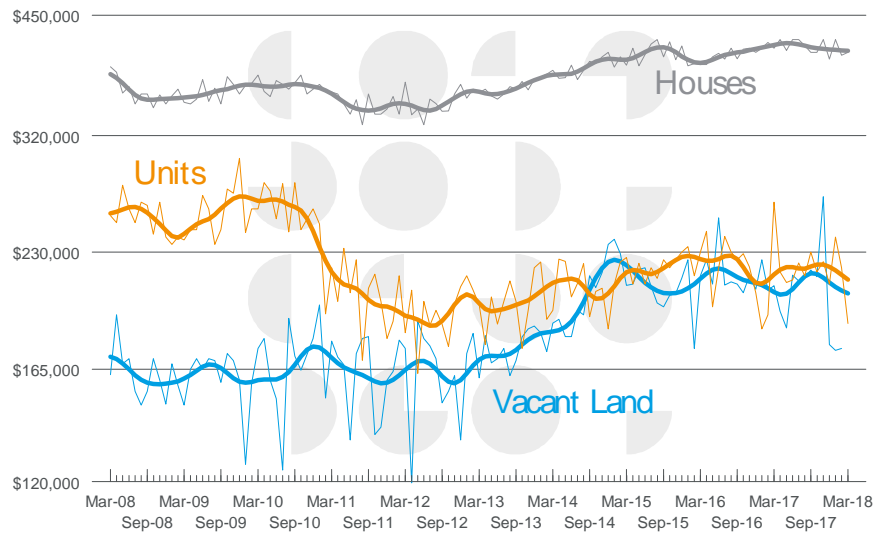


PROPERTY

Property Prices

Median Sale Price (Log Scale)



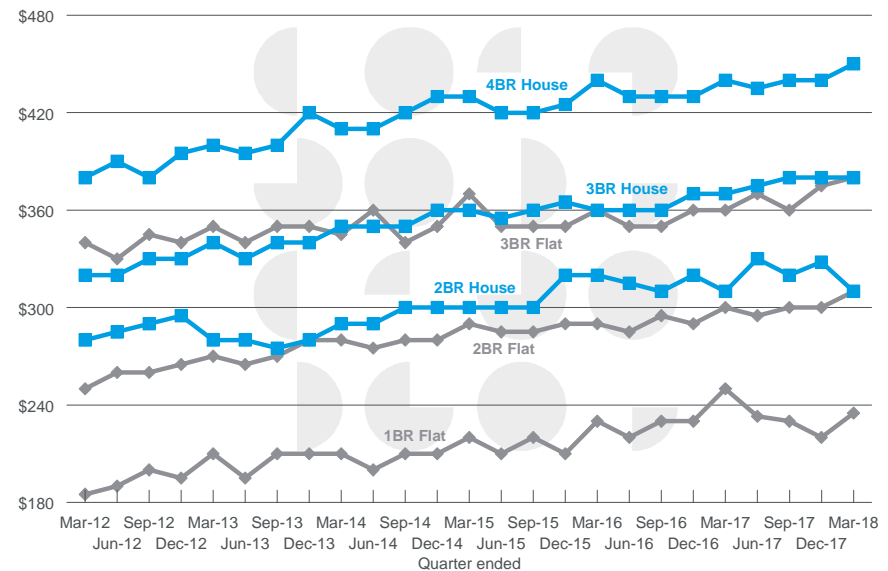
* All sales are classified to date of contract (not date of settlement)
** Recent months are provisional and subject to revision
Source: HTW Analysis of RPData

Although median price trends have technically declined over the last three months, our in-market perception is that overall property prices have remained static. The latest trend median prices, for properties sold in the month of March 2018, came in at \$407,000 for a house, \$213,000 for a unit, and \$206,000 for a block of land. Trend median price movements for the twelve months to March 2018 have demonstrated changes of -1.7% for houses, -1.4% for units and -0.6% for vacant land.

N.B. The median property price is the actual sale price of the middle-priced property from the list of properties sold each month. Movements in median prices do not necessarily equate to movements in individual property values.

Property Rents

Median Rent (\$ per week)



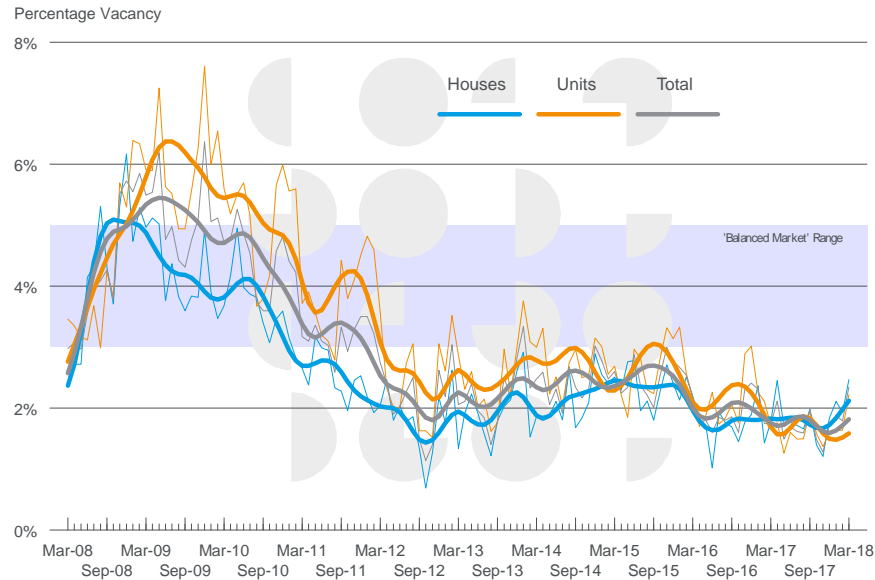
Source: Queensland Residential Tenancies Authority

Low rental vacancy rates have been placing mild upward pressure on rents in year-on-year terms consistently over the last six years. Over the twelve months to March 2018 the Cairns weighted average median rent has increased from \$400 to \$405 per week for houses, and from \$290 to \$295 per week for units. The very low rental vacancy rates being observed in the current market are likely to intensify upward pressure on rents in coming quarters, but will not be able do so indefinitely for rental affordability reasons.

N.B. The median rent is the middle-priced rental from the list of properties rented during the quarter. Movements in median rents do not necessarily equate to movements in individual property rents.

PROPERTY

Rental Vacancies



Source: HTW Rentroll Survey

Though rental vacancy trends have wobbled somewhat in recent months, rental vacancy rates remain extremely tight and continue to indicate stressed market conditions, especially for units. Our latest survey results show that the trend rental vacancy rates for March 2018 stood at 2.1% for houses, 1.6% for units and 1.8% overall. Coupled with the low level of new rental supply being created due to relatively low levels of new housing construction and reduced levels of investor housing activity, rental market conditions are expected to stay tight and/or stressed for some time.

Herron Todd White does... Tax Depreciation Schedules

Do you have an up-to-date tax depreciation schedule?

You could be missing out on thousands of dollars each year in allowable depreciation for your investment property.

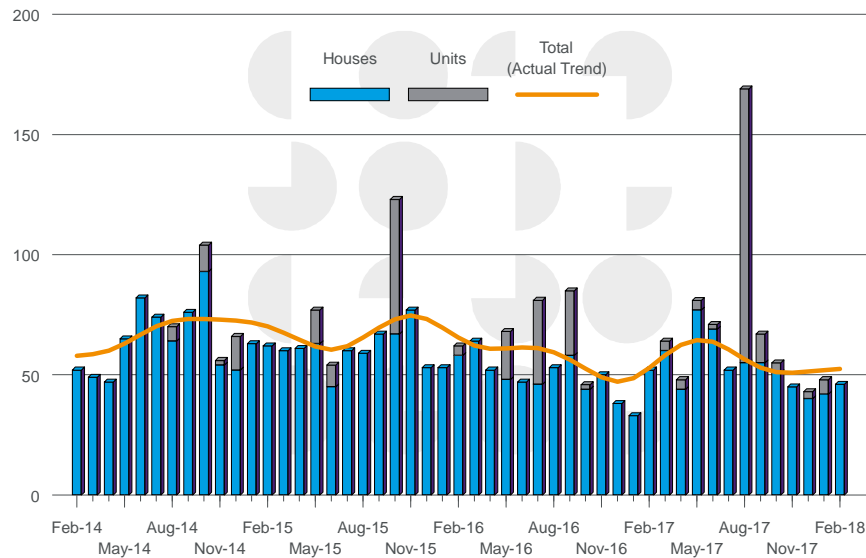
Depreciation is an important part of maximising your investment returns from an income generating property.

Contact us on 4057 0200 for an obligation-free quote.

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Building Approvals

Number of New Dwellings Approved in Cairns Urban Area



Source: Derived from ABS data

Building approval figures for the Cairns urban area for the period October 2016 to September 2017 have been revised significantly upwards by the ABS (by a 22% increase compared to before), with the result that the building approval slump previously recorded for 2016-17 has now been substantially revised away. Building approval levels over the last four years now present a flattish trend that has remained at consistently low levels by long term historical standards. Approval figures for February 2018 are indicating a trend average of around 49 houses and 2 units being approved per month. In trend terms the February 2018 approvals were 0.7% below the (revised) levels recorded in February 2017, and 19.9% below the levels recorded in February 2016.

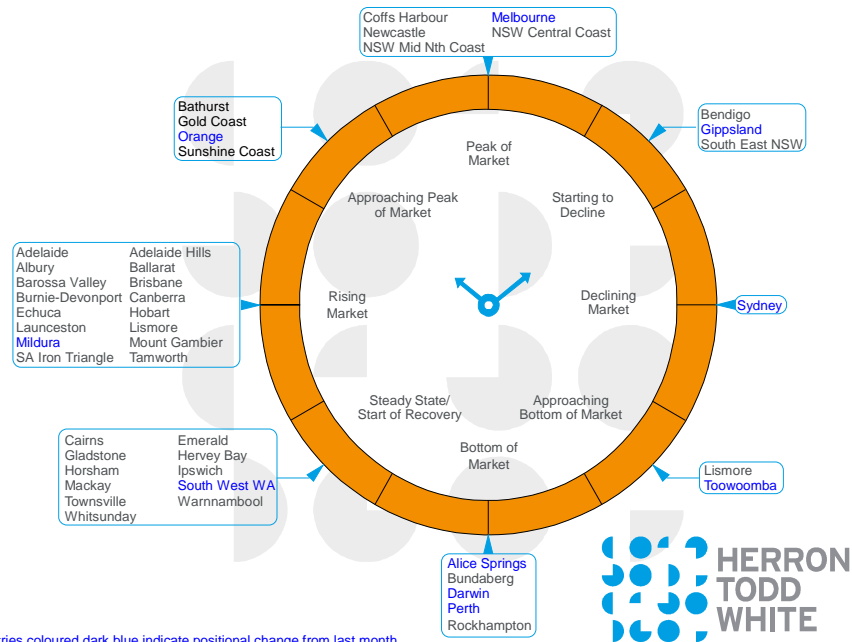
Herron Todd White does...Rural Valuations

Selling the farm?

Herron Todd White has valuers specialising in agri-business – from cane farms to cattle properties and banana plantations.

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National Property Clock



Entries coloured dark blue indicate positional change from last month
Source: Residential Property Ratings Compiled by Herron Todd White, March 2018

Herron Todd White's National Property Clock is prepared each month based on the local market perceptions of its Australia-wide network of offices.

Though we are expecting the Cairns market to experience greater impetus during 2018, current conditions mean we continue to regard Cairns as maintaining a 'Steady State'.

Herron Todd White does... Townsville Market Information

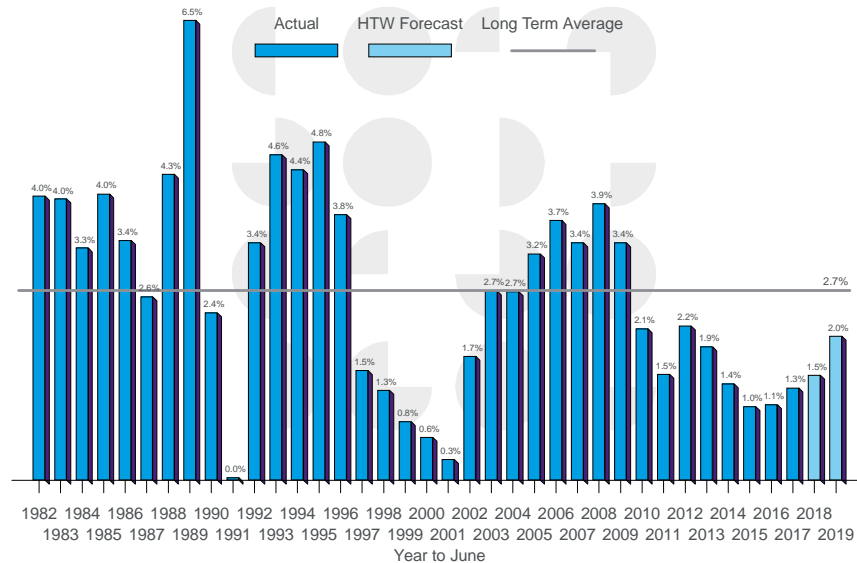
Herron Todd White produces a quarterly publication of Townsville Market Information entitled *Townsville in Focus*. Like CairnsWatch, it is free of charge.

For further enquiries or to subscribe, contact townsville@htw.com.au or call (07) 4724 2000.

EMPLOYMENT AND DEMOGRAPHY

Speical Topic: Population Growth

Rate of Growth %pa



Source: ABS, HTW Research

Cairns (defined as the urban area from the Goldsborough Valley through to Ellis Beach) experienced population growth of 1.3% over the 12 months to 30 June 2017, with its official resident population reaching 161,017 as of that date. Its population growth rate has rebuilt slowly over the last three years, from 1.0% in the twelve months to June 2015, to 1.1% in the twelve months to June 2016, and 1.3% in the twelve months to June 2017.

Our population model predicts that Cairns' population growth rate will further increase to about 1.5% in the 12 months to 30 June 2018, and if all goes as swimmingly with the Cairns economy as expected this year, will be followed by about 2.0% growth in the 12 months to 30 June 2019.

Herron Todd White does... Socio-Economic Research

Herron Todd White Cairns carries out specialist project consulting assignments in all areas of socio-economic research, including demographic studies, statistical surveys, market research, strategy planning, cost benefit studies, and socio-economic impact assessment.

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