

WHY INVEST

in the Whitsundays

PRD nationwide

Whitsunday Region Profile

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Location

Airlie Beach is just one square kilometre of ultimate real estate that is the most exclusive waterfront lifestyle precinct on the planet. With the township book ended by two world class marinas and appointed with a range of cosmopolitan dining and fashion options, the Airlie Beach lifestyle is the perfect foundation. The township is well connected to the 74 Whitsunday Islands, 8 of which are resort islands and the remaining islands are protected National Parks. More than half of the 2600km² Shire is classified as National Park, ensuring the retention of the area's natural beauty. Located just 25km inland is Proserpine, home to the region's hospital, railway station, sugar mill and primary airport. Bowen, situated on the north-eastern coast of the region, is known for its award winning beaches and delicious mangoes. Finally Collinsville, found 87km south-west of Bowen, lies within the resource rich Bowen Basin and is home to several mines.

Quality of Life

The results of an extensive survey conducted by Tourism and Events Queensland in 2013 revealed that 92% of residents love living here and 58% of residents would not live anywhere else. More than 85% of residents were born elsewhere in Australia, and more than 60% of residents stay for 10 years or more after relocating to the area. Of the residents surveyed, a large majority identified that the tourism industry results in many positive impacts for the area, including more interesting things to do, employment opportunities, events and festivals, improved facilities, increased local pride and greater cultural diversity.

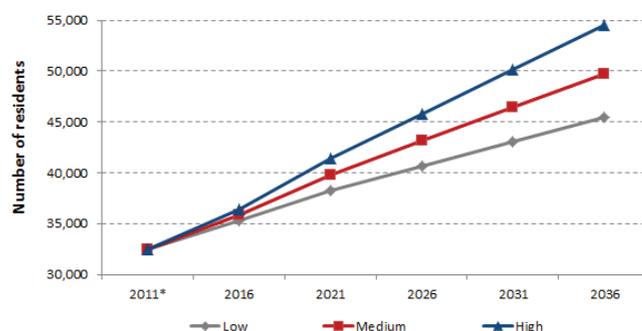
Economy

The Whitsunday Region is characterised by a diverse economy with established tourism, mining, agricultural and fishing industries. Based on reports from the Queensland Resources Council (QRC), Gross Regional Product (GRP) totaled \$2.72 billion for the 2015/16 financial year. Census 2011 results from the Australian Bureau of Statistics indicate that the construction, transport and utilities sectors employ the most permanent residents in the region combined.

Population Growth

According to Queensland Government estimates, the Whitsunday Region had a resident population of 34,016 as at June 2013. Medium population projections suggest the region may experience average population growth of 2.1% (or 691 persons) per annum over the next two decades, with an estimated resident population of 49,700 persons by the end of 2036. Based on an average household size of 2.4 persons per residence, this level of population growth may yield demand for an additional 288 residential dwellings per annum over the same period. **With the average number of new dwelling approvals for the last 5 years at 173p.a, this leaves an expected shortage of 115 dwellings per year. This shortage will push house, land and rental prices upwards as the demand increases.**

Whitsunday Regional Population Projections



* Estimated resident population
Source: QGSO, prepared by PRD

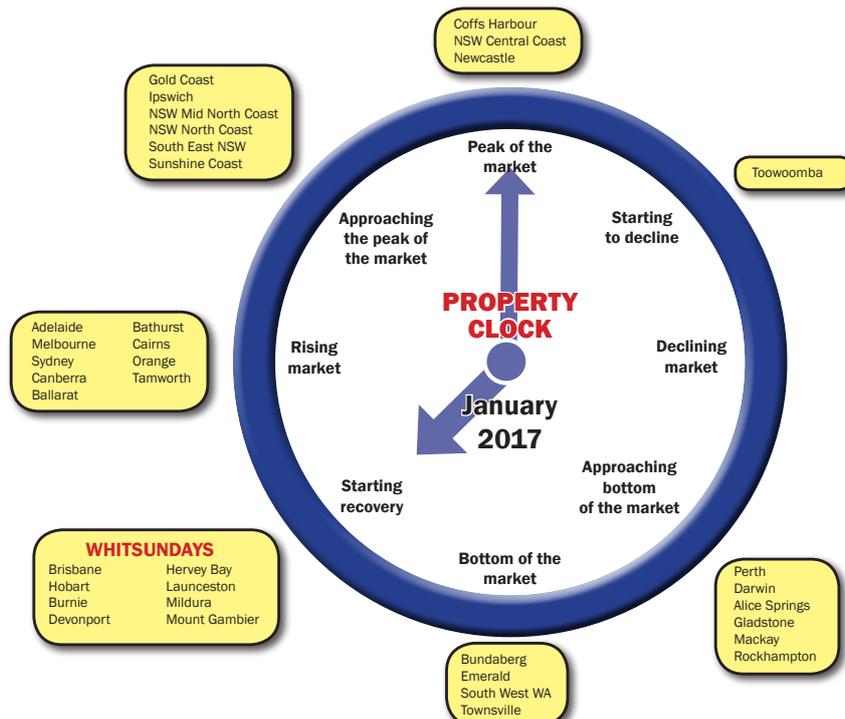
As at 30 June

Property Market

The Whitsunday property market experienced a rapid increase between 2002 and 2007, with median price values surging to new highs towards the end of this period. After the event of the Global Financial Crisis however, price and sales activity had slowly trended downwards. From 2012 onwards, the region has undergone a period of steady recovery, with sales activity in the house and vacant land markets gradually improving. Since the beginning of 2014, enquiry levels are notably higher, as the drivers of population growth in the area, mining and construction, begin to improve. Favourable market conditions are gathering pace for astute buyers who want to invest in a promising market. The long term outlook for the Whitsunday property market remains bright, supported by a strong population growth, a solid economic backbone and a strong vote of confidence in the region from investors/developers in the form of extensive real estate and infrastructure projects under way or in the planning stages.



The town of Airlie Beach backs onto Conway National Park and is surrounded by the Great Barrier Reef Marine Park. In some areas, the distance between the two National Parks is only 1km. This unique location means there is strictly limited space for development and once the limited land is occupied there will be no further opportunities. For this reason there will come a time where house, land and rental prices will drastically increase with increasing demand and limited supply.



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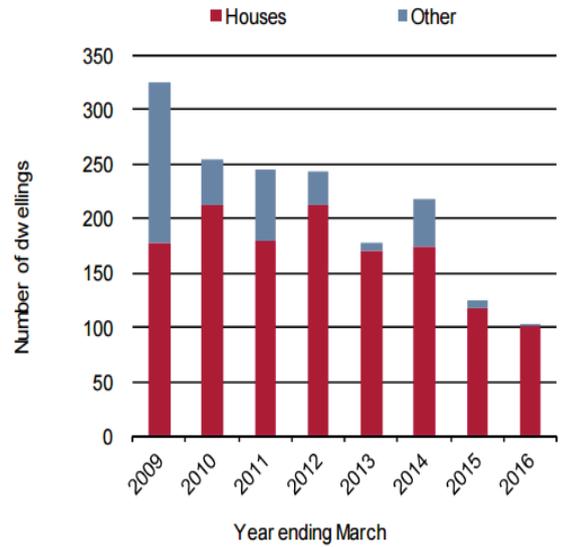
Why invest in the Whitsundays



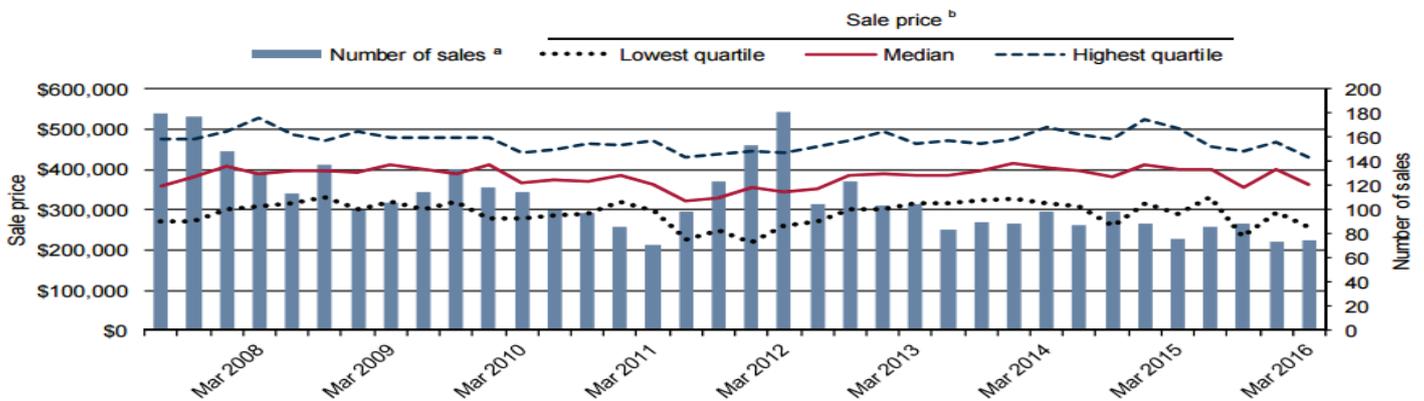
The latest broadhectare results show that there were approximately 2,550 hectares of land suitable for residential development in the Whitsundays. Based on the planning scheme intent, ownership and land fragmentation, existing approvals and an analysis of dwellings by location, this supply is expected to accommodate over 12,000 dwellings.

In the year ending March 2016 the local council approved the development of 218 residential lots, an increase of 114% from the previous year, when only 102 lots were approved. In the same year, there were 194 new lots sold in the Whitsundays, of which 184 did not have existing dwellings. The median sale price of vacant land in the Whitsundays was \$173,000 for the year, a 19% increase up from \$145,000 in 2012. Council approved 103 new dwellings in the year ending March 2016, a 17% decrease from the previous year, with an increase in demand for new dwellings and a decrease in approvals, this is pushing sale and rental prices upwards.

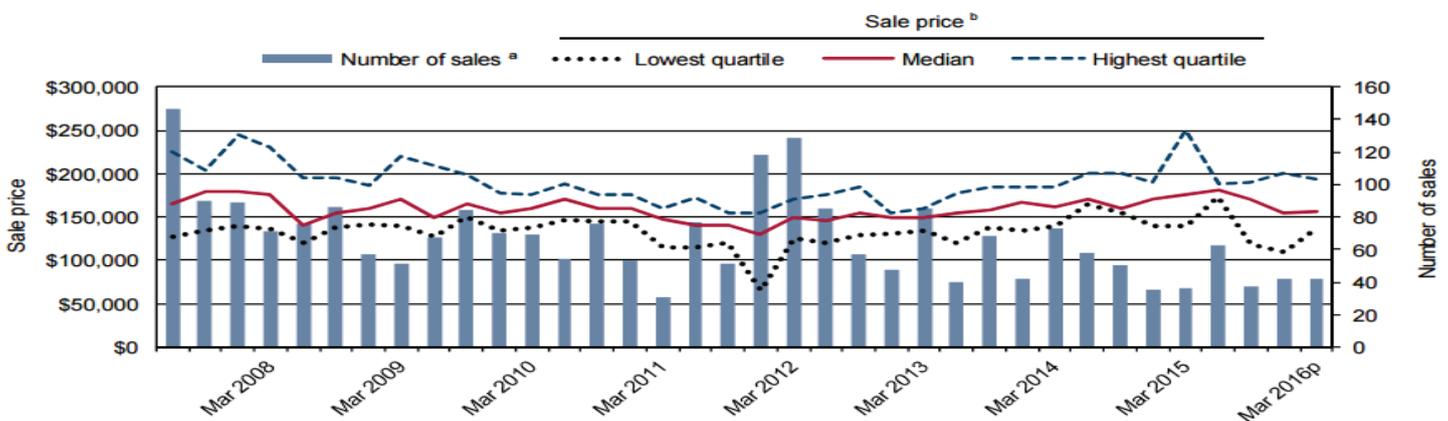
Dwelling Approvals



Whitsunday House Sales Cycle



Whitsunday Vacant Land Sales Cycle



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Key Industries

Tourism

Survey data published by Tourism Queensland indicates the Whitsunday Region welcomed 222,000 international visitors in the year ending June 2016, up **5.8%** on the previous year. The average length of stay was 6.5 nights for international visitors. This growth was spread across each key source market, with visitors predominantly from Europe, followed by the USA and China. Expenditure from the international sector totaled \$171.9 million for the 2015 calendar year, with an average spend per visitor of \$826.

There were 508,000 domestic visitors to the region in the same year, up **30.6%** from the year before. Overnight domestic visitation still dominated the overall market, with 47.8% of visitors coming from interstate and 52.2% from other parts of Queensland.

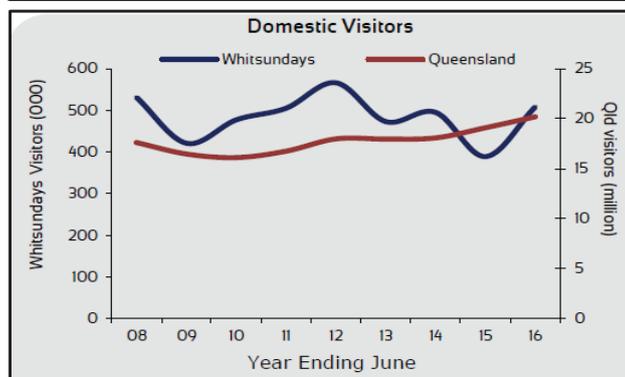
Growing Airport

Whitsunday Coast Airport was recently declared Australia's fastest growing regional airport, with monthly passenger movements increasing by 25.9 percent since 2014. The Whitsunday Coast Airport is set to become the state's sixth international airport with direct overseas charter services operating to and from the Whitsundays in 2017.

Tiger Airways is currently operating four weekly return flights from Sydney and is increasing to six flights in early 2017. From 23 March 2017, Tiger will also add four weekly return flights from Brisbane, providing holiday makers with low fare options and they have also announced direct Melbourne flights early in 2017. **This means an additional 110,000 seats, a 25% increase in capacity**, bringing an additional \$80million to the region.

The airport is currently reviewing a \$59m feasibility and master plan proposal for upgrades to the airport at Proserpine. The works include expanding the terminal and extending the runway to 2,400 metres, which will allow for international arrivals. The upgrade will create 446 full time equivalent jobs, generating more than \$37m in wages and salaries adding over \$72m to the gross regional product. An upgraded airport will boost tourism expenditure by over \$300m per year, create 2054 full time equivalent jobs and inject \$108m in wages and salaries into the community.

A development of this scale will have positive ripples throughout our entire region as improved facilities means more flights and more competition amongst the airlines. This will be a win for our residents who commute south and will also catapult the Whitsundays into the top tier of tourism destinations on the globe.



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Mining

According to the QRC, mining activity during the 2014/2015 financial year comprised \$354 million or 13 per cent of the Whitsunday Region's GRP. The region only consists of a handful of coal, gold and silver mines, including the Collinsville and Sonoma coal mines located near Collinsville, with more in the pipeline. However it also reaps the benefits of close proximity to neighboring mining areas, through spending and investment by workers. This includes the Galilee Basin and the Carmichael Coal Project, set for construction to start in 2017. The project will include the largest coal mine in Australia, construction of new rail line and exporting through an expanded Abbott Point port facility to the north of Bowen.

Agriculture

More than 6,300 hectares of land on 85 farms in the Whitsunday Region produce 36 million kilograms of fruit and vegetables each year, contributing \$400 million to the \$9 billion Australian horticulture sector. 1.4 million tonnes of sugar cane is produced annually, making the region the third largest sugar cane producer in Queensland.

Key Projects

Airlie Beach is currently undergoing substantial development with a number of major projects by Australian and International developers as well as publically funded infrastructure upgrades.

These include:

- Whitsunday Coast Airport Expansion (\$59m masterplan)
- Port of Airlie (\$150m+ further development)
- Lindeman Island Resort (\$600m redevelopment)
- Daydream Island Resort & South Molle Island (\$30m and \$200-\$300m developments)
- Heart of the Reef Hotel and Airlie Main Street
- Abell Point Marina
- Heart Reef Cove
- Adani Carmichael Coal Project (\$16 billion investment)
- Port of Abbot Point

For more information on these or to obtain a copy of the Key Projects report please contact:

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Main attractions

The Great Barrier Reef: One of the seven natural wonders of the world, the world's largest coral reef system is located just 34 nautical miles off the coast of the Whitsundays. This World Heritage listed area offers one-of-a-kind snorkeling and scuba diving activities, with stunning scenery of thousands of species of brightly coloured fish, beautiful corals and a diverse marine life, including humpback whales, dolphins, turtles and dugong.

Whitsunday Islands: Seventy-four islands of outstanding natural beauty and secluded natural anchorages, provide one of the world's best sailing and boating destinations. Eight of the islands are home to world class resorts, such as Hayman Island (rated as one of the best in the world), Hamilton Island, Daydream Island, South Molle Island and Long Island Resort. Camping permits are also available for many of the remaining uninhabited islands for the more adventurous holiday-makers.

Whitehaven Beach: Sink your feet into the white silica sands of the world famous beach on Whitsunday Island, which, unlike regular sand, does not retain heat, making it comfortable to walk barefoot on a hot summer's day. At the northern end of the beach is Hill Inlet, a stunning cove where the tide shifts the sand and the water to create a beautiful, swirling fusion of colours, while striking rock formations and fringing coral reefs can be found at the southern end.

Whitsunday Hinterlands: Containing around 22,000 hectares of national parkland, the hinterlands provide a vital life support system for ancient rainforests and exotic wildlife. This includes the tropical rainforest area of Eungella National Park, natural waterhole areas of Cedar Creek Falls and the walking track, and bush camping areas in Conway National Park. Crocodile Safari tours operate along the Proserpine River, while barramundi fishing and watersports activities can be found at Peter Faust Dam.

Tourist Accommodation: The Whitsunday Region offers a large variety of tourist accommodation options, from budget backpacker hostels and caravan parks, charter boats and mid-range motel units, to luxury apartments and island resorts. This wide range of choice makes the region popular to both domestic and international tourists, no matter what their budget might be.

Accessibility: Easy access to the region is through the Hamilton Island Airport or the Whitsunday Coast Airport, only a 30-minute drive from Airlie Beach, with daily services to Brisbane, Sydney and Melbourne. In recent years, Tiger Airways has started servicing the region, offering flights at low rates from the capital cities with more flights to commence in 2017. Ferry services run to and from Port of Airlie and Shute Harbour, with connecting services to many of the surrounding islands. The Whitsundays is also a frequent docking point for many holiday cruise ships, including the Queen Elizabeth and Pacific Dawn.

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