

Cairns Unit Report – June Quarter 2008

Market Snapshot

- There were 40 unconditional sales of new units in the Cairns region during the June-08 quarter.
- Gross sales for the quarter are estimated at \$16.1 m.
- 821 new units were available for sale at the end of the June-08 quarter, suggesting 61.6 months supply based on current demand.
- Glencorps "Waterside Residential" was the fastest selling project during the June-08 quarter with 12 unconditional sales.

Overview

The Cairns new unit market retracted sharply in the June-08 quarter, with the lowest level of unconditional sales reported since the inception of the PRDnationwide Cairns Unit Report in the December-04 quarter. A total of 40 unconditional sales were reported for the June-08 quarter, which is well down from the record 457 sales reported in the March-08 quarter. This is not an isolated trend however, with similar results being experienced in all Queensland new unit markets. In the June-08 quarter, sales volumes fell on the Gold Coast by 28%, Sunshine Coast by 68%, Townsville by 64% and in the March-08 quarter Brisbane City sales volumes retracted 69%. The turmoil in global financial markets is being felt at a local level with softening consumer sentiment and eroding market confidence impacting on new units sales across the State.

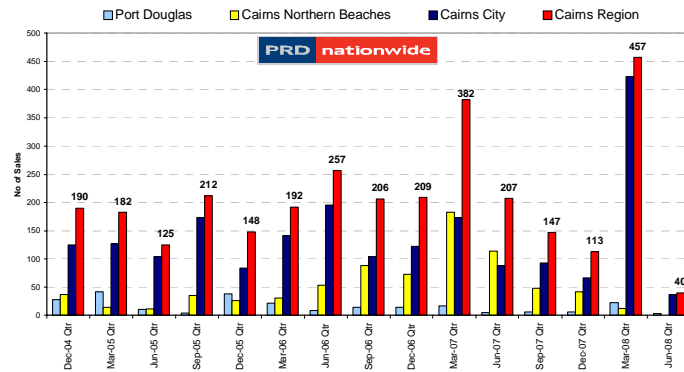
Analysis

The level of demand in the June-08 quarter suggests 61.6 months supply of new unit stock across the Cairns market at current stock levels, well up from the 4.8 months recorded in the March-08 quarter. Cairns City had 46.1 months supply, up from a very low 3.4 months, while Port Douglas was up to 112 months supply from 15.7 months last quarter.

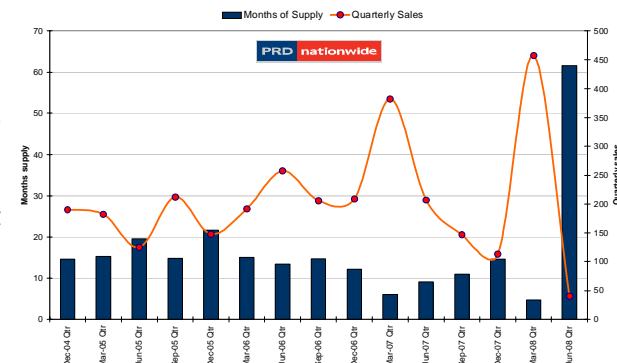
There were 40 unconditional sales recorded during the June-08 quarter, down a whopping 91% from the 457 sales recorded during the March-08 quarter. The Cairns City area dominated sales accounting for 92% of all sales, compared to the Northern Beaches 0% and Port Douglas 8%. Glencorps' "Waterside Residential" was the fastest selling project with 12 unconditional sales reported for the quarter. The only other projects worthy of note include Hedley Group's "Citi Edge" and Witt Property Group's "Central Place" with 8 and 7 sales respectively.

The weighted average sale price moved up from \$315,197 in the March-08 quarter, to \$402,500. All sales recorded in the June-08 quarter were for projects intended for permanent residential use, reflecting the underlying demand for permanent accommodation and the weakening of the tourism and short term accommodation sector.

Quarterly Sales by Geographic Zone

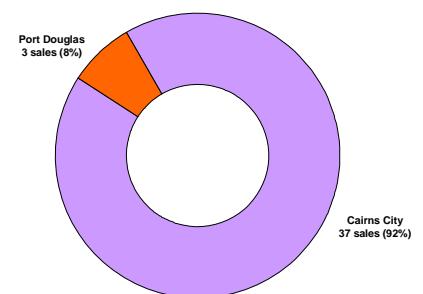


Quarterly New Unit Sales & Supply



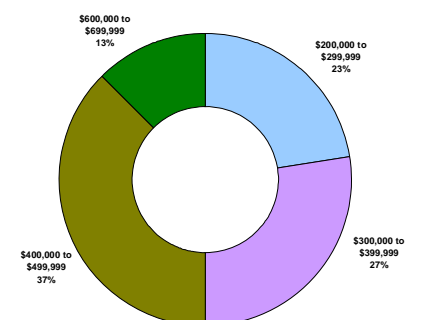
Sales Volumes

Based on units sold during Jun-08 quarter



Price Points

Based on units sold during Jun-08 quarter



Source: PRDnationwide Consulting NQ Cairns Unit Survey

**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 Jun-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		
Barron River Gardens	Kamerunga	Awaiting	Permanent	24	na	na	na	na	na	McAndrew Developments	McAndrew Developments	
Botanicals	Edge Hill	Awaiting	Permanent	21	18	3	0	\$0	\$0	Coldwell Banker Barrier Reef Realty	Benchmark Developments	
Central Place	City	Awaiting	Permanent	43	7	36	7	\$450,000	\$3,150,000	Witt Property Group	Witt Property Group	
Centrepoint #	City	Underway	Permanent	36	29	7	2	\$650,000	\$1,300,000	Hedley Group	Hedley Group	
Citi Edge #	North Cairns	Underway	Permanent	48	8	40	8	\$450,000	\$3,600,000	Hedley Group	Hedley Group	
City View Villas	Mooroobool	Underway	Mixed	84	69	15	0	\$0	\$0	Dixon Homes	Dixon Homes	
Essence #	North Cairns	Underway	Permanent	42	3	39	3	\$650,000	\$1,950,000	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		Permanent	21	8	13	2	\$350,000	\$700,000	Ray White Central		
The Boulevarde (Stage 1)	Manoora	Underway	Permanent	96	na	na	na	na	na	Courthouse Realty		
The Glades #	Redlynch	Underway	Permanent	50	19	31	3	\$250,000	\$750,000	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	12	\$300,000	\$3,600,000	Glencorp	Glencorp	
Wallamurra Towers	City	Underway	Permanent	26	22	4	0	\$0	\$0	Coldwell Banker Barrier Reef Realty	Benchmark Developments	
Summary - 20 Projects				1,498	761	569	37	\$406,757	\$15,050,000			
Cairns Northern Beaches												
Blue Lagoon Apartments	Trinity Beach	Completed	Short Term	32	28	4	0	\$0	\$0	Blue Water Properties Pty Ltd	Blue Water Properties Pty Ltd	
Drift (Refurb)	Palm Cove	Completed	Mixed	129	90	39	0	\$0	\$0	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	Underway	Short Term	24	18	6	0	\$0	\$0	Blue Water Properties Pty Ltd	Blue Water Properties Pty Ltd	
The Greens	Kewarra Beach	Underway	Permanent	48	42	6	0	\$0	\$0	H & S Vision Group/Hedley Group	H & S Vision Group/Hedley Group	
The Keys	Kewarra Beach	Underway	Permanent	84	75	9	0	\$0	\$0	H & S Vision Group/Hedley Group	H & S Vision Group/Hedley Group	
Trinity Cove #	Trinity Beach	Underway	Mixed	36	32	4	0	\$0	\$0	Hedley Group	Hedley Group	
Vue #	Trinity Beach	Completed	Permanent	51	13	38	0	\$0	\$0	Hedley Group	Hedley Group	
Summary - 8 Projects				456	316	140	0	#DIV/0!	\$0			
Port Douglas												
Crescent	Port Douglas	Underway	Permanent	18	18	0	3	\$350,000	\$1,050,000	Coldwell Banker Barrier Reef Realty	Benchmark Developments	
Coconut Grove Resort #	Port Douglas	Underway	Mixed	32	26	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	Underway	Mixed	72	42	30	0	\$0	\$0	Belle Property	Belle Property	
Sabaya (Redevelopment)	Port Douglas	Completed	Short Term	127	<i>Withdrawn from the market</i>						FKP	FKP/Selpam Group
Sea Temple #	Port Douglas	Completed	Mixed	136	110	26	0	\$0	\$0	Juniper	Juniper	
Shantara	Port Douglas	Underway	Mixed	27	24	3	0	\$0	\$0	Open	Leesam Pty Ltd	
Summary - 7 Projects				501	260	112	3	\$350,000	\$1,050,000			
Total Developments - 35 Projects				2,455	1,337	821	40	\$402,500	\$16,100,000			

- 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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