

# CairnsWatch

May 2015



Cairns

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## OVERVIEW

The latest month continued the good economic news for Cairns, highlighted by:

- a continuation of airport passenger and building approval increases,
- a further increase in employment, and
- further inroads into the region's level of unemployment.

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## AT A GLANCE

Employment Trend:	▲ to 109,500 (April 2015)
Unemployment Rate Trend:	▼ to 6.9% (April 2015)
Building Approvals Trend:	▲ 31% (March 2014 to March 2015)
Airport Passenger Trend:	▲ 9.3% (April 2014 to April 2015)

### The Fine Print:

Information in this publication is based on an analysis of data from a number of sources, subjected to technical procedures of seasonal adjustment and trend analysis. Seasonal adjustment is a means of removing the effects of normal seasonal variation from the data, so that comparisons can be made of data against their established seasonal patterns. Trend analysis smooths the seasonally adjusted estimates to provide a clearer picture of the underlying behaviour of the series over time. The trend estimates are derived by applying a 13-term Henderson-weighted moving average to the seasonally adjusted data. It applies the same procedures used by the Australian Bureau of Statistics in producing trends for national aggregates.

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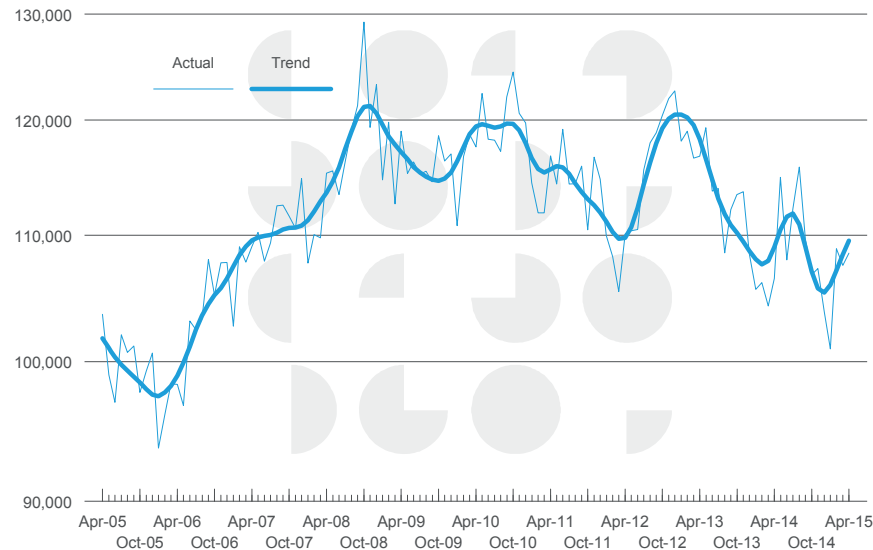
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## EMPLOYMENT

### Persons Employed in the Cairns Region

Number of Persons Employed



Source: Derived from ABS Labour Force Survey data

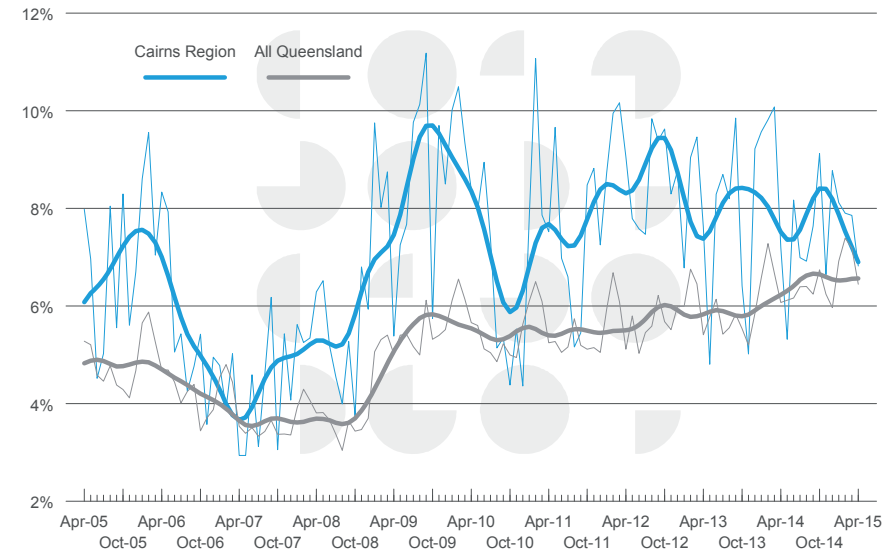
ABS headline figures for the Cairns Region (inclusive of Cairns, the Cassowary Coast, Douglas and the Tablelands) estimate that there were 108,500 persons employed during April 2015, compared to an estimate of 107,500 persons employed in March 2015.

Trend calculations have been affected by changes in the processes the ABS uses to derive State and national trends (which we emulate to derive the local trend). Nevertheless the Cairns regional employment trend is on the rise, reaching 109,500 persons employed in the latest month.

N.B. The ABS Labour Force figures are estimates derived from a sample survey of only about 500 Cairns Region residents, and hence are subject to a potentially large margin of error. Neither the headline nor the trend estimates should be interpreted as precise values.

### Cairns Region Unemployment Rate

Unemployment Rate (Actual and Trend Basis)



Source: Derived from ABS Labour Force Survey data

The Cairns Region's notoriously unstable headline unemployment rate came in at 6.8% in April 2015, compared to 7.9% in March 2015.

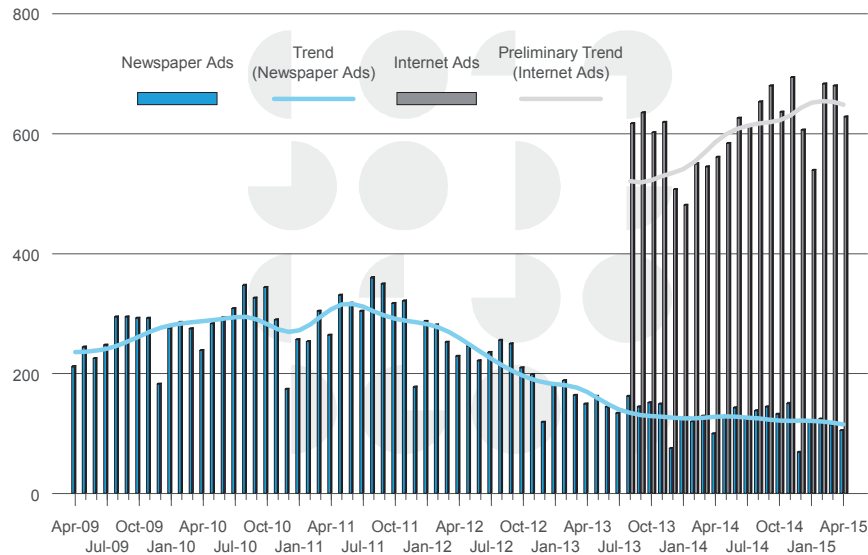
Unemployment trend calculations have become increasingly uncertain following ABS methodology changes. According to our analysis, the Cairns Region's unemployment rate trend is reducing, with our April 2015 trend estimate standing at 6.9%.

N.B. To be counted as 'unemployed' in the ABS Labour Force survey you need to not have a job and be actively seeking work. People who do not have a job and are not actively seeking work are not counted as unemployed, they are regarded as 'not in the labour force'.

## EMPLOYMENT

### Cairns Job Ads

Number of Jobs Advertised (Average per Week)



Source: HTW Analysis of the Cairns Post & Internet Jobsites

The number of jobs being advertised in *The Cairns Post* has shown a relatively static to mildly softening trend over the last eighteen months, a slowdown from the more pronounced declines that had previously been evident since May 2011.

Meanwhile the preliminary trend in internet job ads for the Cairns and Far North region has shown a 10.6% increase over the period from April 2014 to April 2015.

### Herron Todd White does... Property Valuations

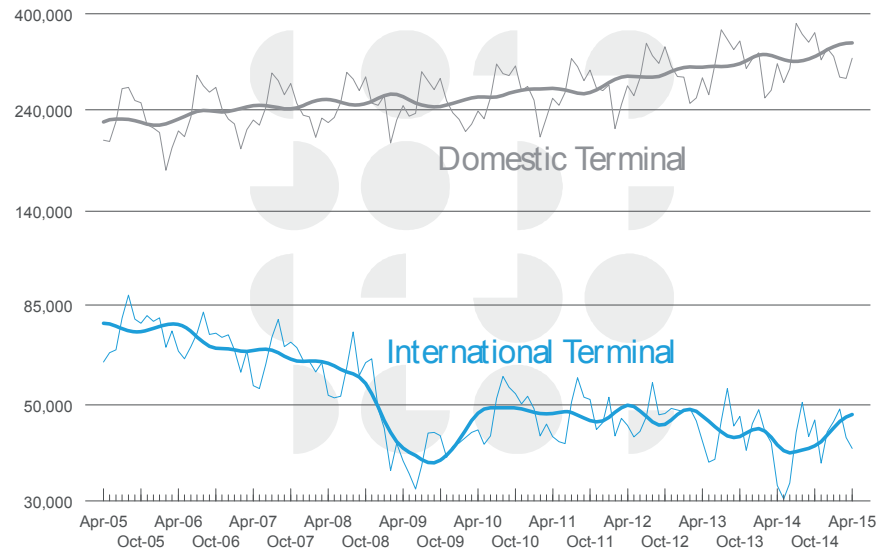
Herron Todd White Cairns has a wealth of experience in providing valuation services across the tourism, commercial, industrial, rural and residential property sectors.

From residential units and townhouses to specialist valuations, acquisitions and resumption, Herron Todd White Cairns' team of specialist staff provides valuations across all property types.

## TOURISM

### Airport Passenger Numbers

Monthly Passenger Arrivals + Departures (excl Transits)



Source: Derived from Cairns Airport data

Solid April 2015 results have maintained airport passenger trends at the domestic terminal at record high levels. Over the period from April 2014 to April 2015 domestic passenger numbers have shown an 8.2% trend increase. The trend in international terminal passenger volumes has also risen strongly, with a 17.5% trend increase evident from April 2014 to April 2015. This reflects the impetus of Jetstar's new Bali flights as well as strong growth on pre-existing international routes.

The trend in airport passenger numbers overall has increased by a healthy 9.3% over the period from April 2014 to April 2015.

#### Herron Todd White does...Tourism Valuations

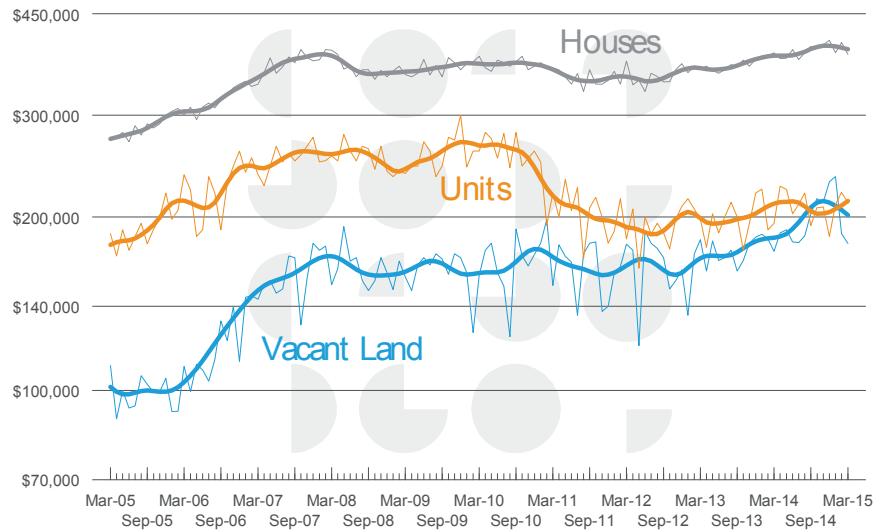
Buying or selling a tourist property?

Herron Todd White has valuers specialising in all forms of tourism related property – including pubs, roadhouses, hostels and caravan parks, and the entire accommodation spectrum from small motels and serviced apartments through to large scale resorts.

## PROPERTY

### 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

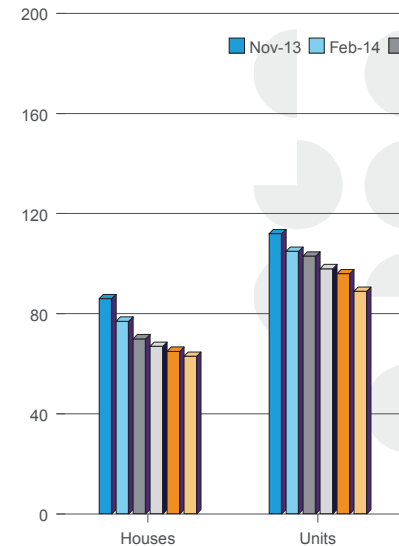
Source: HTW Analysis of RPData

The Cairns median house price eased slightly in the latest month, with the median house price trend standing at \$398,000 in March 2015, compared to a revised \$393,100 for February. However a trend rise of 2.7% over the latest 12 months is still indicated. Meanwhile the trend in the median unit price is starting to nudge higher, while the median land price has also eased off. We regard the current median price situations as temporary, with on-going rises anticipated during the course of 2015.

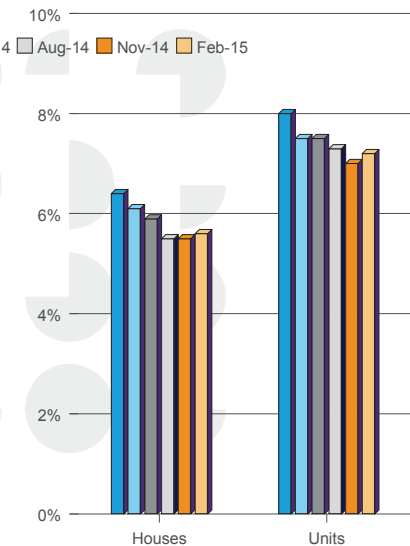
N.B. The median property price is the actual sale price of the middle-priced property from the list of properties sold each month. Movements in median prices do not necessarily equate to movements in individual property values.

### Property Metrics

Average Days on Market



Average Vendor Discount



Source: HTW Analysis of RPData

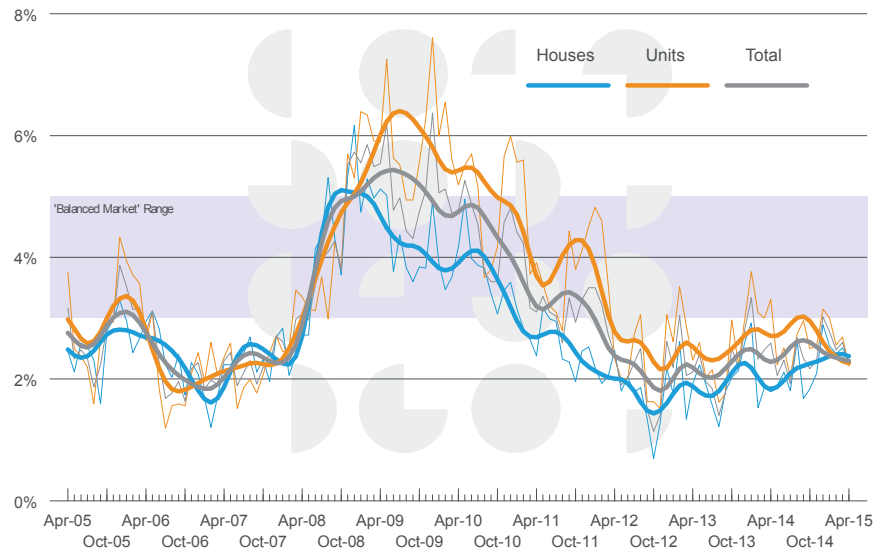
Stronger demand in the real estate sales market is further evidenced by a reduction in the time taken for listed properties to sell, down from an average of 77 days for houses sold in the twelve months to February 2014 to 63 days for those sold in the twelve months to February 2015. Time taken to sell a unit has also reduced, from an average of 105 days for sales in the twelve months to February 2014 to 89 days for sales in the twelve months to February 2015.

However the average vendor discount – the average difference between the asking price first advertised on a property and its ultimate selling price – has started increasing, as the stronger market environment encourages vendors to lift initial asking prices to higher levels.

## PROPERTY

### Rental Vacancies

Percentage Vacancy



Source: HTW Rentroll Survey

Rental vacancy rates remain at levels indicative of a tight rental supply. Current rental vacancies are steady in trend terms for houses, but are lowering for units and the market in general.

The trend vacancy rates for April 2015 stood at 2.4% for houses and 2.3% for units. The market vacancy trend overall stood at 2.3%.

#### Herron Todd White does...Rural Valuations

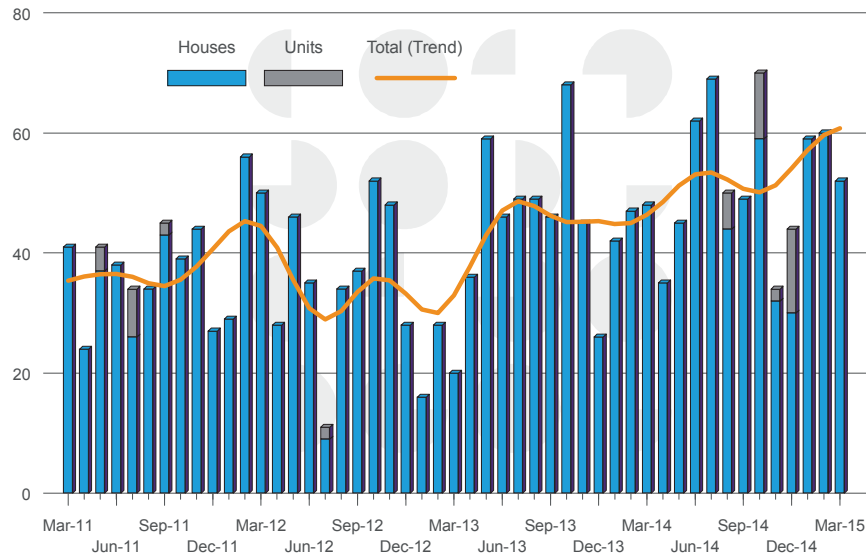
Selling the farm?

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

## PROPERTY

### Building Approvals

Number of New Dwellings Approved in Cairns Urban Area



Source: Derived from ABS data

Building approvals for the construction of new dwellings remain on a strong upward trajectory. Approvals have increased in trend terms by 31% over the twelve months from March 2014 to March 2015.

#### 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

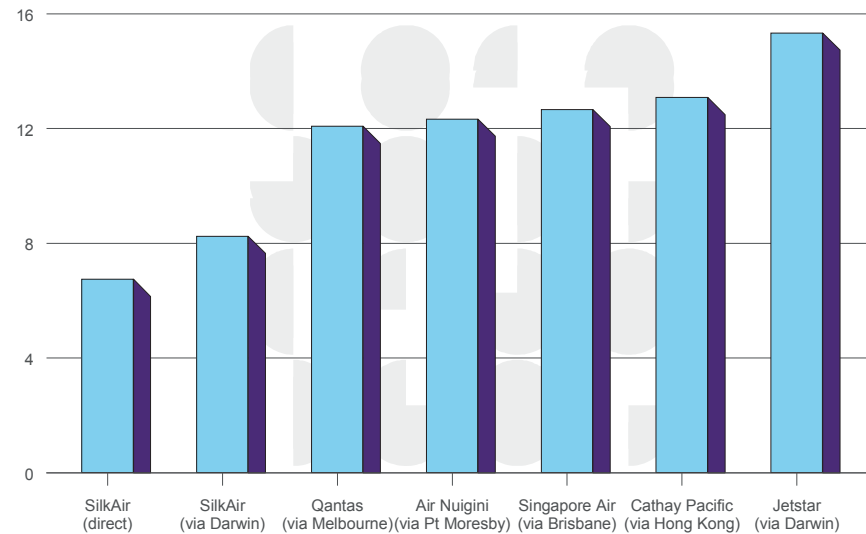
Contact us today to discuss your requirements.



## SPECIAL TOPIC

### Flight Times from Singapore to Cairns

Flight time (hours)\*



\* Shortest duration scheduled flight/route, Singapore to Cairns  
Source: HTW Research

The more convenient it is for travellers to access Cairns the more attractive our destination will be. The new direct services instituted by SilkAir in May 2015 have reduced shortest available flight times from Singapore to Cairns by 44% to 56% compared to services on other airlines. Given that Singapore is a highly strategic linkage hub to the European, Indian and South East Asian markets, the shorter flight times will ultimately be an economic plus for Cairns.

#### Herron Todd White does... Tax Depreciation Schedules

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

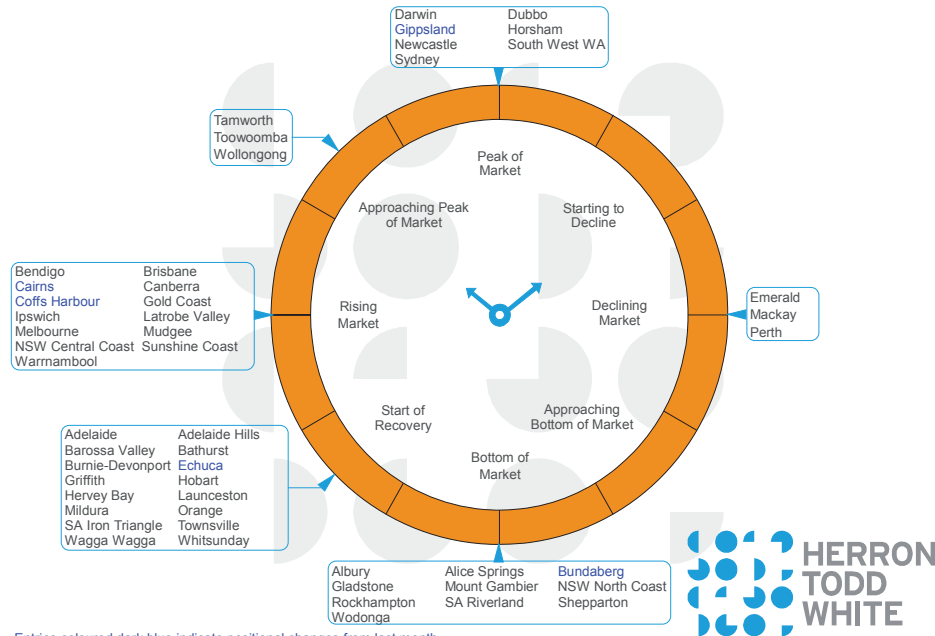
You could be missing out on thousands of dollars each year in allowable depreciation for your investment property.

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.

## PROPERTY

### National Property Clock



Entries coloured dark blue indicate positional changes from last month

Source: Residential Property Ratings Compiled by Herron Todd White, April 2015

Herron Todd White's National Property Clock is prepared each month based on the local market perceptions of its Australia-wide network of offices.

The Cairns market has strengthened to the point where it has now advanced from the Start of Recovery to the Rising Market stage.

#### 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.

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