

BRIEF OVERVIEW - Cairns Economy – September, 2016.

We are informed redundancies, during the 2016 year, have caused many in residence in the Cairns Region to leave the area in search of work in more populated locations. *Information source: Lifeline employee working in the furniture removals department, who noted a significant increase in furniture being donated to the group as departures from Cairns (for the reason mentioned), continues.*

THE GOOD NEWS.

There is a particular positive for the economy of Far North Queensland, which is, the falling value of the Australian dollar... This is bringing more overseas and domestic tourists to Cairns, thereby enhancing opportunity for employment and increasing demand for accommodation.

CAIRNS AIRPORT

Direct flights Cairns- Auckland now in-service (Air New Zealand)

Flights into Cairns International terminal now include arrivals from China, Japan, US, Europe via Asian hubs.

Accessing Australia via Cairns, rather than through traditional southern gateways, results in a flight time saving of (up to) 25%. (Source- Cairns Port Authority)

We understand the Queensland Government has reached an agreement with Chinese officials to bring direct flights from China to Cairns - scheduled to commence late 2016.

The DFO shopping centre, Mulgrave road, Westcourt has been sold to the Sentinal group for \$39.7M... The group also purchased the Big W store at Atherton for \$10.5M. We understand Sentinal is seeking more investment opportunities in Far North Queensland.

Event Cinemas are to open their new \$15M cinema complex at Smithfield in 2017.

James Cook University are to open their new \$10M learning centre in Shields street, Cairns in 2017.

There appears to be growing optimism among Cairns business people, in that 2017 will bring in an increasing improvement in tourism cash flow, which will stimulate ancillary industries.

Hong Kong Airlines have announced 2 additional flights into Cairns (Tuesday and Saturday) commencing late 2016, complimenting their current Wednesday Cairns service.

Cairns Airport passenger numbers grew by 7.4% in the 12 month period to August, 2016, which is almost double the 3.8% average for Australia's 10 largest Airports in that time frame.

Source: Bureau of Infrastructure, Transport, and Regional Economics.

The employment trend in the Cairns Region is in the positive.
In the period October 2015 - October 2016... 2,700 new jobs were created.
Source: Herron Todd White Valuers.

Tourism is now the Cairns Regions leading economy.

We understand some of our major hotels are now committing to substantial refurbishment, which in itself, augers well for the near future.

Taking into account the positives, and optimism, now surrounding the Cairns Economy, we can reasonably look forward to an improvement in the value of Cairns residential real estate, in 2017.

Best Regards

Peter.

If further information is required, please feel welcome to contact:-

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