

Cairns

The Cairns residential property market is a solid regional performer, an outlier among regional markets in Queensland, with both sales and rentals holding steady and apartment investors in Cairns getting among the highest yields in the state for their properties.

After three consecutive quarters of no movement, the quarterly median house price grew 1.6 per cent in March to \$410,000.

The annual median remained steady at \$400,000, despite a slight fall in demand and rise in supply.

In the unit market, the quarterly median fell for the third consecutive quarter, losing 10 per cent, to \$207,000. The annual median unit price grew 2.2 per cent this quarter despite the demand dip and the increasing supply.

Economic development in the region is heavily dependent on tourism. In 2016, international visitors increased by about 15 per cent to 900,000. International visitors spent \$1.1 billion in the region, supporting 23,500 jobs and contributing more than \$4.7 billion to the local economy, according to State Government data.

With the tourism industry uplift, unemployment fell from 8.1 per cent in October 2016 to 7.3 in March 2017. Despite this improvement, unemployment remains a challenge for the region.

The Bruce Highway to Cairns Southern Access Corridor Stage 3 and Stage 4 are the largest road infrastructure projects in the region.

Stage 3 is a 10km-Bruce Highway duplication from Edmonton to Gordonvale with an estimated project investment of \$481 million.

Stage 4 of the project is being planned and has an estimated cost of \$135 million. The goal is to upgrade the Bruce Highway to six lanes in that section and replace Chinaman Creek bridges.

Key regional projects will complete soon, including the \$54 million Cairns Aquarium, which is expected to open in mid-June.

The Cairns Airport redevelopment project is facing uncertainty as the core business may be refocused to grow airline capacity.

Considering the pipeline of public and private investment projects, the outlook for the residential property market is positive. Tourism can be volatile, extremely sensitive to foreign exchange rates and the delivery of expensive marketing campaigns. However, the outlook for the Cairns industry is positive. The lower Aussie dollar and additional infrastructure to develop the tourism market should grow the economy and, in turn, drive housing demand.

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HOUSE MARKET

The March quarterly median grew 1.6 per cent, from \$403,750 in December to \$410,000 in March. Cairns is the most expensive regional market outside the southeast corner.

The annual median house price remained steady at \$400,000 from March 2016 to March 2017. And this is a growth of 14.3 per cent over five years, when the median was \$350,000 in March 2012.

Looking at the historical data, the volume of sales fell from 601 in September to 586 in December last year. Preliminary March data reveals 384 sales for the quarter, however, this will be re-assessed in June when CoreLogic has finalised its March quarter data.

The busiest price range for houses in Cairns is from \$350,000 to \$500,000, similar to Logan and Moreton Bay in Greater Brisbane.

The state-wide trend this quarter has been a lift in listings, and in Cairns listings increased 21.6 per cent, from 3463 in February 2016 to 4211 in February 2017.

Market trend indicators reveal a slowing market with median days on market lengthening from 47 days in February 2016 to 59 days in February 2017. Similarly, median vendor discounting increased slightly, from 5.2 per cent in February 2016 to 5.6 per cent in February 2017.

UNIT MARKET

The unit market fell for a third consecutive quarter, losing 10 per cent over the March quarter, from \$230,000 to \$207,000.

Similar to the house market, in the December quarter the volume of sales fell more than 15 per cent with the number of quarterly transactions reaching 363 for the December quarter.

Preliminary data indicates that the March sales activity may have contracted with the number of sales falling to 237 transactions. This will be reassessed over the June 2017 quarter.

Despite the three consecutive quarterly falls in the median sale price, the annual median unit price grew 2.2 per cent, from \$228,000 in March 2016 to \$233,000 in March 2017. This compares to the annual median unit price of \$217,000 in March 2012.

Listings increased sharply, by 42.2 per cent, for the 12 months to February 2017. This increased the stock on market, from 8.8 per cent in February 2016 to 12.5 per cent in February 2017.

Days on market and vendor discounting were congruous with contracting demand. Days on market increased by 11 days to 70 days and vendor discounting increased from 5.5 per cent to 6.3 per cent for February 2017.

RENTAL MARKET

The Cairns rental market is the only large regional rental market that is classed as a tight market. Cairns vacancies tightened further in the March quarter, falling from 2.4 per cent in the previous quarter to 1.8 per cent for March.

The Cairns unit rental market is giving investors the highest indicative rental yield of all markets included in the Queensland Market Monitor.

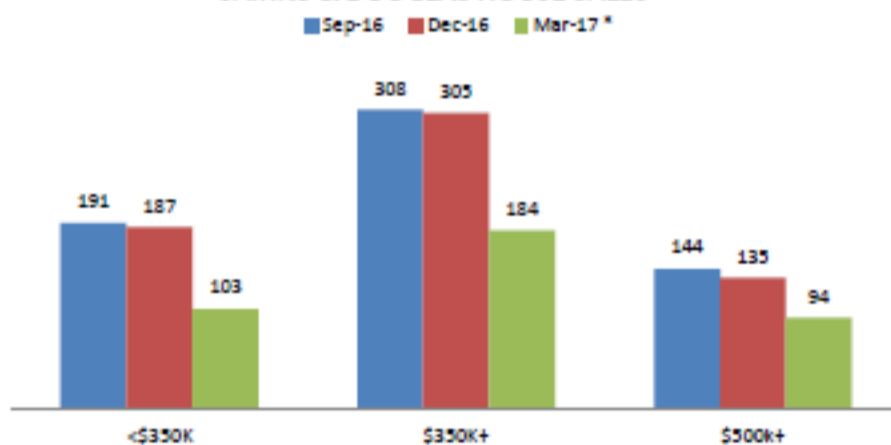
Indicative gross rental yields increased for units over the March quarter, from 6.7 per cent to 7.5 per cent. The increase was supported by the reduction on the March median sale price (by 10 per cent) and the increase in the median weekly rent of two-bedroom units (by \$10).

Local agents generally describe the market as a stable market, favouring investors. Rental properties usually attract two to five applications and are rented in fewer than two weeks.

The weekly median rent for three-bedroom houses, three-bedroom townhouses and two-bedroom units have been pushing up over the past 12 months. The largest increase was for weekly rents of three-bedroom townhouses, of \$40 from \$350 for March 2016 to \$390 for March 2017.

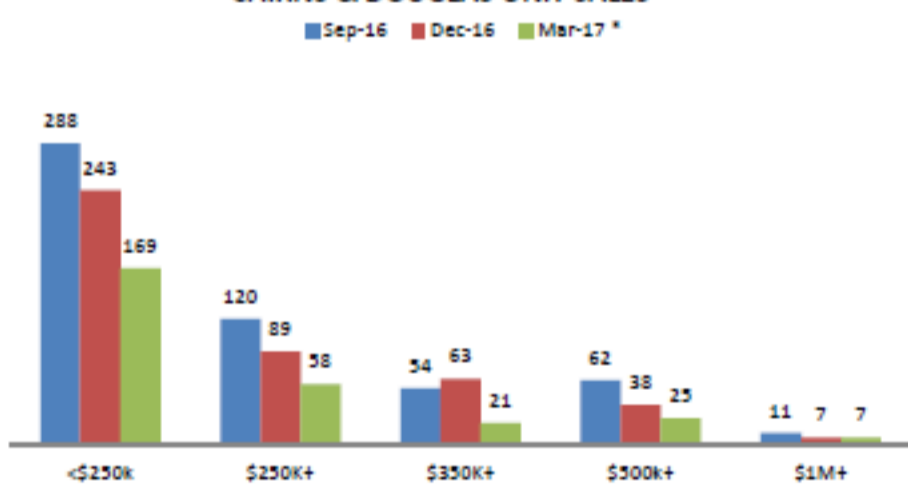
Yields for houses reduced, from 4.9 per cent in December to 4.7 per cent in March, due to the increase in the March median house price.

CAIRNS & DOUGLAS HOUSE SALES



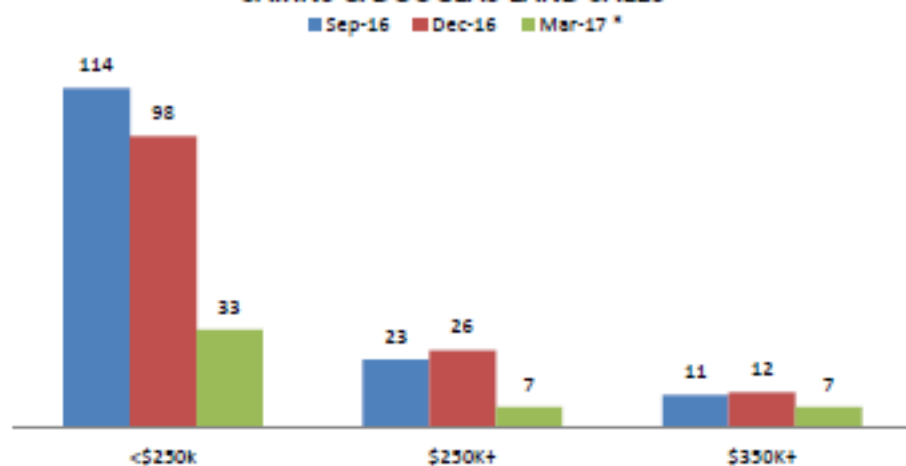
*Preliminary data
Houses < 2,400m

CAIRNS & DOUGLAS UNIT SALES



*Preliminary data

CAIRNS & DOUGLAS LAND SALES



*Preliminary data

SALES MARKET - HOUSES

SUBURB/LGA	QTRLY NO. SALES	QTRLY MEDIAN SALE	QTRLY CHANGE	ANNUAL MEDIAN SALE	1YR CHANGE	5YR CHANGE	ANNUAL MEDIAN SALE (5YRS AGO)
CAIRNS (LGA)	384	\$410,000	1.6%	\$400,000	0.0%	14.3%	\$350,000
CAIRNS (LGA) ^	14	N/A	N/A	\$630,000	-1.6%	2.9%	\$612,500
BAYVIEW HEIGHTS	12	N/A	N/A	\$380,000	-1.3%	7.0%	\$355,000
BENTLEY PARK	25	\$352,750	6.9%	\$340,500	-5.4%	3.8%	\$328,000
BRINSMEAD	19	N/A	N/A	\$446,000	-0.9%	14.4%	\$390,000
BUNGALOW	0	N/A	N/A	\$325,000	-12.8%	20.4%	\$270,000
CARAVONICA	9	N/A	N/A	\$417,000	13.8%	15.8%	\$360,000
CLIFTON BEACH	6	N/A	N/A	\$462,750	-11.0%	10.2%	\$420,000
EARLVILLE	6	N/A	N/A	\$380,000	2.7%	22.6%	\$310,000
EDGE HILL	10	N/A	N/A	\$502,000	4.6%	22.1%	\$411,000
EDMONTON	39	\$349,000	-0.3%	\$349,000	3.6%	10.4%	\$316,000
FRESHWATER	6	N/A	N/A	\$523,750	2.3%	12.0%	\$467,500
GOLDSBOROUGH ^	2	N/A	N/A	\$505,000	4.4%	16.0%	\$435,500
GORDONVALE	11	N/A	N/A	\$320,000	2.6%	21.2%	\$264,000
GORDONVALE ^	2	N/A	N/A	\$610,000	-4.1%	18.4%	\$515,000
HOLLOWAYS BEACH	3	N/A	N/A	\$385,000	-3.8%	15.8%	\$332,500
KANIMBLA	5	N/A	N/A	\$472,500	-11.0%	4.4%	\$452,500
KEWARRA BEACH	17	N/A	N/A	\$447,500	6.7%	17.8%	\$380,000
MANOORA	3	N/A	N/A	\$297,500	-4.3%	24.0%	\$240,000
MANUNDA	3	N/A	N/A	\$350,000	11.1%	27.9%	\$273,750
MOORBOOOL	24	\$356,250	-9.1%	\$358,750	-5.0%	10.1%	\$325,750
MOUNT SHERIDAN	35	\$430,000	25.5%	\$366,000	-1.1%	12.6%	\$325,000
PALM COVE	7	N/A	N/A	\$558,000	-14.8%	15.1%	\$485,000
PARRAMATTA PARK	8	N/A	N/A	\$471,250	8.3%	20.8%	\$390,000
REDLYNCH	26	\$480,000	7.6%	\$460,000	-1.1%	19.5%	\$385,000
SMITHFIELD	26	\$433,000	3.1%	\$416,500	0.4%	21.6%	\$342,500
TRINITY BEACH	17	N/A	N/A	\$478,250	-2.4%	32.8%	\$360,000
TRINITY PARK	8	N/A	N/A	\$440,000	1.1%	15.8%	\$380,000
WESTCOURT	7	N/A	N/A	\$345,000	-2.8%	14.2%	\$302,000
WHITE ROCK	13	N/A	N/A	\$295,000	-10.6%	3.5%	\$285,000
WHITFIELD	15	N/A	N/A	\$485,000	0.5%	16.9%	\$415,000
WOREE	4	N/A	N/A	\$315,000	-11.9%	9.6%	\$287,500

SURROUNDS

CASSOWARY COAST (LGA)	22	\$212,500	-1.2%	\$220,000	-5.4%	0.0%	\$220,000
CASSOWARY COAST (LGA) ^	14	N/A	N/A	\$330,000	-5.7%	7.7%	\$306,500
DOUGLAS (LGA)	32	\$435,000	-1.7%	\$400,000	-8.8%	0.6%	\$397,500
PORT DOUGLAS	9	N/A	N/A	\$587,250	14.0%	21.7%	\$482,500
MAREEBA (LGA)	23	\$267,500	7.0%	\$270,000	-1.8%	3.3%	\$261,500
MAREEBA (LGA) ^	18	N/A	N/A	\$427,500	-5.0%	6.9%	\$400,000
KURANDA ^	7	N/A	N/A	\$454,000	-3.2%	24.4%	\$365,000
MAREEBA	17	N/A	N/A	\$280,000	1.8%	7.1%	\$261,500
TABLELANDS (LGA)	39	\$291,500	1.6%	\$285,000	-7.5%	9.6%	\$260,000
TABLELANDS (LGA) ^	31	\$383,500	-1.4%	\$385,000	-7.2%	2.0%	\$377,500
ATHERTON	26	\$295,000	-7.8%	\$300,000	-5.5%	10.1%	\$272,500
TOLGA ^	5	N/A	N/A	\$465,000	10.7%	1.6%	\$457,500

SALES MARKET - UNITS & TOWNHOUSES

SUBURB/LGA	QTRLY NO. SALES	QTRLY MEDIAN SALE	QTRLY CHANGE	ANNUAL MEDIAN SALE	1YR CHANGE	5YR CHANGE	ANNUAL MEDIAN SALE (5YRS AGO)
CAIRNS (LGA)	237	\$207,000	-10.0%	\$233,000	2.2%	7.4%	\$217,000
BUNGALOW	3	N/A	N/A	\$183,000	10.9%	18.1%	\$155,000
CAIRNS CITY	21	\$292,000	12.3%	\$320,000	-12.6%	-15.8%	\$380,000
CAIRNS NORTH	34	\$192,500	-24.7%	\$225,000	-6.3%	-0.8%	\$226,750
EARLVILLE	6	N/A	N/A	\$201,000	-9.5%	-18.6%	\$247,000
EDGE HILL	13	N/A	N/A	\$150,000	-25.9%	0.3%	\$149,500
EDMONTON	2	N/A	N/A	\$205,000	11.4%	28.1%	\$160,000
FRESHWATER	3	N/A	N/A	\$310,000	-1.6%	29.2%	\$240,000
MANDORA	9	N/A	N/A	\$154,000	-5.8%	-9.4%	\$170,000
MANUNDA	10	N/A	N/A	\$172,500	16.9%	3.9%	\$166,000
MOOROORBOOL	15	N/A	N/A	\$207,000	3.6%	8.9%	\$190,000
PALM COVE	12	N/A	N/A	\$285,000	2.7%	14.0%	\$250,000
PARRAMATTA PARK	9	N/A	N/A	\$242,500	-3.0%	28.0%	\$189,438
TRINITY BEACH	27	\$269,000	-2.2%	\$273,000	-1.3%	8.1%	\$252,500
WESTCOURT	9	N/A	N/A	\$210,000	-6.7%	29.2%	\$162,500
WOREE	9	N/A	N/A	\$153,500	22.3%	5.9%	\$145,000
YORKEYS KNOB	12	N/A	N/A	\$200,500	-4.8%	10.8%	\$181,000

SURROUNDS

DOUGLAS (LGA)	53	\$225,000	-2.2%	\$242,500	10.7%	17.4%	\$206,500
PORT DOUGLAS	49	\$225,000	-2.2%	\$235,000	7.6%	14.1%	\$206,000
ATHERTON	4	N/A	N/A	\$220,000	0.9%	-9.5%	\$243,000

SALES MARKET - VACANT LAND

CAIRNS (LGA)	33	\$225,000	5.1%	\$215,000	3.0%	26.5%	\$170,000
EDMONTON	2	N/A	N/A	\$195,000	24.4%	77.3%	\$110,000
GORDONVALE	3	N/A	N/A	\$144,000	2.1%	20.0%	\$120,000
KANIMBLA	1	N/A	N/A	\$280,000	12.0%	30.2%	\$215,000
KEWARRA BEACH	1	N/A	N/A	\$271,000	9.5%	44.1%	\$188,000
REDLYNCH	5	N/A	N/A	\$240,500	-0.9%	33.2%	\$180,500
SMITHFIELD	4	N/A	N/A	\$215,000	0.0%	49.3%	\$144,000
TRINITY PARK	6	N/A	N/A	\$209,750	-4.4%	15.6%	\$181,500

SURROUNDS

CASSOWARY COAST (LGA)	7	N/A	N/A	\$89,000	0.6%	-15.2%	\$105,000
MISSION BEACH	3	N/A	N/A	\$89,000	-1.1%	-24.6%	\$118,000
DOUGLAS (LGA)	8	N/A	N/A	\$177,500	19.5%	46.7%	\$121,000
MAREEBA (LGA)	3	N/A	N/A	\$101,500	6.8%	19.4%	\$85,000
MAREEBA	2	N/A	N/A	\$101,500	6.8%	16.0%	\$87,500
TABLELANDS (LGA)	6	N/A	N/A	\$107,000	1.9%	18.9%	\$90,000
ATHERTON	3	N/A	N/A	\$108,000	6.7%	-4.9%	\$113,602

“Economic development in the region is heavily dependent on tourism. In 2016, international visitors increased by about 15 per cent to 900,000. International visitors spent \$1.1 billion in the region, supporting 23,500 jobs and contributing more than \$4.7 billion to the local economy, according to State Government data.”

RENTAL MARKET - 3 BED HOUSES

POST CODE	LOCALITY*	MAR-17		MAR-16	
		\$/WEEK	NEW BONDS	\$/WEEK	NEW BONDS
CAIRNS REGIONAL		\$370	468	\$360	454
4865	GORDONVALE	\$323	18	\$320	15
4868	MT SHERIDAN/BAYVIEW HTS/TARRAWARRA/WHITE ROCK/WOREE	\$360	93	\$350	94
4869	CENTENARY HTS/CENTENARY PK/EDMONTON/TAMARIND GARDENS	\$350	56	\$335	52
4870	CAIRNS & SUBURBS OF CAIRNS	\$380	160	\$370	160
4878	CARAVONICA/HOLLOWAYS BCH/LAKE PLACID/MACHANS BCH/MCGREGOR/SMITHFIELD/SMITHFIELD HTS/YORKEYS KNOB	\$390	56	\$380	55
4879	BUCHAN PT/CLIFTON BCH/ELLIS BCH/KEWARRA BCH/PALM COVE/TRINITY BCH/TRINITY PK	\$400	82	\$395	75
DOUGLAS SHIRE		\$388	28	\$350	33
4873	MOSSMAN/COOYA BEACH/COW BAY/MIALLO/NEWELL/WONGA	\$330	19	\$320	20
4877	PORT DOUGLAS/CRAIGLIE/MOWBRAY/OAK BEACH	\$495	9	\$420	13
CASSOWARY COAST REGIONAL		\$295	97	\$295	102
4849	CARDWELL	\$275	7	\$250	8
4852	BINGIL BAY	\$350	17	\$320	18
4854	BILYANA	\$288	20	\$300	19
4860	BAMBOO CREEK	\$290	47	\$280	44
TABLELANDS REGIONAL		\$300	96	\$295	93
4872	DIMBULAH/KAIRI/MT GARNETT/TINAROO/WALKAMIN	\$288	8	\$280	12
4883	ATHERTON/UPPER BARON	\$330	43	\$300	37
4884	YUNGABURRA/LAKE EACHAM	\$320	10	\$280	6
4885	MALANDA/TARZALL/JAGGAN	\$280	12	\$280	11
4888	RAVENSHOE/EVELYN/MILLSTREAM	\$270	13	\$250	12
MAREEBA SHIRE		\$318	60	\$305	56
4880	MAREEBA/BIBDOHRA	\$315	55	\$300	38
4881	KURANDA/KOAH/SPEEDWAH	\$390	5	\$320	18

RENTAL MARKET - 2 BED UNITS

CAIRNS REGIONAL		\$300	830	\$290	847
4868	MT SHERIDAN/BAYVIEW HTS/TARRAWARRA/WHITE ROCK/WOREE	\$260	70	\$265	76
4869	CENTENARY HTS/CENTENARY PK/EDMONTON/TAMARIND GARDENS	\$255	15	\$240	14
4870	CAIRNS & SUBURBS OF CAIRNS	\$300	540	\$290	562
4878	CARAVONICA/HOLLOWAYS BCH/LAKE PLACID/MACHANS BCH/MCGREGOR/SMITHFIELD/SMITHFIELD HTS/YORKEYS KNOB	\$290	89	\$290	92
4879	BUCHAN PT/CLIFTON BCH/ELLIS BCH/KEWARRA BCH/PALM COVE/TRINITY BCH/TRINITY PK	\$320	112	\$300	99
DOUGLAS SHIRE		\$300	62	\$290	57
4873	MOSSMAN/COOYA BEACH/COW BAY/MIALLO/NEWELL/WONGA	\$230	12	\$200	7
4877	PORT DOUGLAS/CRAIGLIE/MOWBRAY/OAK BEACH	\$310	50	\$290	50
CASSOWARY COAST REGIONAL		\$210	115	\$220	99
4849	CARDWELL	\$205	12	\$195	8
4852	BINGIL BAY	\$240	30	\$250	25
4854	BILYANA	\$150	38	\$145	27
4860	BAMBOO CREEK	\$200	35	\$230	38
TABLELANDS REGIONAL		\$230	47	\$210	28
4883	ATHERTON/UPPER BARON	\$230	41	\$220	20
MAREEBA SHIRE		\$245	57	\$250	27
4880	MAREEBA/BIBDOHRA	\$230	49	\$250	25

RENTAL MARKET - 3 BED TOWNHOUSES

CAIRNS REGIONAL		\$390	16	\$350	20
4870	CAIRNS & SUBURBS OF CAIRNS	\$395	7	\$350	13
DOUGLAS SHIRE		N/A	2	\$385	10
4877	PORT DOUGLAS/CRAIGLIE/MOWBRAY/OAK BEACH	N/A	2	\$385	10