

Cairns on the Move



Home shortage warning

A GREATER share of the economy needs to be devoted to housing to deal with a population boom otherwise

economy was very high.

"If housing construction



with appropriate skills will be a challenge," he told the Urban Development Institute of Australia National Congress in

the middle years of the 2000s resulting in oversupply of housing, he said.

Dr Lowe said business in-

that planning guidelines and infrastructure provision can accommodate this," Dr Lowe said.

se challenges government. e challenge is mand to grow

on a sustainable basis so that it can catch up with the supply potential of the economy.

"In contrast, for Australia, the main task is to expand the

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ing labour and skills shortages have to be dealt with, RBA assistant governor (economics) Philip Lowe says.

A second challenge was the capacity of the economy to deal with an increase in dwelling construction at a time when investment elsewhere in t

tor is expanding, there will be competing demands for a range of skilled workers and specialised services," Dr Lowe

been the case historically or risked a further adjustment in housing prices and rents to balance supply and demand.

Unlike most countries

rise over the next two years.

But the growth rate of dwelling construction had been below the average of the past 50 years, while the population

NEWS

Prime time for investors

AN increase in university enrolments and speculation over Cairns' role in the Papua New Guinean gas project is fuelling new optimism in the housing market.

Investors are tipped to take a leading role targeting potential properties to accommodate the population.

Nick Dalton

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"There is speculation around the

James Cook University was another positive sign. He said it was a good time for investors to buy property to rent out to university students.

lack of first home buyers and investors at the moment as I think people are concerned about doubts over interest rates," he said.

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Real Estate Institute of Queensland said the median house price in Cairns fell by 0.7 per cent in the March quarter. The cause for optimism was cause for optimism, Cairns chairman Rick

According to the property industry. "Also, with the Australian dollar getting more realistic, it allows an opportunity for tourists to visit and Cairns can benefit from this."

Mr Szelpuk said the 30 per cent increase in mid-year enrolments at

"Investors are advised to get in now while prices are going cheaper. "They should sell some of their shares and re-enter the property market."

Mr Szelpuk said the March quarter had slowed. "There's a distinct

median house price increase of 6.1 per cent to \$350,000. Brinsmead up 5.4 per cent to \$410,000 and Clifton Beach up 2 per cent to \$500,000.

REIQ managing director Dan Molloy said agents across the state were reporting less demand from buyers.

HOUSE PRICES

MEDIAN PRICE	CHANGE
100	-0.7 per cent
10,000	+13.8 per cent
100,000	+11.1 per cent
500,000	+6.1 per cent
Whitfield: \$382,900	-20.4 per cent
White Rock: \$281,750	-12 per cent
Smithfield: \$371,000	-11.7 per cent

SOURCE: REAL ESTATE INSTITUTE OF QUEENSLAND



Far North Commercial



Units going for 'bargain-basement' prices

NOW is the time to score a bargain in the Cairns unit market, Midwood Report author Bill Morris says.

Mr Morris recently released his report on the Queensland property and tourism markets for the February quarter.

He said the units built by developers who had since gone bust provided great opportunities for first home buyers.

"There are a lot of good buys in places like Hedley projects such as Trinity Cove and Vision," he said.

"There are (units) selling for less than \$3000 a square metre which is bargain basement.

"In Citi Edge there are three-bedders selling for \$2800 a square metre and you wouldn't get that anywhere else in Queensland unless you go out to bush places like Emerald."

For the second half

of last year there were 455 dwellings approved in Cairns, down on the seven-year average of 741.

"In 2003 and 2004 you were looking at about 1700 a year and even more in 2007," he said.

"It's probably a good time for a young couple to consider buying."

During the February quarter there were 45 apartments sold in Cairns, including Port Douglas.

Ten unconditional sales were reported at Thakral's Trilogy (pictured) development.

Mr Morris said a lack of credit was contributing to a lack of sales.

Gov... the rule... banks... debt to ass... in order to encourage lending.

He predicted home prices would rise because of the limited amount of stock.



There are three-bedders selling for \$2800 a square meter and you wouldn't get that anywhere else in Queensland unless you go out to bush places like Emerald

n.b: our three-bedders at Clifton Views sell for approx \$2,305

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NEWS

Shortage of housing likely by end of year

A HOUSING shortage in Cairns is looming by the end of the year, a new report warns.

The Herron Todd White monthly review predicts a lack of new residential properties late this year.

"Of longer term concern is

Nick Dalton

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to move later in 2010, there is the real possibility of supply shortages until such time as construction, especially unit

He said the money lenders were not financing land development and the increase in headworks charges were other factors.

"This can only mean that property prices in Cairns will go up which is not good for first

there appeared to be little happening in the private construction sector.

He said if some construction and development did not start soon then the region would face housing shortages.

Mr Blazek said there was



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Current Investment Position

- What do we need to consider when deciding where you should buy an Investment Property?

Population Growth

Employment

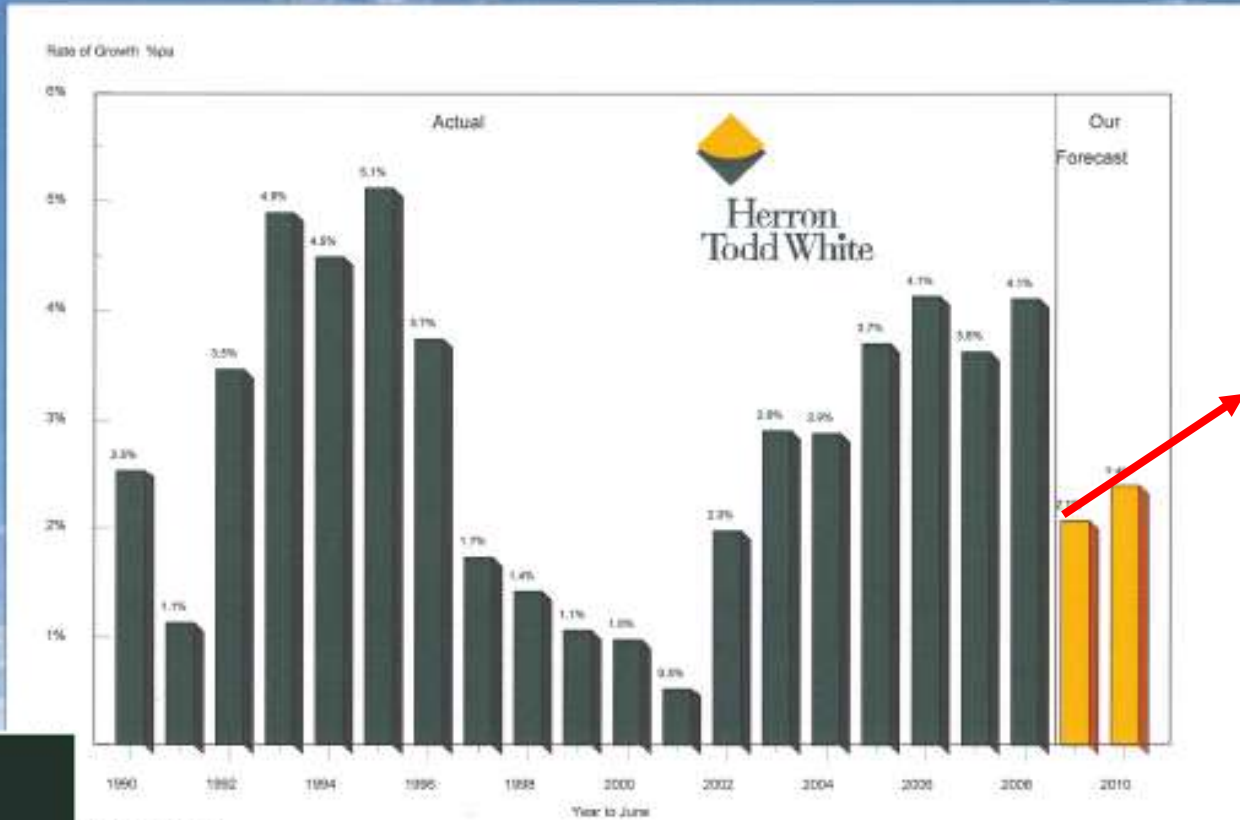
Value / Affordability

Capital Growth – History & Future



Current Investment Position

Population Growth Forecast



Source: ABS, HTW Research



Population Growth Forecast



Cairns will always be a Wonderland, Australia's Natural Playground



Cairns will always be a Wonderland, Australia's Natural
Playground



Cairns – Live, Invest and Enjoy



Cairns – Live, Invest and Enjoy



Cairns at Night



What you didn't know about Cairns



escapeimages™



Cairns



Cairns will always be a Wonderland, Australia's Natural
Playground

Diversity of Industry - CAIRNS

Tourism

Recognised one of the premier eco tourism destination in the World.

Cairns Convention Centre alone – 2008/2009 248,000 visitor nights @ \$350M

Agriculture & Farming

Sugar Cane Bananas Cattle
Small Crops Tropical Fruits Vegetables

Mining

Local regional mines and support network for "Fly in Fly Out" regional & international (e.g. Freeport & Placer)

Fishing

Base for the Northern Australian Prawn Fleet
General fishing Marlin, Reef fish, Mackerel and Barramundi

Aquaculture

Prawns, Barramundi and Pearls

Providoring Centre

Island and Cape Communities, PNG and the Pacific rim islands, Mines, Cruise Boats, Navy and Air services



Diversity of Industry - CAIRNS

Diversity of Industry – CAIRNS (Cont)

Marine Services

Cruise Liners, White Boats, Marine Ship maintenance
Government Administration, Business & Health services

Regional service centre for the Greater Far North and the
Pacific rim islands

Education

JCU with International students, English Schools & TAFE

Aviation

Cairns is a hub for International, Domestic & General
Aviation.

Air NZ now the JV partner in the Cairns Airport

Construction

Domestic, Commercial and Infrastructure projects – Rudd
Stimulus Plan to the Northern Communities

Defence & Security

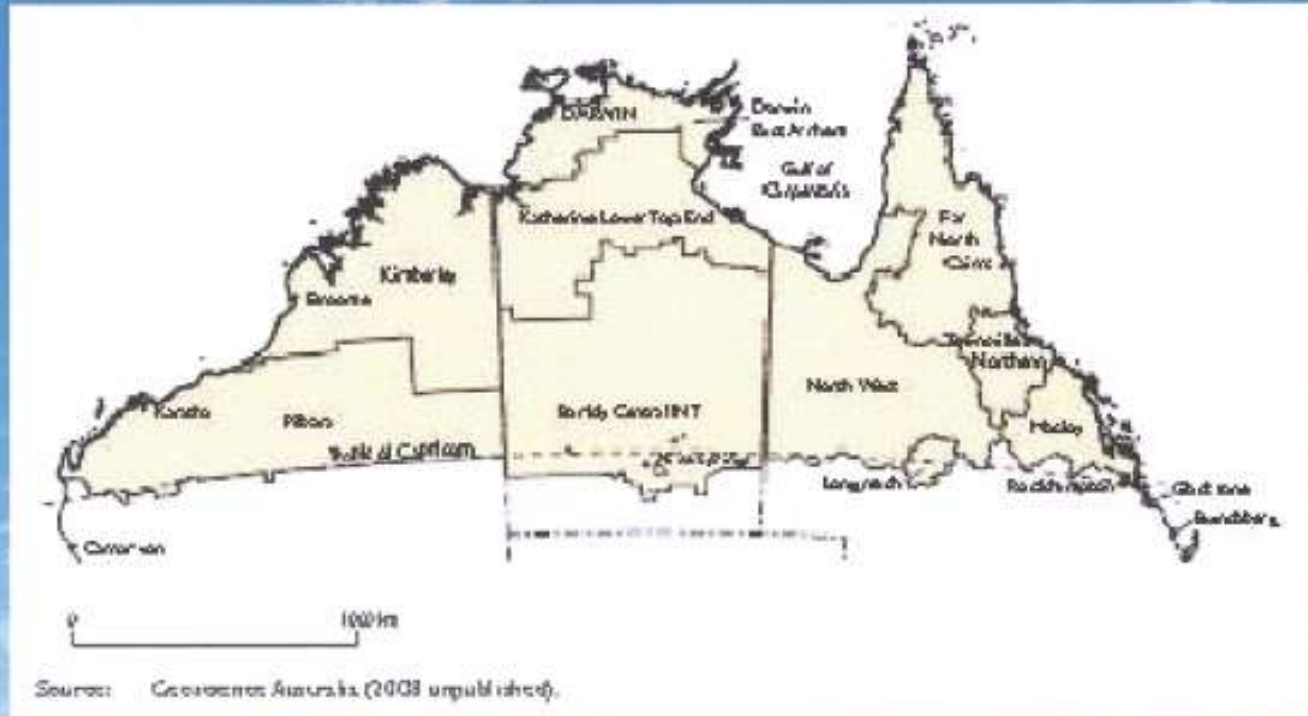
Navy - the home of the Australian North Eastern Navy
Base. Coastwatch, Quarantine, Immigration & Customs



New PNG Gas Project Service ###

Diversity of Industry – CAIRNS (cont)

Lets focus on Northern Australia.



- Defined as everything North of the Tropic of Capricorn.
- This area represents 38% of Australia

Lets focus on Northern Australia

PM Rudd's Big Australia Policy



- Currently 21.7 million Australians
- Treasury expects Australia to have 35.4 million people by 2049
- Growth rate of over 60% in 40yrs
- In size, Northern Queensland is almost equivalent to the States of New South Wales, ACT, Victoria and Tasmania.
- *Where will they all go?*



PM Rudd's Big Australia Policy

June Quarter	House Price		CPI June 2007 = 100	Real House Price	
	\$'000	% Var.		\$'000	% Var.
1996	155.0		76.1	203.8	
1997	147.0	-5.2	76.3	192.6	-5.5
1998	150.0	2.0	76.8	195.2	1.4
1999	145.0	-3.3	77.7	186.7	-4.4
2000	140.0	-3.4	80.1	174.7	-6.4
2001	142.3	1.6	85.0	167.4	-4.2
2002	159.8	12.3	87.4	182.9	9.2
2003	189.5	18.5	89.7	200.6	9.7
2004	200.0	5.5	91.0	220.0	10.0
2005	220.0	10.0	92.5	238.0	9.1
2006	240.0	9.1	94.0	255.3	7.7
2007	266.5	10.9	95.5	279.0	9.2
2008	240.0	-10.0	97.0	247.5	-11.3
2009	210.0	-12.5	98.5	213.2	-13.3
2010	360.0	1.4	99.0	363.6	71.5
2011	375.0	4.2	99.5	376.8	3.9
2012	395.0	5.3	100.0	395.0	5.3

Forecasts

	\$'000	% Var.
2010 –	360.0	1.4
2011 –	375.0	4.2
2012 –	395.0	5.3

BIS SHRAPNEL NOV 2009

RESIDENTIAL PROPERTY PROSPECTS : CAIRNS



BIS Shrapnel Nov 2009 – Residential Property Prospects in Cairns

Where are Australia's best opportunities in the future?

- Northern Australians represented 5% of the total Australian population with the majority of people living in the northern regions of Queensland.
- Northern Australia delivers 40% of Australia's GDP and **growing**
- Employment grew faster in Northern Australia at 11.4% than it did across Australia generally with only 5.8 % of employees working in mining, but noticeably 10.1 % of employees worked in government & defence.
- Exports via Northern Australian ports grew faster than the total tonnage of Australia's exports and represented 56.3 per cent of total tonnage and 21 per cent of value of Australian exports via sea ports in 2007–08.
- 55% of Australia's rain falls in Northern Australia.



Where are Australia's Best Opportunities in the Future?

In Closing –

Housing figures and forecasts support increased underlying demand.

Vacancy rates are shortening again as population continues to grow and available stocks are absorbed.

Real Estate prices have stabilised with a recognised shortage in quality stock.

The North has weathered the worst of it and we anticipate a solid 2010 with business confidence looking to a rosy finish to the year.



In Closing

What's making HEADLINES ?

The Cairns Post
 WEDNESDAY, 10 MARCH 2010 • 32.25

OH SO LUCKY
WIN \$10000
 COLLECT YOUR ENTRY TOKEN

UP AND AWAY

Jetstar




Jetstar leads revival of tourism fortunes



Q'nsw USA. come fly to us

MORE JOBS FOR 2010

Employers looking for extra workers

Businessweek

CAIRNS POST 10/03/10 PG 1



From resorts to a jail, projects add up to... \$10b on the go

...the Cairns region is set to see a boom in construction work as a result of a number of major projects...

Far North projects add up to a cool \$10 billion



...the Far North region is set to see a boom in construction work as a result of a number of major projects...

Terminal to create 84 jobs



Kiwis have landed




What's Making Headlines?

Summarising

General business has been through a significant downturn.

This was particularly evident in Tourism and Construction.

Our Regional location underwrites the long-term commitment as a key part of Australia's coastal surveillance & Defence and a fundamental Government service base for greater Northern Australia.

Tourism is anticipating a significant uptake with new routes into Asia, America and NZ. Domestic travel continues to increase in these culturally and politically uncertain times and value packaging.

Construction is finally seeing Rudd Stimulus funds flow into real projects especially into remote locations and Aboriginal Communities.



Summarising