



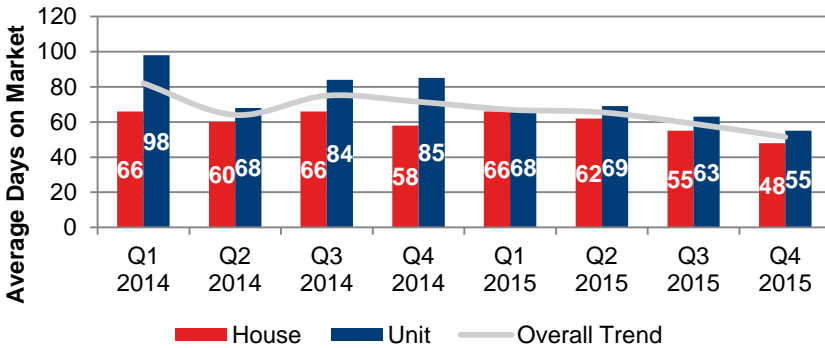
2018 COMMONWEALTH GAMES

RESIDENTIAL PROPERTY IMPACT REPORT 2016

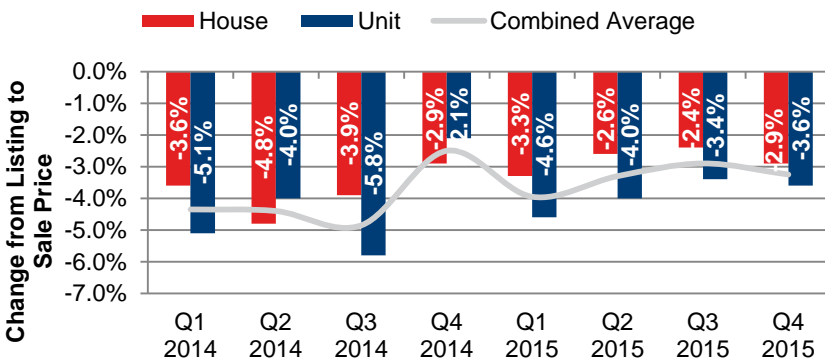


GOLD COAST MARKET OVERVIEW

AVERAGE DAYS ON MARKET



AVERAGE VENDOR DISCOUNT



HIGHLIGHTS

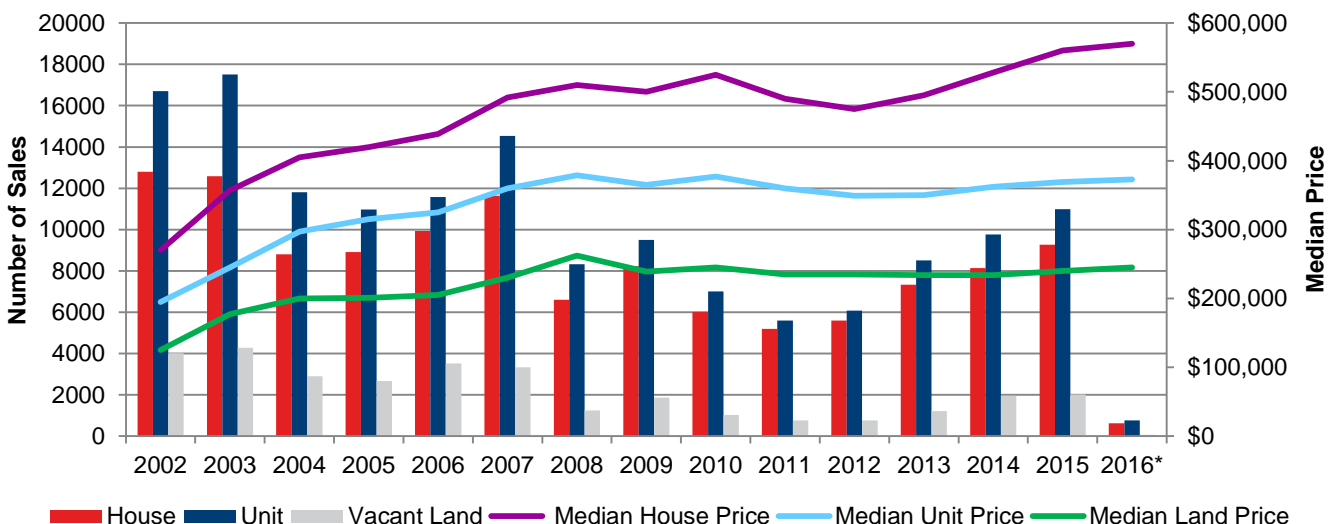
Host to the 2018 Commonwealth Games, the growing Gold Coast property market has experienced positive outcome from the announcement of the event; as did its predecessor Sydney (Olympics, 2000) and Melbourne (Commonwealth Games, 2006)

Between 2014 and 2015, houses in the area recorded rise in median prices of 6.7%*.

Average days on market and vendor discounting has been improving over the past 4 quarters to Q4 2015. Combined average vendor discounting has decreased compared to 2014, sitting at a combined average of -3.4% in 2015. This suggests buyer competition is increasing and are willing to pay more to secure the deal.

Whilst major developments projects relating to the Commonwealth Games and infrastructure improvements are taking place across the Gold Coast, the property market has shown positive performance. An increase of 13.2% in house transactions and 14.5% in unit sales over the past 12 months suggests demand is heating up –thus now is the perfect time to enter the market.

15 YEAR CAPITAL GROWTH**

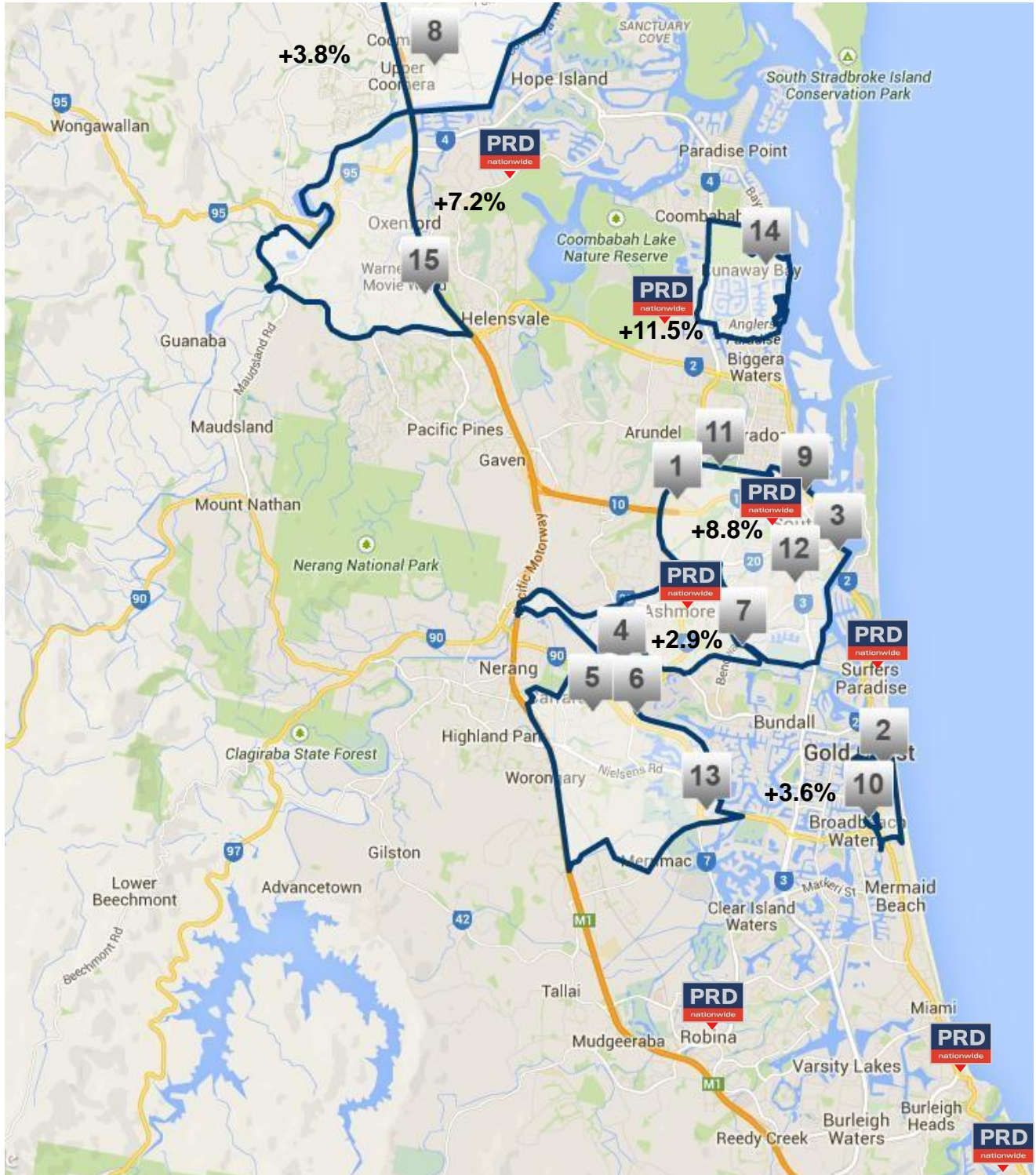


Disclaimer: *2016 data is inclusive of and up to 31st March 2016 (or end of Q1 2016)

**This data has been sourced from the Gold Coast City Council and Albert Shire sales data

Source: APM PriceFinder, Real Estate Institute of Australia, Realestate.com.au, CoreLogic RP Data, Gold Coast City Council

COMMONWEALTH GAMES PROJECT OVERVIEW**



Disclaimer:*Pinned number on the map corresponds to locations in which a Commonwealth Games related project is planned for construction, further information is available in the corresponding Commonwealths Games Development 2013-2018 table which can be found within the report.

**Percentage figures on the map represent annual median house growth between 2014 and 2015, for areas in which a Commonwealth Games related project is planned for construction
Source: Gold Coast City Council, APM Pricefinder, Cordell Database, Realestate.com.au, CoreLogic RP Data, Queensland Department of State Development, Infrastructure, and Planning

COMMONWEALTH GAMES DEVELOPMENT 2013-2018*

Location	Suburb	Project Title	Estimated Value**	Commencement Date	Estimated Completion Date	Status
1	Southport	Athletes Village	\$501,000,000	August 2014	30/09/2017	Early site works underway
2	Broadbeach	Broadbeach Bowls Club Upgrade	\$3,900,000	04/11/2015	01/01/2017	Construction commenced late 2015
3	Southport	Broadbeach Southport & Parklands Transit Malls	\$330,000	10/02/2017	31/10/2016	IND
4	Carrara	Carrara Indoor Stadium	\$8,000,000	Early 2015	IND	Construction Phase
5	Carrara	Carrara Sport & Leisure Centre	\$114,000,000	Early 2015	30/10/2017	Construction Phase
6	Carrara	Metricon Stadium	\$6,000,000	IND	IND	Completed
7	Ashmore	Commonwealth Games Headquarters	\$3,000,000	2015	26/06/2017	Construction works commenced
8	Coomera	Coomera Sport & Leisure Centre	\$38,000,000	Early 2015	30/05/2016	Construction works commenced
9	Southport	Gold Coast Aquatic Centre	\$41,000,000	27/02/2013	IND	Completed in June 2014
10	Broadbeach	Gold Coast Convention & Exhibition Centre Upgrade	\$7,325,000	IND	01/03/2018	IND
11	Southport	Gold Coast Hockey Centre	IND	Early 2016	IND	Construction commenced February 2016
12	Southport	Gold Coast Park & Ride Facilities	\$250,000	12/10/2014	12/10/2016	IND
13	Carrara	Nerang – Broadbeach Road Link Development	\$5,000,000	IND	14/05/2015	IND
14	Runaway Bay	Runaway Bay Sports Centre	\$5,080,000	October 2015	Mid 2016	Construction works commenced
15	Oxenford	Village Roadshow Sound Stage Fit Out	IND	IND	IND	IND

Disclaimer: *IND refers to information not disclosed by relevant parties and data authorities, this table provides a sample list of projects only. For full information please contact PRDnationwide Research

**Estimated value is based on quoted land and construction value only, as provided by the relevant data authority. It does not represent potential commercial and/or re-sale value

Source: Cordell Database, Gold Coast City Council, Queensland Department of State Development, Infrastructure, and Planning

RECENT MARKET CONDITION*

Robust performance in Southport, Coomera and Carrara house markets suggests positive impact of 2018 Commonwealth Games related major project developments on the property market of these suburbs.

• Southport

Annual Median Price Growth: +8.8% (House), +3.3% (Units)
Annual Sales Transaction Growth: +29.4% (House), +26.2% (Unit)

Southport recorded higher median price growth compared to Gold Coast City LGA of 6.1% and 1.9% for house and unit respectively. Double digits increase for sales price in conjunction with an increase in sales transaction indicates strong demand and real capital growth in the area.

• Coomera

Annual Median Price Growth: +3.8% (House), +10.7% (Unit)
Annual Sales Transaction Growth: +36.5% (House), -6.0% (Unit)

High increase of house median growth and sales transactions in Coomera suggests that its house market has performed well, making it one of the most outstanding suburbs in the Gold Coast.

• Carrara

Annual Median Price Growth: +4.6% (House), +0.8% (Unit)
Annual Sales Transaction Growth: +34.1% (House), +8.3% (Unit)

Carrara popularity has risen for the past 3 years given its consecutive increase of median price for houses. Buyers are shifting their attentions to enter Carrara property market.

COMMONWEALTH GAMES VILLAGE LEGACY

The Athletes village, also known as the 'Commonwealth Games Village' will leave the most prominent legacy. Together with \$5 billion infrastructure investment in improving light rail and road upgrades, the site would be part of the proposed Gold Coast Health & Knowledge precinct according to the Gold Coast Health & Knowledge Precinct Draft Master Plan 2016.

The precinct signifies a dynamic collaboration among business, industry and universities; by providing a conducive location for knowledge creation, learning, research and commercialization of new technology. This enables a diverse economy to be created, further promote innovation, stimulate economic growth and deliver investments.

Based on the Master Plan Draft, it is estimated that 11,000 new jobs will be available once the precinct is fully developed. Having taken advantage of the precinct's close proximity to Hospital and University, mixed use building provided by the Commonwealth Games Village and the infrastructure facilities; it is set to further unfold the potential of the area - supported by existing, ongoing and future developments.

Disclaimer: *Southport, Carrara and Coomera suburbs are specifically discussed due to major developments associated with Commonwealth Games taking place in these suburbs
**Photos are taken and owned by PRDnationwide

Source: APM Price Finder, Department of Infrastructure, Local Government and Planning (Gold Coast Health & Knowledge Precinct Draft Master Plan 2016 – accessed 26th April 2016)

MAJOR PROJECT DEVELOPMENT **



Southport – Athletes Village

A numbers of cranes are erected and land has been cleared for development



Coomera – Coomera Sports and Leisure Centre

Development is almost completed.



Carrara – Carrara Sport & Leisure Centre

Progressing development

GOVERNMENT UPDATES

The Gold Coast 2018 Commonwealth Games is estimated to inject \$2 billion into the Gold Coast economy. The Queensland Government and Gold Coast City Council strongly believe that it will be a large success and will result in the Gold Coast becoming one of the best places to live, visit and invest. Not only that the venue construction is on plan and on budget, a plan has been drawn up to include the Commonwealth Games Village to become part of the precinct of research, knowledge and innovation.

Infrastructure is a clear opportunity presented by the Games:

- 30,000 jobs are supported through the construction phase of the games.
- \$320 million worth of construction projects
- \$160 million on major road upgrades
- Newly constructed sports centres in both Carrara and Coomera will open their doors by the years end, as will a new velodrome in Chandler.
- Newly constructed \$14.5 million hockey facility in Labrador is being developed, and will attract both competitions and training camps after the games.

Large rail investment in Gold Coast rail is designed to reduce crowding, increase passenger numbers, and provide better connection to the rest of the Gold Coast and Brisbane. These major investments are now at Stage 2 of completion. Additionally, trams are set to be upgraded to move approximately 3000 people per hour around the Gold Coast.

Health and education investment is set to take place. \$10.2 million in funding is set to be directed to the Gold Coast Hospital over the next two years, resulting in 6700 patients receiving outpatient surgery before 30 June 2017. Additionally, \$50 million in funding will go towards a school in Coomera, creating both job and education opportunities.



GROCON PTY LTD

Grocon Pty Ltd was chosen to be the developer for the Games Village in 2014. The development represents Grocon's first large scale construction on the Gold Coast and they believe that the Games would confer long term benefits which are advantageous for the local community as a whole.

These benefits would be reflected in the residential opportunities, tourism industry, and transport infrastructure.

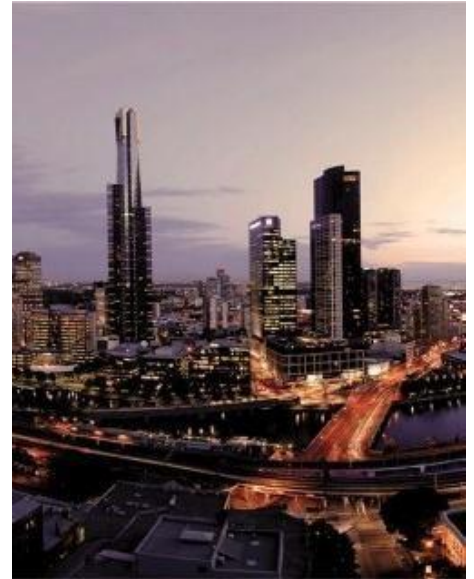
- Residential opportunities will result from the 1200 apartments (built for the Athlete's Village) which are set to follow a Liveable Housing Design, making them suitable for all people; regardless of age, family needs or mobility.
- Large tourism opportunities will result as a consequence of broadcasting the best of the Gold Coast to over 1.5 billion people world wide.
- The large rail investment is believed to spur the change for the Gold Coast to move from a car centric city to a city that embraces public transport.

CASE STUDY: PARKVILLE, VIC

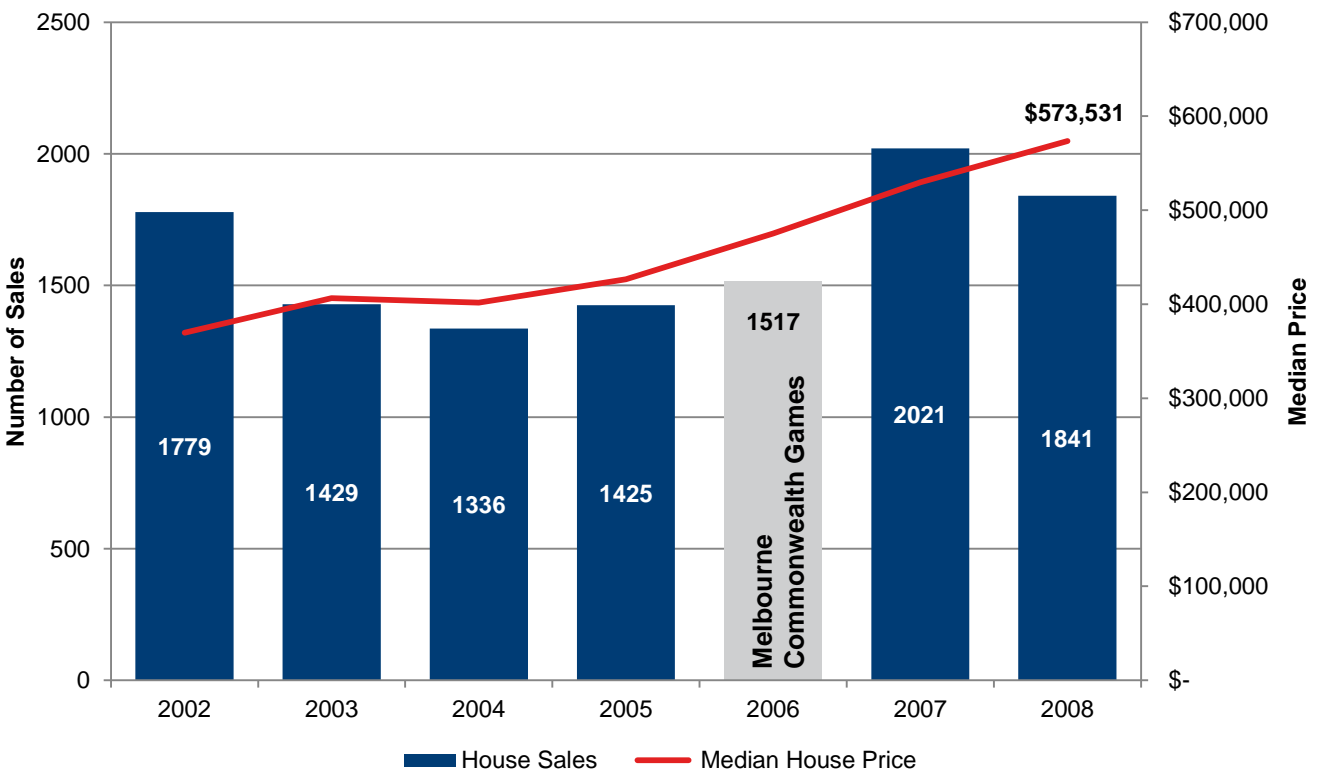
In March 2006 Melbourne played host to the Commonwealth Games. Much like the upcoming 2018 Commonwealth Games, new and upgraded sporting infrastructure was scattered throughout the city rather than having a specific centre for activity. The Athletes Village was constructed in the established suburb of Parkville on the site of the old psychiatric hospital, around 3km from the CBD with plans to execute construction in two phases and create a new residential pocket after the Commonwealth Games.

The high demand and undersupply of property in the area led to a successful development; with transactions rising over 33% in Parkville and the surrounding suburbs between 2006 to 2007.

Much of this growth can be attributed to the sale of residential properties in the Village; with 85 sales from the developer being recorded in 2007. Growth in the area has proven to be sustainable with median prices increasing at an average rate of 7.0% two years past the 2006 Commonwealth Games. It is therefore concluded that Commonwealth Games developments have had a positive impact on the property market of the suburb and its surrounds; both during the year of the games and long after the games have finished.



PARKVILLE & SURROUNDS COMBINED SALES CYCLE



CASE STUDY: NEWINGTON, NSW

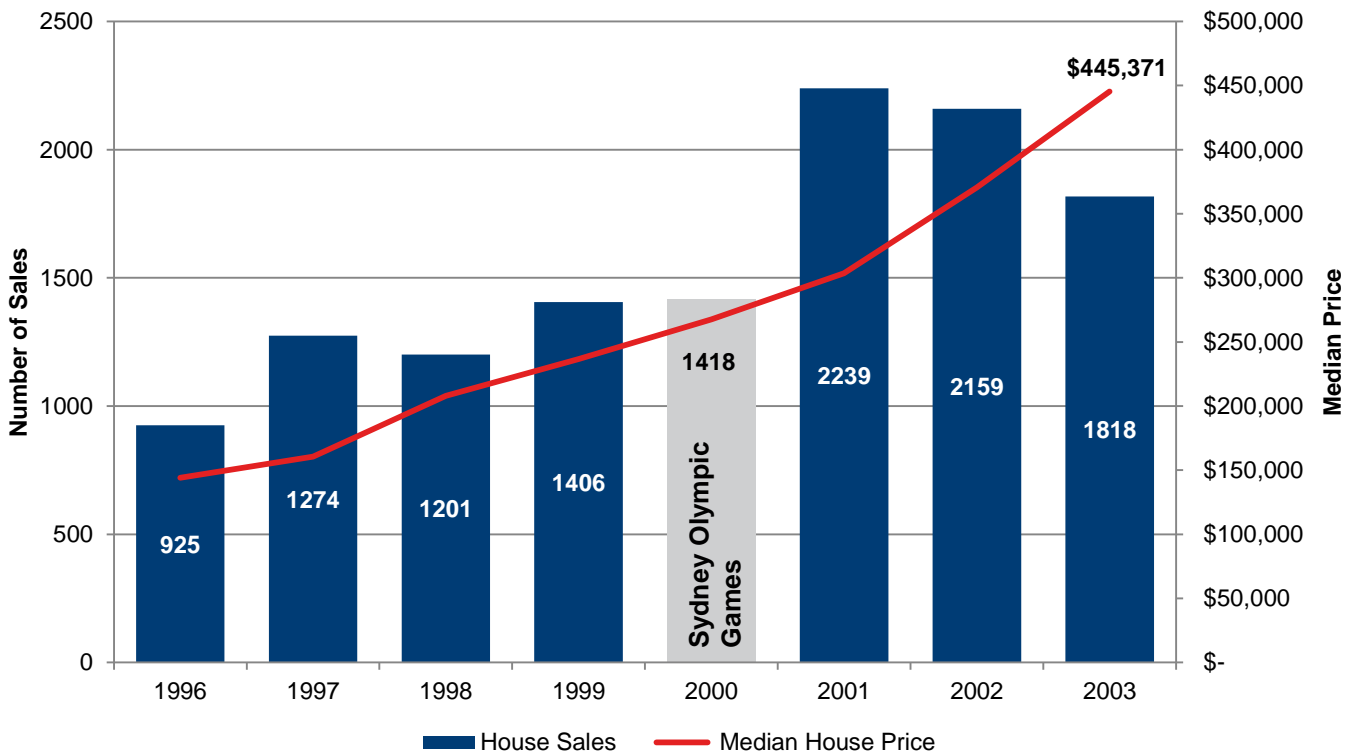
The 2000 Sydney Summer Olympics was one of the largest sporting events ever hosted in Australia and as such, it required one of the largest recreational, cultural and residential developments in Sydney's history; with the total cost of the games estimated at \$6.6 billion. The location for the development was an underutilised site 25km from the CBD, which now remains a leading sporting and cultural centre for the city.

The Athletes Village was built on its own separate, exclusively residential site neighbouring the Olympic Park. After the event the athletes accommodation was reconfigured to offer nearly 900 townhouses and 700 apartments to be offered to the public. This led to a surge in transaction activity in the area, with Newington and surrounding suburbs sales numbers rising nearly 58% from 2000 to 2001.

The Athletes Village development played the largest role in the growth, with 561 residential sales by the Olympic Park Authority recorded in 2011. The development proved successful with first home buyers due to the affordability of the area. The 2000 Sydney Summer Olympics proved to have had a sustainable positive impact on the property market in Newington as well as surrounding suburbs.



NEWINGTON & SURROUNDS COMBINED SALES CYCLE



GOLD COAST MARKET RECAP 2015*

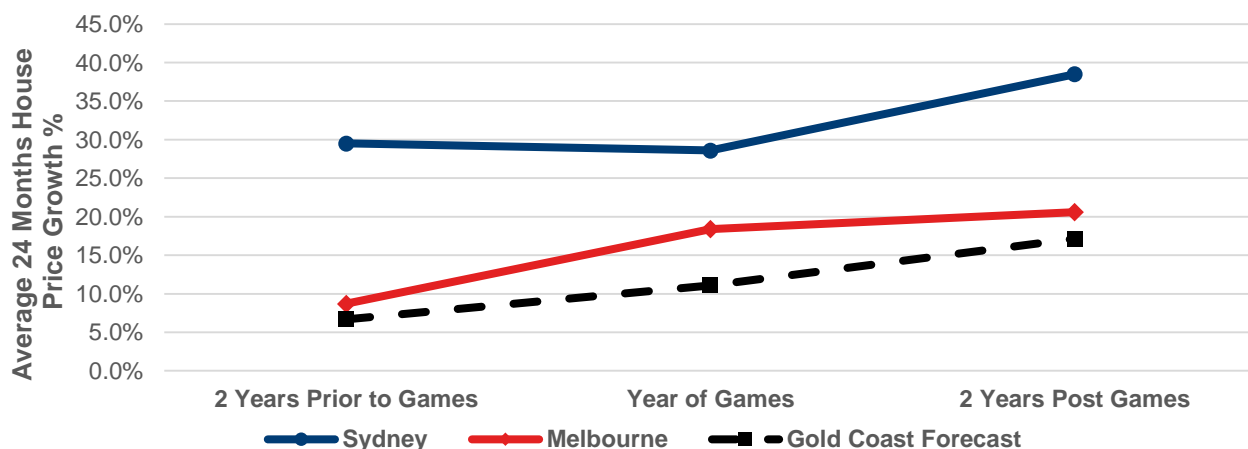
	Median Price		Price Growth		Transaction Growth		Rental Growth		Rental Yield	
	House	Unit	House	Unit	House	Unit	House	Unit	House	Unit
Ashmore	\$525,000	\$304,000	+2.9%	+5.8%	+2.1%	+24.1%	+11.1%	+9.4%	+4.9%	+6.2%
Broadbeach*	\$1,450,000	\$442,000	+3.6%	-2.4%	+100.0%	+23.5%	-1.1%	+7.7%	+1.1%	+4.6%
Carrara	\$496,500	\$431,500	+4.6%	+0.8%	+34.1%	+8.3%	+5.8%	+1.1%	+5.2%	+4.9%
Coomera	\$454,000	\$282,250	+3.8%	+10.7%	+36.5%	-6.0%	+4.7%	+2.9%	+5.1%	+5.3%
Oxenford	\$475,000	\$288,600	+7.2%	-0.5%	+26.1%	+31.8%	+1.5%	+4.7%	+5.0%	+6.0%
Runaway Bay	\$925,800	\$462,500	+11.5%	+15.6%	+16.9%	+6.5%	0.0%	+5.0%	+3.8%	+4.4%
Southport	\$517,000	\$345,000	+8.8%	+3.3%	+29.4%	+26.2%	+7.1%	+2.9%	+4.7%	+5.3%

MARKET FORECAST**

The Gold Coast market recap for 2015 above clearly identifies that houses in almost all of the suburbs surrounding the 2018 Commonwealth Games have witnessed median price growth over the past 12 months. Coomera and Runaway Bay have been some of the strongest performers witnessing combined average growth of 7.3% and 13.6% respectively.

Gerald Adam (PRDnationwide Southport Principal) confirms the projected growth for 2015 of 7.0% has been surpassed in Southport, with a median house price growth of 8.8%. Greg Brewster (PRDnationwide Runaway Bay Principal) states that he has received a high number of interstate investor interests for his area as infrastructure developments adds value from the investor perspective. Both of the principals share similar expectations of their areas upcoming future positive growths, backed by infrastructure developments, 2018 Commonwealth Games and their individual suburb locational features.

The recent growth witnessed is expected to continue up to 2018 and beyond thanks to overall improvement in market conditions as well as the infrastructure and publicity the Gold Coast will be receiving due to the Commonwealth Games. The Gold Coast City Council has one of the highest projected population growth in Queensland and as was the case with previous sporting events in Sydney and Melbourne, it is expected that the new development will not go to waste, but rather enhance the attractiveness of the surrounding areas. Based on data available from the Sydney and Melbourne case studies, it is forecasted that the Gold Coast property market will also reap sustainable positive growth in the years during and after the 2018 Commonwealth Games.



Disclaimer: *Data in the Market Recap 2015 captures growth between 2014-2015, Broadbeach quoted data captures sales in Broadbeach suburb only and does not include Broadbeach Waters. Data presented only encapsulates areas in which a 2018 Commonwealth Games related project is planned for construction
 **Forecast graph is based on average house median price growth in each relevant international sporting event suburb and its surrounding area, aggregated and adjusted to current Gold Coast LGA house median price growth
 Source: APM PriceFinder, Realestate.com.au, CoreLogic RP Data, PRDnationwide Southport, PRDnationwide Runaway Bay, Gold Coast City Council Real Estate Institute of Australia

ABOUT PRDnationwide RESEARCH

PRDnationwide's research division provides reliable, unbiased, and authoritative property research and consultancy to clients in metro and regional locations across Australia

Our extensive research capability and specialised approach ensures our clients can make the most informed and financially sound decisions about residential and commercial properties.

OUR KNOWLEDGE

Access to accurate and objective research is the foundation of all good property decisions

As the first and only truly knowledge based property services company, PRDnationwide shares experience and knowledge to deliver innovative and effective solutions to our clients.

We have a unique approach that integrates people, experience, systems and technology to create meaningful business connections. We focus on understanding new issues impacting the property industry; such as the environment and sustainability, the economy, demographic and psychographic shifts, commercial and residential design; and forecast future implications around such issues based on historical data and fact.

OUR PEOPLE

Our research team is made up of highly qualified researchers who focus solely on property analysis

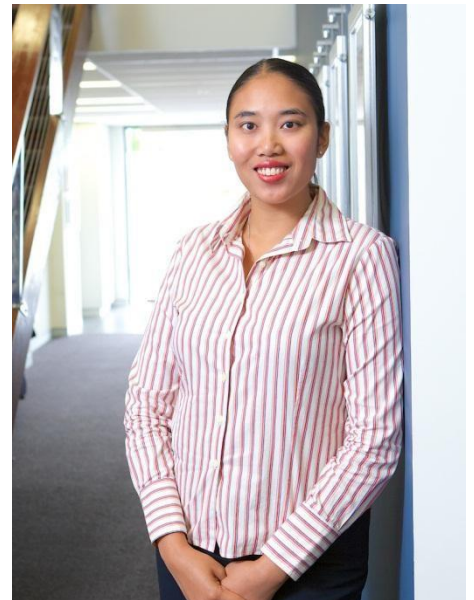
Skilled in deriving macro and micro quantitative information from multiple credible sources, we partner with clients to provide strategic advice and direction regarding property and market performance. We have the added advantage of sourcing valuable and factual qualitative market research in order to ensure our solutions are the most well considered and financially viable.

Our experts are highly sought after consultants for both corporate and government bodies and their advice has helped steer the direction of a number of property developments and secured successful outcomes for our clients.

OUR SERVICES

Our research services span over every suburb, LGA, and state within Australia; captured in a variety of standard and customized products

We have the ability and systems to monitor market movements, demographic changes and property trends. We use our knowledge of market sizes, price structure and buyer profiles to identify opportunities for clients and provide market knowledge that is unbiased, thorough and reliable.



OUR SERVICES INCLUDE:

- Advisory and consultancy
- Market Analysis including profiling and trends
- Primary qualitative and quantitative research
- Demographic and target market Analysis
- Geographic information mapping
- Project Analysis including product and pricing recommendations
- Rental and investment return analysis

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