

The Cairns Property Market

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The National Property Clock



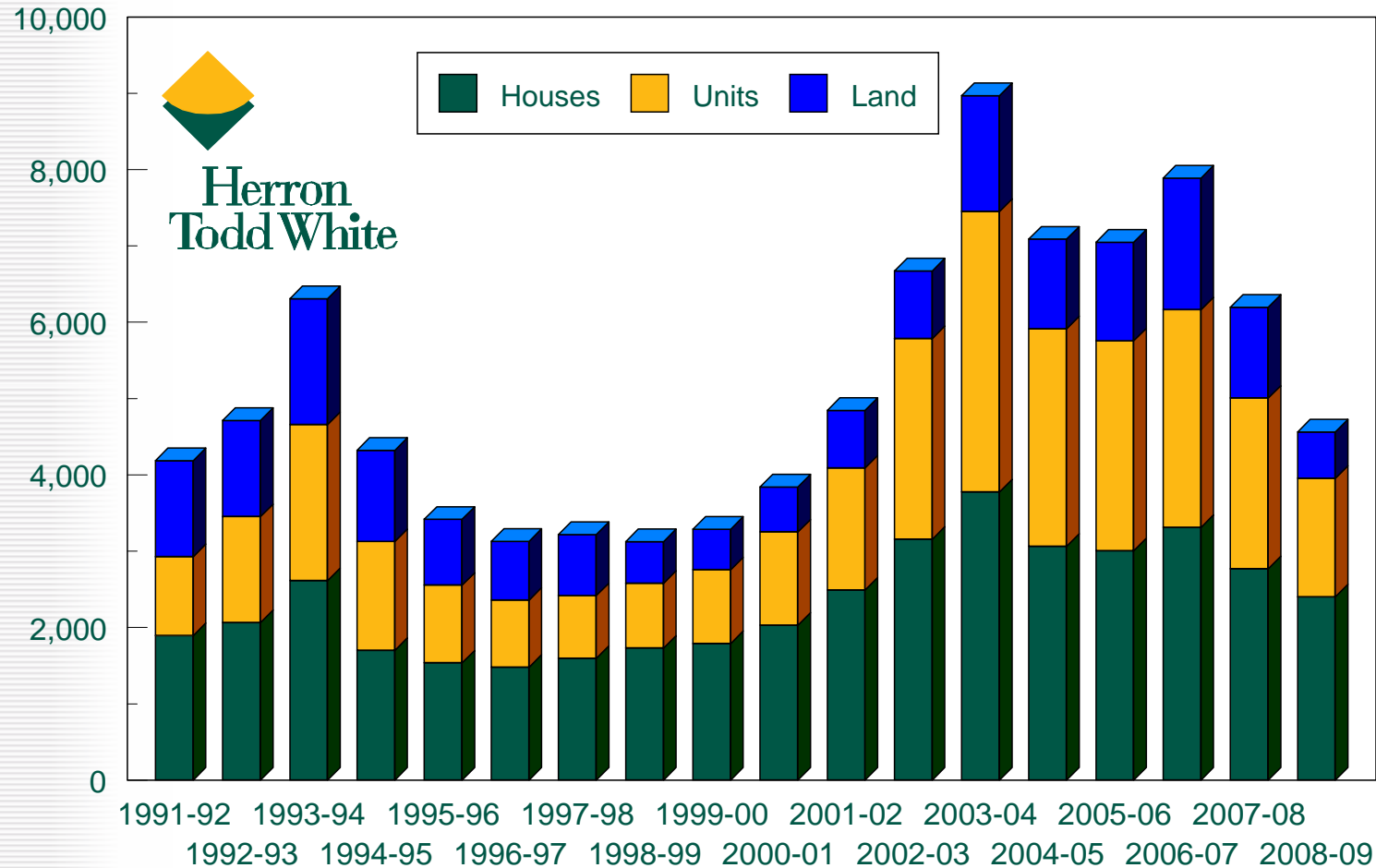
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Compiled by Herron Todd White, May 2009



Residential Property Sales

Number of Residential Property Sales



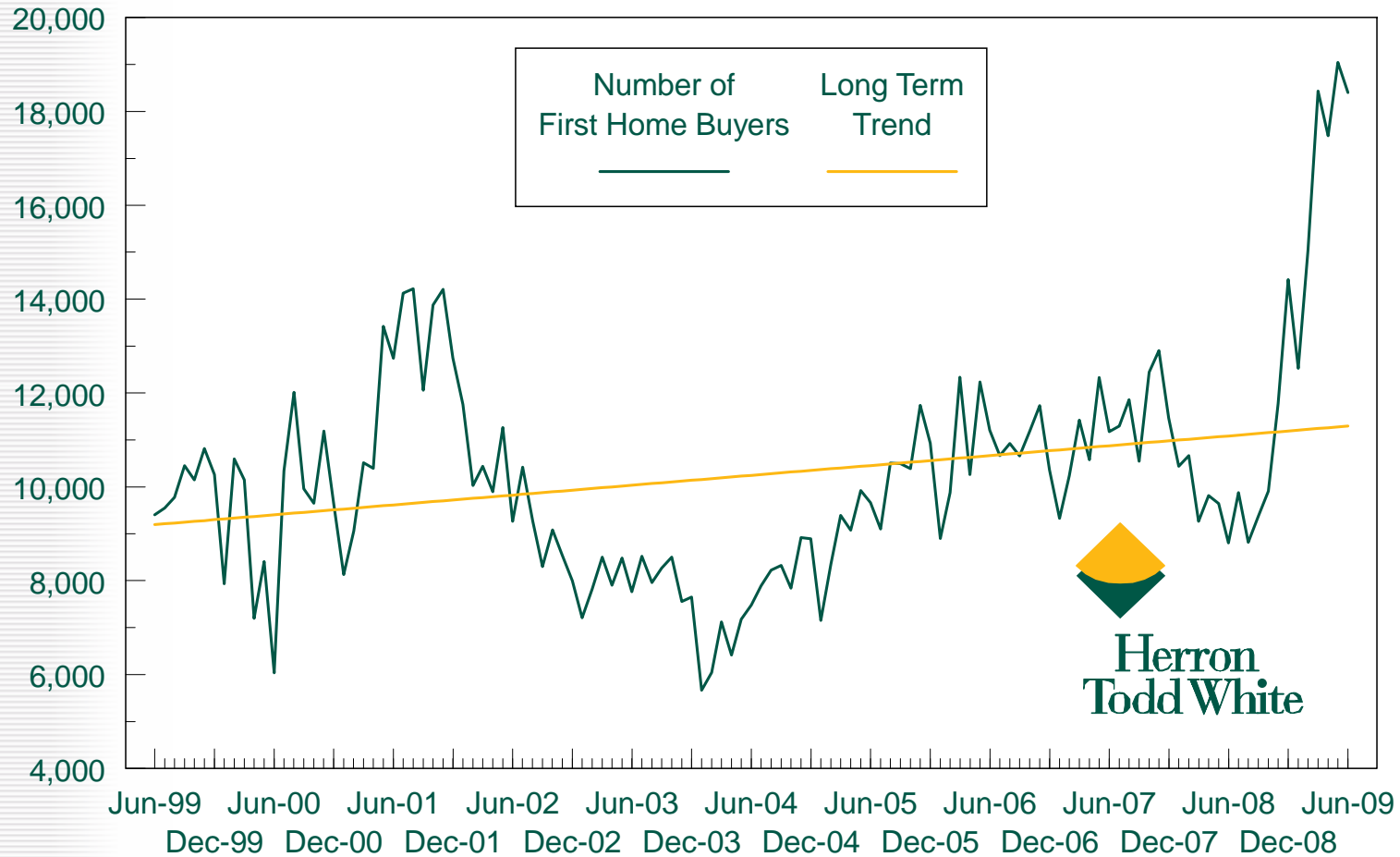
Source: HTW Analysis of RPData

Key Influences

- **Market was slowing already due to high interest rates during 2008**
- **Then the GFC hit...**
- **Lack of job security and confidence – buyers sat on their hands**
- **Interest rates moved to 30 year lows**
- **First Home Owner Grants ramped up**
- **But home loans became harder to get**

First Home Buyers

Number of First Home Buyer Loans



Source: ABS

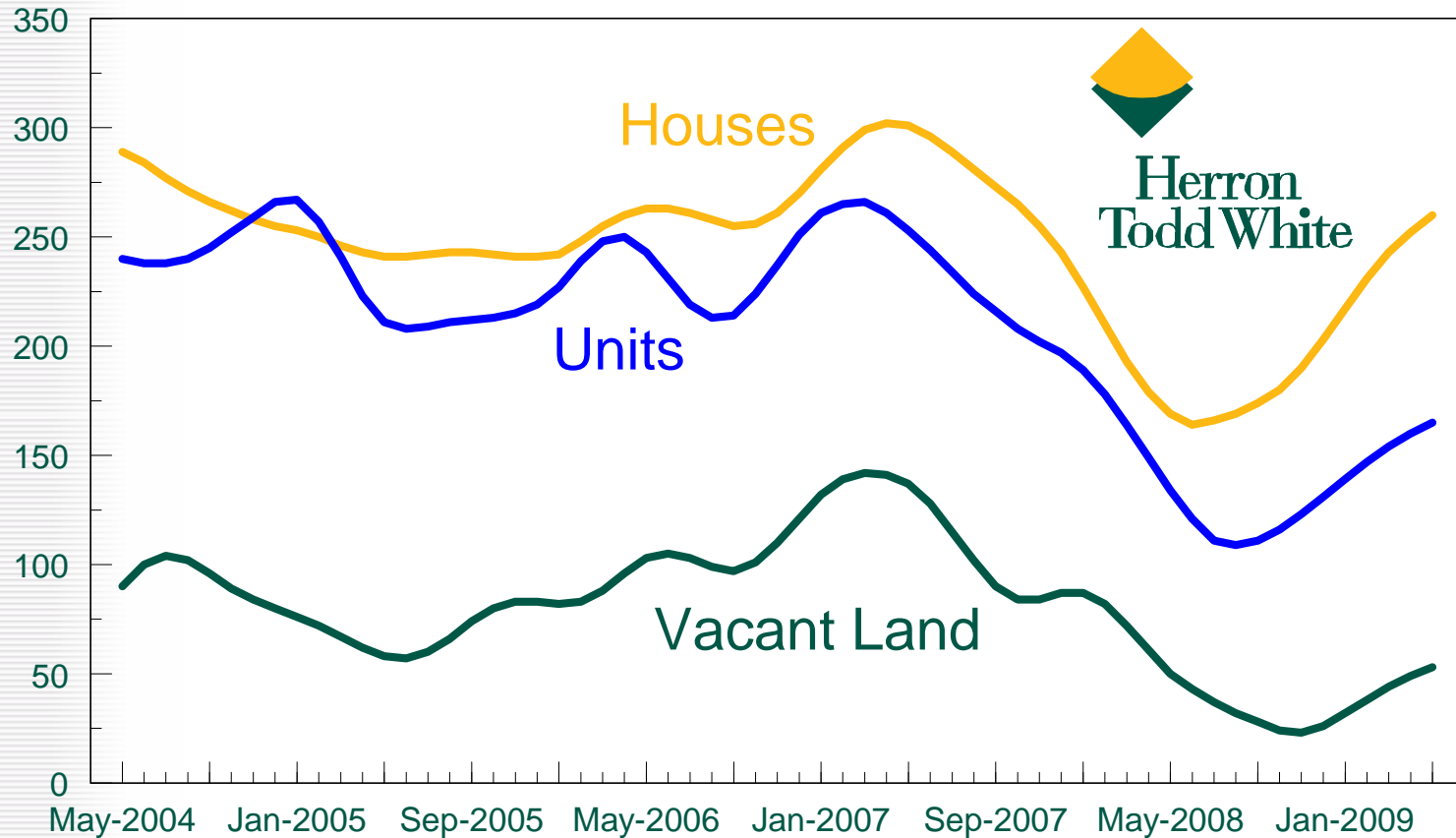
Australian Bank Quality

THE WORLD'S SAFEST BANKS MID-2009

RANK	BANK	COUNTRY	STANDARD & POOR'S	MOODY'S	FITCH	TOTAL ASSETS (\$ BILLION)	ASSET DATE
1	KfW	Germany	AAA	Aaa	AAA	521	12/31/07
2	Caisse des Dépôts et Consignations (CDC)	France	AAA	Aaa	AAA	289	12/31/07
3	Bank Nederlandse Gemeenten (BNG)	Netherlands	AAA	Aaa	AAA	136	12/31/07
4	Landwirtschaftliche Rentenbank	Germany	AAA	Aaa	AAA	131	12/31/07
5	Rabobank	Netherlands	AAA	Aaa	AA+	840	12/31/07
6	Landescreditbank Baden-Württemberg - Förderbank	Germany	AA+	Aaa	AAA	87	12/31/07
7	NRW.Bank	Germany	AA-	Aa1	AAA	219	12/31/07
8	BNP Paribas	France	AA	Aa1	AA	2,494	12/31/07
9	Banco Santander	Spain	AA	Aa1	AA	1,344	12/31/07
10	Royal Bank of Canada	Canada	AA-	Aaa	AA	586	10/31/08
11	National Australia Bank	Australia	AA	Aa1	AA	525	9/30/08
12	Commonwealth Bank of Australia	Australia	AA	Aa1	AA	469	6.30.08
13	Banco Bilbao Vizcaya Argentaria (BBVA)	Spain	AA	Aa1	AA-	756	10/31/08
14	Toronto-Dominion Bank	Canada	AA-	Aaa	AA-	454	10/31/08
15	Australia & New Zealand Banking Group	Australia	AA	Aa1	AA-	377	9/30/08
16	Westpac Banking Corporation	Australia	AA	Aa1	AA-	351	9/30/08
17	Banco Español de Crédito S.A. (Banesto)	Spain	AA	Aa2	AA	163	12/31/08
18	ASB Bank	New Zealand	AA	Aa2	AA	45	6/30/08
19	HSBC Holdings	United Kingdom	AA-	Aa2	AA	2,354	12/31/07
20	Crédit Agricole	France	AA-	Aa1	AA-	2,974	12/31/07

Property Sales Volumes

Number of Sales



May-2004 Jan-2005 Sep-2005 May-2006 Jan-2007 Sep-2007 May-2008 Jan-2009
Sep-2004 May-2005 Jan-2006 Sep-2006 May-2007 Jan-2008 Sep-2008 May-2009

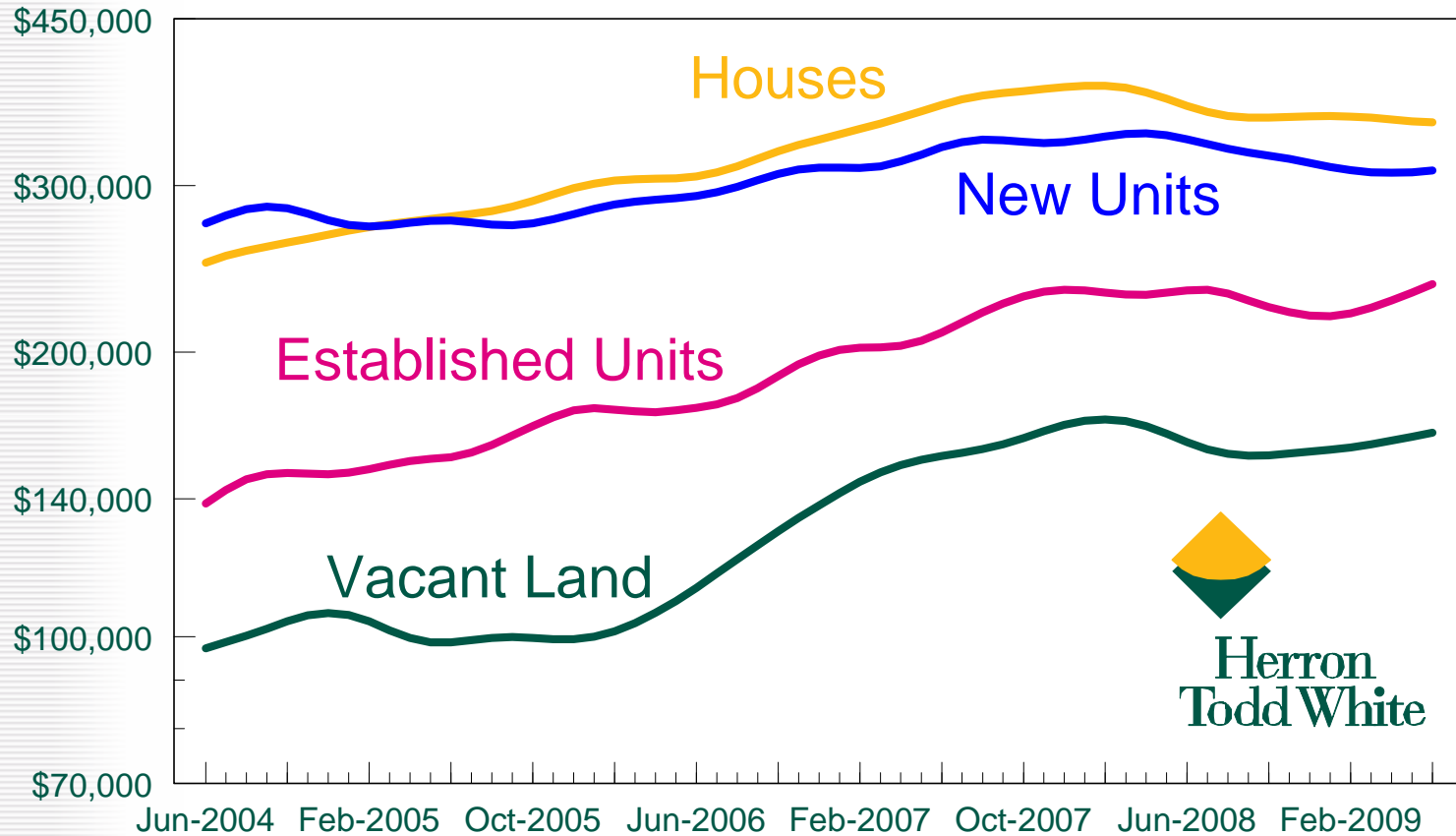
* Sales are not included until settlement, but classified to date of contract

** Recent months are provisional and subject to revision

Source: HTW Analysis of RPData

Median Property Prices

Median Sale Price (Log Scale)

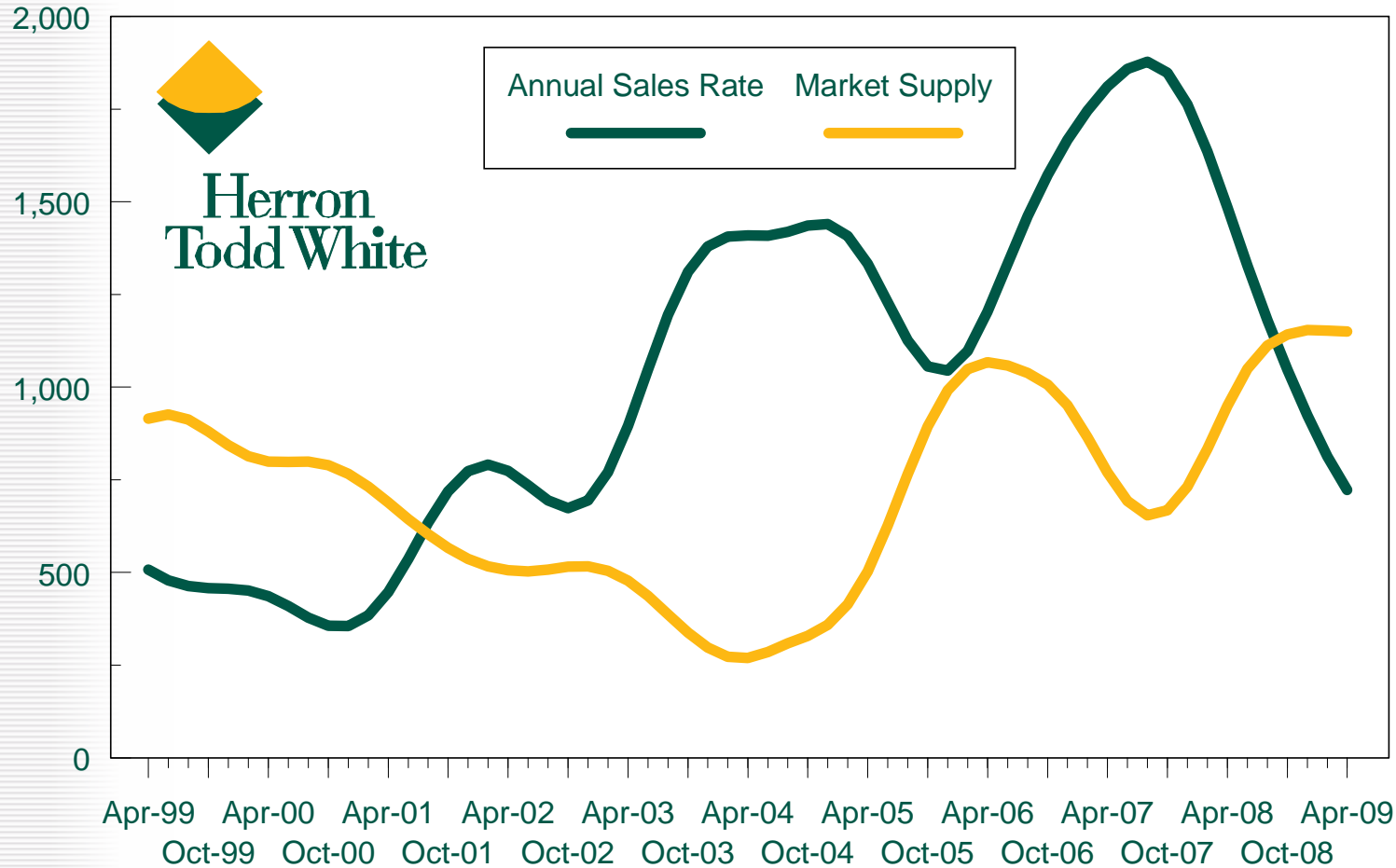


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 Source: HTW Analysis of RPData

Residential Land Market

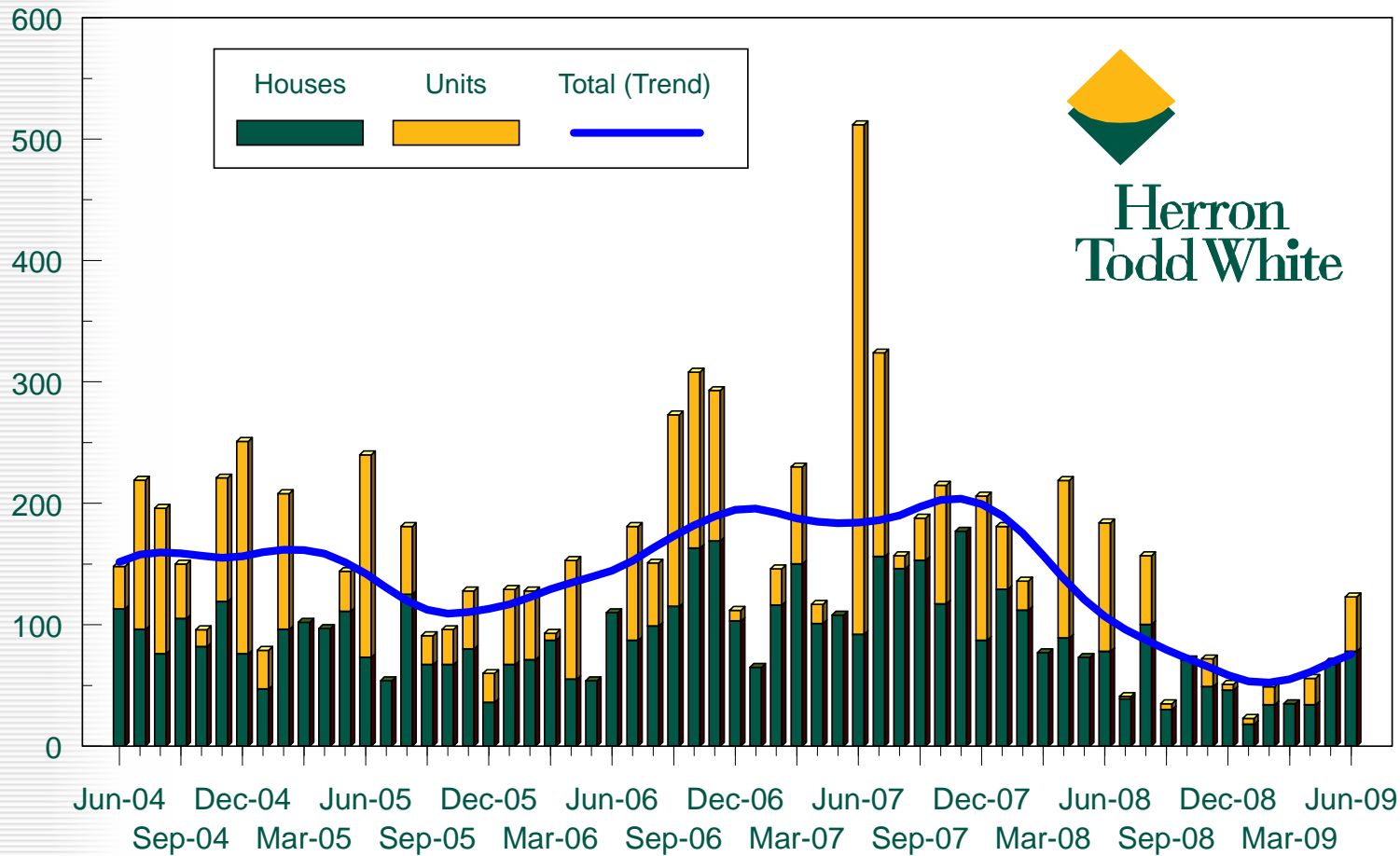
Developer Lots



Source: HTW Land Survey

Building Approvals

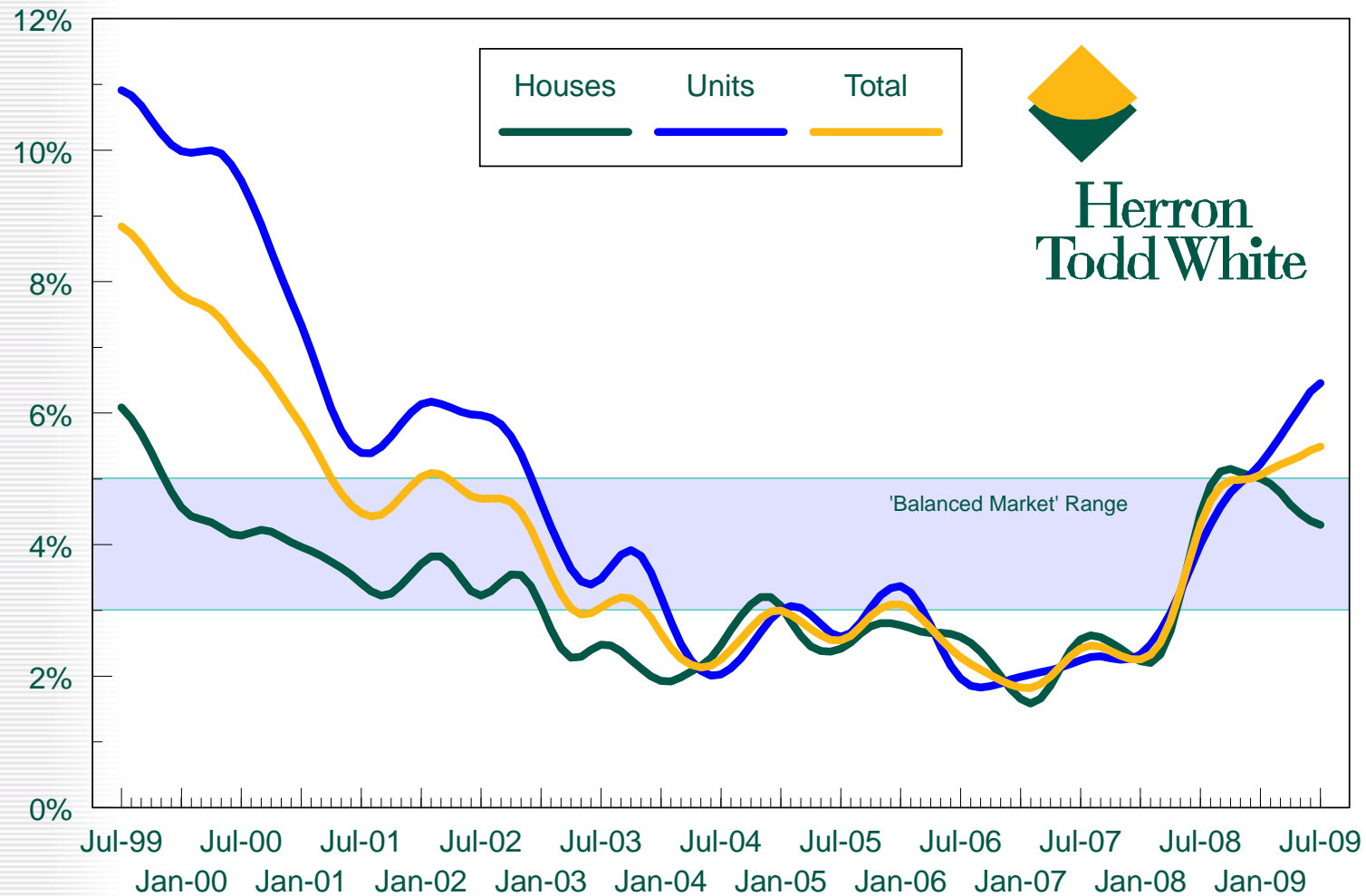
Number of New Dwellings Approved in Cairns Urban Area



Source: Derived from ABS data



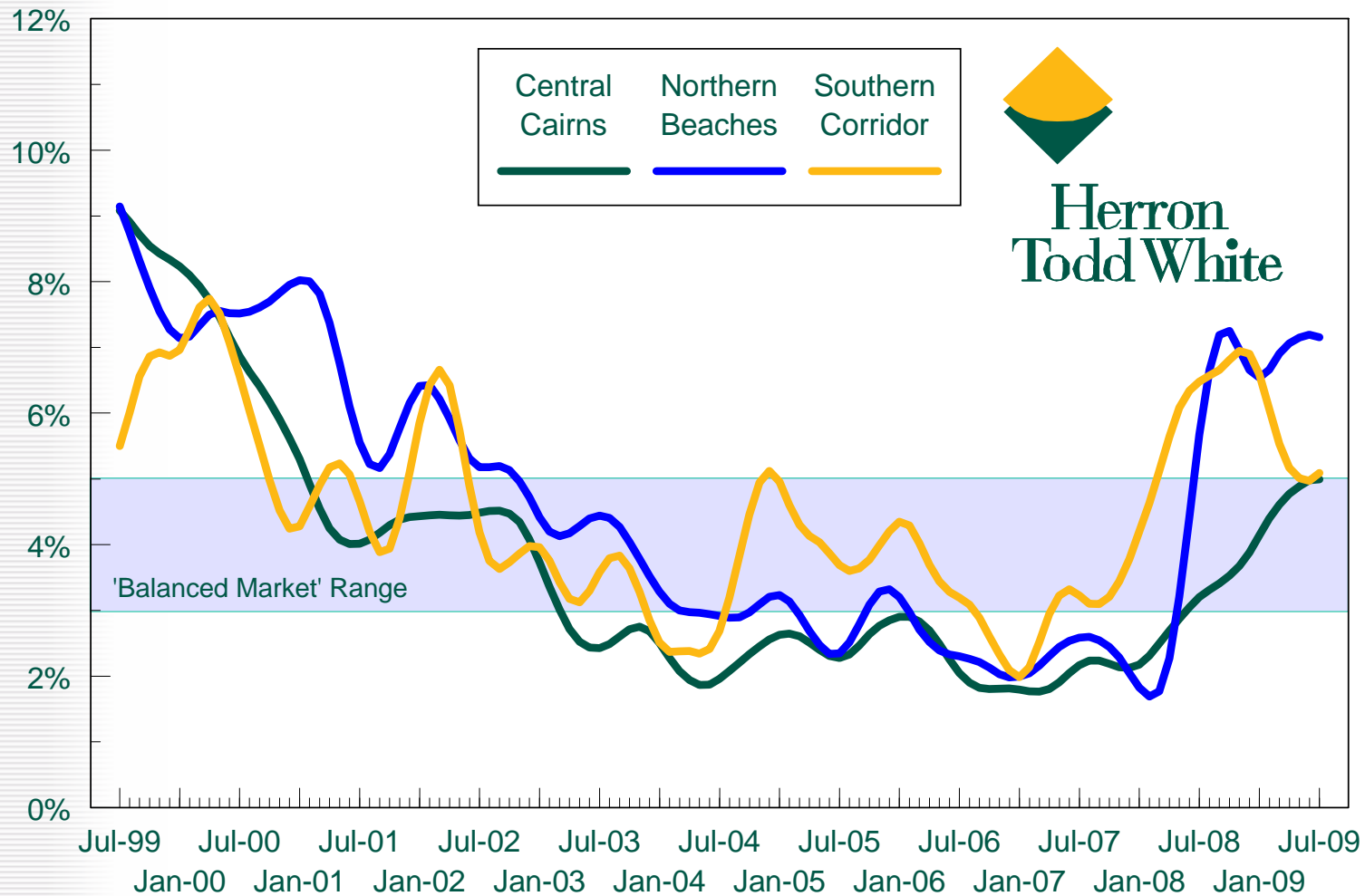
Rental Vacancy Rates



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Source: HTW Rentroll Survey

Rental Vacancy Rates

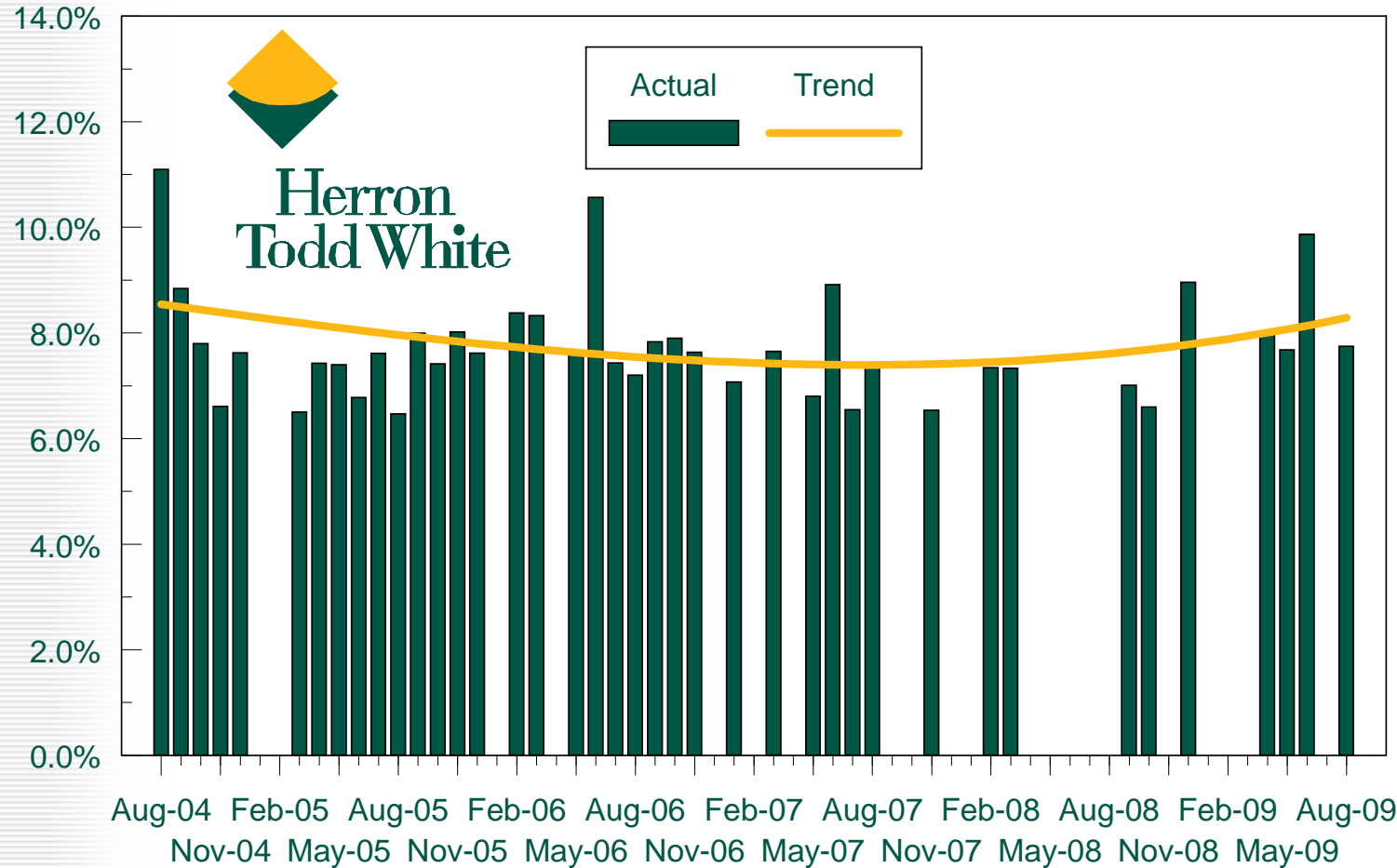


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Source: HTW Rentroll Survey

Commercial Property Yields

Net Rental Yield



Source: HTW Analysis

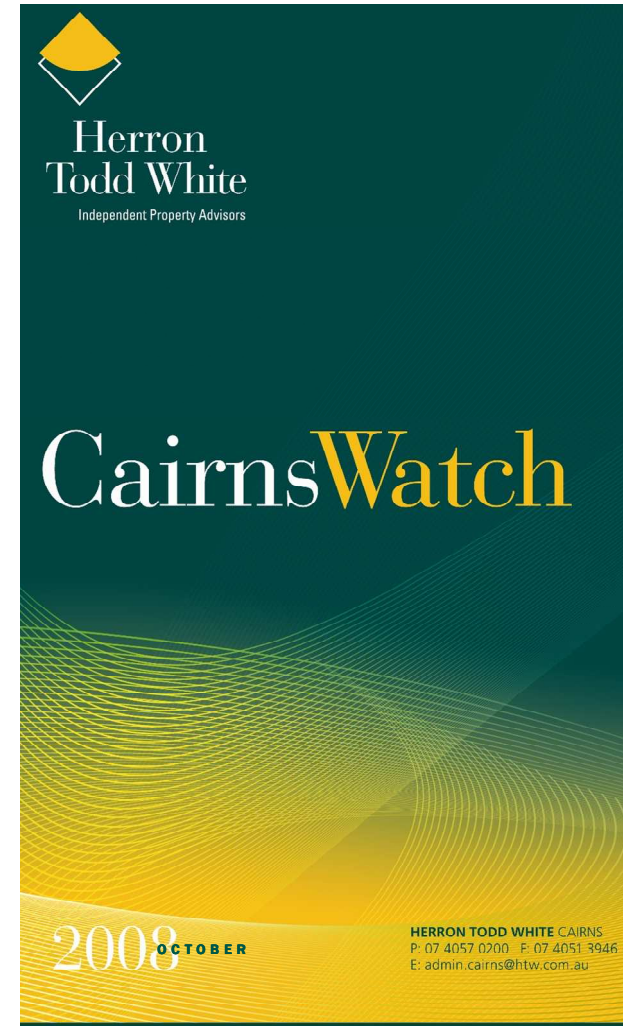
Summary and Outlook

- **Market is regaining impetus in sales activity but prices in general appear to be static**
- **The market is still very much a buyers market**
- **New construction has slowed apace with demand so there is no substantial oversupply looming**
- **House prices have bottomed but will remain relatively static for the remainder of 2009**

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