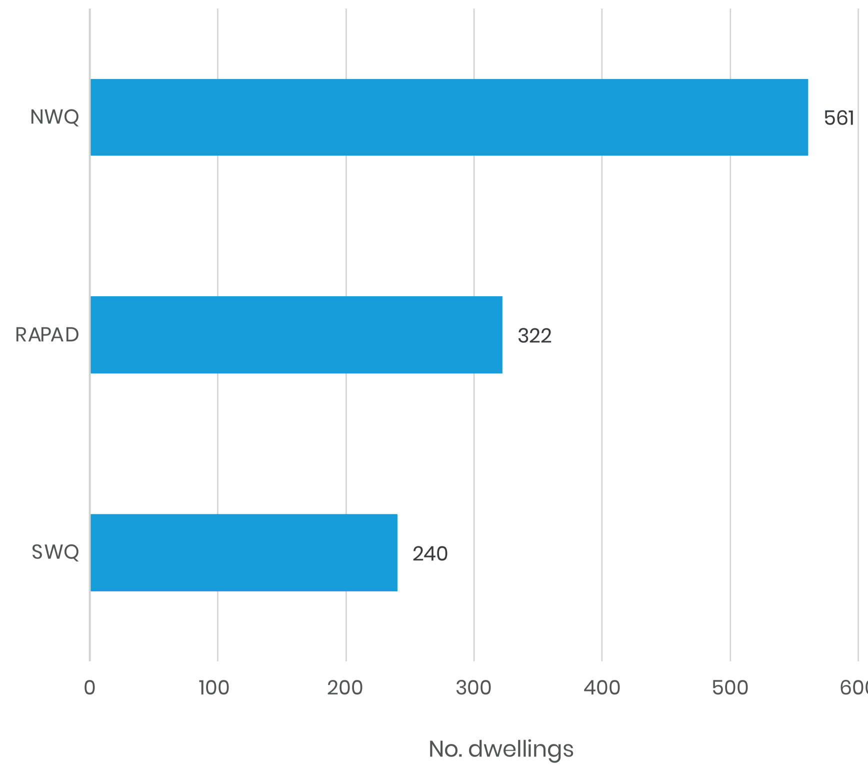
Q7. How many dwellings does your Council currently own?

Stock of **council** dwellings



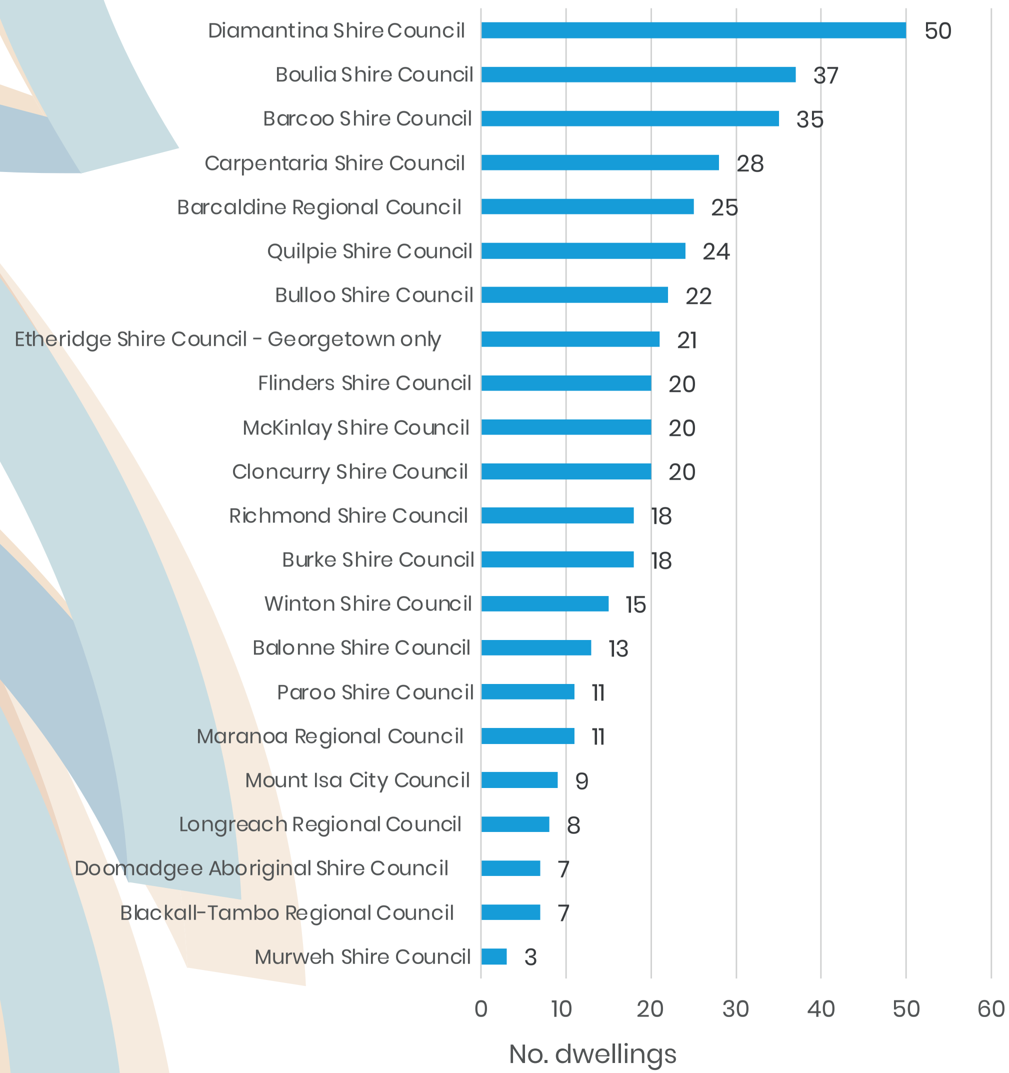
Estimated total council housing stock across Western Queensland: 1,123 dwellings

Stock of **council** dwellings, by ROC



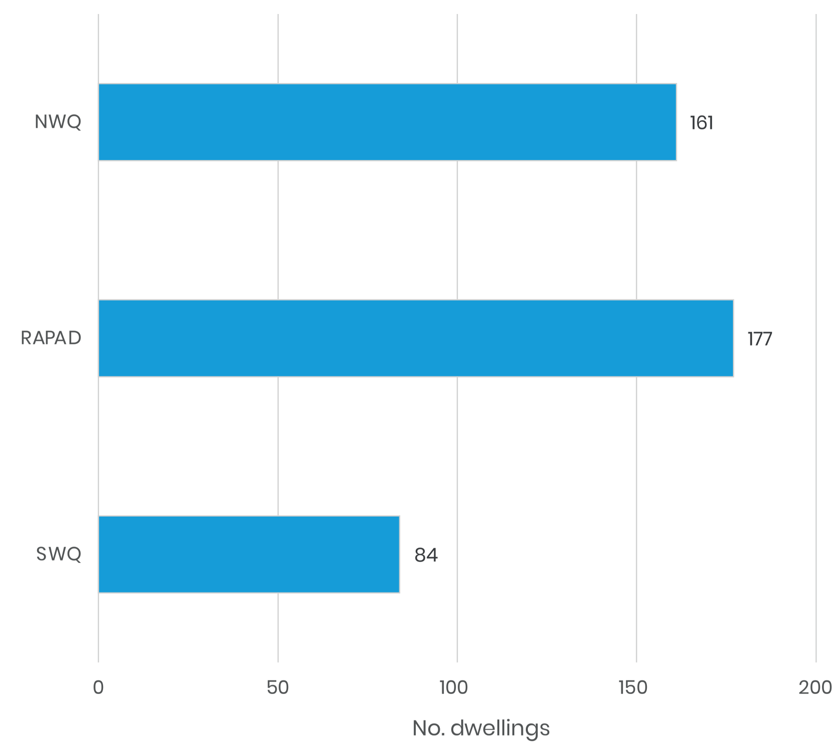
Q8. How many of these Council-owned dwellings are leased to staff or are part of their employment package?

Stock of council dwellings – **employee housing**,



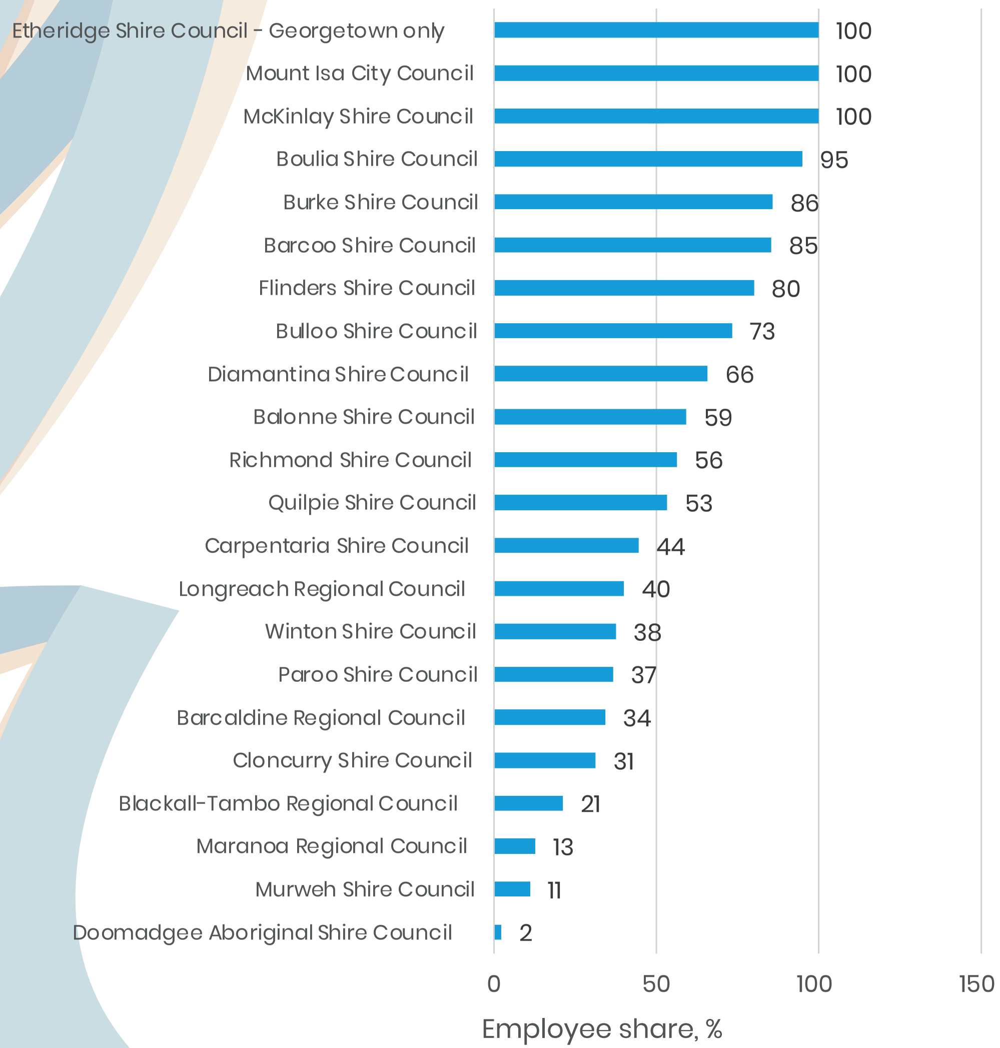
Estimated council employee housing stock across Western Queensland: 422 dwellings, or 38 per cent of total council housing stock

Stock of council dwellings – **employee housing**, by ROC

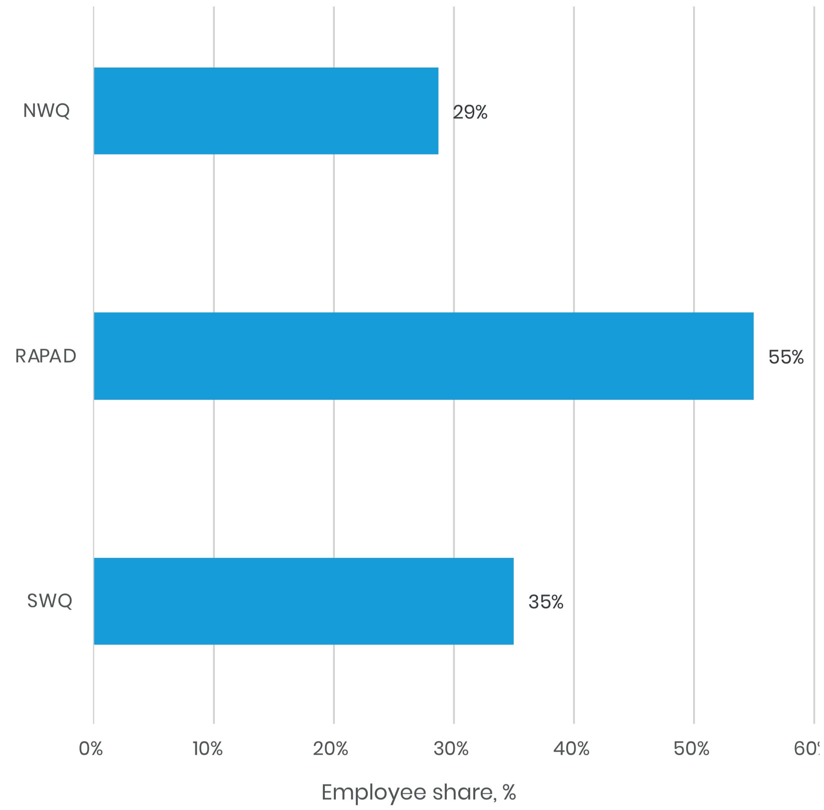


Q8. How many of these Council-owned dwellings are leased to staff or are part of their employment package? -*share of total Council housing stock*

Stock of council dwellings - **employee housing**, share of total council stock

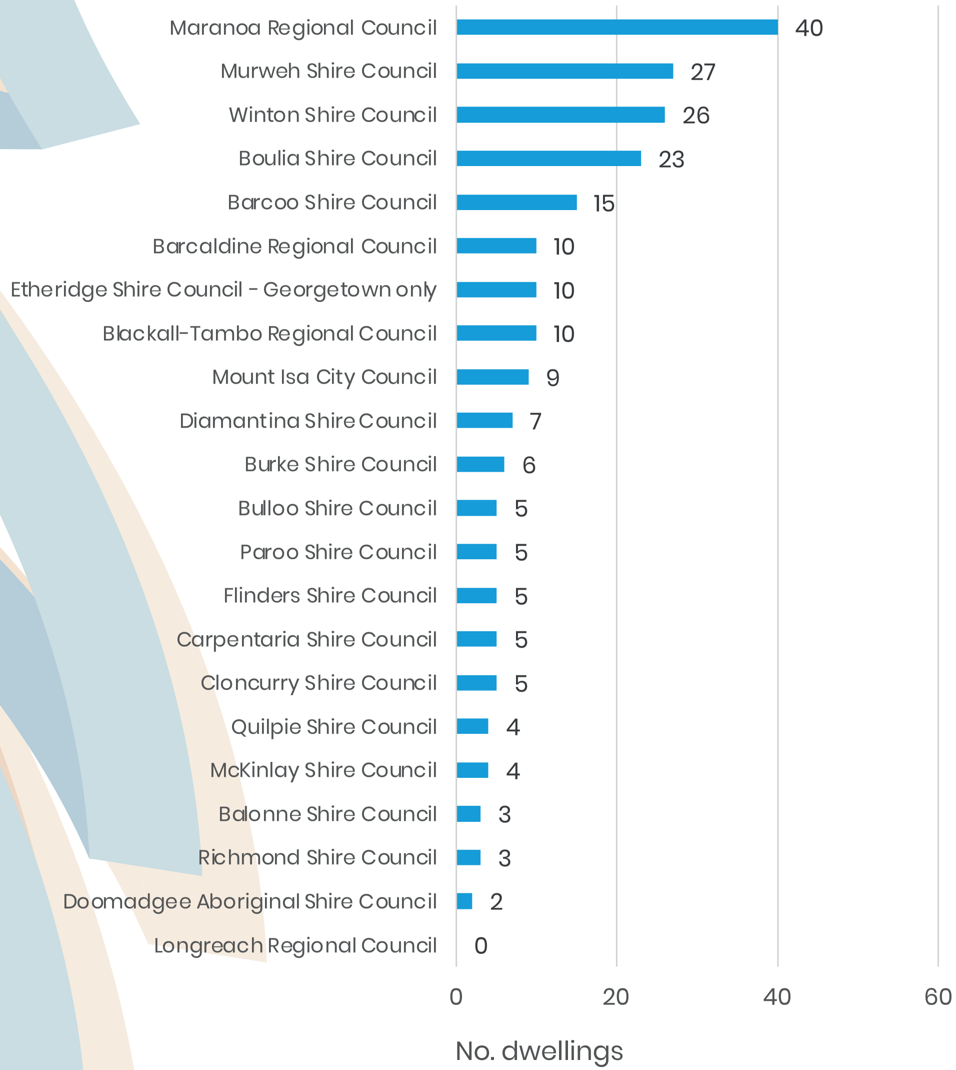


Stock of council dwellings - **employee housing**, share of total council stock, by ROC



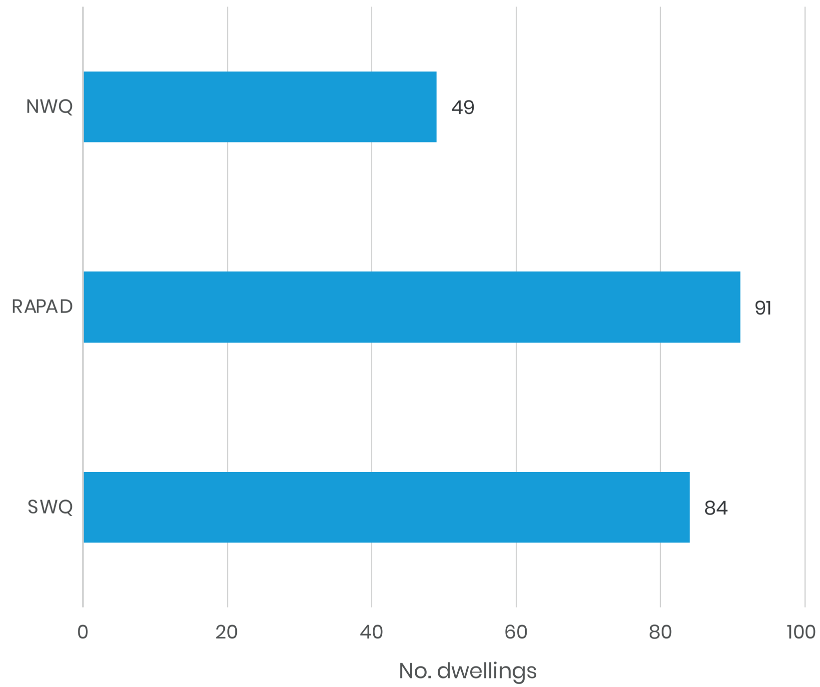
Q9. How many of the currently-owned Council dwellings are due for a major renovation or rebuild?

Council demand for **major renovations** or **rebuilds**



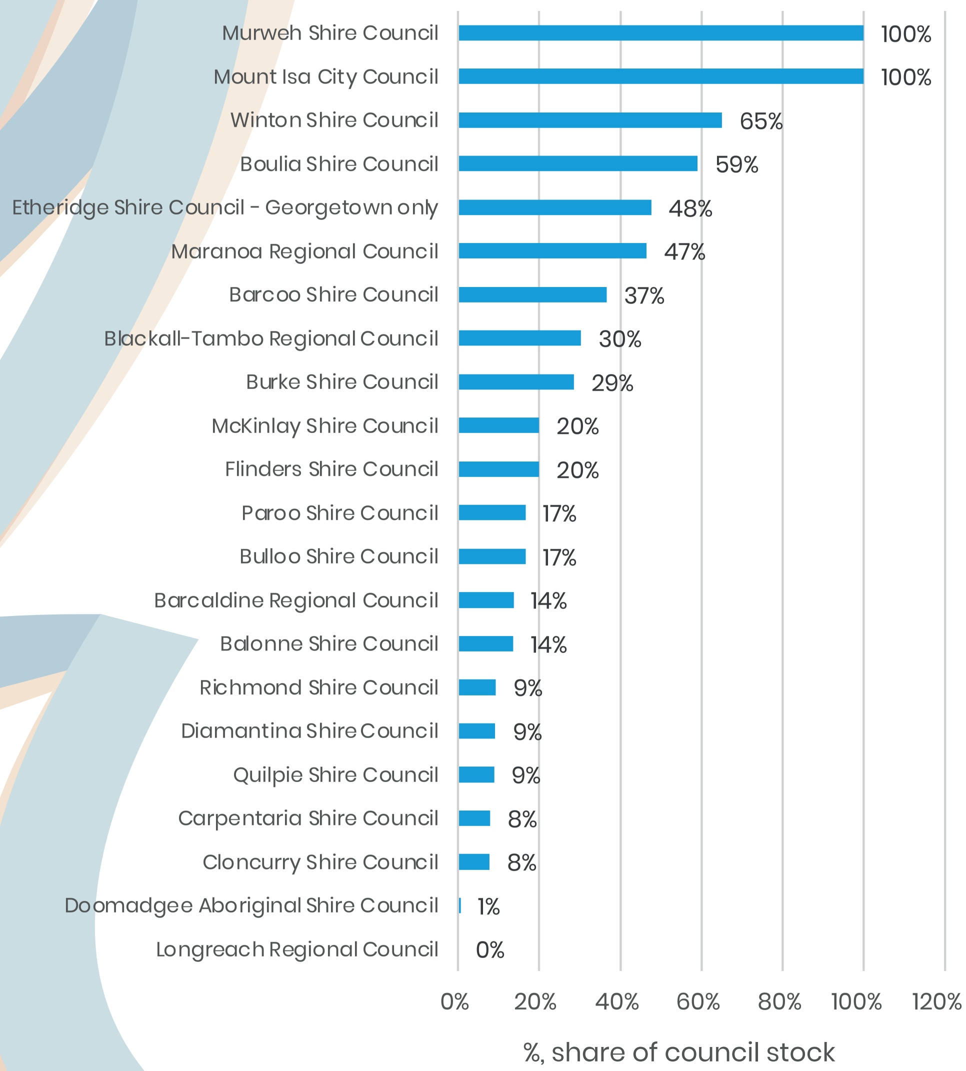
Estimated council demand for major housing upgrades across Western Queensland: 224 dwellings, or 20 per cent of total council housing stock

Council demand for **major renovations** or **rebuilds**, by ROC

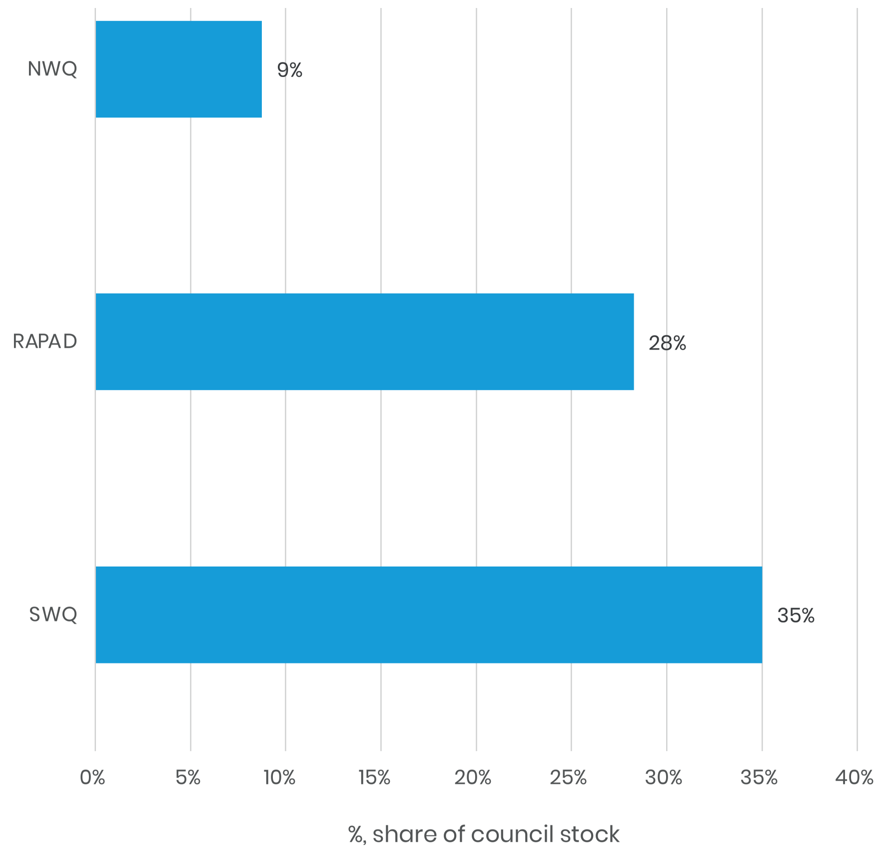


Q9. How many of the currently-owned Council dwellings are due for a major renovation or rebuild? - share of Council dwelling stock

Council demand for **major renovations** or **rebuilds**, share of council dwelling stock

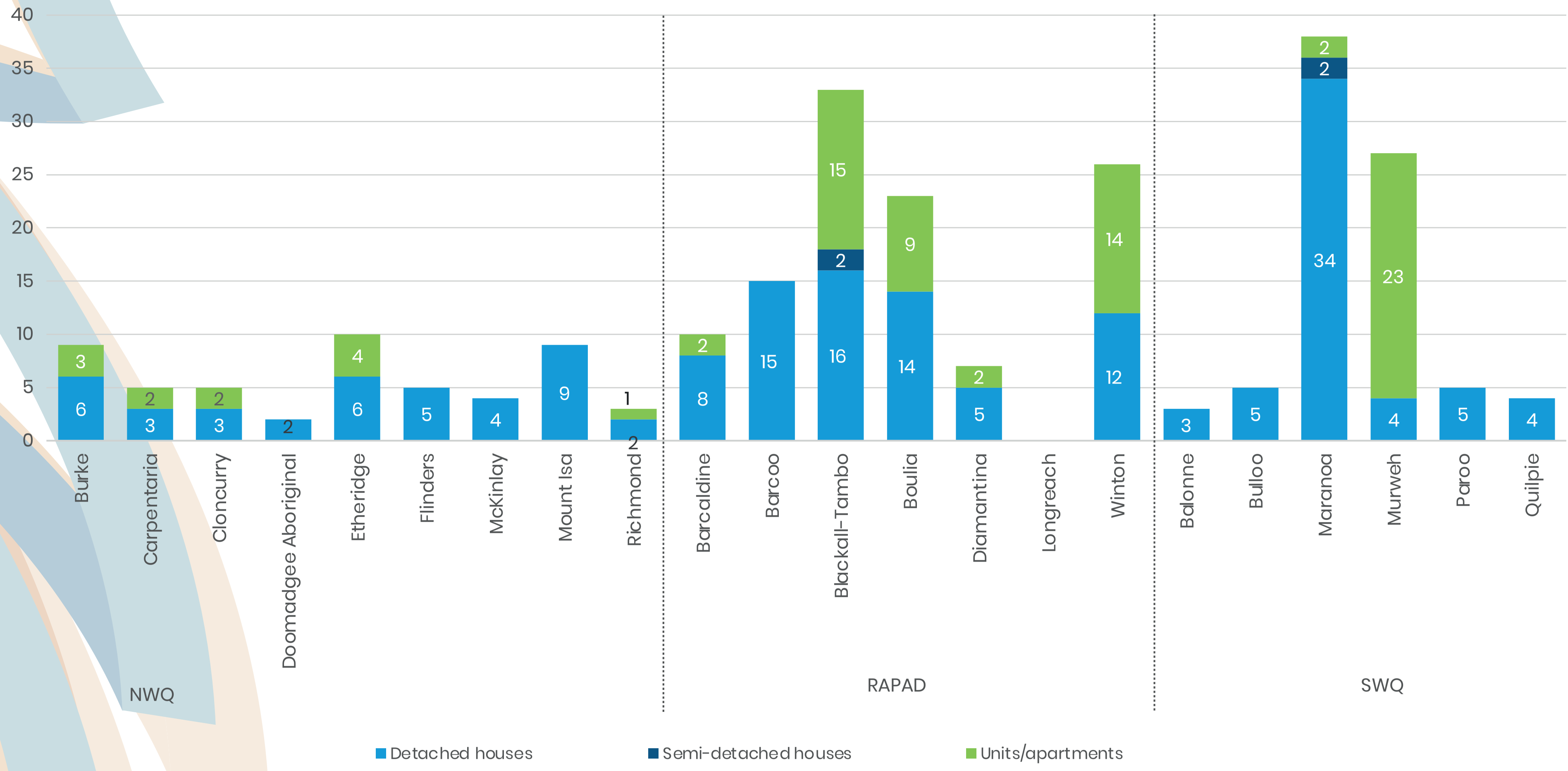


Council demand for **major renovations** or **rebuilds**, share of council dwelling stock, by ROC



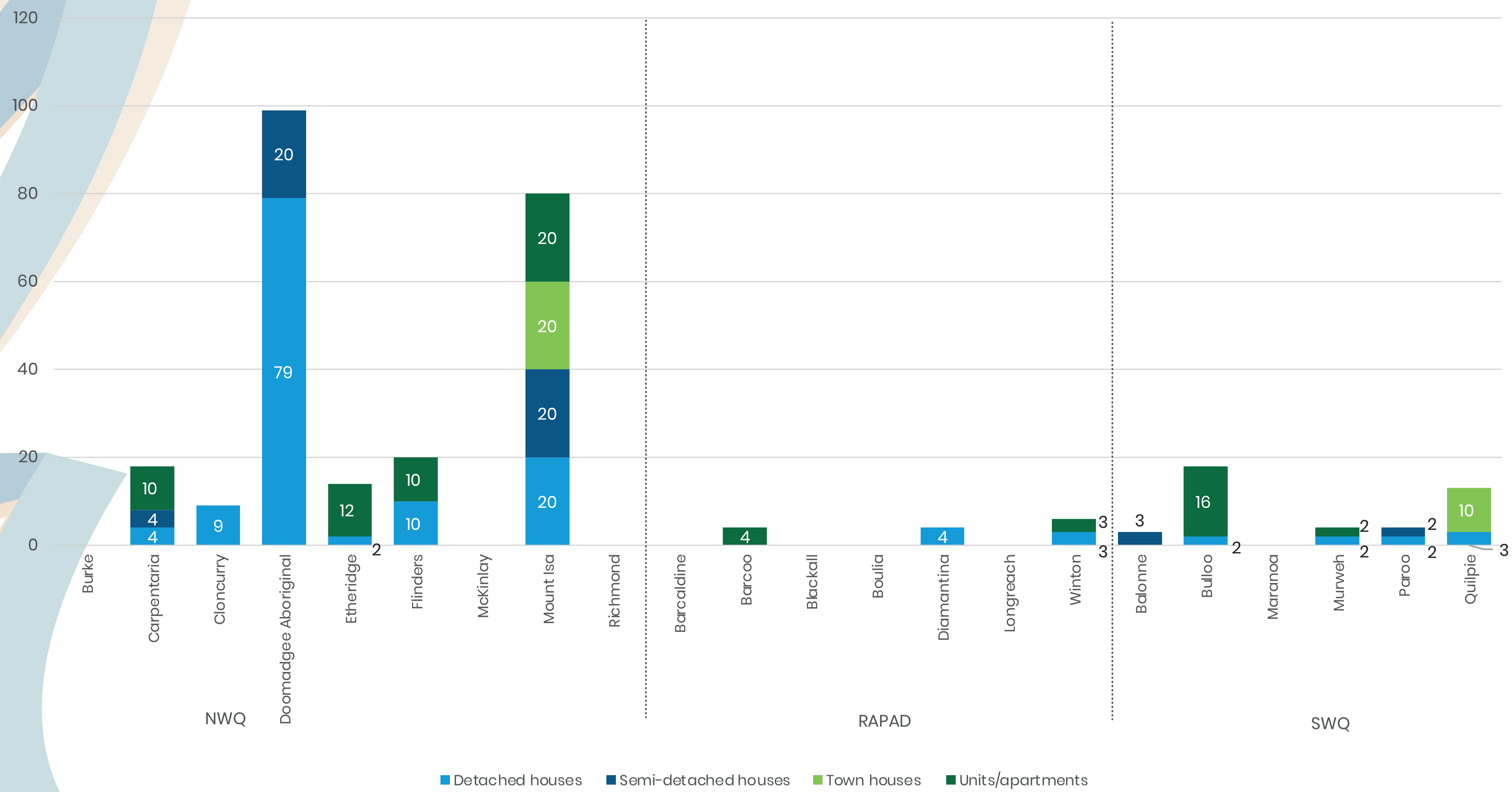
Q10. Please list the number of each type of dwelling that is due for major renovation or rebuild.

Council demand for **major renovations** or **rebuilds** by dwelling stock



Q11. Are you considering adding to your current stock of Council housing? Please state the number of dwellings.

Council demand for **new housing** by dwelling type

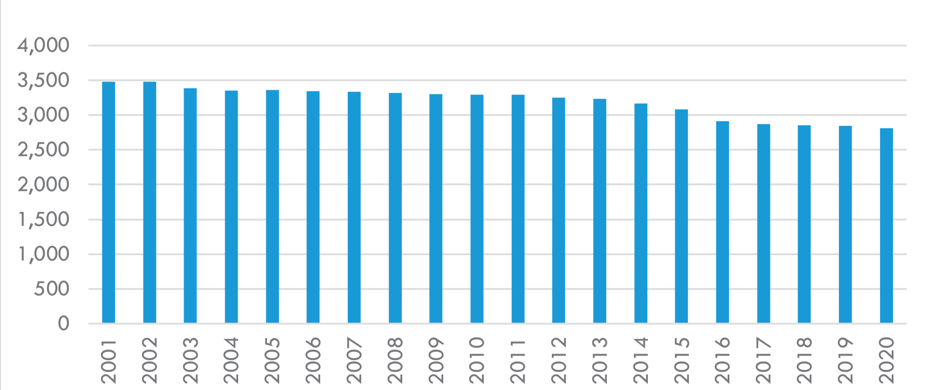


APPENDIX 5 - Chart Pack Part B – Local Housing Metrics

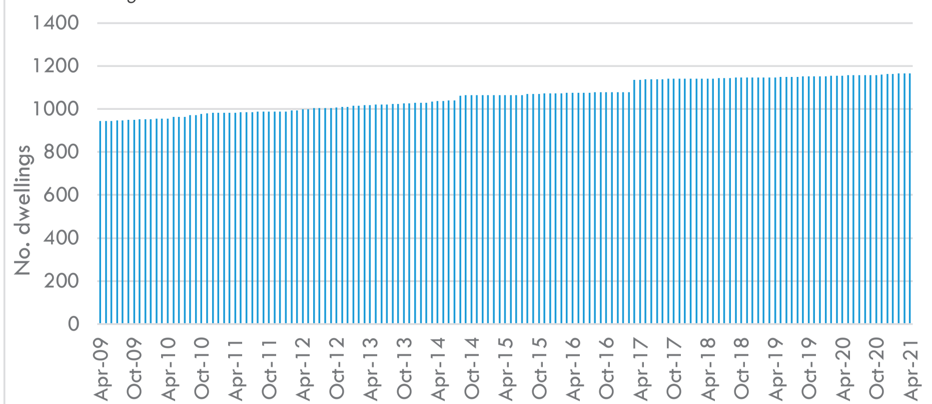
CENTRAL WEST REEGION

Barcaldine Regional Council

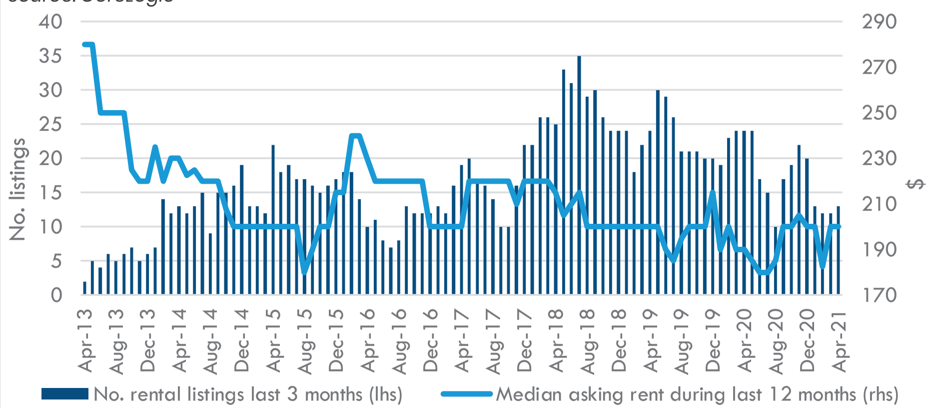
Estimated resident population - Barcaldine Regional Council
Source: ABS



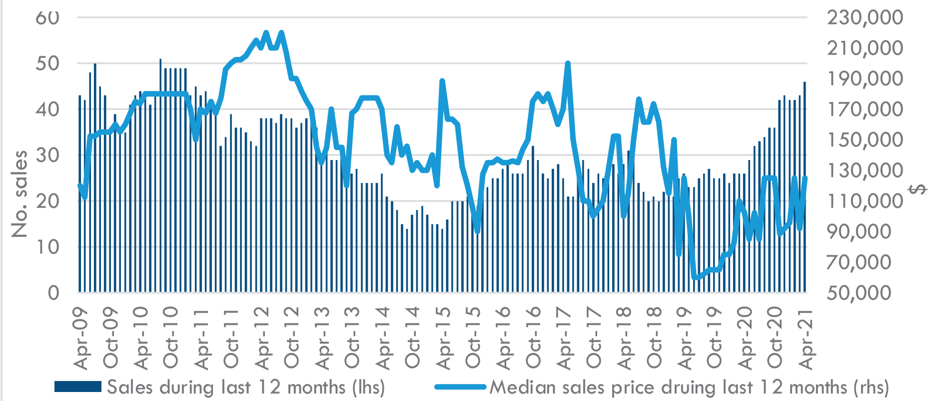
Barcaldine Regional Council - total stock of dwellings
Source: CoreLogic

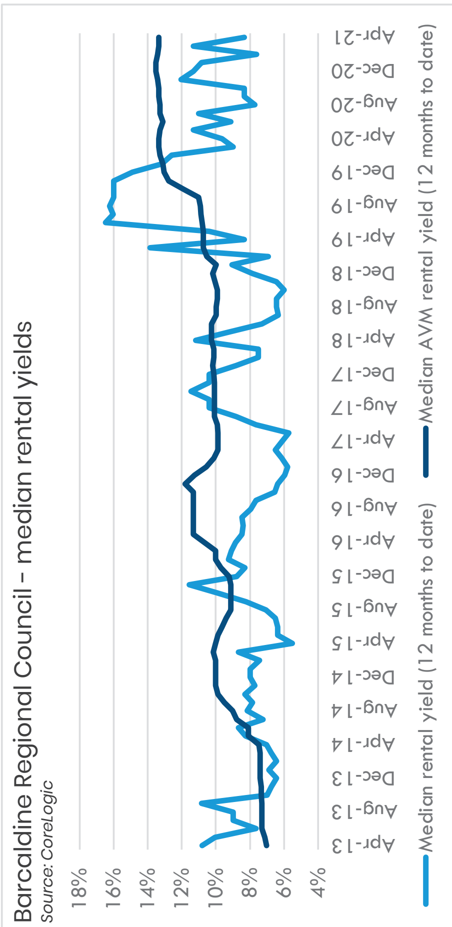


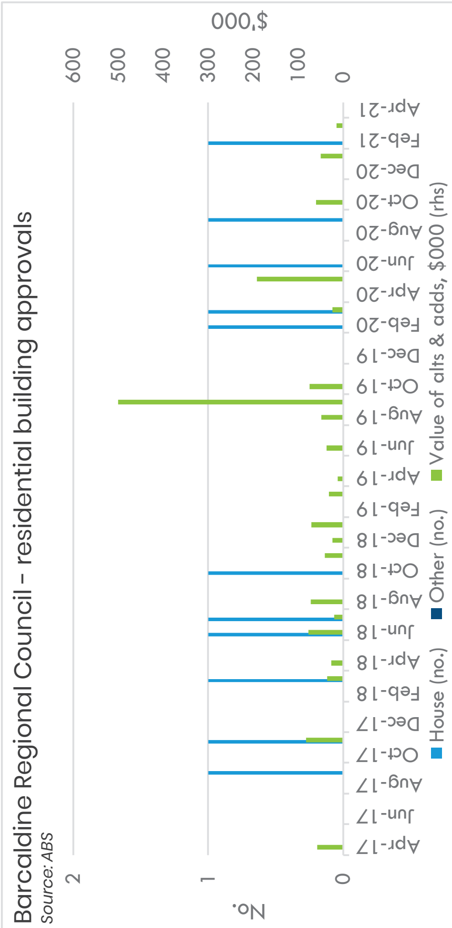
Barcaldine Regional Council - rental listings and median asking rents
Source: CoreLogic



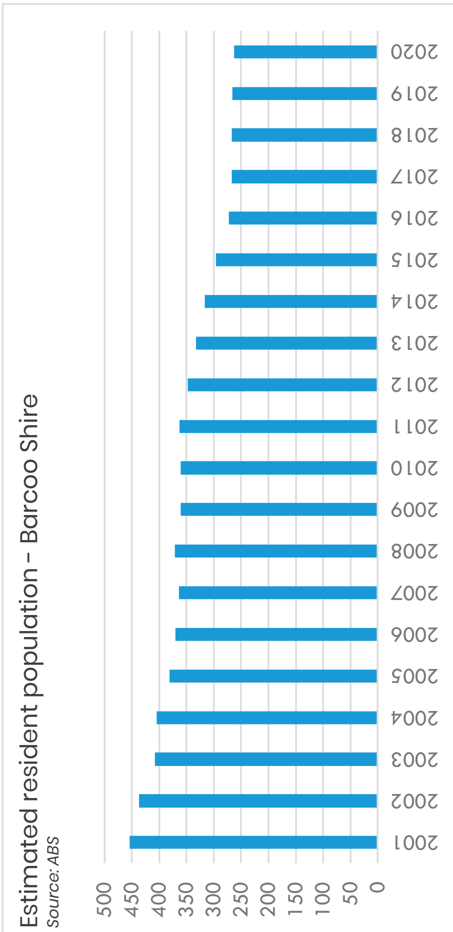
Barcaldine Regional Council - housing sales media prices
Source: CoreLogic



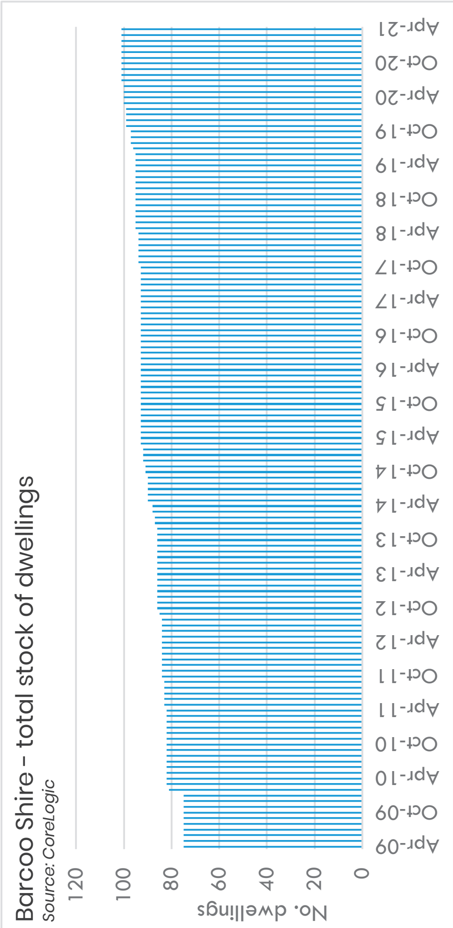

Barcaldine Regional Council – median rental yields
Source: CoreLogic
Median rental yield (12 months to date)
Median AVM rental yield (12 months to date)


Barcaldine Regional Council – residential building approvals
Source: ABS
No.
$'000
House (no.)
Other (no.)
Value of alts & adds, $000 (rhs)

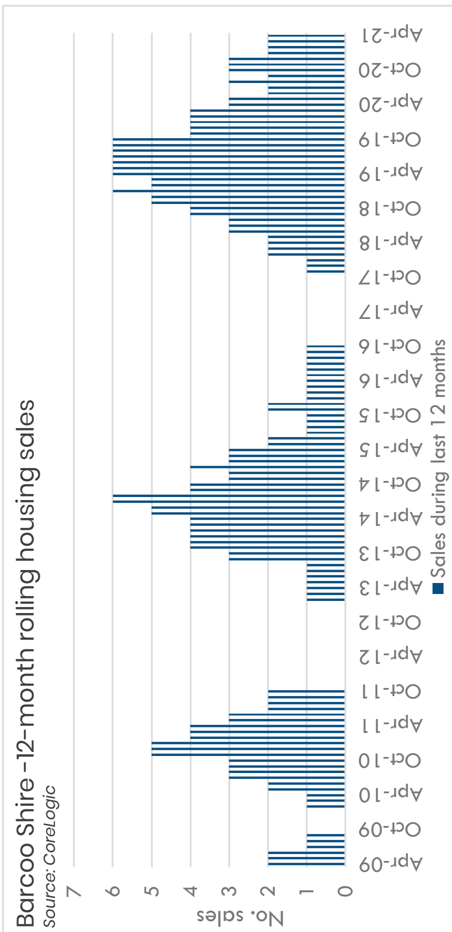
Barcoo Shire



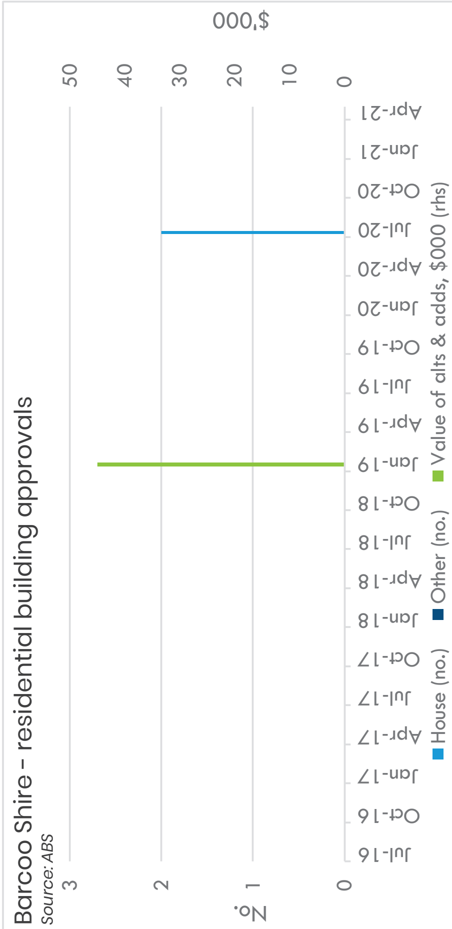
Estimated resident population – Barcoo Shire
Source: ABS



Barcoo Shire – total stock of dwellings
Source: CoreLogic



Barcoo Shire –12-month rolling housing sales
Source: CoreLogic

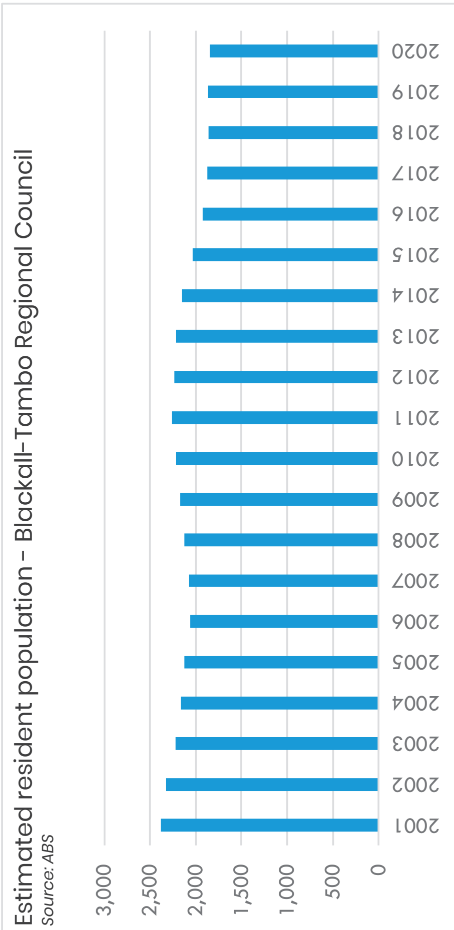


Barcoo Shire – residential building approvals
Source: ABS

Blackall-Tambo Regional Council

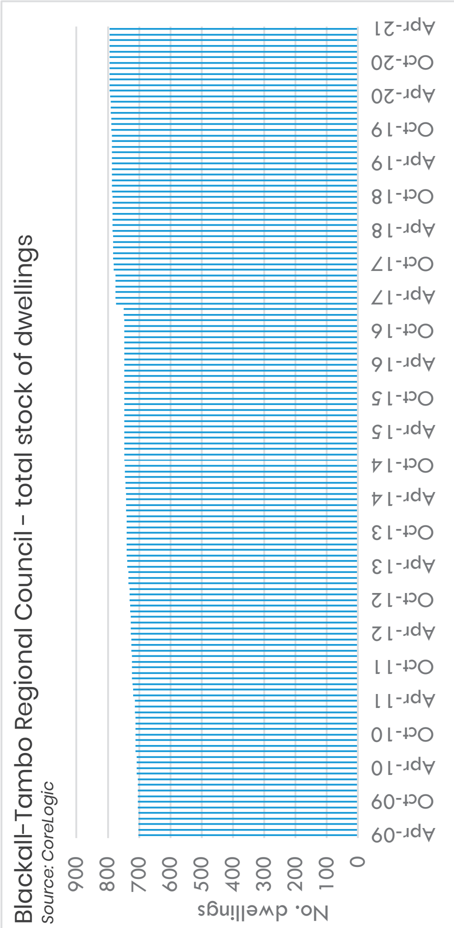
Estimated resident population - Blackall-Tambo Regional Council

Source: ABS



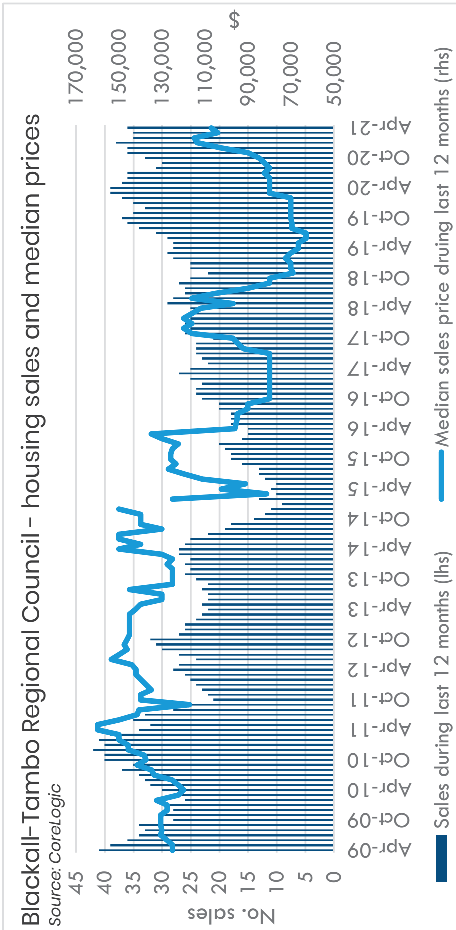
Blackall-Tambo Regional Council - total stock of dwellings

Source: CoreLogic



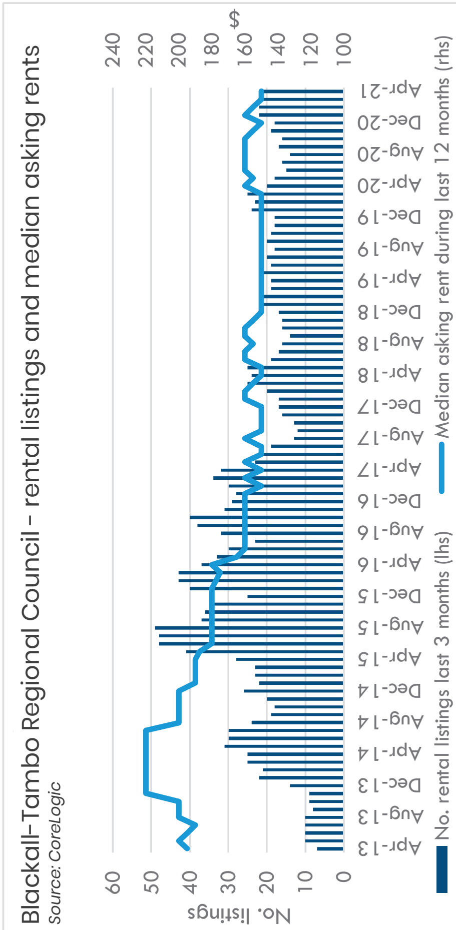
Blackall-Tambo Regional Council - housing sales and median prices

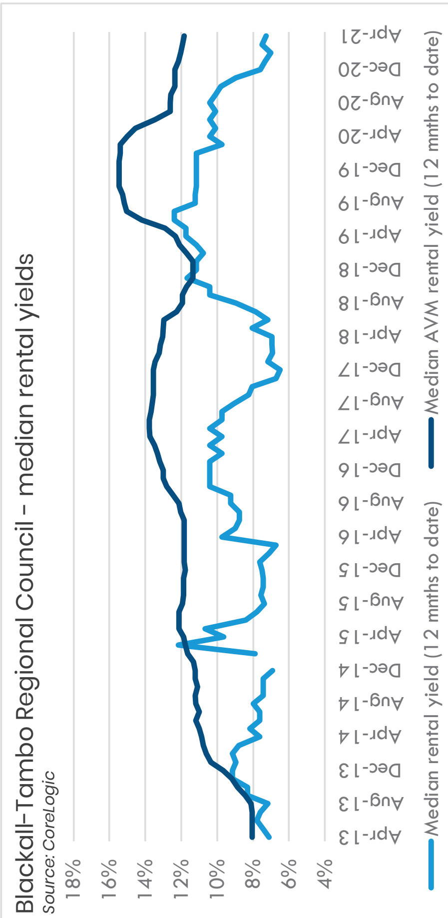
Source: CoreLogic

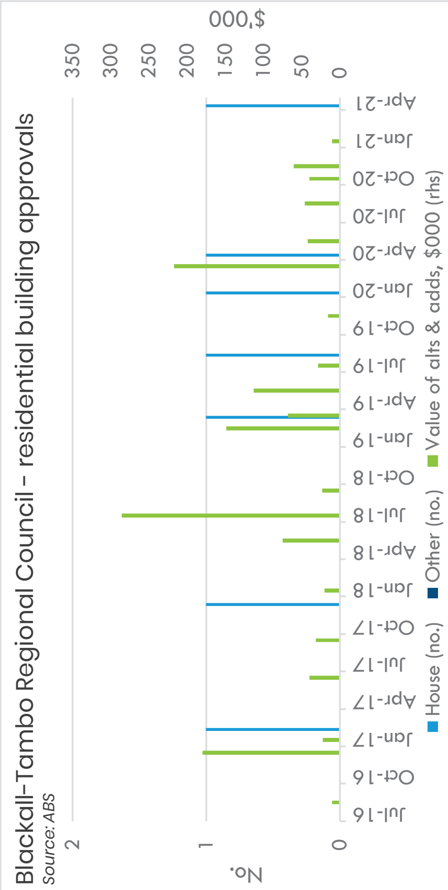


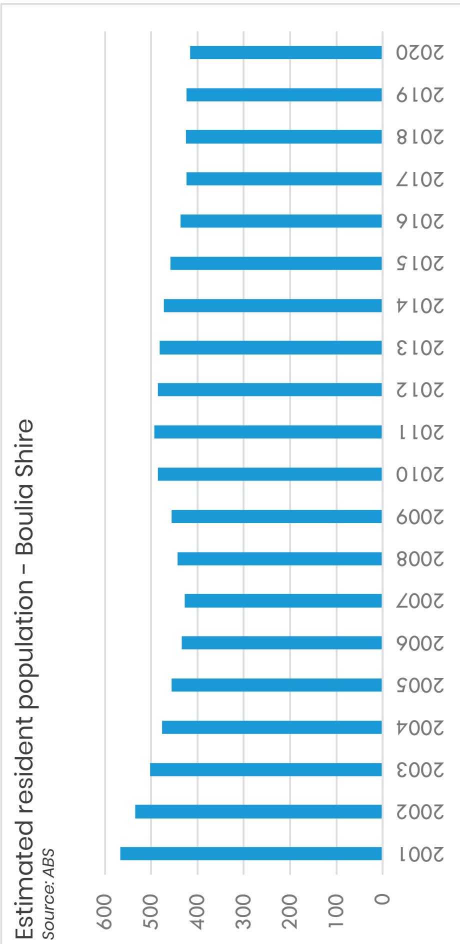
Blackall-Tambo Regional Council - rental listings and median asking rents

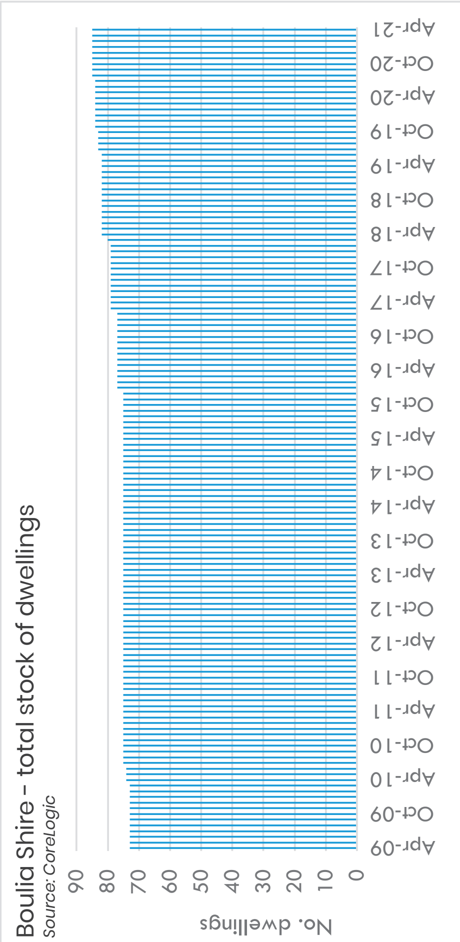
Source: CoreLogic

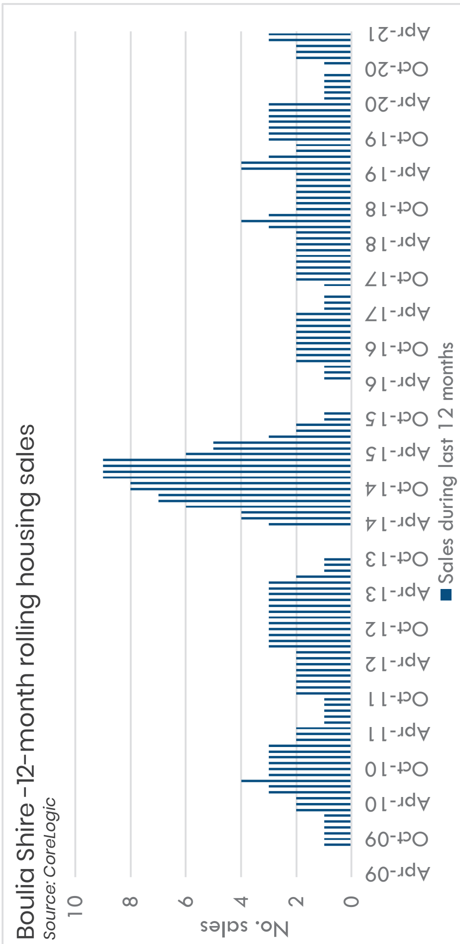


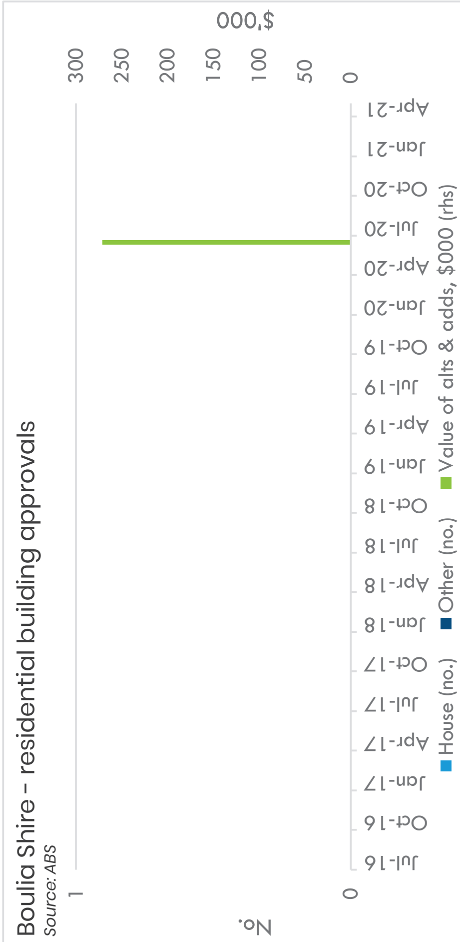

Blackall-Tambo Regional Council – median rental yields
Source: CoreLogic
18%
16%
14%
12%
10%
8%
6%
4%
Apr-13
Aug-13
Dec-13
Apr-14
Aug-14
Dec-14
Apr-15
Aug-15
Dec-15
Apr-16
Aug-16
Dec-16
Apr-17
Aug-17
Dec-17
Apr-18
Aug-18
Dec-18
Apr-19
Aug-19
Dec-19
Apr-20
Aug-20
Dec-20
Apr-21
Median rental yield (12 mnths to date)
Median AVM rental yield (12 mnths to date)


Blackall-Tambo Regional Council – residential building approvals
Source: ABS
No.
2
1
0
$,000
350
300
250
200
150
100
50
0
Jul-16
Oct-16
Jan-17
Apr-17
Jul-17
Oct-17
Jan-18
Apr-18
Jul-18
Oct-18
Jan-19
Apr-19
Jul-19
Oct-19
Jan-20
Apr-20
Jul-20
Oct-20
Jan-21
Apr-21
House (no.)
Other (no.)
Value of alts & adds, $000 (rhs)


Estimated resident population - Boulia Shire
Source: ABS
600
500
400
300
200
100
0
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020


Boulia Shire – total stock of dwellings
Source: CoreLogic
No. dwellings
90
80
70
60
50
40
30
20
10
0
Apr-09
Oct-09
Apr-10
Oct-10
Apr-11
Oct-11
Apr-12
Oct-12
Apr-13
Oct-13
Apr-14
Oct-14
Apr-15
Oct-15
Apr-16
Oct-16
Apr-17
Oct-17
Apr-18
Oct-18
Apr-19
Oct-19
Apr-20
Oct-20
Apr-21

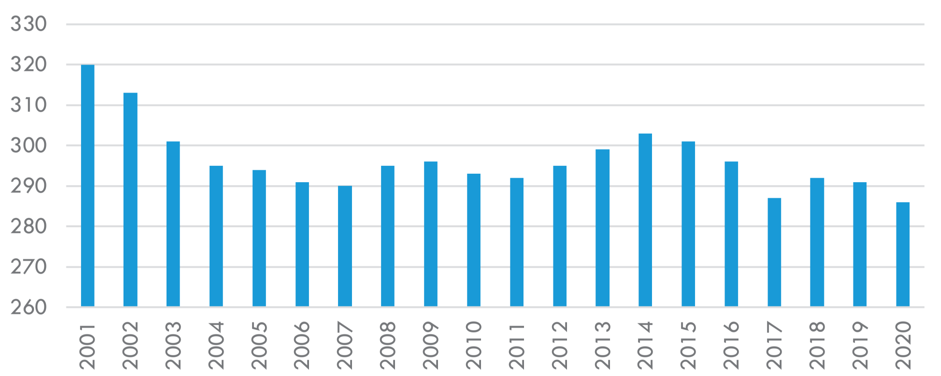

Boulia Shire –12-month rolling housing sales
Source: CoreLogic
No. sales
10
8
6
4
2
0
Apr-09
Oct-09
Apr-10
Oct-10
Apr-11
Oct-11
Apr-12
Oct-12
Apr-13
Oct-13
Apr-14
Oct-14
Apr-15
Oct-15
Apr-16
Oct-16
Apr-17
Oct-17
Apr-18
Oct-18
Apr-19
Oct-19
Apr-20
Oct-20
Apr-21
Sales during last 12 months


Boulia Shire – residential building approvals
Source: ABS
No.
1
0
$'000
300
250
200
150
100
50
0
Jul-16
Oct-16
Jan-17
Apr-17
Jul-17
Oct-17
Jan-18
Apr-18
Jul-18
Oct-18
Jan-19
Apr-19
Jul-19
Oct-19
Jan-20
Apr-20
Jul-20
Oct-20
Jan-21
Apr-21
House (no.)
Other (no.)
Value of alts & adds, $000 (rhs)

Diamantina Shire

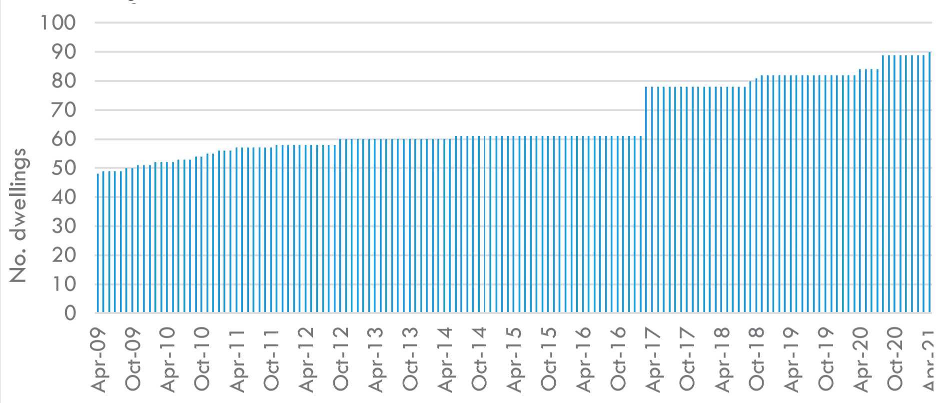
Estimated resident population - Diamantina Shire

Source: ABS



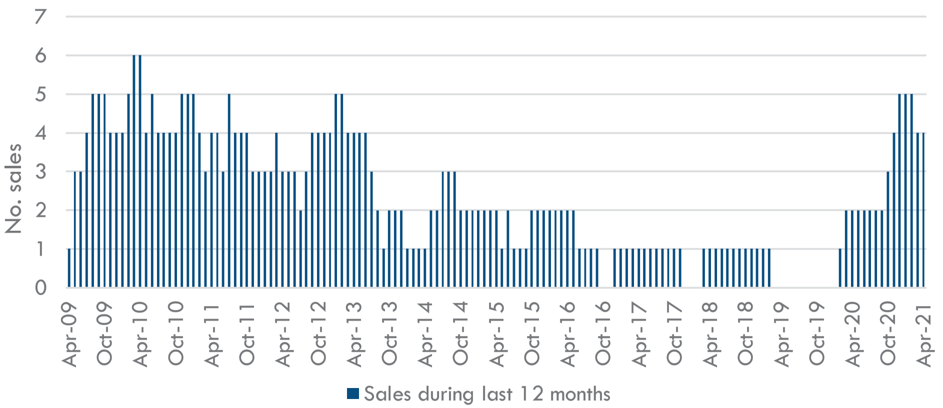
Diamantina Shire - total stock of dwellings

Source: CoreLogic



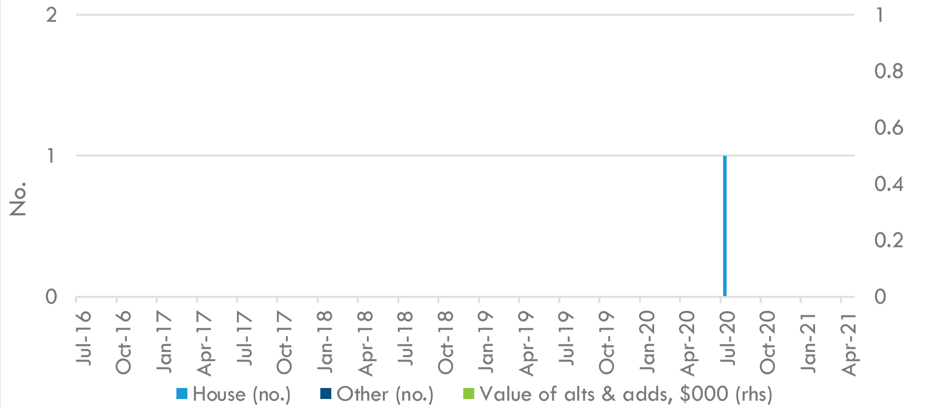
Diamantina Shire -12-month rolling housing sales

Source: CoreLogic



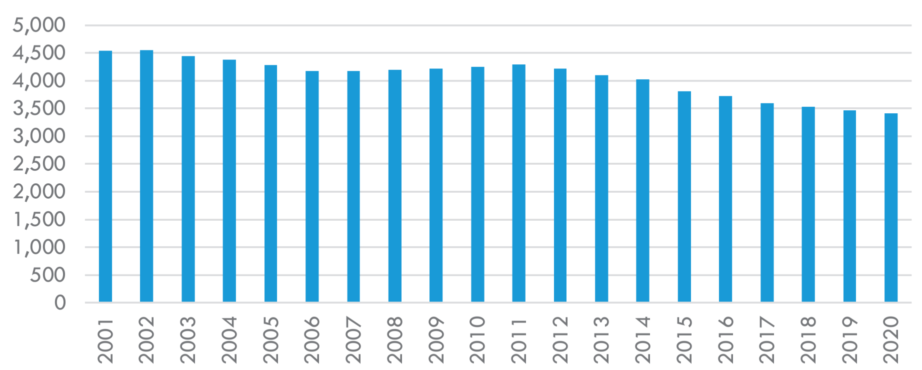
Diamantina Shire - residential building approvals

Source: ABS

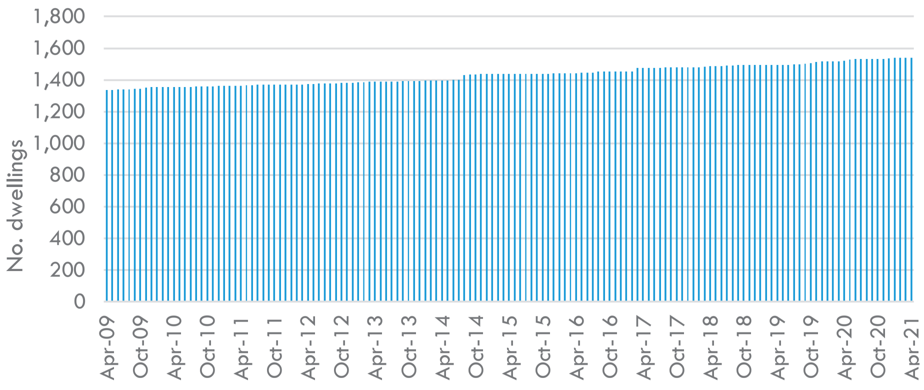


Longreach Regional Council

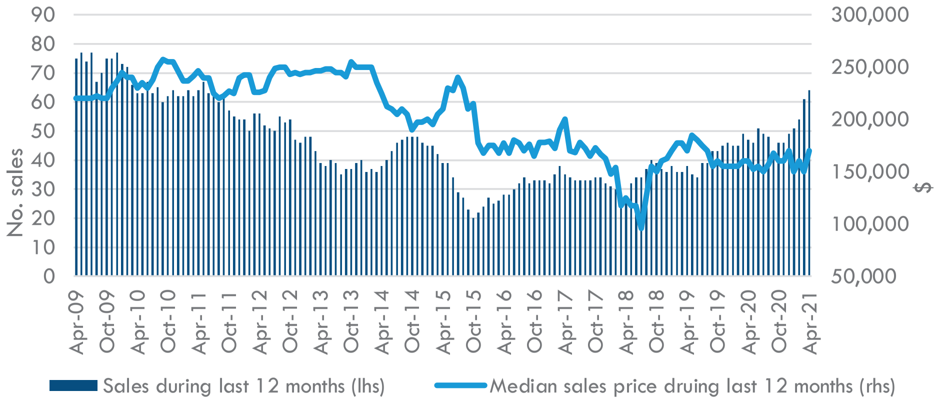
Estimated resident population - Longreach Regional Council
Source: ABS



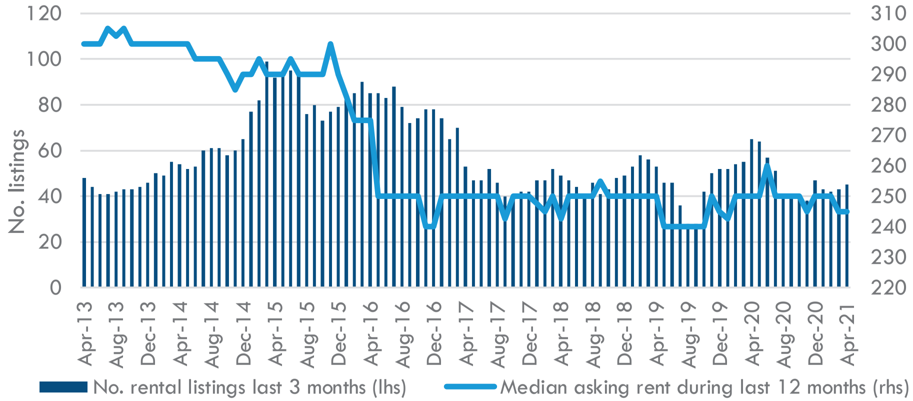
Longreach Regional Council - total stock of dwellings
Source: CoreLogic

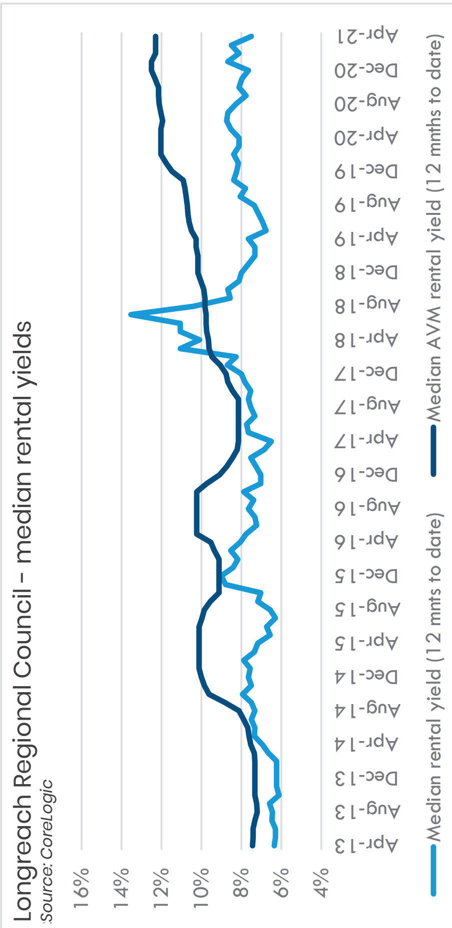


Longreach Regional Council - housing sales and median prices
Source: CoreLogic

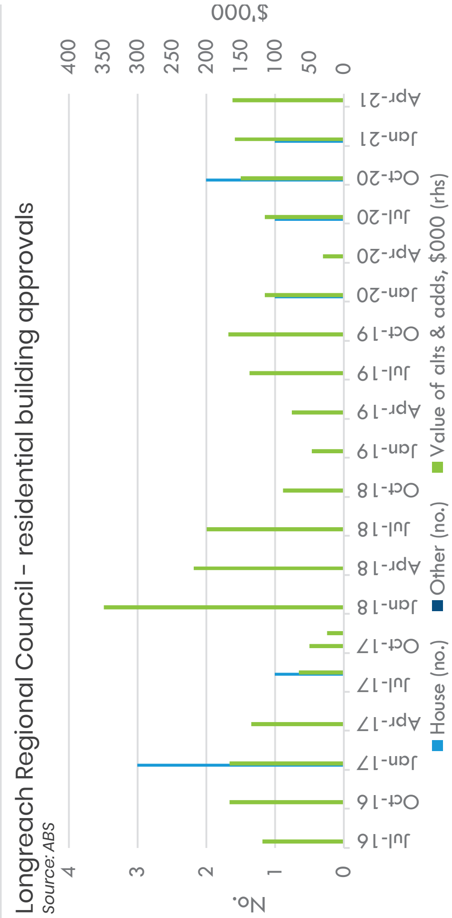


Longreach Regional Council - rental listings and median asking rents
Source: CoreLogic



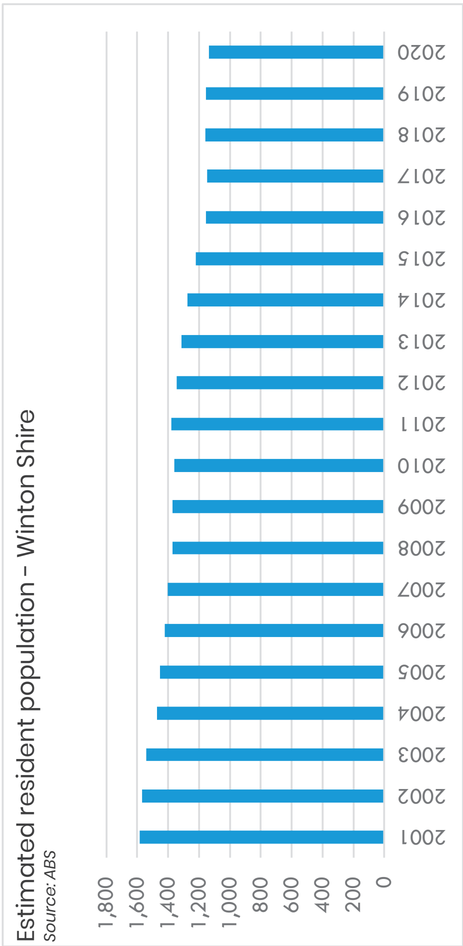


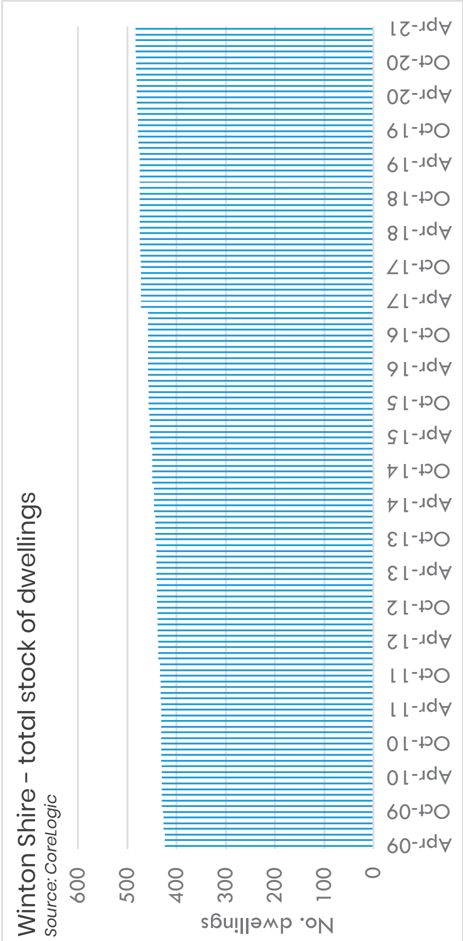
Longreach Regional Council - median rental yields

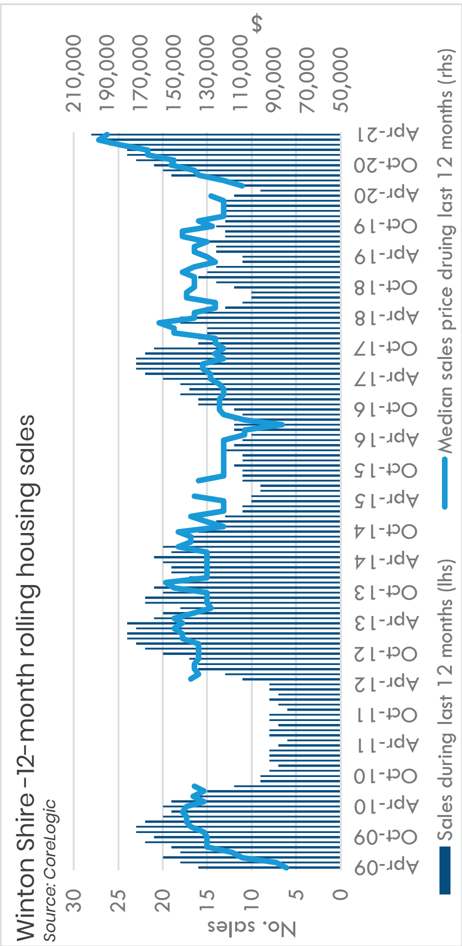


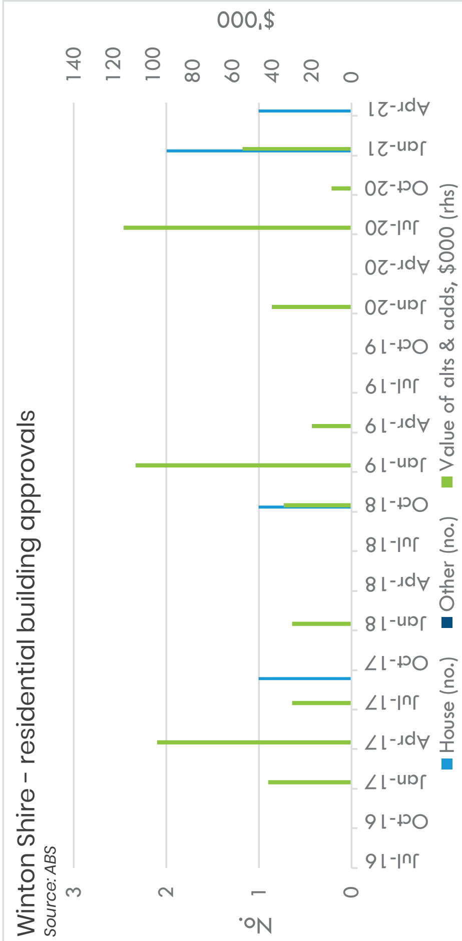
Longreach Regional Council - residential building approvals

Winton Shire


Estimated resident population - Winton Shire
Source: ABS

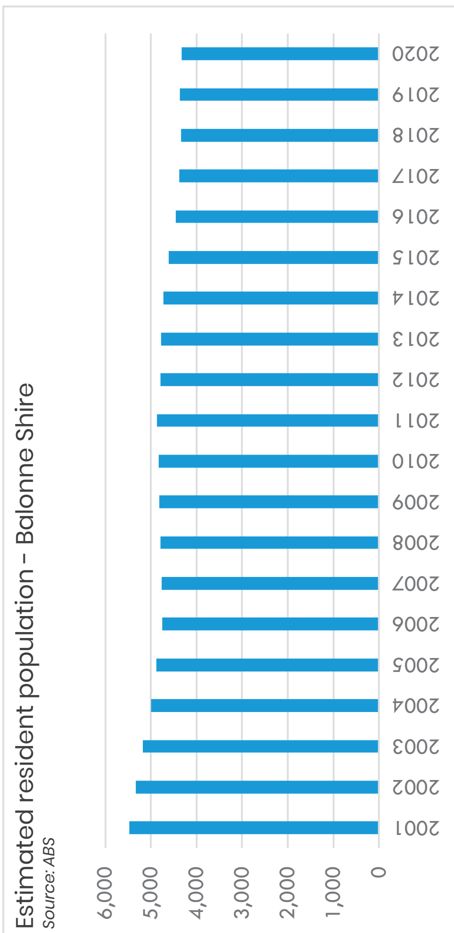

Winton Shire - total stock of dwellings
Source: CoreLogic

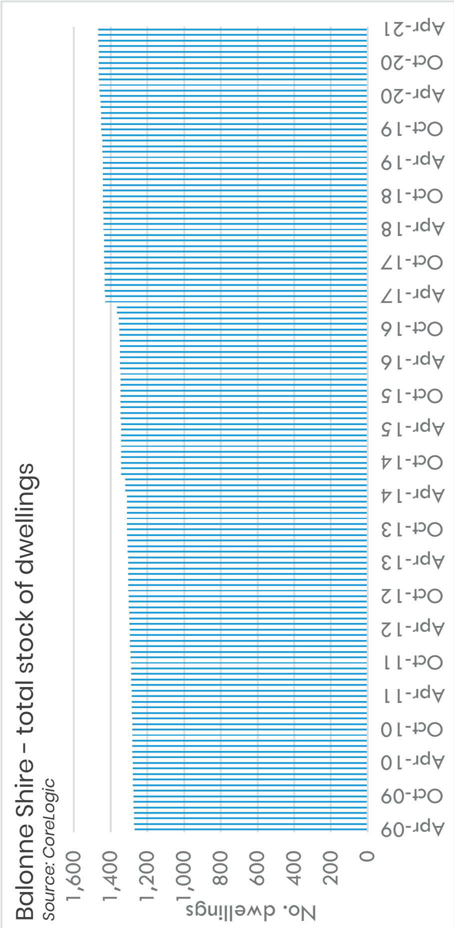

Winton Shire -12-month rolling housing sales
Source: CoreLogic

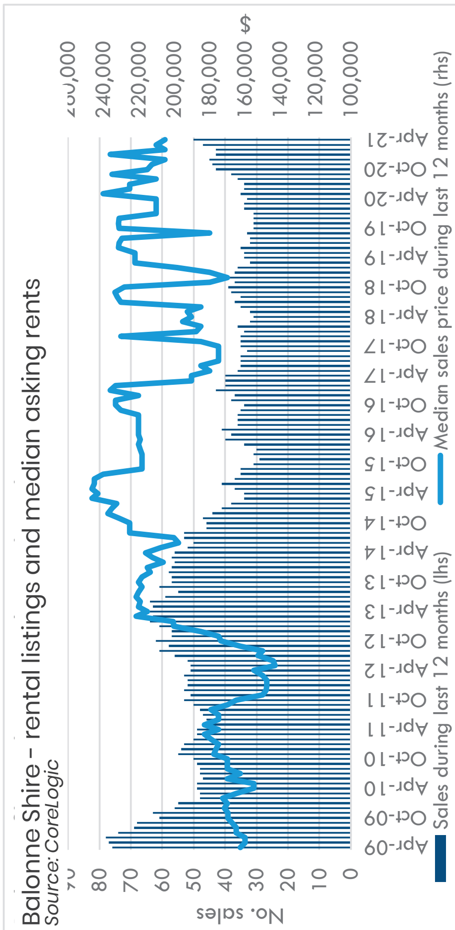

Winton Shire - residential building approvals
Source: ABS

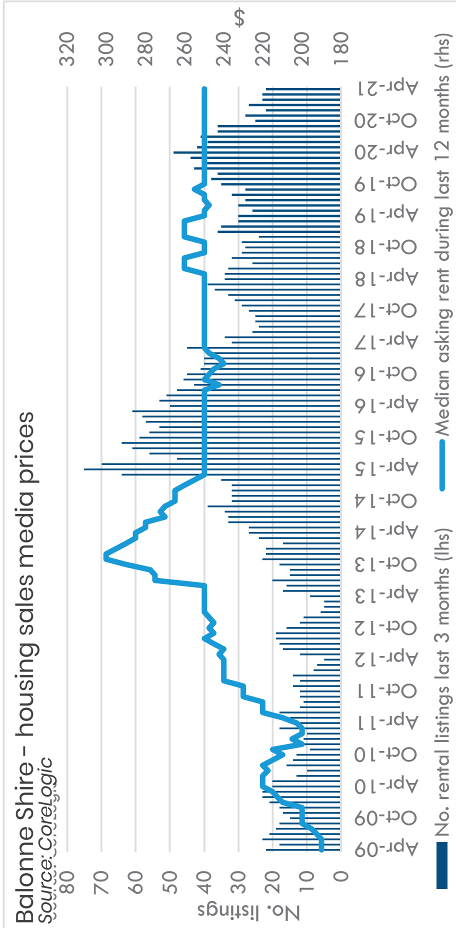
SOUTH WEST REGION

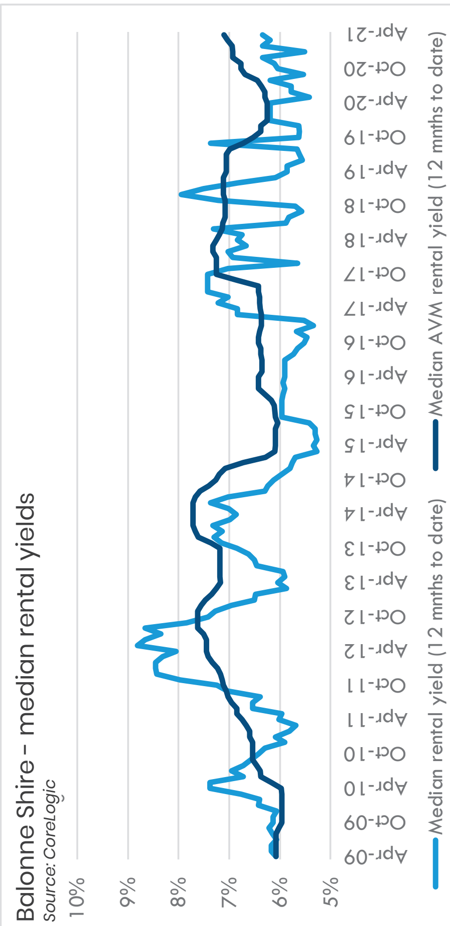
Balonne Shire

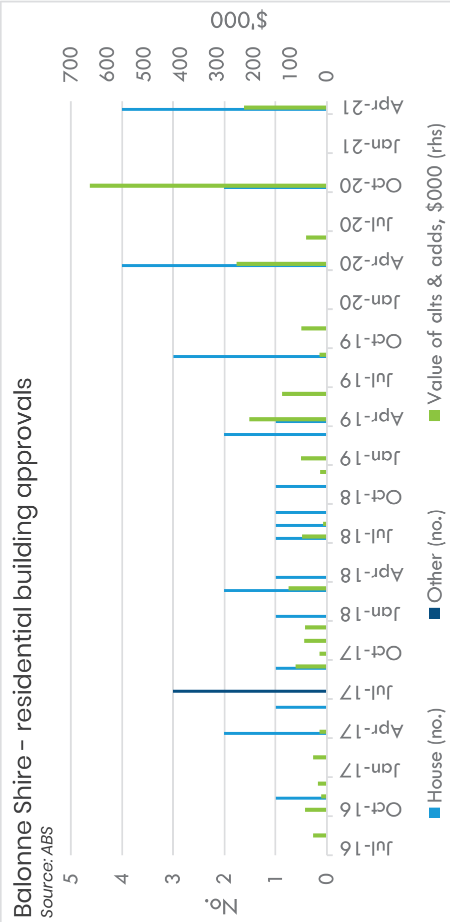




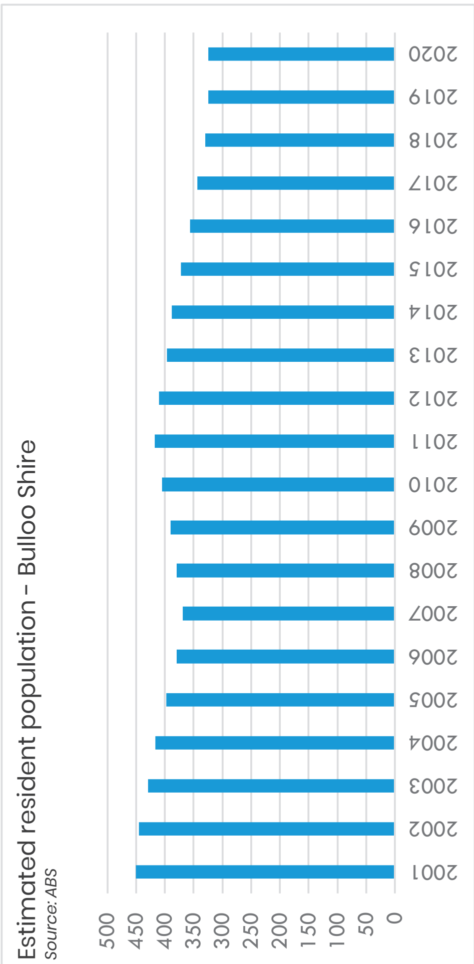




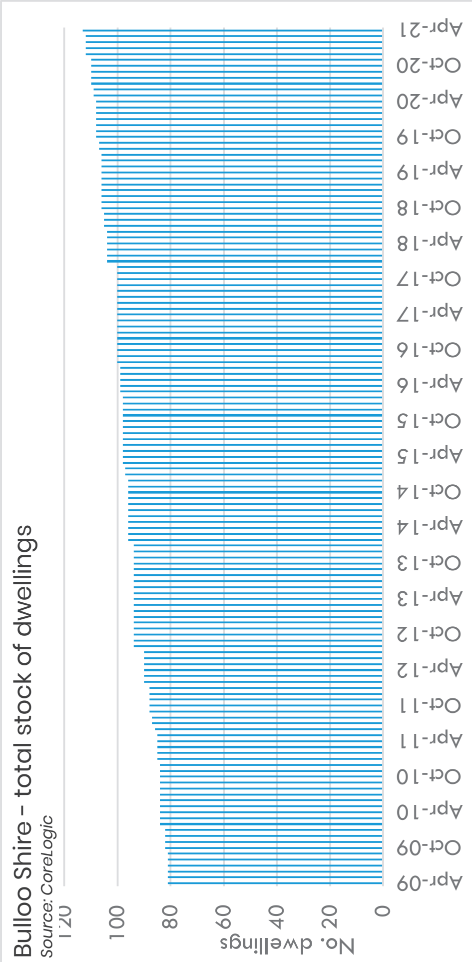

Balonne Shire – median rental yields
Source: CoreLogic
10%
9%
8%
7%
6%
5%
Apr-09
Oct-09
Apr-10
Oct-10
Apr-11
Oct-11
Apr-12
Oct-12
Apr-13
Oct-13
Apr-14
Oct-14
Apr-15
Oct-15
Apr-16
Oct-16
Apr-17
Oct-17
Apr-18
Oct-18
Apr-19
Oct-19
Apr-20
Oct-20
Apr-21
Median rental yield (12 mnths to date)
Median AVM rental yield (12 mnths to date)


Balonne Shire – residential building approvals
Source: ABS
No.
5
4
3
2
1
0
$'000
700
600
500
400
300
200
100
0
Jul-16
Oct-16
Jan-17
Apr-17
Jul-17
Oct-17
Jan-18
Apr-18
Jul-18
Oct-18
Jan-19
Apr-19
Jul-19
Oct-19
Jan-20
Apr-20
Jul-20
Oct-20
Jan-21
Apr-21
House (no.)
Other (no.)
Value of alts & adds, $000 (rhs)

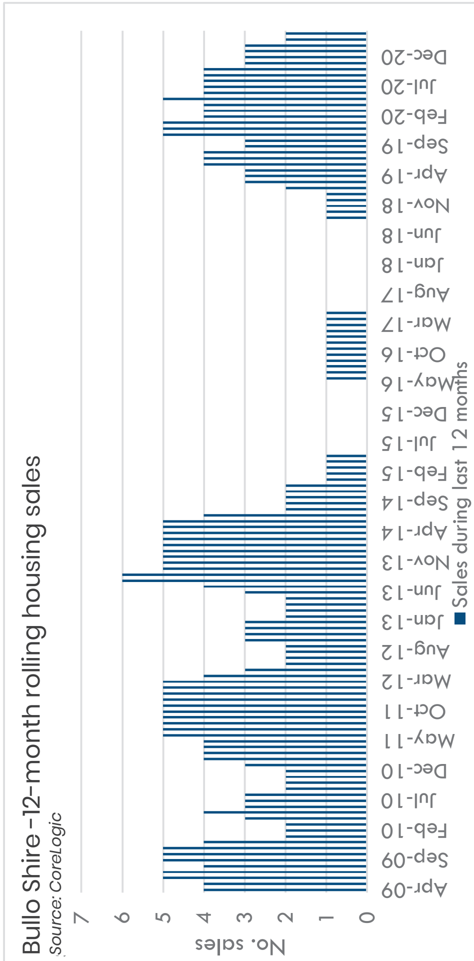
Bulloo Shire



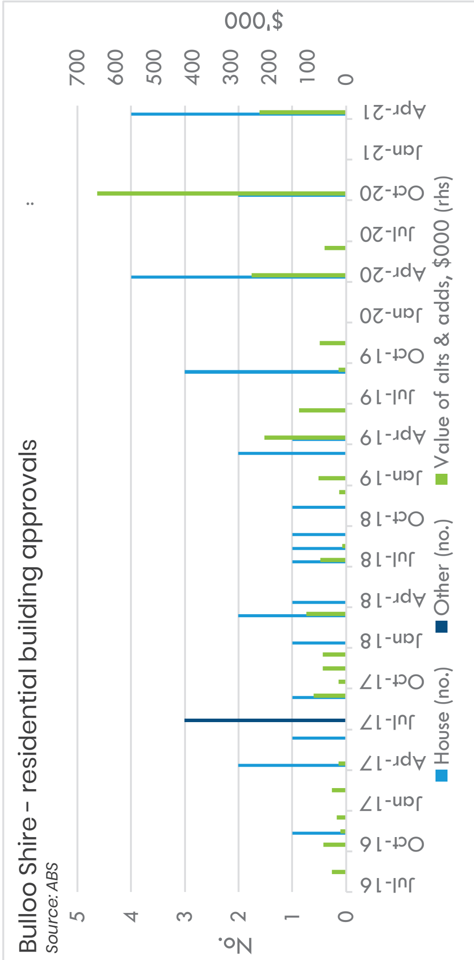
Estimated resident population - Bulloo Shire
Source: ABS



Bulloo Shire - total stock of dwellings
Source: CoreLogic

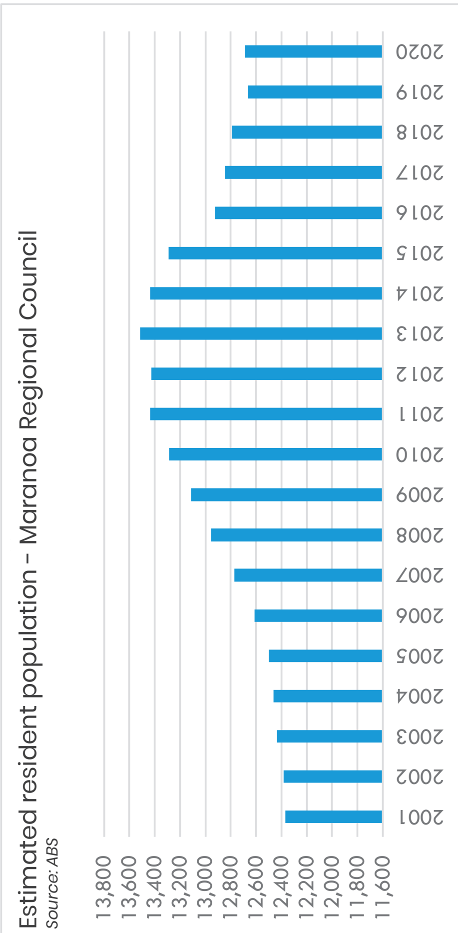


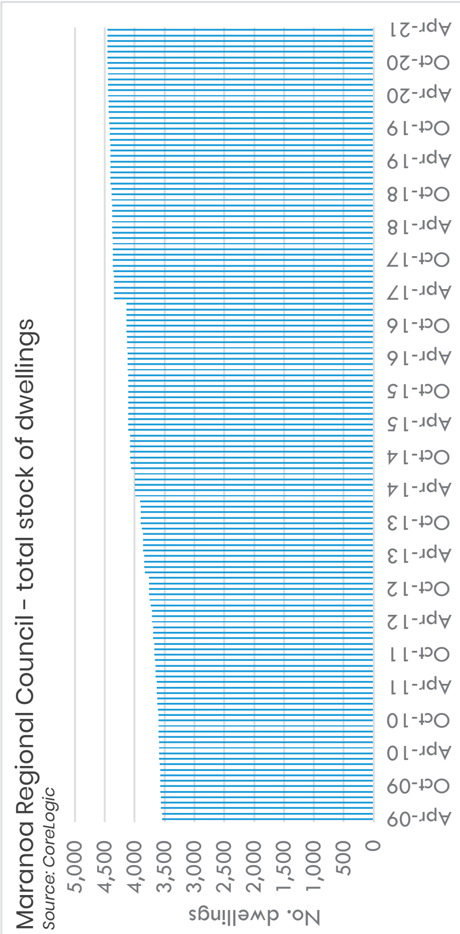
Bullo Shire - 12-month rolling housing sales
Source: CoreLogic

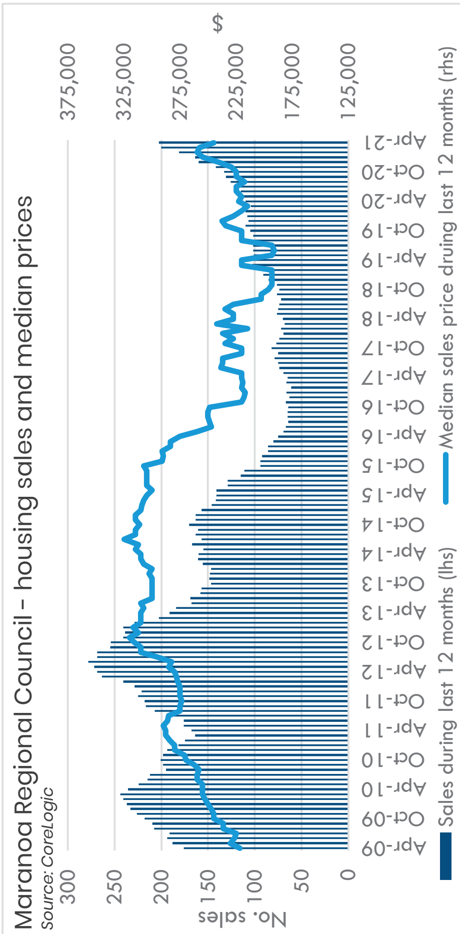


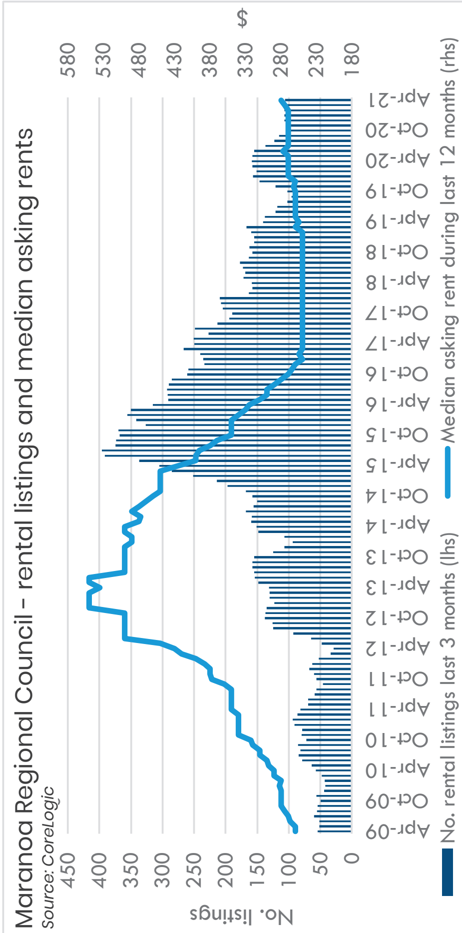
Bulloo Shire - residential building approvals
Source: ABS

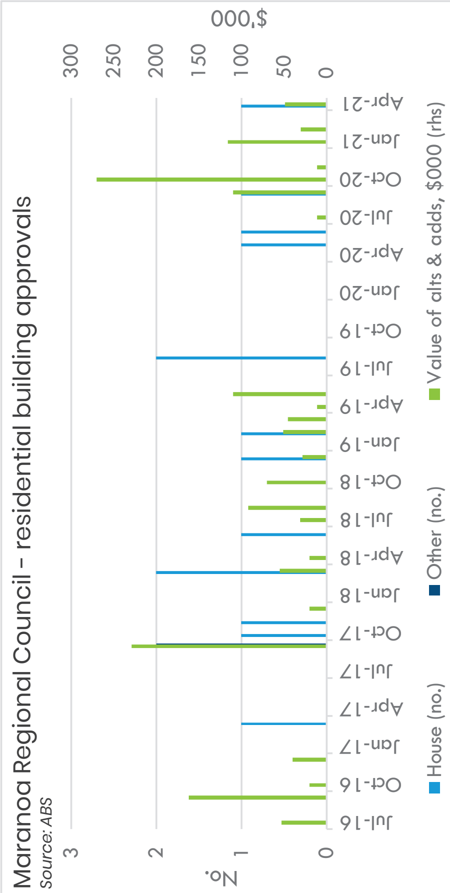
Maranoa Regional Council

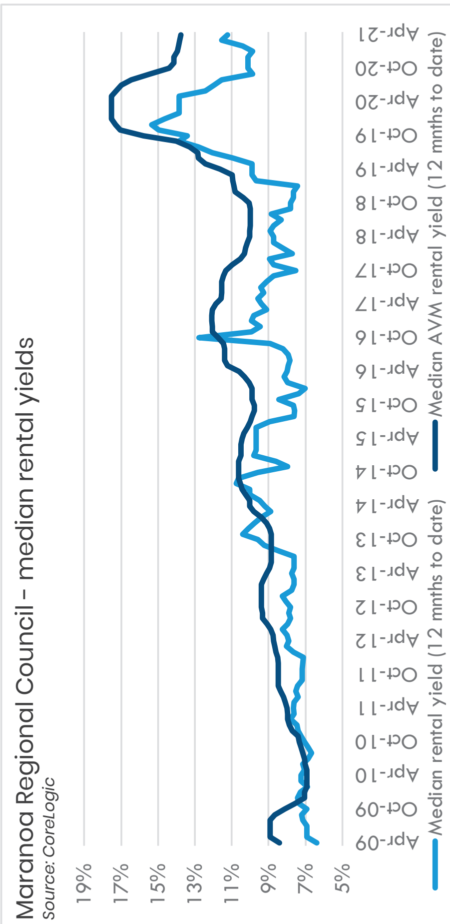






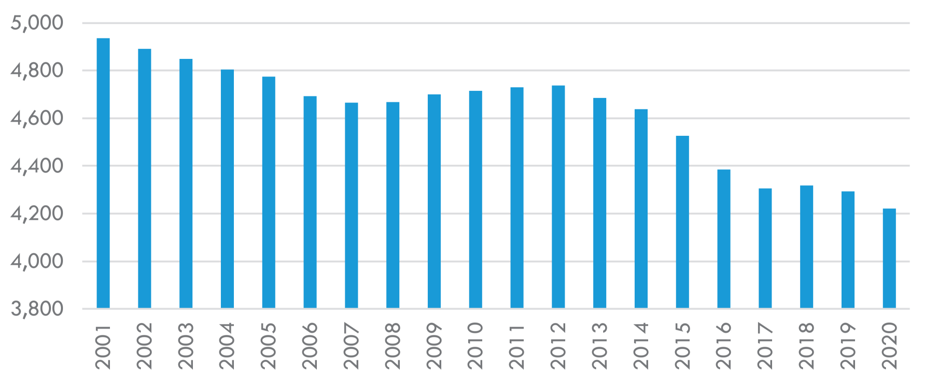



Maranoa Regional Council – residential building approvals
Source: ABS
No.
$'000
House (no.)
Other (no.)
Value of alts & adds, $000 (rhs)

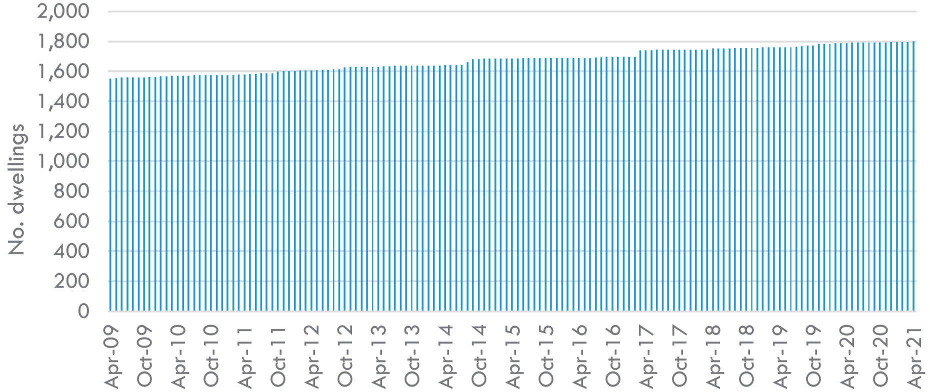

Maranoa Regional Council – median rental yields
Source: CoreLogic
Median rental yield (12 mnths to date)
Median AVM rental yield (12 mnths to date)

Murweh Shire

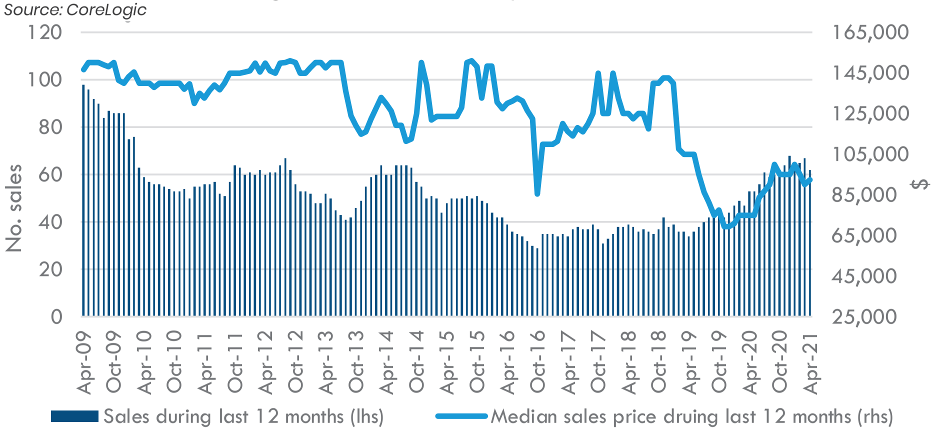
Estimated resident population - Murweh Shire
Source: ABS



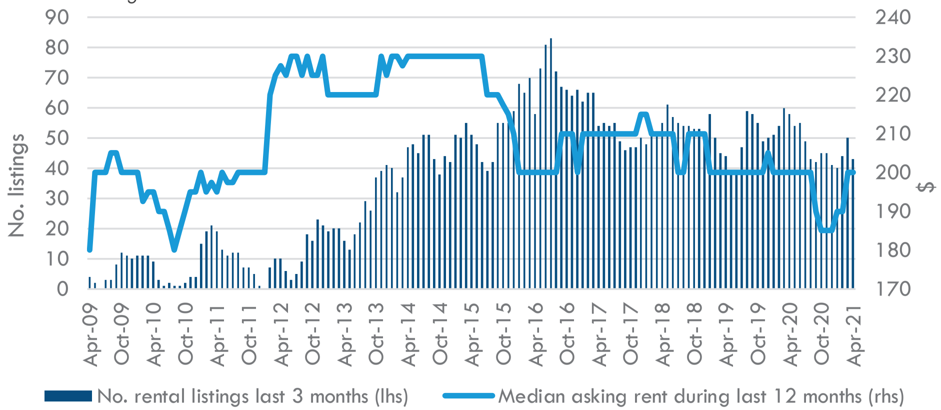
Murweh Shire - total stock of dwellings
Source: CoreLogic

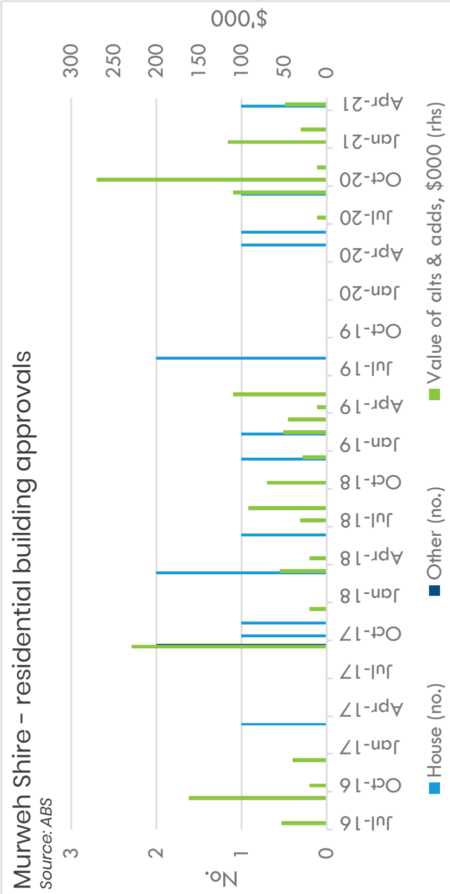


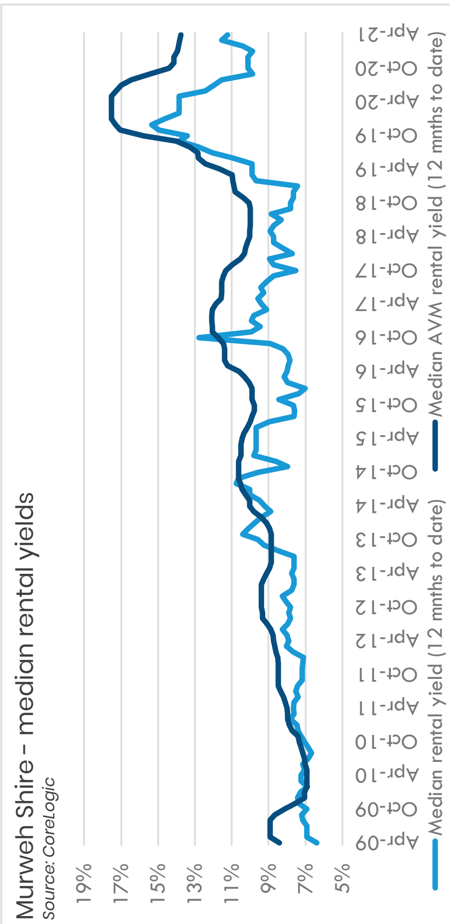
Murweh Shire - housing sales and median prices
Source: CoreLogic



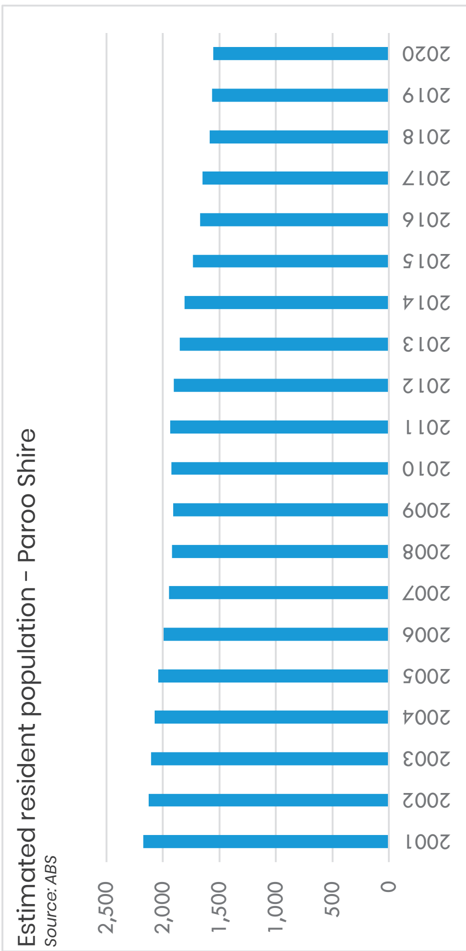
Murweh Shire - rental listings and median asking rents
Source: CoreLogic

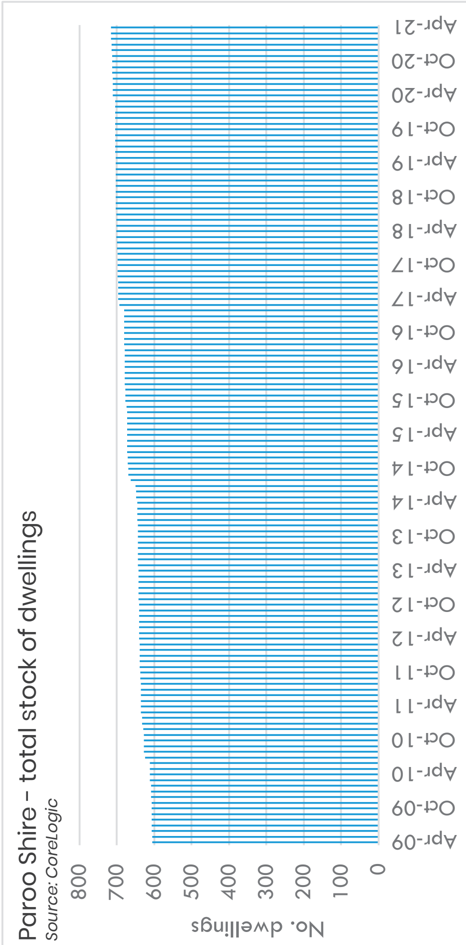


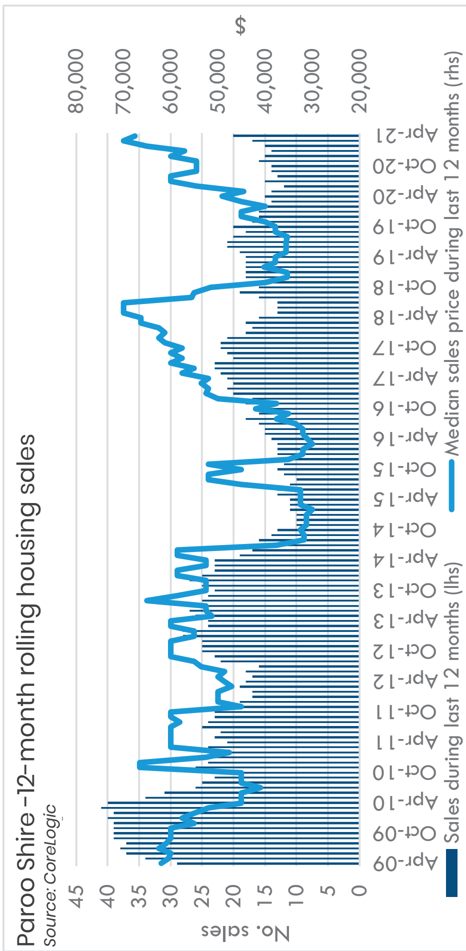

Murweh Shire – residential building approvals
Source: ABS
No.
$'000
House (no.)
Other (no.)
Value of alts & adds, $000 (rhs)

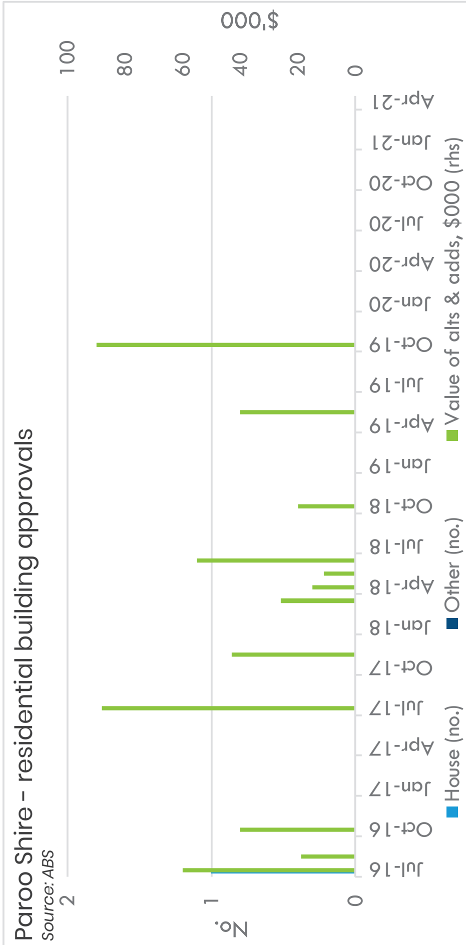

Murweh Shire – median rental yields
Source: CoreLogic
Median rental yield (12 mnths to date)
Median AVM rental yield (12 mnths to date)

Paroo Shire

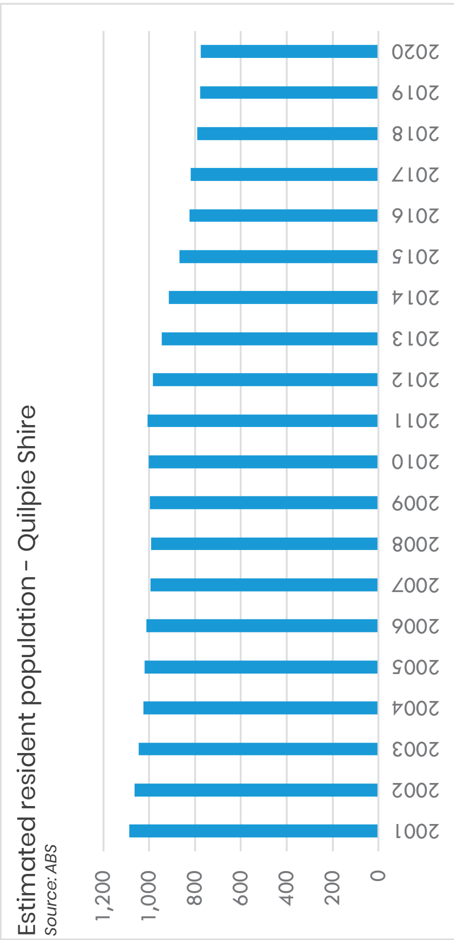

Estimated resident population - Paroo Shire
Source: ABS
2,500
2,000
1,500
1,000
500
0
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020

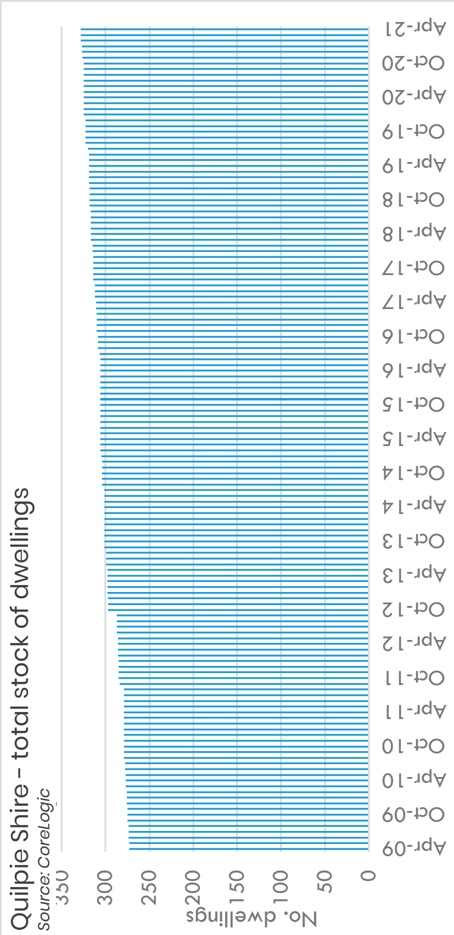

Paroo Shire - total stock of dwellings
Source: CoreLogic
No. dwellings
800
700
600
500
400
300
200
100
0
Apr-09
Oct-09
Apr-10
Oct-10
Apr-11
Oct-11
Apr-12
Oct-12
Apr-13
Oct-13
Apr-14
Oct-14
Apr-15
Oct-15
Apr-16
Oct-16
Apr-17
Oct-17
Apr-18
Oct-18
Apr-19
Oct-19
Apr-20
Oct-20
Apr-21

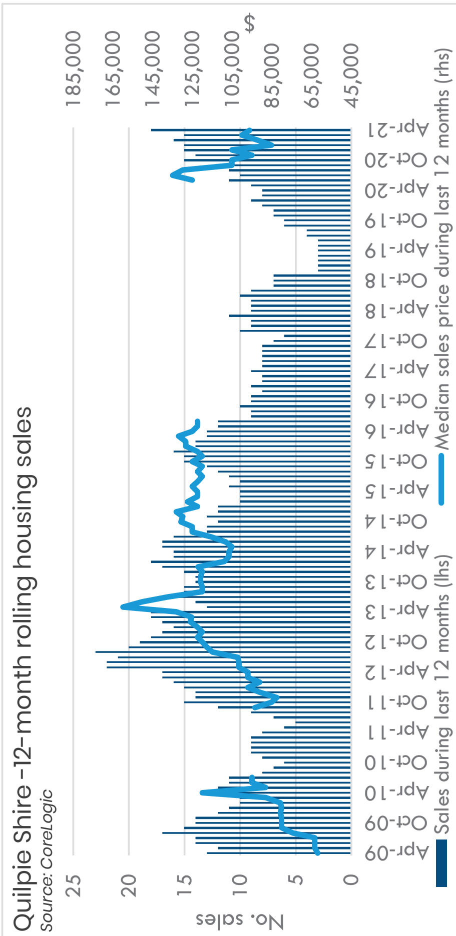

Paroo Shire -12-month rolling housing sales
Source: CoreLogic
No. sales
45
40
35
30
25
20
15
10
5
0
$
80,000
70,000
60,000
50,000
40,000
30,000
20,000
Apr-09
Oct-09
Apr-10
Oct-10
Apr-11
Oct-11
Apr-12
Oct-12
Apr-13
Oct-13
Apr-14
Oct-14
Apr-15
Oct-15
Apr-16
Oct-16
Apr-17
Oct-17
Apr-18
Oct-18
Apr-19
Oct-19
Apr-20
Oct-20
Apr-21
Sales during last 12 months (lhs)
Median sales price during last 12 months (rhs)

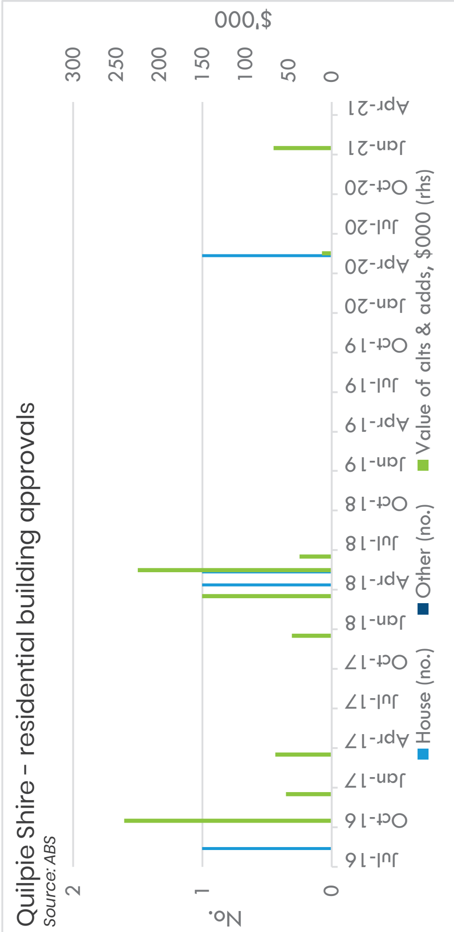

Paroo Shire - residential building approvals
Source: ABS
No.
2
1
0
$'000
100
80
60
40
20
0
Jul-16
Oct-16
Jan-17
Apr-17
Jul-17
Oct-17
Jan-18
Apr-18
Jul-18
Oct-18
Jan-19
Apr-19
Jul-19
Oct-19
Jan-20
Apr-20
Jul-20
Oct-20
Jan-21
Apr-21
House (no.)
Other (no.)
Value of alts & adds, $000 (rhs)

Quilpie Shire





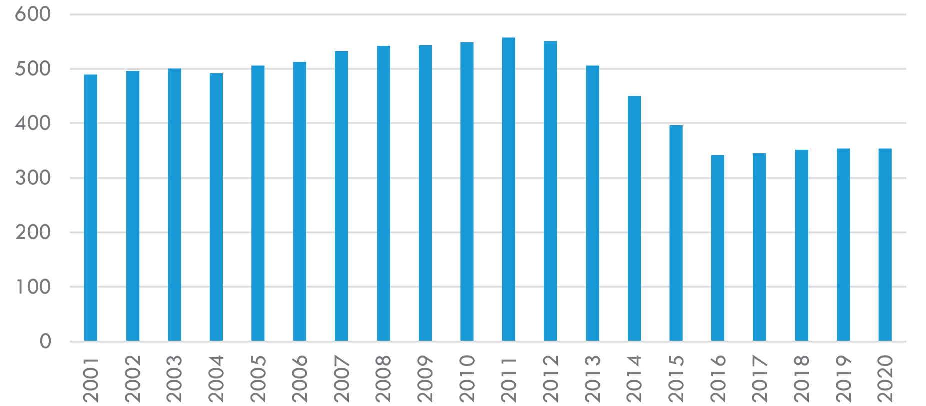




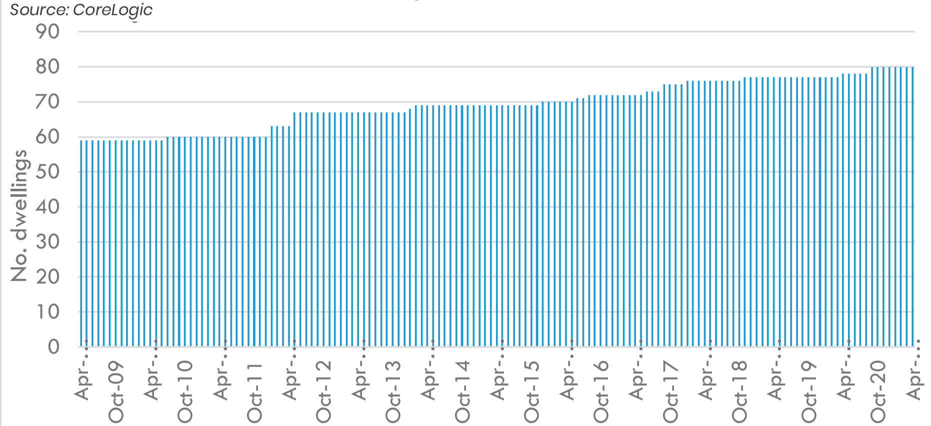
NORTH WEST REGION

Burke Shire

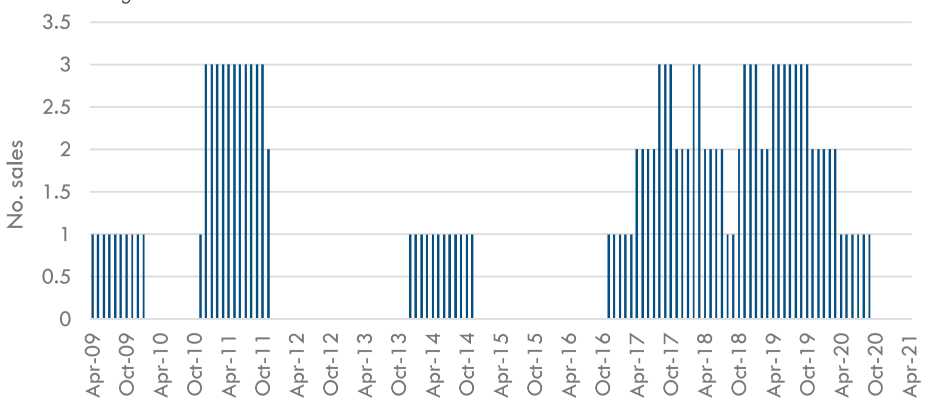
Estimated resident population - Burke Shire
Source: ABS



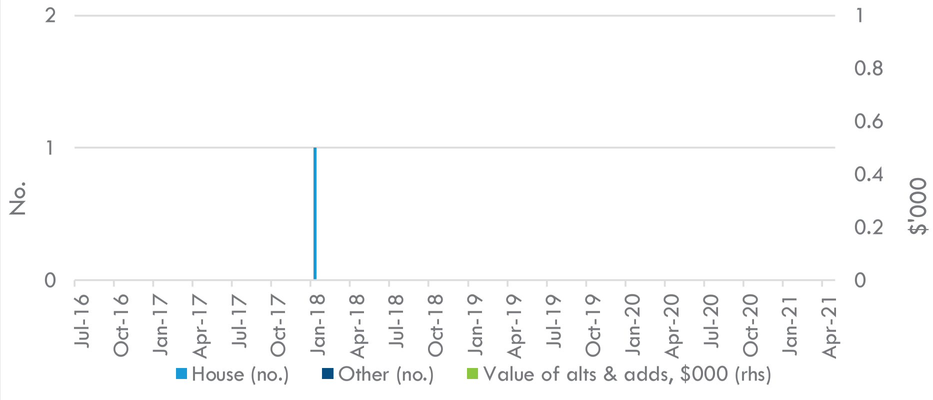
Burke Shire - total stock of dwellings
Source: CoreLogic

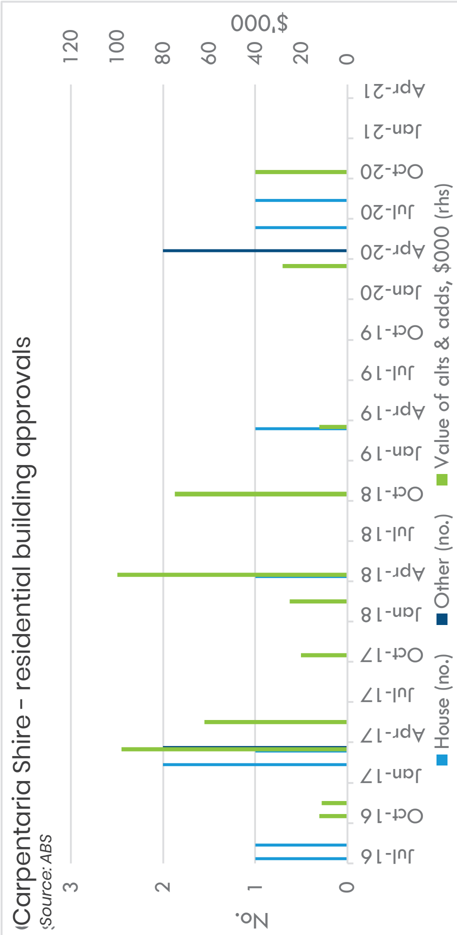


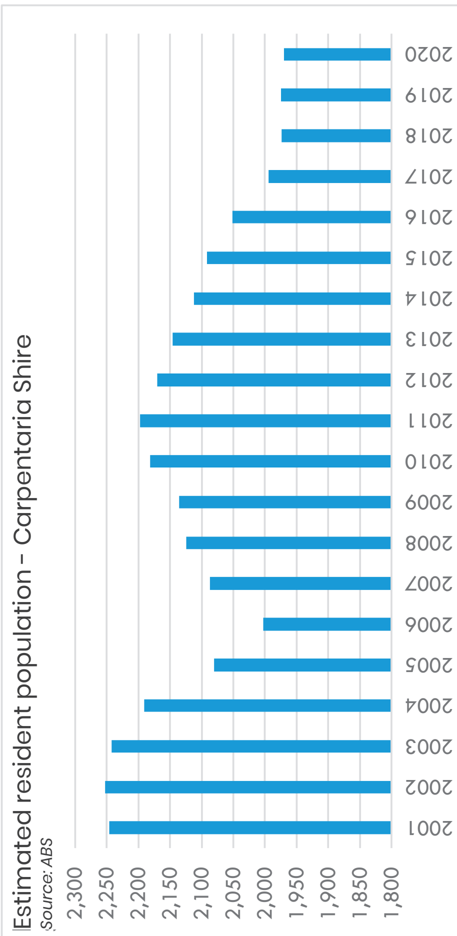
Burke Shire -12-month rolling housing sales
Source: CoreLogic



Burke Shire - residential building approvals
Source: ABS







Carpentaria Shire

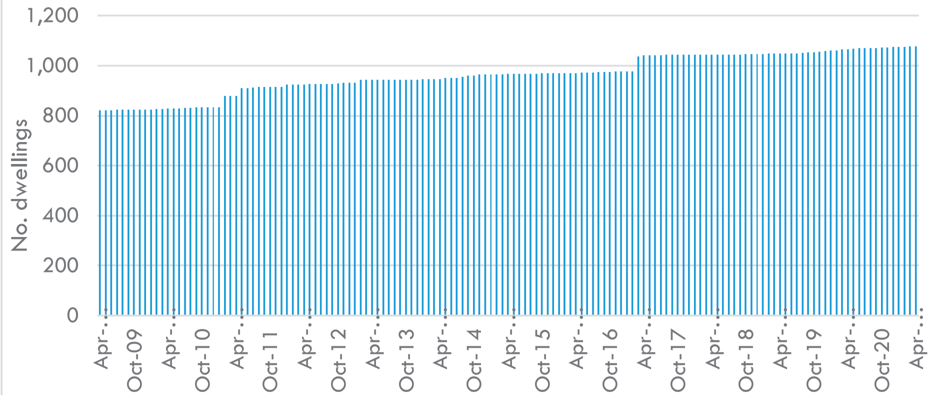
Cloncurry Shire

Estimated resident population - Cloncurry Shire

Source: ABS

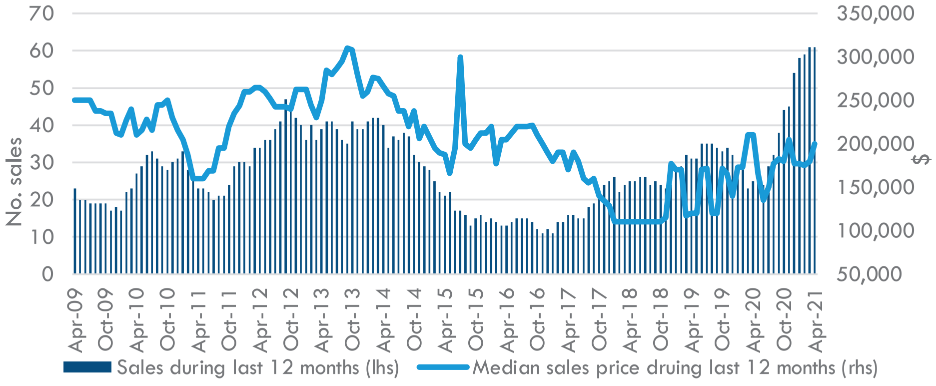
Cloncurry Shire - total stock of dwellings

Source: CoreLogic



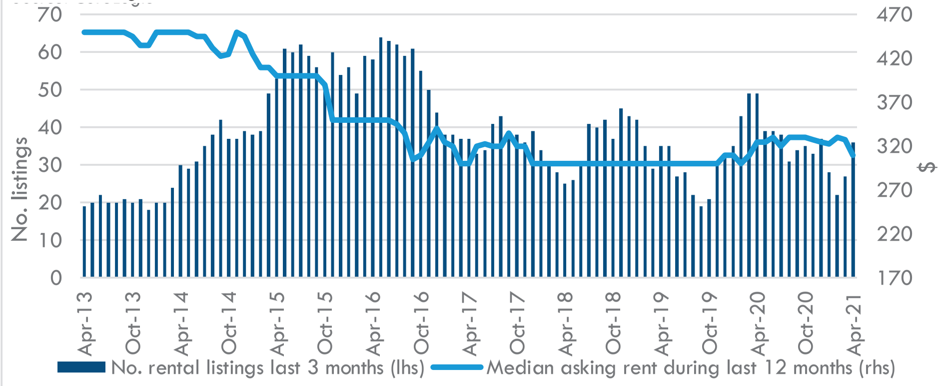
Cloncurry Shire - housing sales and median prices

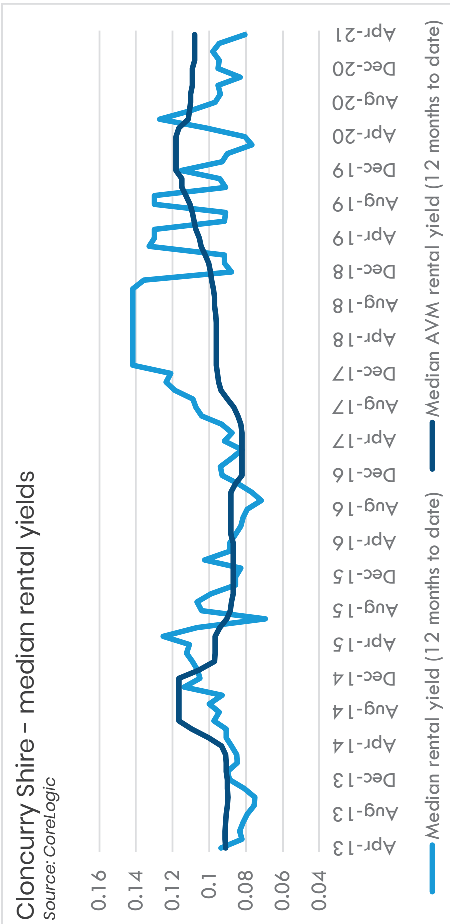
Source: CoreLogic

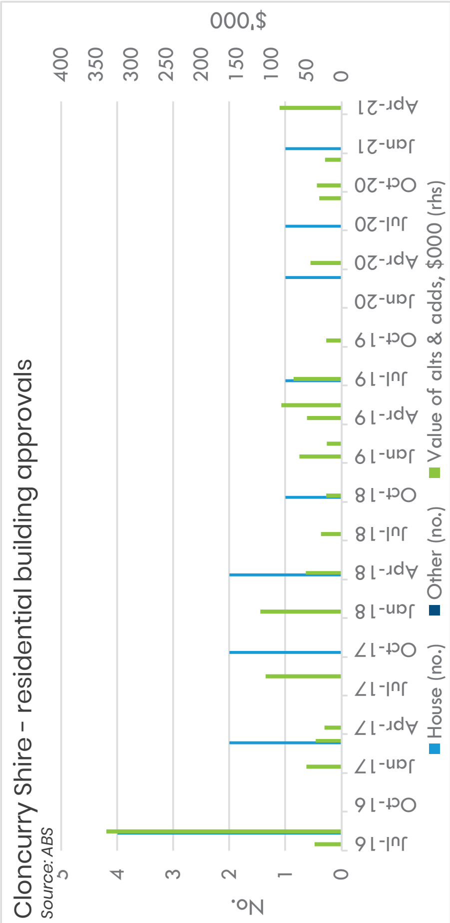


Cloncurry Shire - rental listings and median asking rents

Source: CoreLogic



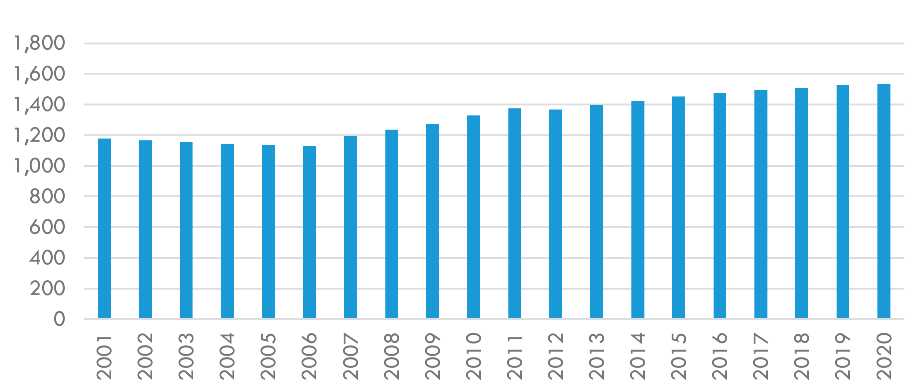

Cloncurry Shire – median rental yields
Source: CoreLogic
0.16
0.14
0.12
0.1
0.08
0.06
0.04
Apr-13
Aug-13
Dec-13
Apr-14
Aug-14
Dec-14
Apr-15
Aug-15
Dec-15
Apr-16
Aug-16
Dec-16
Apr-17
Aug-17
Dec-17
Apr-18
Aug-18
Dec-18
Apr-19
Aug-19
Dec-19
Apr-20
Aug-20
Dec-20
Apr-21
Median rental yield (12 months to date)
Median AVM rental yield (12 months to date)


Cloncurry Shire – residential building approvals
Source: ABS
No.
5
4
3
2
1
0
$'000
400
350
300
250
200
150
100
50
0
Jul-16
Oct-16
Jan-17
Apr-17
Jul-17
Oct-17
Jan-18
Apr-18
Jul-18
Oct-18
Jan-19
Apr-19
Jul-19
Oct-19
Jan-20
Apr-20
Jul-20
Oct-20
Jan-21
Apr-21
House (no.)
Other (no.)
Value of alts & adds, $000 (rhs)

Doomadgee Aboriginal Shire

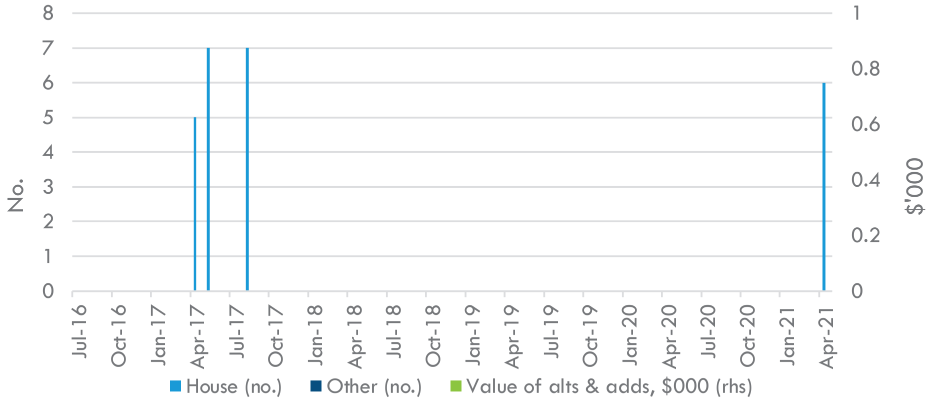
Estimated resident population - Doomadgee Aboriginal Shire

Source: ABS

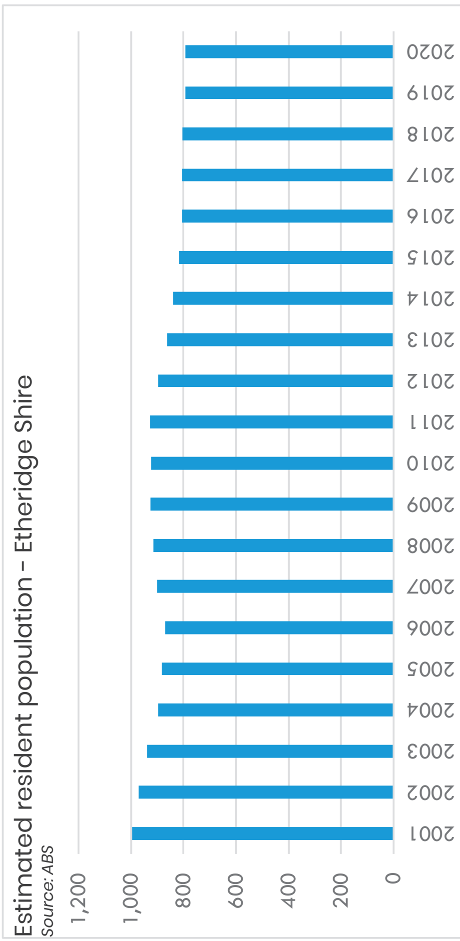


Doomadgee Aboriginal Shire - residential building approvals

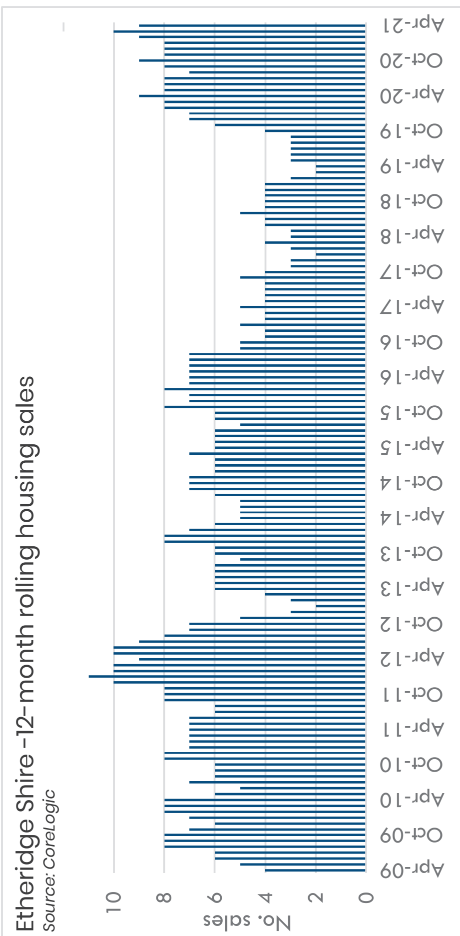
Source: ABS



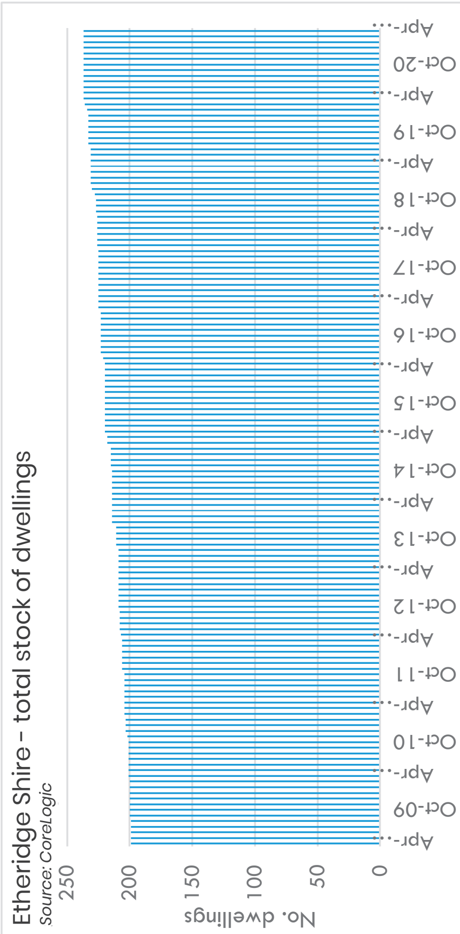
Etheridge Shire



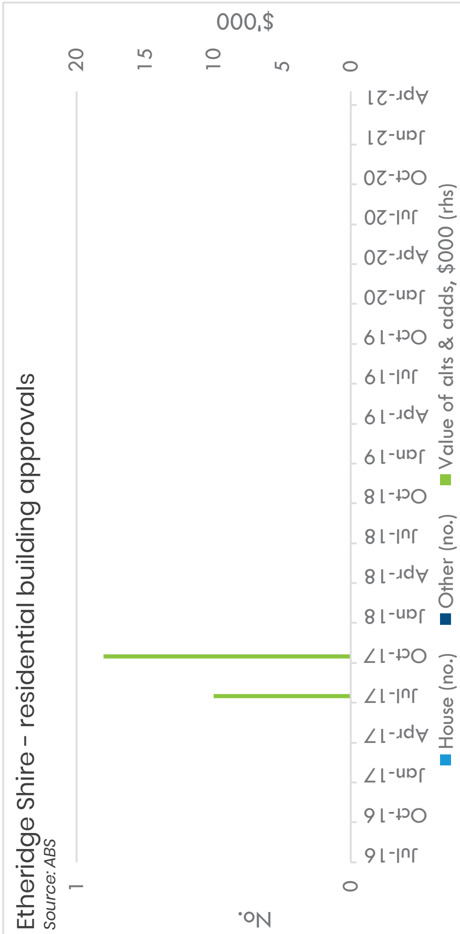
Estimated resident population - Etheridge Shire
Source: ABS



Etheridge Shire -12-month rolling housing sales
Source: CoreLogic

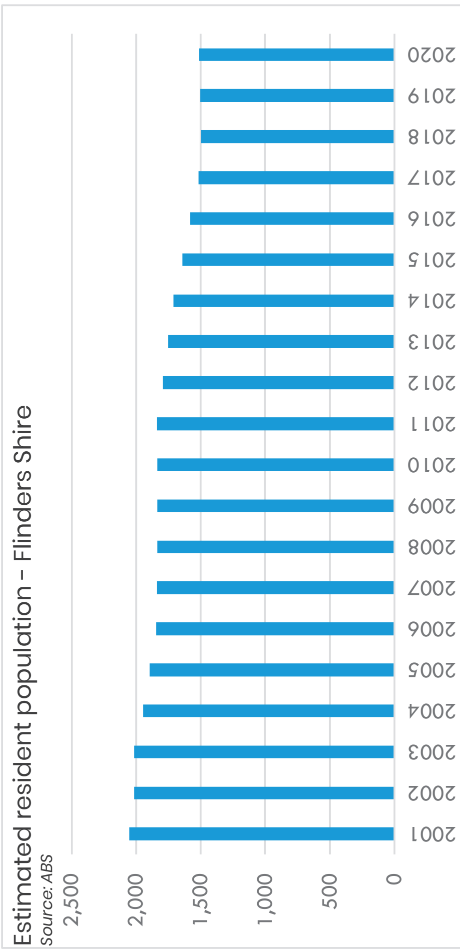


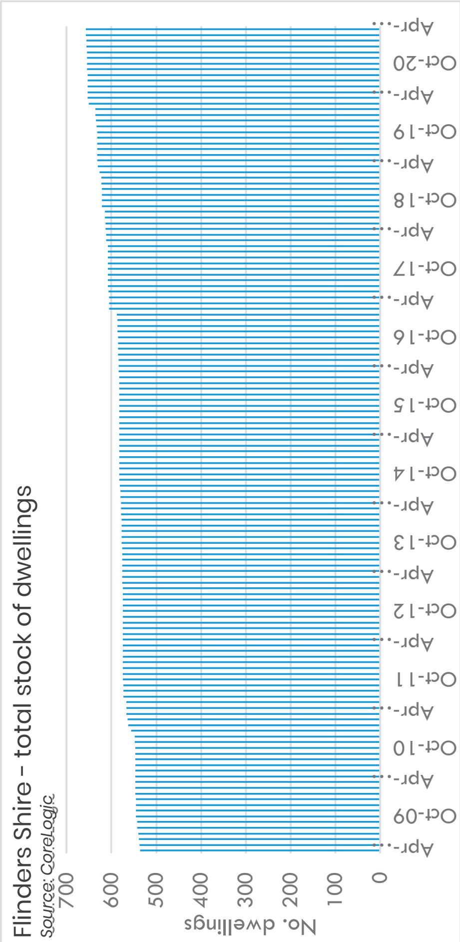
Etheridge Shire - total stock of dwellings
Source: CoreLogic

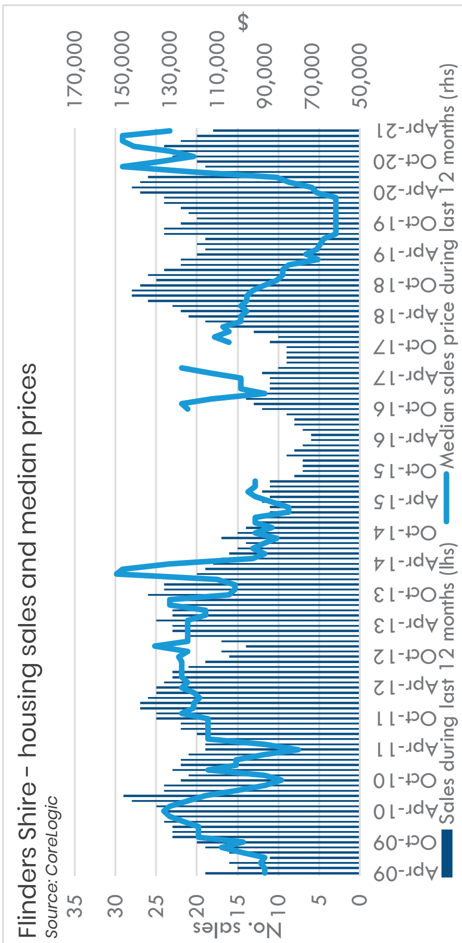


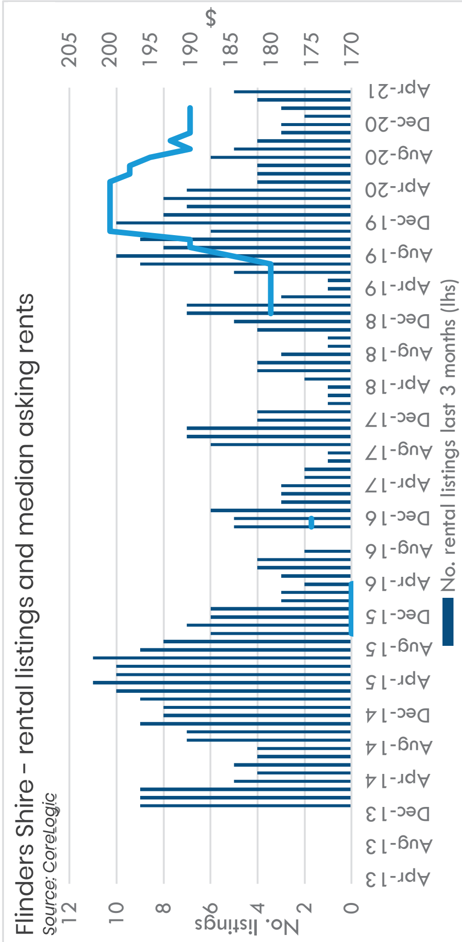
Etheridge Shire - residential building approvals
Source: ABS

Flinders Shire



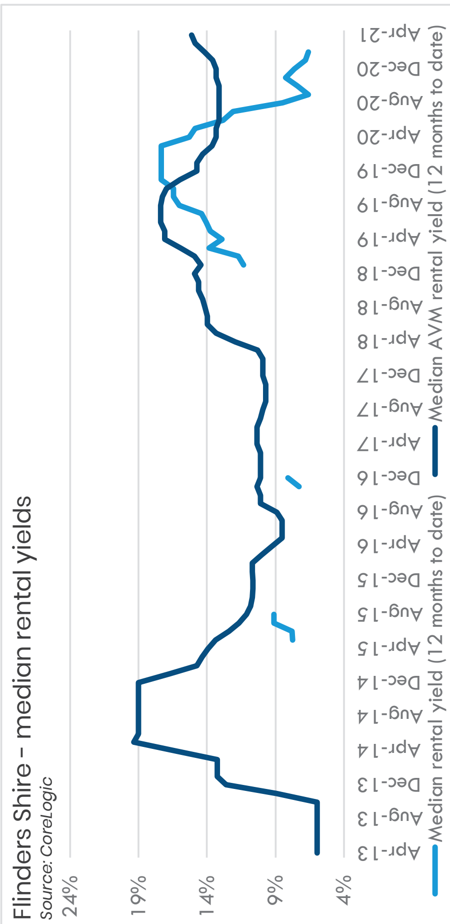






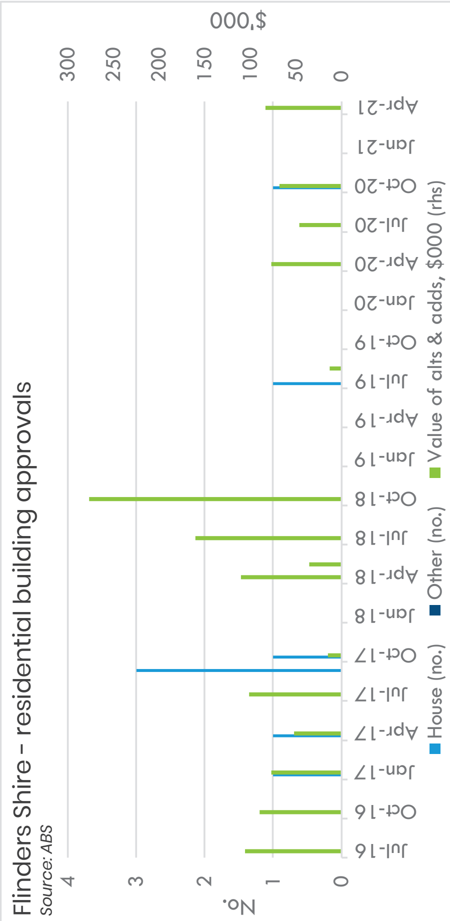
Flinders Shire – median rental yields

Source: CoreLogic

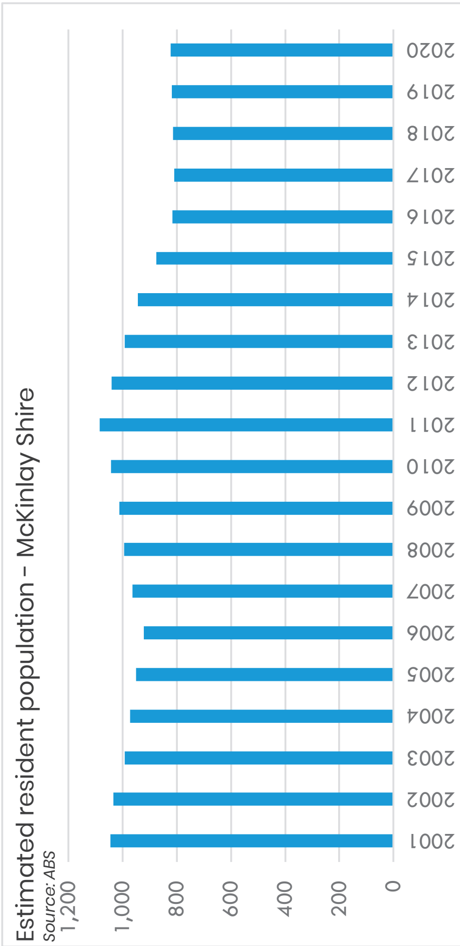


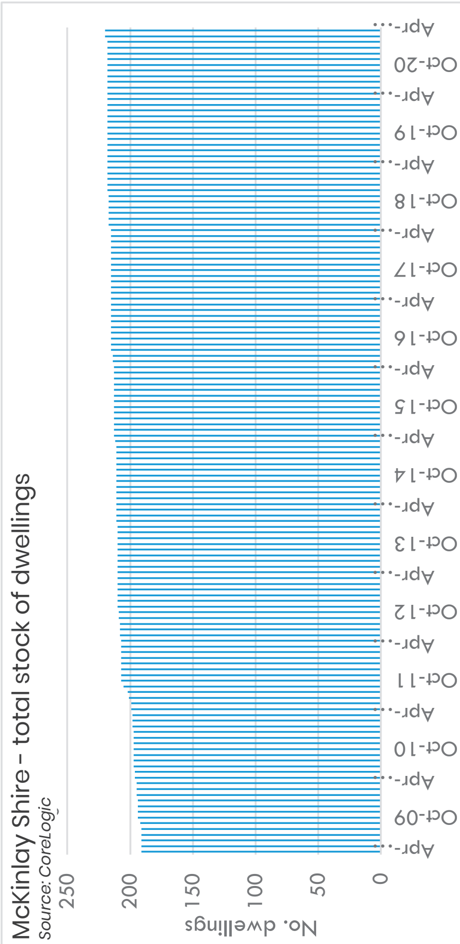
Flinders Shire – residential building approvals

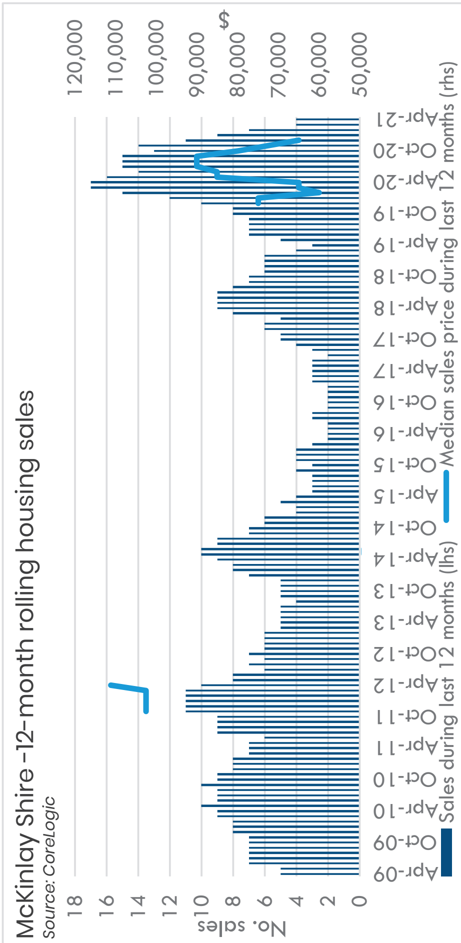
Source: ABS

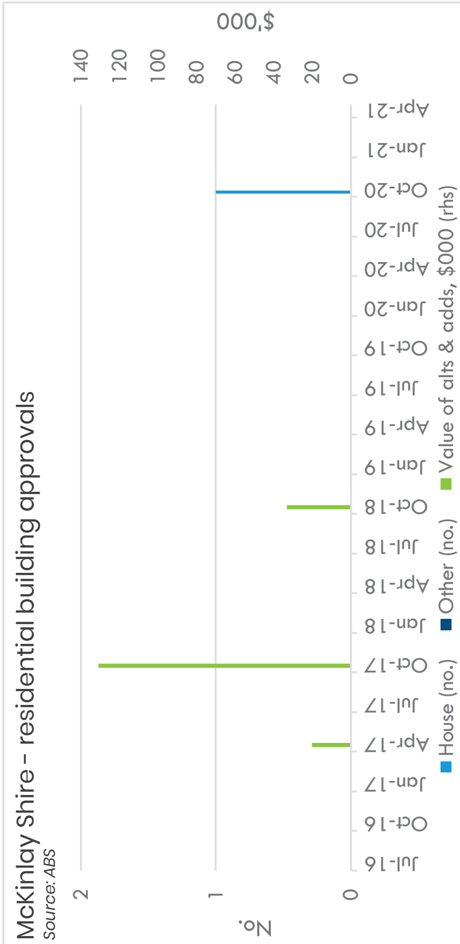


McKinlay Shire



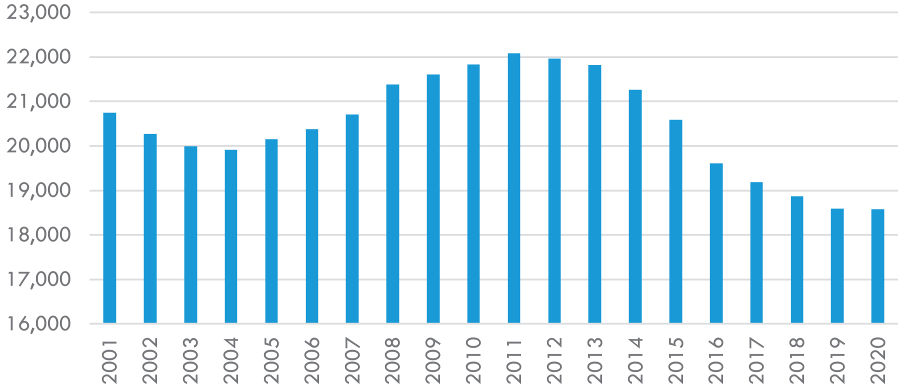




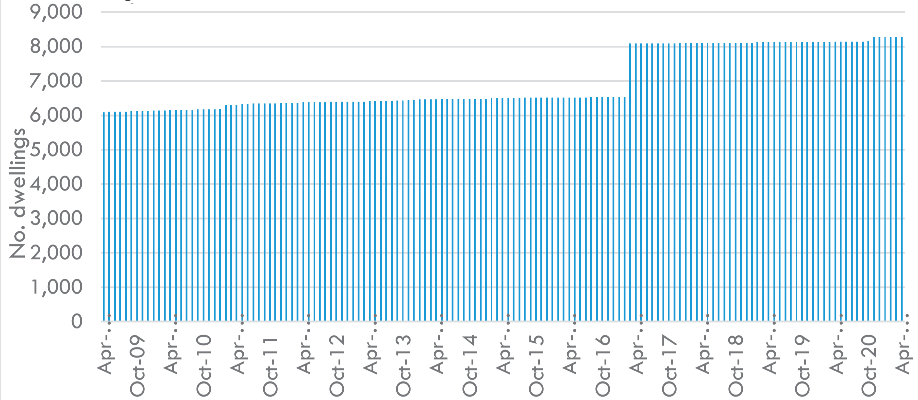


Mount Isa City

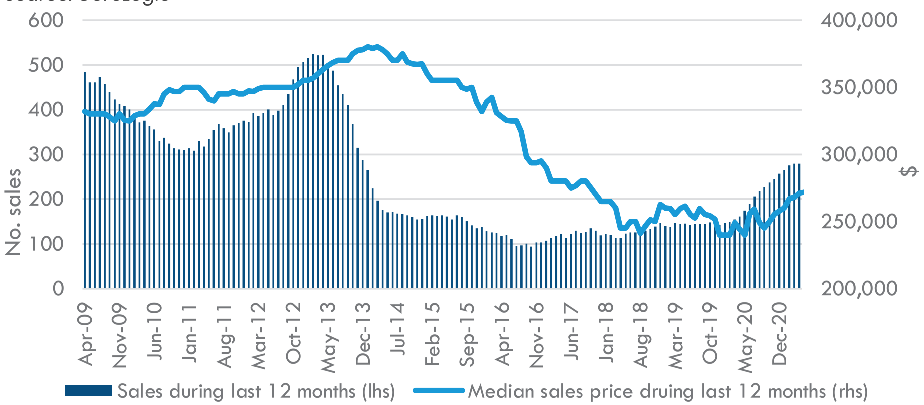
Estimated resident population - Mount Isa City
Source: ABS



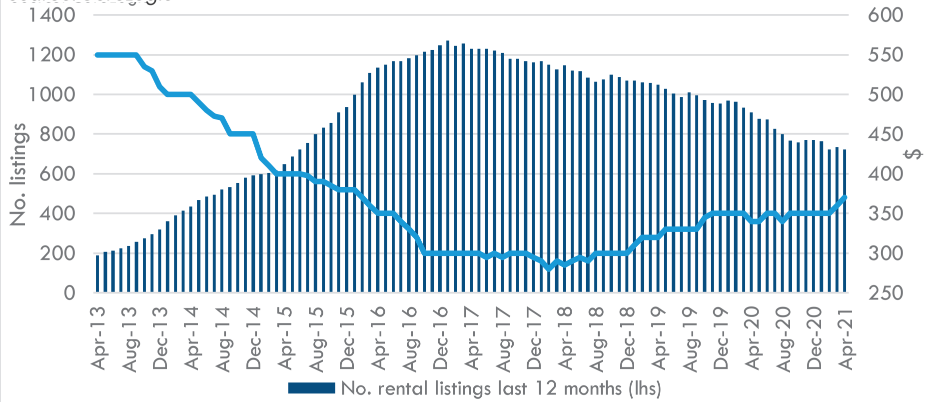
Mount Isa City - total stock of dwellings
Source: CoreLogic

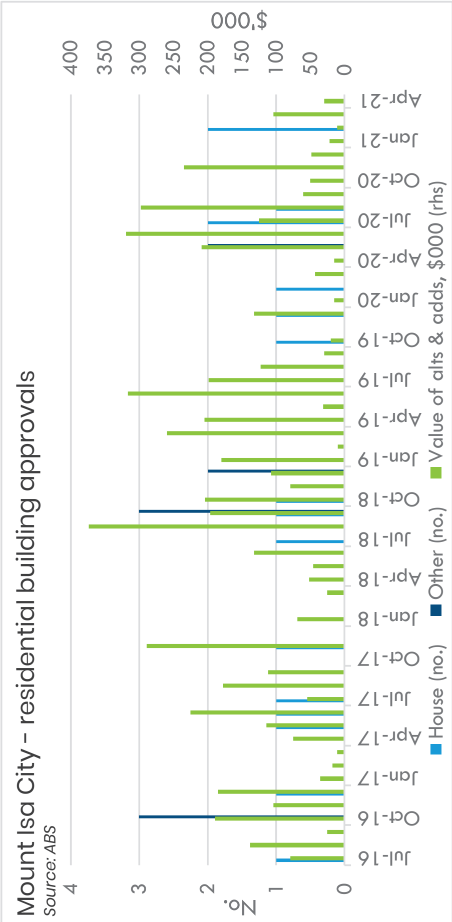


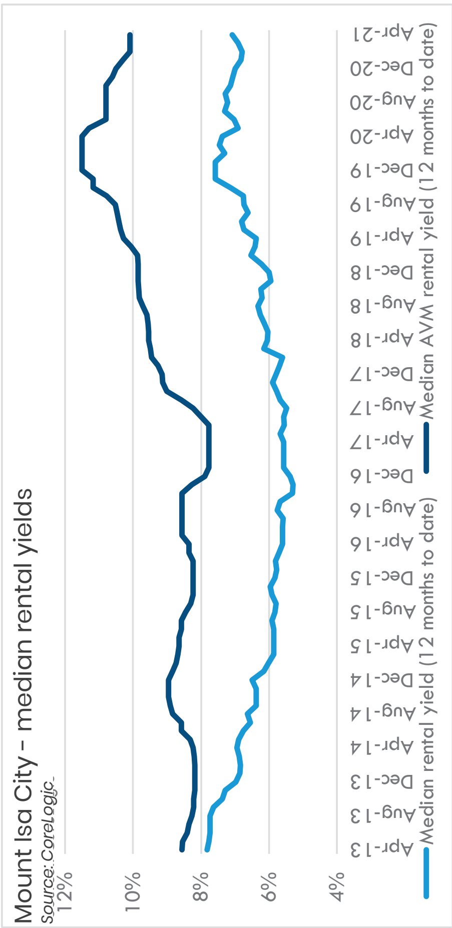
Mount Isa City - rental listings and median asking rents
Source: CoreLogic



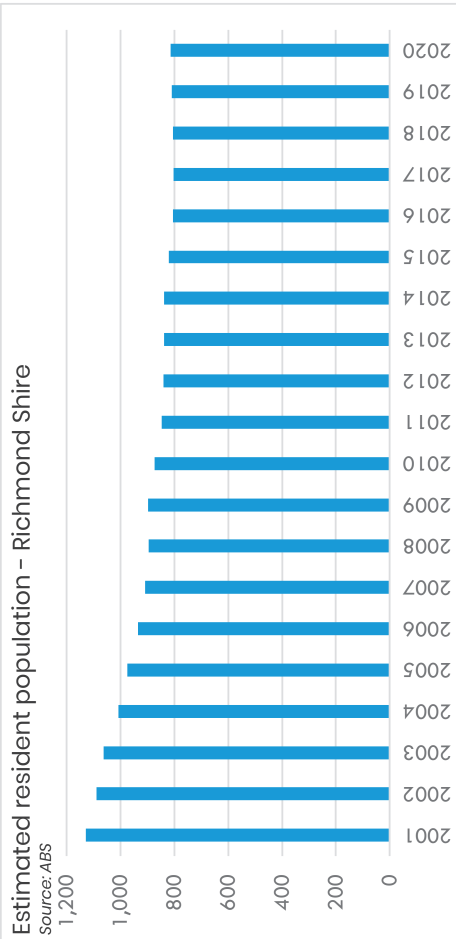
Mount Isa City - housing sales media prices
Source: CoreLogic

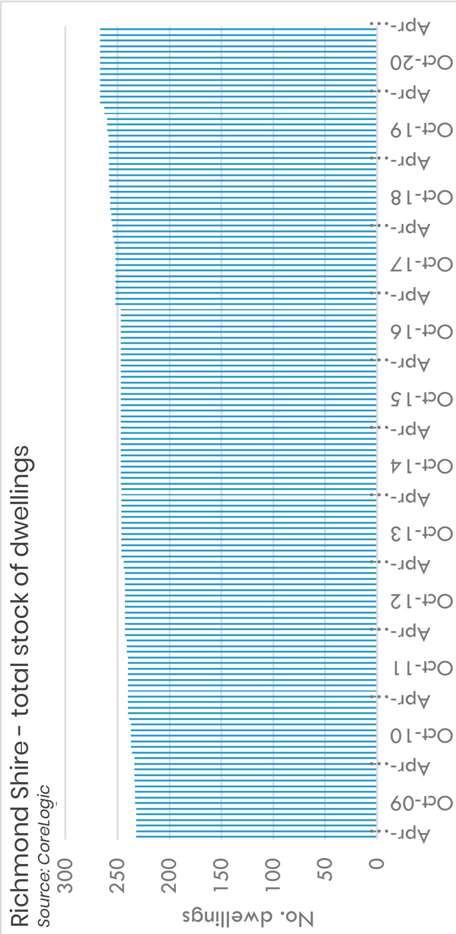


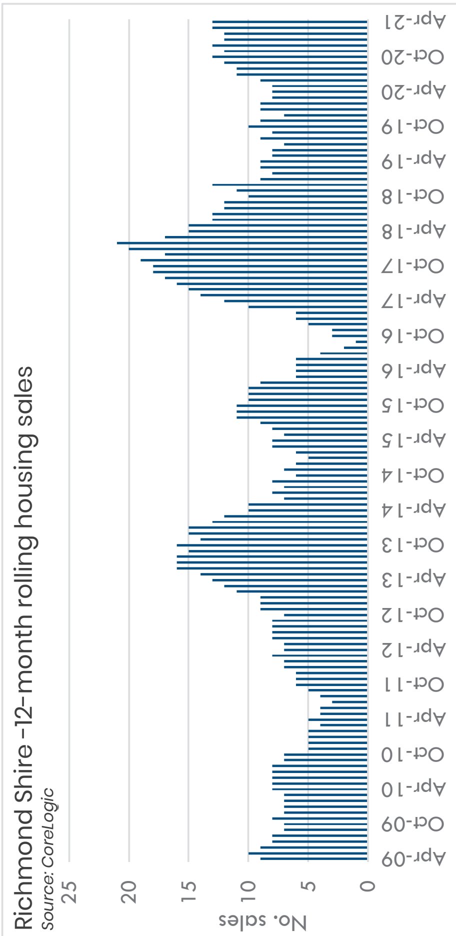

Mount Isa City - residential building approvals
Source: ABS
No.
$'000
House (no.)
Other (no.)
Value of alts & adds, $000 (rhs)

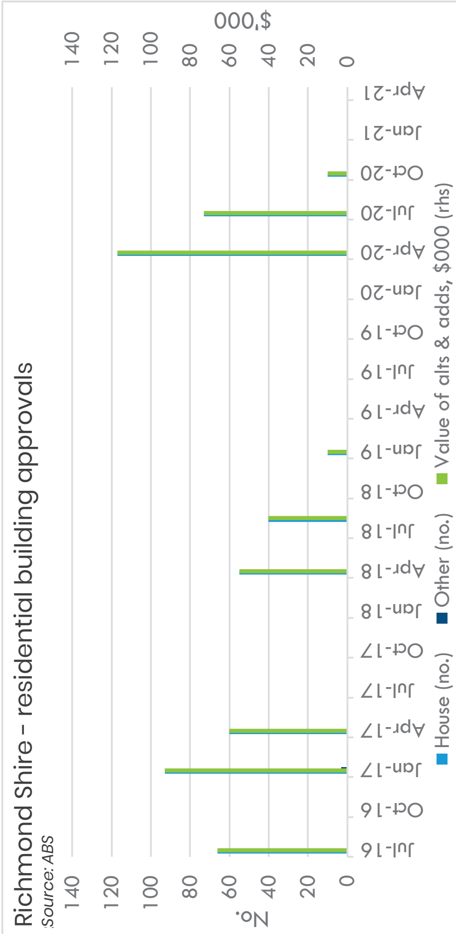

Mount Isa City - median rental yields
Source: CoreLogic
Median rental yield (12 months to date)
Median AVM rental yield (12 months to date)

Richmond Shire









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