

Cairns Unit Report – December Quarter 2008

Market Snapshot

- There were 26 unconditional sales of new units in the Cairns region during the December-08 quarter.
- Gross sales for the quarter are estimated at \$13.5 m.
- 812 new units were available for sale at the end of the December-08 quarter, suggesting 93.7 months supply based on current demand.
- Norventure's "The Boulevard (Stage 1)" was the fastest selling project during the December-08 quarter with 15 unconditional sales.

Overview

The Cairns new unit market dropped to fresh lows during the December-08 quarter. A total of 26 unconditional sales were reported for the December-08 quarter, down from the 68 sales recorded during the Sep-08 quarter and well below the average level of sales reported in the Cairns Unit Report over the last four years. This is a common theme across all new unit markets in Queensland, and is not isolated to the Cairns region. Cairns is possibly feeling the effects of weak economic conditions and poor tourism performance slightly more than other coastal markets.

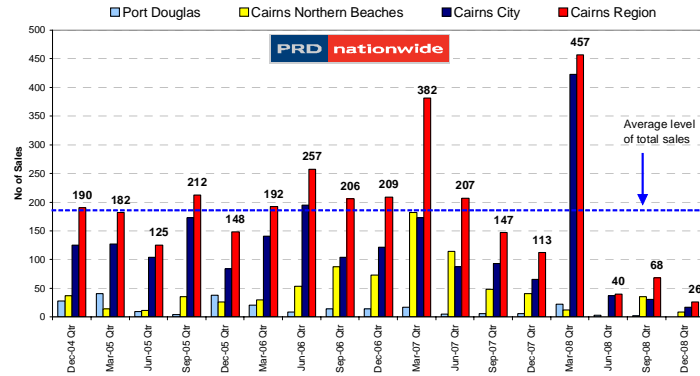
Analysis

The level of demand in the December-08 quarter suggests 93.7 months supply of new unit stock across the Cairns market at current stock levels, up sharply from the 34.9 months recorded in the September-08 quarter. Cairns City had 96.0 months supply, up from 49.6 months, the Northern Beaches had 52.0 months up from a low 14.1 months while Port Douglas couldn't be calculated due to no sales being recorded for the quarter.

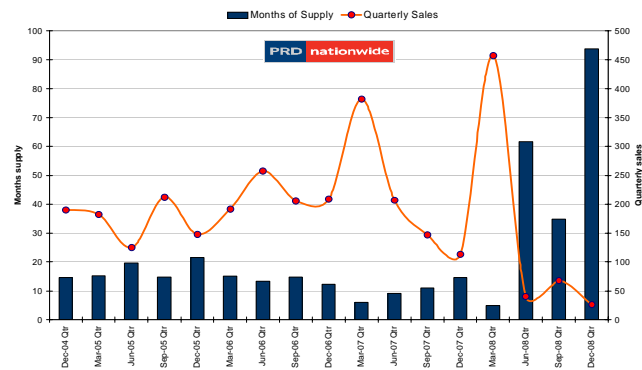
There were 26 unconditional sales recorded during the December-08 quarter, down 62% from the 68 sales recorded during the September-08 quarter. The Cairns City area dominated sales accounting for 65% of all sales activity, compared to the Northern Beaches 35%. Norventure's "The Boulevard (Stage 1)" was the fastest selling projects with 15 unconditional sales reported for the quarter.

The weighted average sale price moved up from \$429,412 in the September-08 quarter, to \$519,231. 100% of sales recorded in the December-08 quarter were for projects intended for permanent accommodation, reflecting the weakness in the tourism and lifestyle property sectors. Cairns Regional Council experienced extremely strong population growth in the year ending June 2008, with an increase of 5,985 persons. This 3.9% increase ranked Cairns as the second fastest growth Local Government Area in Qld, behind Ipswich. Growth of this magnitude should help drive demand for new dwellings, including units, therefore we anticipate that the current weak demand will be relatively short lived.

Quarterly Sales by Geographic Zone

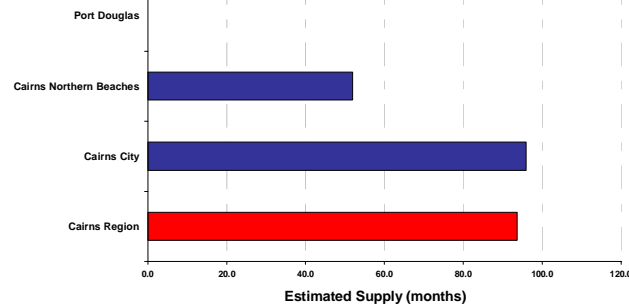


Quarterly New Unit Sales & Supply



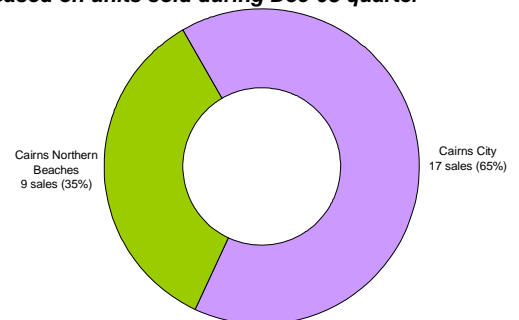
Supply

Based on units sold during Dec-08 quarter



Sales Volumes

Based on units sold during Dec-08 quarter



Source: PRDnationwide Consulting NQ Cairns Unit Survey

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**Far North Queensland New Unit Market
Sales Analysis of Recent Market Activity**

Development	Suburb	Construction Status	Intended Building Use	Total Units	Sold to date	Avail. for sale	No. Sold Dec-08 Qtr	Weighted Avg Sale Price	Approx gross sales Qtr	Marketing Company	Developer
Cairns City											
201 Living	City	Completed	Short Term	48	38	10	0	\$0	\$0	Dixon Homes	Adelaide Cairns Pty
Anderson Grove	White Rock	Awaiting	Permanent	48	na	na	na	na	na	Coldwell Banker Property Direct	
Barron River Gardens	Kamerunga	Awaiting	Permanent	24	15	9	0	\$0	\$0	McAndrew Developments	McAndrew Developments
Botanicals	Edge Hill	Awaiting	Permanent	21	18	3	0	\$0	\$0	Coldwell Banker Barrier Reef Realty	Benchmark Developments
Cairns Central Plaza	City	Underway	Mixed	46	na	na	na	na	na	Prime Property Investment	
Centrepoint #	City	Completed	Permanent	36	33	3	0	\$0	\$0	Hedley Group	Hedley Group
Citi Edge #	North Cairns	Underway	Permanent	48	8	40	0	\$0	\$0	Hedley Group	Hedley Group
City View Villas	Mooroobool	Completed	Mixed	84	69	15	0	\$0	\$0	Dixon Homes	Dixon Homes
Essence #	North Cairns	Underway	Permanent	42	6	36	0	\$0	\$0	Hedley Group	Hedley Group
Harbour Lights - Residential	City	Completed	Mixed	101	76	25	0	\$0	\$0	Harbour Lights Pty Ltd	Chapman/Honeycombes
Harbour Lights - Managed	City	Completed	Short Term	92	32	60	0	\$0	\$0	Harbour Lights Pty Ltd	Chapman/Honeycombes
Parkview	City	Underway	Permanent	46	23	23	0	\$0	\$0	Quaid	Rimington Projects
Rose Terraces	Westcourt	Underway	Permanent	21	8	13	0	\$0	\$0	Ray White Central	
The Boulevarde (Stage 1)	Manoora	Awaiting	Permanent	96	63	33	15	\$350,000	\$5,250,000	Courthouse Realty	Norventure
The Glades (Stage 2) #	Redlynch	Completed	Permanent	50	43	7	2	\$300,000	\$600,000	Hedley Group	Hedley Group
Trilogy (Stage 2)	City	Completed	Mixed	43	31	12	0	\$0	\$0	Thakral	Thakral Holdings
Trilogy (Stage 3)	City	Completed	Mixed	53	35	18	0	\$0	\$0	Thakral	Thakral Holdings
Vision #	City	Underway	Permanent	64	17	47	0	\$0	\$0	Hedley Group	Hedley Group
Waterside Residential	Woree	Awaiting	Permanent	512	326	186	0	\$0	\$0	Glencorp	Glencorp
Wallamurra Towers	City	Underway	Permanent	26	22	4	0	\$0	\$0	Coldwell Banker Barrier Reef Realty	Benchmark Developments
Summary - 20 Projects				1,501	863	544	17	\$344,118	\$5,850,000		
Cairns Northern Beaches											
Blue Lagoon Apartments	Trinity Beach	Completed	Mixed	32	28	4	0	\$0	\$0	Blue Water Properties Pty Ltd	Blue Water Properties Pty Ltd
Drift (Refurb)	Palm Cove	Completed	Mixed	129	100	29	0	\$0	\$0	Indigo	Indigo
Majestic Palms	Yorkeys Knob	Awaiting	Mixed	52	18	34	0	\$0	\$0	C-Change Investments	C-Change Cairns Developments
Sails at Trinity	Trinity Beach	Completed	Mixed	24	18	6	0	\$0	\$0	Blue Water Properties Pty Ltd	Blue Water Properties Pty Ltd
The Greens	Kewarra Beach	Completed	Short Term	48	42	6	0	\$0	\$0	H & S Vision Group/Hedley Group	H & S Vision Group/Hedley Group
The Keys	Kewarra Beach	Underway	Mixed	84	75	9	0	\$0	\$0	H & S Vision Group/Hedley Group	H & S Vision Group/Hedley Group
Trinity Cove (Stage 1) #	Trinity Beach	Underway	Mixed	36	32	4	0	\$0	\$0	Hedley Group	Hedley Group
Trinity Cove (Stage 2) #	Trinity Beach	Underway	Mixed	60	23	37	0	\$0	\$0	Hedley Group	Hedley Group
Vue #	Trinity Beach	Completed	Permanent	51	24	27	9	\$850,000	\$7,650,000	Hedley Group	Hedley Group
Summary - 9 Projects				516	360	156	9	\$850,000	\$7,650,000		
Port Douglas											
Coconut Grove Resort #	Port Douglas	Completed	Mixed	32	28	4	0	\$0	\$0	Juniper	Juniper
Lagoons at Port (Stage 1 & 2)#	Port Douglas	Completed	Mixed	89	40	49	0	\$0	\$0	Hedley Group	Hedley Group
Pool	Port Douglas	Completed	Mixed	72	42	30	0	\$0	\$0	Belle Property	Belle Property
Sea Temple #	Port Douglas	Completed	Mixed	136	110	26	0	\$0	\$0	Juniper	Juniper
Shantara	Port Douglas	Completed	Mixed	27	24	3	0	\$0	\$0	Open	Leesam Pty Ltd
Summary - 5 Projects				356	244	112	0	#DIV/0!	\$0		
Total Developments - 34 Projects				2,373	1,467	812	26	\$519,231	\$13,500,000		

- Figures derived from analysis of Midwood Queensland Investment Report

If you are aware of other projects that should be included in this report please contact Dean Dederer via the contact details below.

Prepared by PRDnationwide Consulting NQ, Source: PRDnationwide Consulting NQ Quarterly Unit Survey, Midwood Queensland Investment Report

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