



**cairns**  
PROPERTY OFFICE

### Cairns Update March 2016

The Cairns economy relies primarily on tourism. While tourism has benefited from the Australian dollar falling from \$110/US to (around) 70c, employment in supporting industries is falling.

In the service industry, staff levels are being reduced as computers progressively replace people. Evidence of this can be seen in capital cities where office buildings are being converted into residential accommodation.

The retail sector in Cairns, as elsewhere, has many vacant shops. Owners of manufacturing businesses are now seeking to relocate to smaller sheds from which to operate.

Recently an employee of Lifeline said the Donations Department has never been busier; more people are leaving Cairns to find a job. All markets rise and fall; the information here reflects real time.

As responsible Property Managers, we need to be aware of factors driving the local economy at any given time. Should rents be raised to maximise returns, or is it time to lower rents to avoid vacancies? The market determines these variables - it is a matter of supply and demand.

Now, vacancies are increasing. To keep tenants (who may look for cheaper accommodation) in place, or attract new qualified tenants we suggest, where necessary, consideration might be given to adjusting rents to meet the changing market.

If this situation should apply to a specific property, we will bring the matter to the attention of the owner and await instruction.

We know at some time in the future Cairns will return to the prosperity we have all enjoyed and benefited from. Our market will rise again, and when it does, we will be aware and ready for it.

Assuring you of our best endeavours at all times. We will keep you informed.

*From the Principals/Directors of Cairns Property Office*