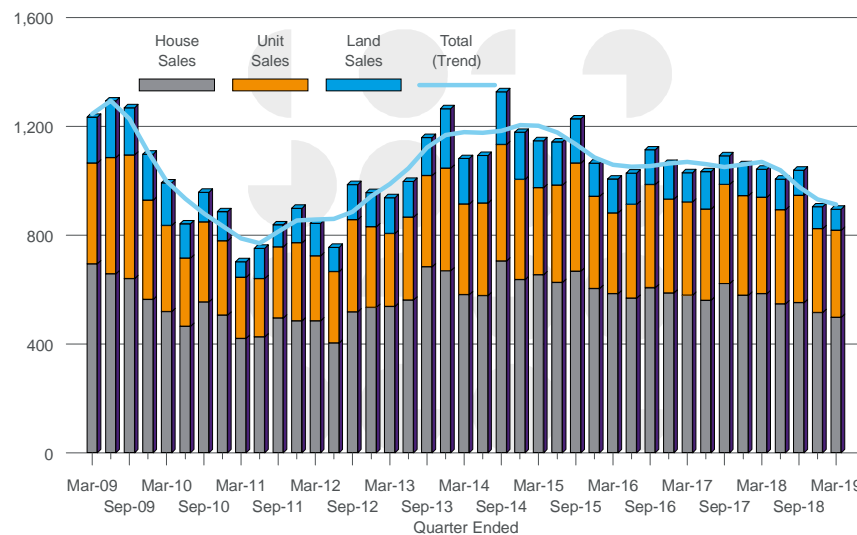


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Cairns Property Sales

Number of Sales per Quarter

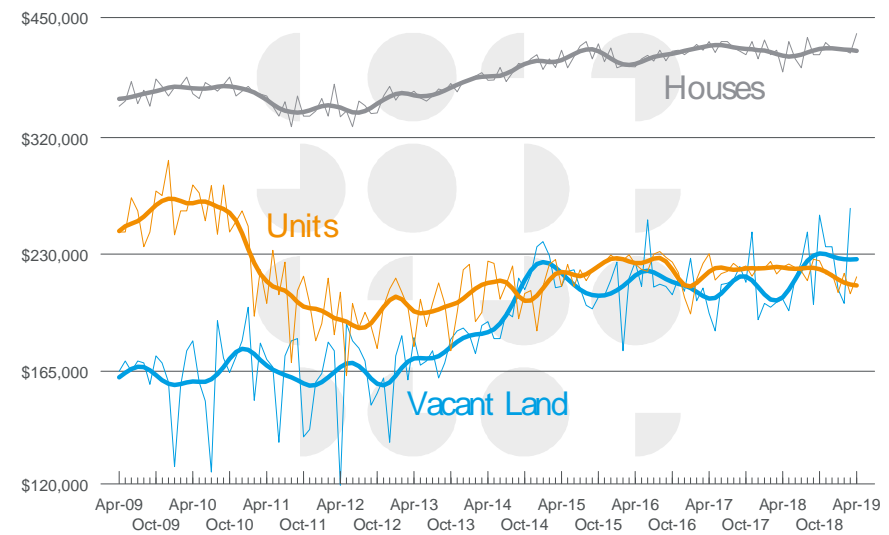


* All sales are classified to the date of contract
 ** Recent quarters are provisional and subject to revision
 Source: HTW Analysis of RPData

Real estate sales volumes have progressively shrunk during the last twelve months due to lower demand and more difficult finance conditions. The trend number of sales taking place in the March quarter of 2019 totalled 937, coming in 14.7% below the levels observed in the March quarter of 2018. The reduction taking place from the March quarter of 2018 to the March quarter of 2019 consisted of a 14.0% trend reduction in house sales, a 12.4% trend reduction in unit sales and a more massive trend 30.4% reduction in vacant land sales.

Cairns Property Prices

Median Sale Price (Log Scale)



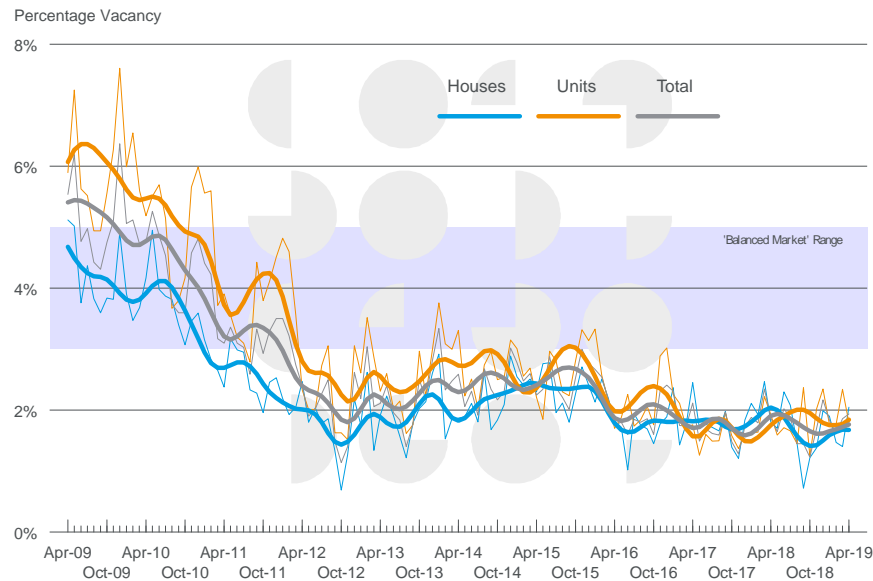
* All sales are classified to date of contract (not date of settlement)
 ** Recent months are provisional and subject to revision
 Source: HTW Analysis of RPData

Property prices for houses have been largely unaffected by reduced sales activity over the last twelve months, with their median price trends holding at essentially unchanged levels. Land prices increased at the start of 2018 as a result of compositional variation, but are now dead flat again as slow sales and competitive pressures bite into the market. Meanwhile unit prices are now softening also as a result of compositional variation. The latest trend median prices, for properties sold in the month of April 2019, came in at \$409,000 for houses, \$211,000 for units, and \$227,000 for 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

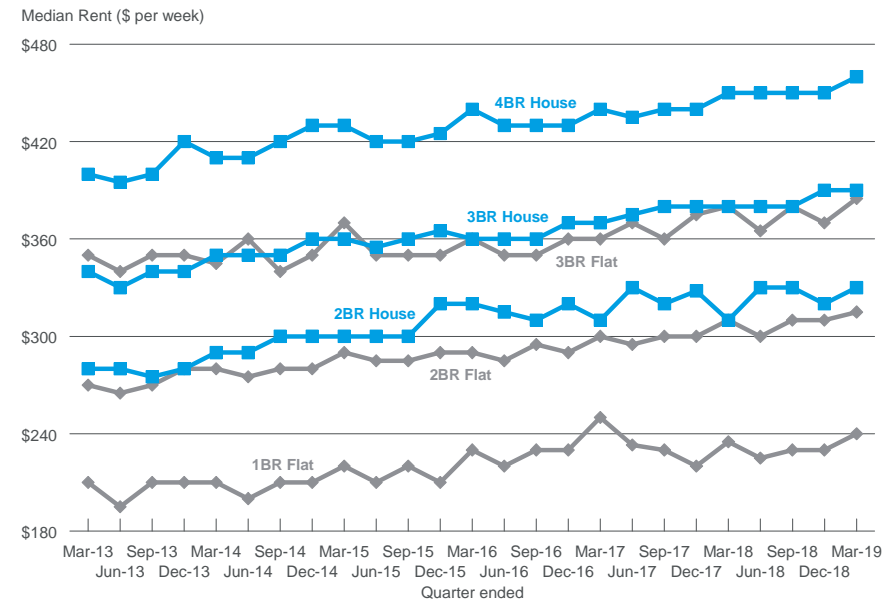
Cairns Rental Vacancies



Source: HTW Rentroll Survey

The rental market has been essentially unchanged over the last two years, with rental vacancy rates continuing to indicate tight verging on stressed rental market conditions. Our latest survey results show that the trend rental vacancy rates for April 2019 stood at 1.7% for houses, 1.8% for units and 1.8% overall. Coupled with the very low level of new rental supply being created due to 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.

Cairns Property Rents



Source: Queensland Residential Tenancies Authority

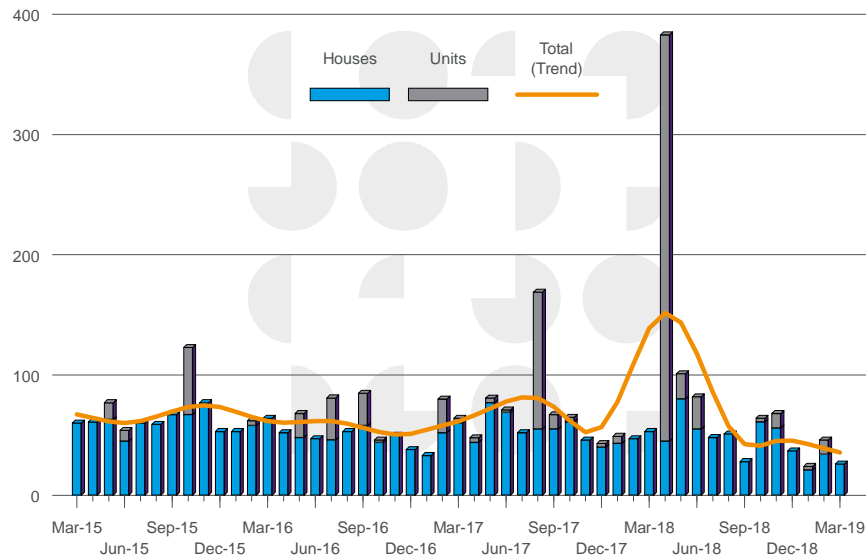
Low rental vacancy rates have been consistently placing mild upward pressure on rents in year-on-year terms over the last six years. Over the twelve months to March 2019 the Cairns weighted average median rent has lifted from \$405 to \$420 per week for houses, and from \$295 to \$300 per week for units. The very low rental vacancy rates being observed in the current market are likely to maintain mild 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 properties rented during the quarter. Movements in median rents do not necessarily equate to movements in individual property rental values.

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Cairns Building Approvals

Number of New Dwellings Approved in Cairns Urban Area



Source: Derived from ABS data

Building approval figures have shrunk to very low levels over the last four months and remain on a downward trend. The March 2019 trend stood at just 35 new dwellings being approved per month, consisting of 30 new houses and 5 units. The low levels of new building approvals highlight the parlous state of the residential property market at present, as well as the tough competitive state of new housing construction due to difficult finance conditions and price pressures from sales in the established housing market.

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.

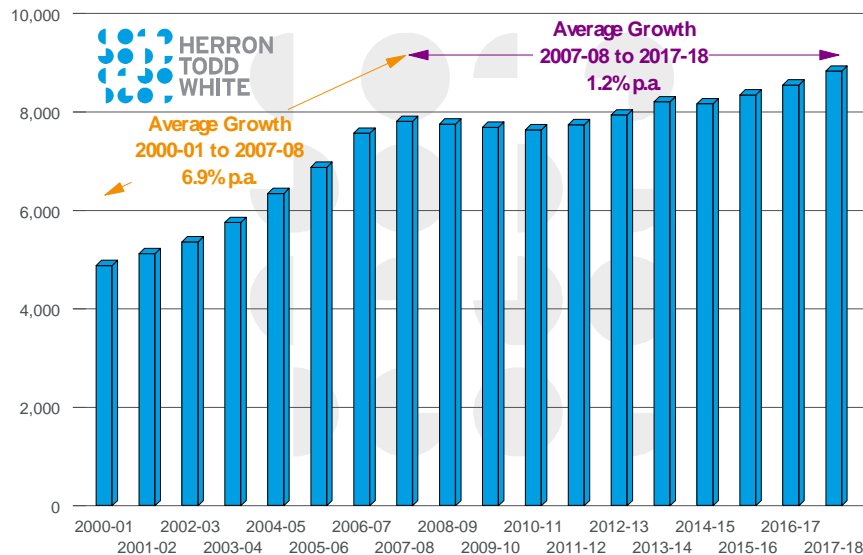
Depreciation is an important part of maximising your investment returns from an income generating property.

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

SPECIAL TOPIC: ECONOMIC GROWTH

Cairns Economic Growth

Gross Regional Product (\$ million per annum at constant prices)



Source: NIEIR

The Cairns Regional Council area had an economic size (in terms of Gross Regional Product) of \$8.831 billion in 2017-18, equating to 2.79% of the total Queensland economy. During the halcyon days from 2000-01 to 2007-08, the Cairns economy grew at an average rate of 6.9% per annum. However, since then growth has averaged 1.2% per annum. Nevertheless economic growth came in at a respectable 3.3% during 2017-18, significantly above the population growth rate of 1.1% for the same period. Economic growth for 2018-19 should come in equally positive based on continuing employment growth.

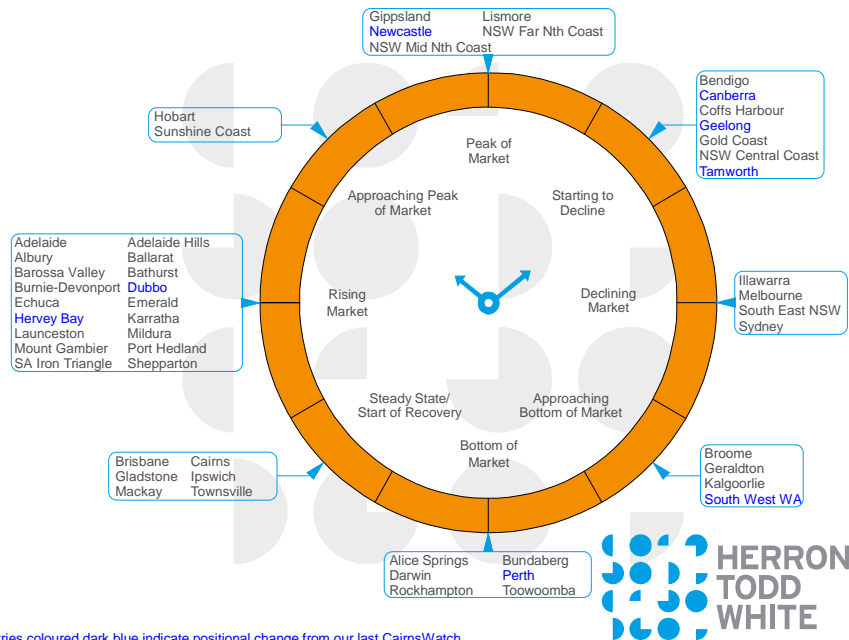
Herron Todd White does... Socio-Economic Research

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.

Contact us today to discuss your requirements.

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National Property Clock



Source: Residential Property Ratings for Houses Compiled by Herron Todd White, April 2019

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

Even though the Cairns market has been experiencing reduced levels of sales activity, we continue to regard Cairns as persisting in a 'Steady State' position.

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.