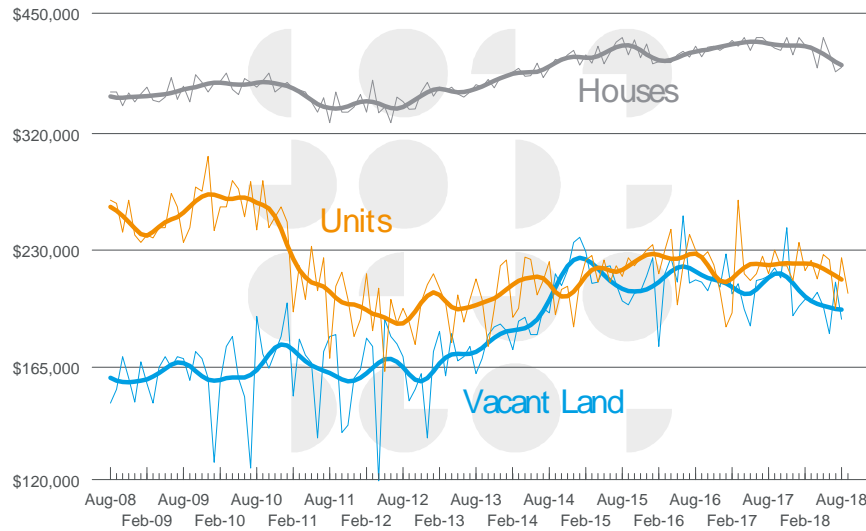


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Property Prices

Median Sale Price (Log Scale)



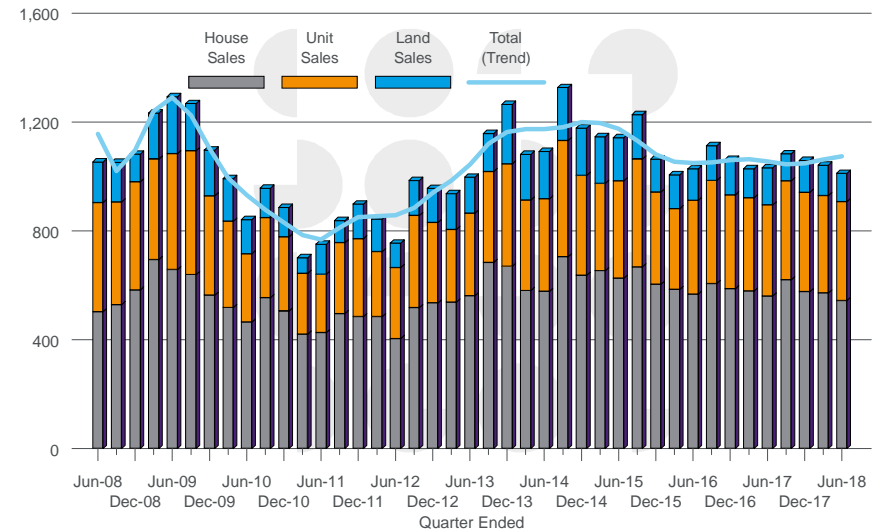
* All sales are classified to date of contract (not date of settlement)
** Recent months are provisional and subject to revision
Source: HTW Analysis of RPData

Median property price trends have buttoned off for houses over the last six months, and have also reduced for units and land, as a result of changes in compositional mix. However our view is that most property prices are no more than plus or minus 5% different from what they were twelve months ago, and that their overall balance has remained basically static. The latest trend median prices, for properties sold in the month of August 2018, came in at \$389,000 for a house, \$211,000 for a unit, and \$194,000 for a block of 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 Volumes

Number of Sales per Quarter

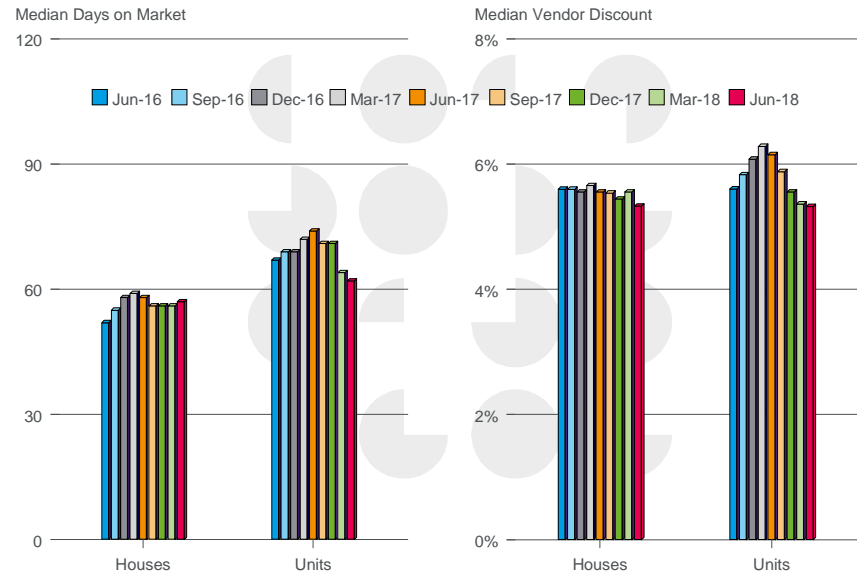


* All sales are classified to the date of contract
** Recent quarters are provisional and subject to revision
Source: HTW Analysis of RPData

There are signs of volume returning to the real estate market, particularly from the units sector. The overall trend number of sales taking place totalled 1,074 in the June quarter of 2018, a 1.7% increase compared to the levels observed in the June quarter of 2017 and a distinct change from the dead flat conditions that had been otherwise occurring during 2016 and 2017. The 1.7% trend increase taking place between the June quarter of 2017 and the June quarter of 2018 comes as the combined result of a 2.1% trend decrease in house sales, offset by an 11.6% trend increase in unit sales and a 6.4% trend decrease in vacant land sales.

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Property Metrics



Source: CoreLogic

Other property market metrics have improved slightly for house sales over the last twelve months, and shown significant improvement for units. The median time taken for units to reach a sale has decreased from 74 days for units sold in the twelve months to June 2017, to 62 days for units sold in the twelve months to June 2018. Meanwhile the median time taken to sell a house has decreased marginally from 58 days to 57 days for houses sold over the same periods. The median vendor discount – the difference between the asking price first advertised on a property and its ultimate selling price – has reduced significantly for units and to a lesser degree for houses.

Herron Todd White does... Tax Depreciation Schedules

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

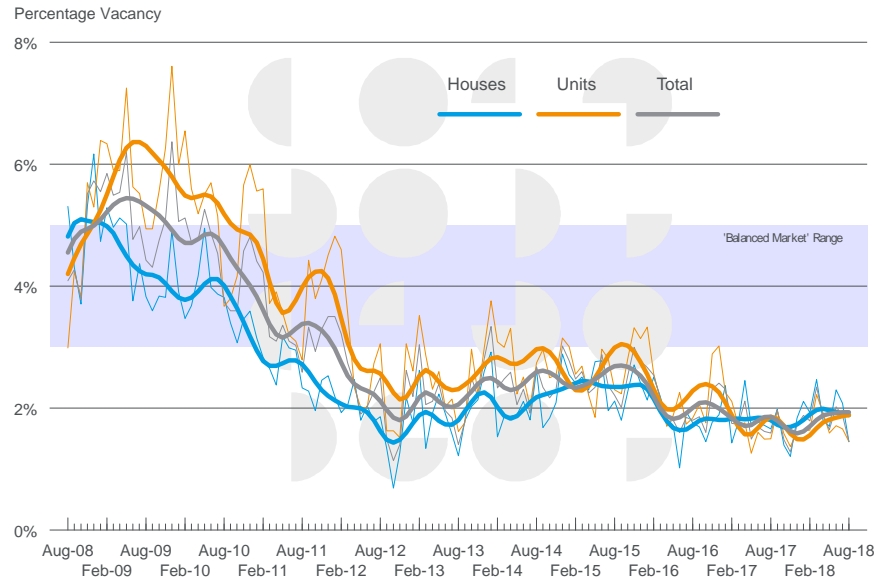
You could be missing out on thousands of dollars each year in allowable depreciation for your investment property.

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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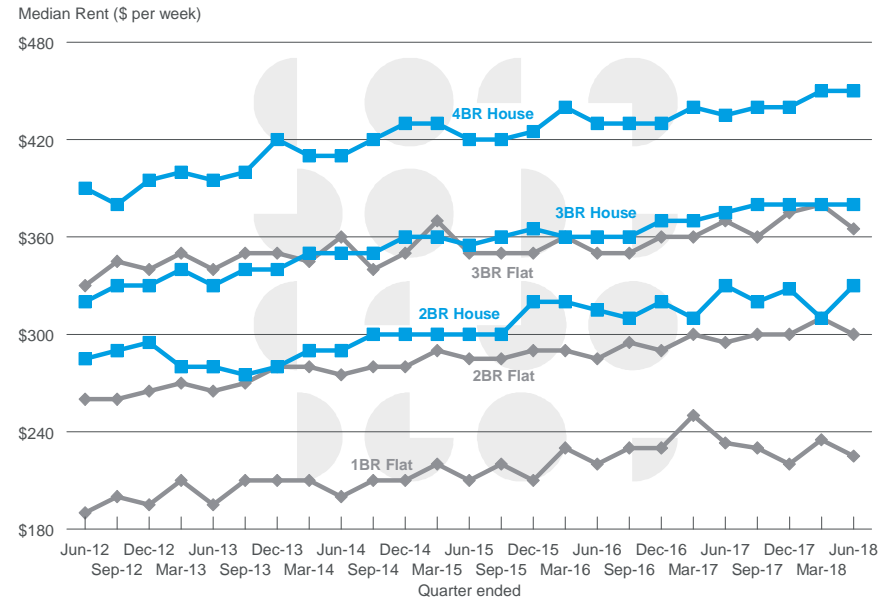
Rental Vacancies



Source: HTW Rentroll Survey

Though rental vacancy trends have crept up slightly over the last six months, rental vacancy rates remain low and continue to indicate tight verging on stressed market conditions. Our latest survey results show that the trend rental vacancy rates for August 2018 stood at 1.9% for houses, 1.9% for units and 1.9% 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.

Property Rents



Source: Queensland Residential Tenancies Authority

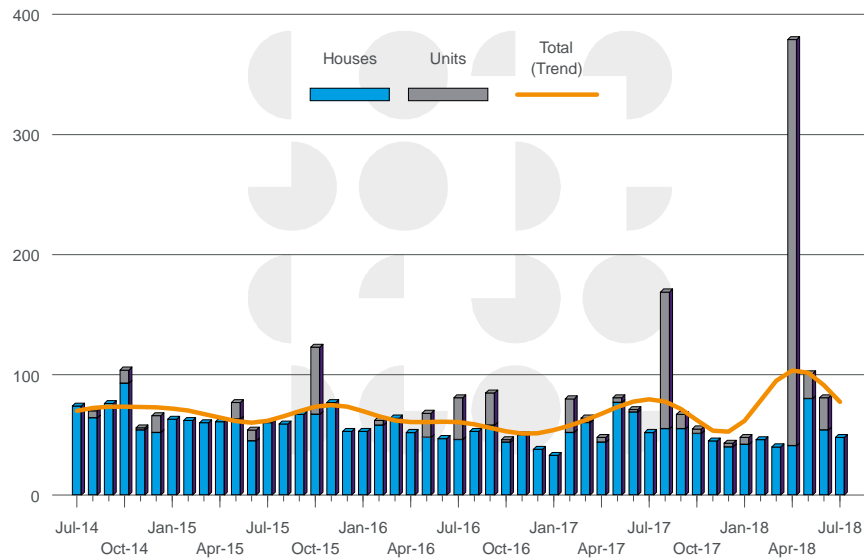
Low rental vacancy rates have been placing mild upward pressure on rents in year-on-year terms consistently over the last six years. Over the twelve months to June 2018 the Cairns weighted average median rent has increased from \$400 to \$410 per week for houses, but for units, rents were surprisingly no different over the same period at \$285 per week. The low rental vacancy rates being observed in the current market are likely to maintain upward pressure on rents in coming quarters, but will not be able to 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.

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Building Approvals

Number of New Dwellings Approved in Cairns Urban Area



Source: Derived from ABS data

Building approval figures have retreated somewhat from the April 2018 spike brought on by the first approval component of the Nova City development, but nevertheless remain heightened in technical trend terms. The calculated trend is 47.3% up in July 2018 compared to December 2017, but interestingly is down by 2.6% compared to the spike affected levels that were also prevailing in July 2017. Whilst it remains to be seen whether the building approval trend will continue at heightened levels, the extra construction activity will be most welcome.

Herron Todd White does...Rural Valuations

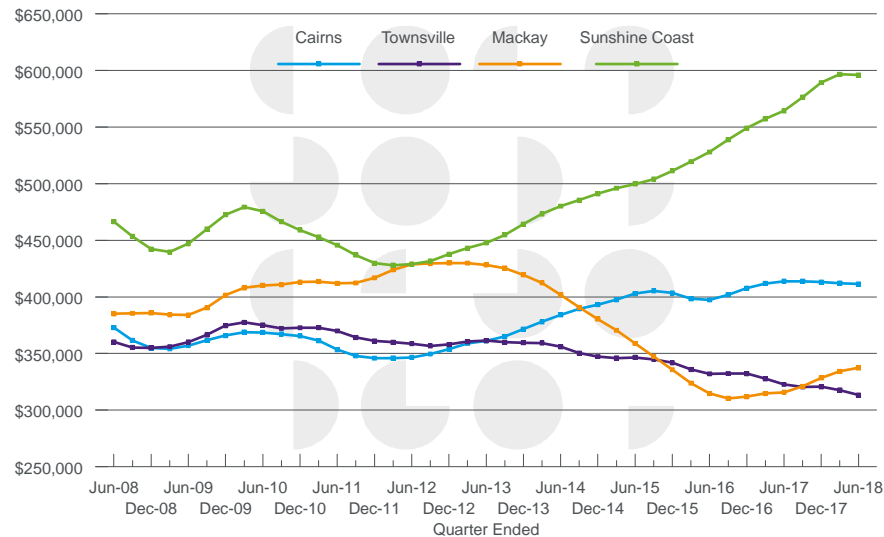
Selling the farm?

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

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Special Topic: Comparative House Prices

Median House Trend Price



* All sales are classified to date of contract (not date of settlement)

** Recent quarters are provisional and subject to revision

Source: HTW Analysis of RPData

Median house price movements have experienced a world of difference along the Queensland regional coast over the last five years. House prices have progressively escalated on the Sunshine Coast since 2012, but have now reached a plateau as the market nears its peak. Meanwhile prices in Mackay have been through the worst and are in recovery from their post-2013 slump, while Townsville's median house prices continue to languish. Though house prices in Cairns have stagnated in recent times, home owners in Cairns are now considerably better off than those in Mackay and Townsville. However they have been considerably outperformed by those on the Sunshine Coast. The differences are plain to see!

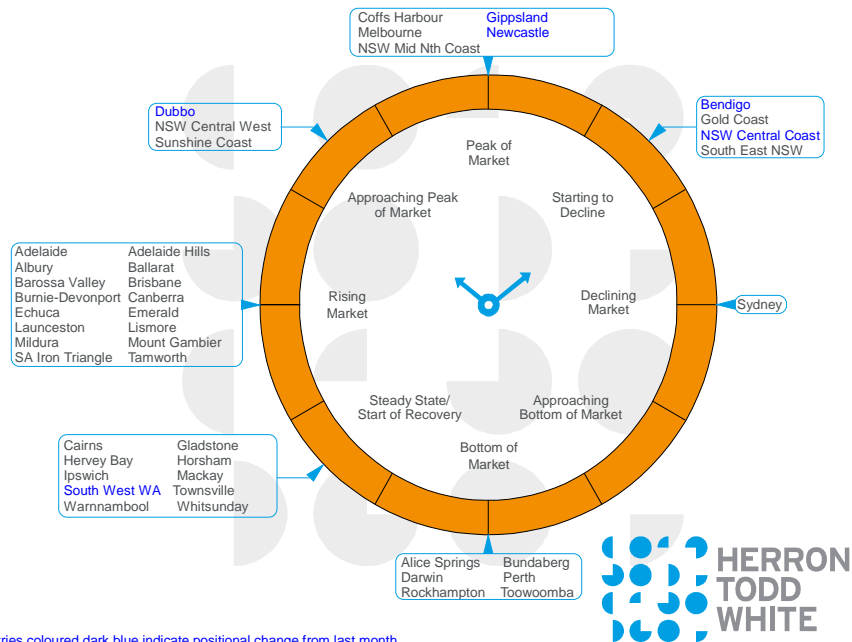
Herron Todd White does... Socio-Economic Research

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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National Property Clock



Entries coloured dark blue indicate positional change from last month
Source: Residential Property Ratings Compiled by Herron Todd White, August 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 there has been a pickup in unit sales, the absence of any substantive price growth across the market overall means we still regard Cairns as being 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.