

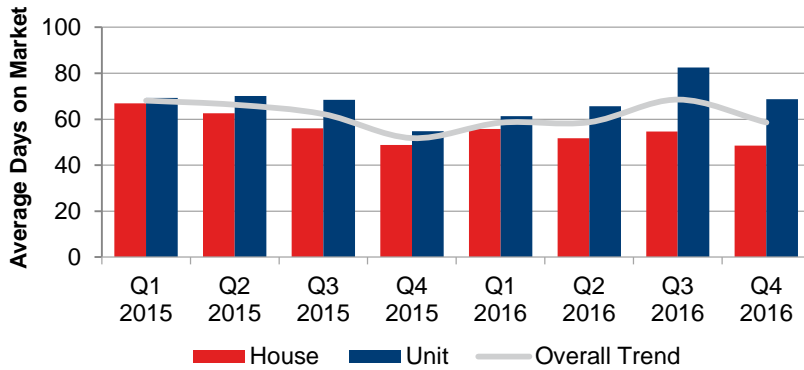


2018 Commonwealth Games
Residential Property Impact Report

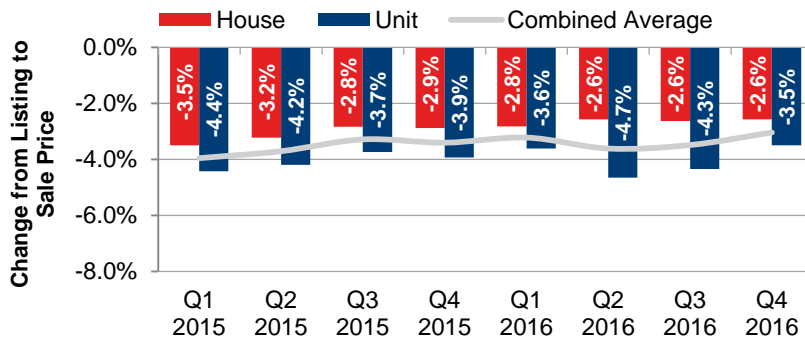


GOLD COAST MARKET OVERVIEW

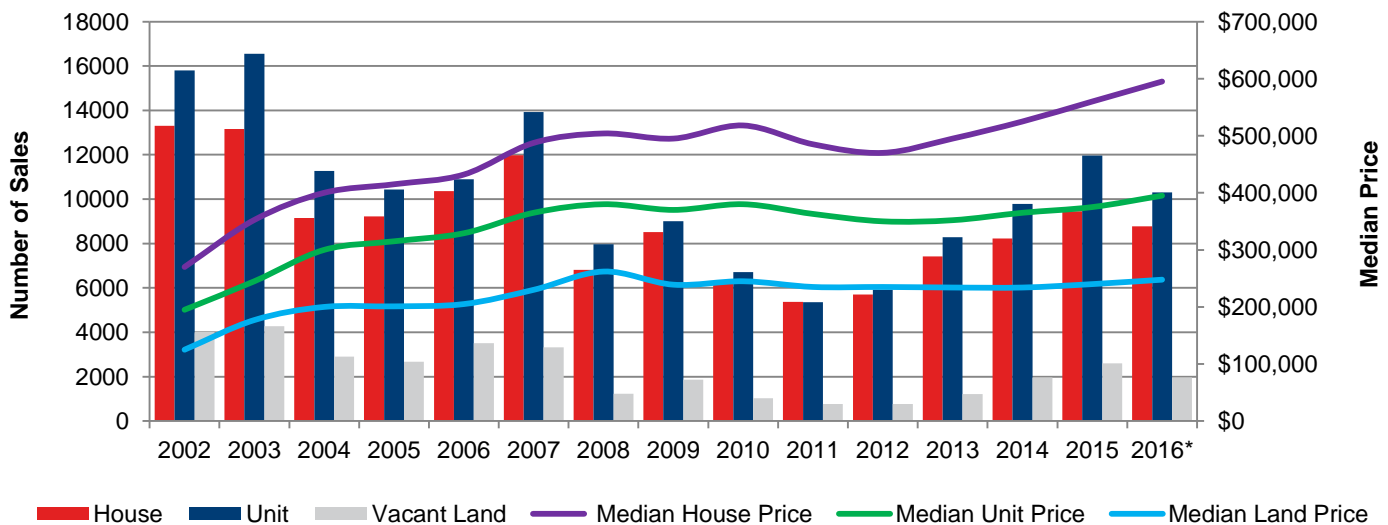
AVERAGE DAYS ON MARKET



AVERAGE VENDOR DISCOUNT



15 YEAR CAPITAL GROWTH



*2016 data reflects property transactions inclusive of and up to 31st December 2016 (or end of Q4 2016). The data has been sourced from the Gold Coast City Council and Albert Shire sales. Source: APM PriceFinder, Queensland Government Department of State Development.

HIGHLIGHTS

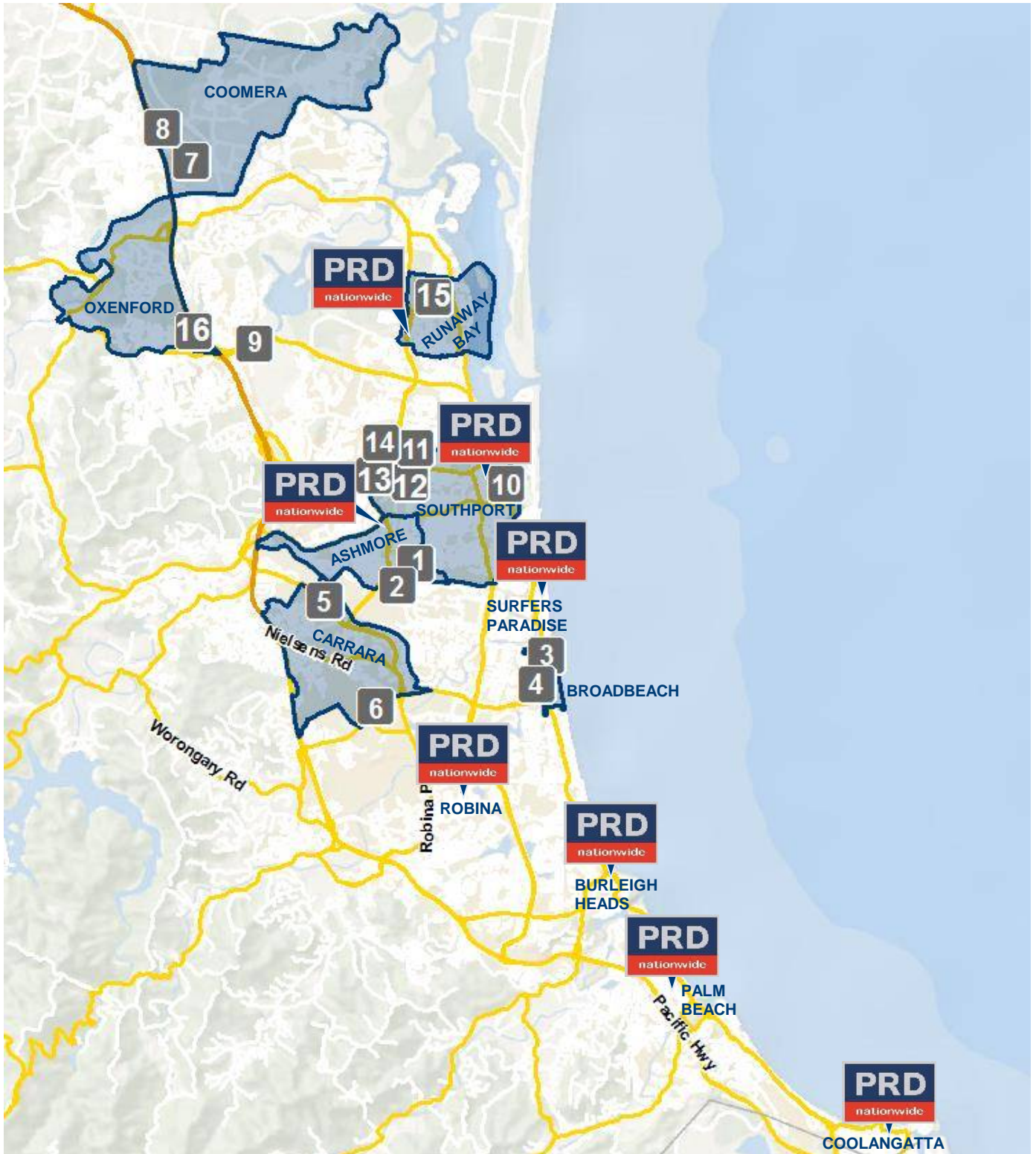
Host to the 2018 Commonwealth Games, the growing Gold Coast property market has experienced positive spill-over multiplier effects from the announcement of the event; as did its predecessor Sydney (Olympics, 2000) and Melbourne (Commonwealth Games, 2006).

Between 2015 and 2016, both houses and units in the Gold Coast region have recorded an increase in their median prices of 6.3% and 5.3% respectively.

Compared to Q4 2015 average vendor discounting has tightened for both properties to -2.6% (houses) and -3.5% (units). This indicates an increasingly competitive market, whereby buyers are willing to pay closer to the first list asking price to secure their ideal property.

“The Commonwealth Games will also be hosted in venues across Brisbane, Cairns, and Townsville. The Sydney Olympic Games positively influenced the Brisbane property market, due to an event (a soccer game) being held in Brisbane. It is expected that the Games will also have a positive impact on the property market of other cities”
(Greg Braithwaite, PRDnationwide QLD Franchise Director)

COMMONWEALTH GAMES PROJECT OVERVIEW*



*Pinned numbers 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. Highlighted areas are indicative of suburbs in which Commonwealth Games related projects are being developed.
Source: Cordell Database, ESRI ArcGIS, Department of Planning and Environment Queensland, Gold Coast City Council.

COMMONWEALTH GAMES DEVELOPMENT 2013-2018

Suburb	Location	Project Title	Estimated Value**	Commencement Date***	Completion Date***	Project Status****
Ashmore	1	Gold Coast City 2018 Commonwealth Games Project GOLDOC GHQ Stages 2 - 4	\$3,000,000	16/05/2015	26/12/2016	Commenced
	2	Gold Coast 2018 Commonwealth Games*	\$3,000,000	03/07/2017	25/05/2018	Registrations
Broadbeach	3	Gold Coast City 2018 Commonwealth Games Broadbeach Lawn Bowls Upgrade	\$5,000,000	18/10/2015	31/08/2016	Commenced
	4	Gold Coast City 2018 Commonwealth Games Project - Convention & Exhibition Centre	\$7,325,000	01/01/2018	01/03/2018	Early
Carrara	5	Carrara Sports Precinct	\$500,000	06/06/2015	30/10/2017	No further info available
	6	Nerang Broadbeach Road (Gooding Drive) Intersection Upgrade	\$5,000,000	12/04/2017	23/08/2017	Possible
Coomera	7	Coomera Sports & Leisure Centre	\$1,000,000	02/01/2015	30/05/2016	Firm
	8	Coomera Interchange Exit 54 Upgrade	\$74,700,000	01/08/2015	01/08/2016	Commenced
Helensvale	9	Gold Coast Light Rail Stage 2	\$700,000,000	20/06/2016	15/03/2018	Commenced
	10	Southport Broadwater Parklands	\$718,000	27/02/2017	21/04/2017	Firm
Southport	11	Commonwealth Games Sporting & Infrastructure Overall Project*	\$948,890,000	15/06/2013	15/06/2013	Early Warning
	12	Gold Coast Parklands Demolition	\$827,000	01/10/2013	07/12/2013	Commenced
	12	Smith Street Motorway Intersection Upgrade	\$25,900,000	17/03/2014	18/12/2015	Firm
	13	Labrador - Carrara Road & Smith Street Connection Road Interchange*	\$60,000,000	15/03/2014	30/06/2015	Commenced
	14	Gold Coast Park & Ride Facilities*	\$250,000	12/10/2014	12/10/2016	Possible
	14	Broadbeach Southport & Parklands Transit Malls*	\$250,000	10/02/2014	31/10/2016	Possible
	14	Parklands Gold Coast Village	\$501,000,000	18/08/2014	30/09/2017	Commenced
	14	Parklands Gold Coast Village Early Works & Infrastructure	\$5,000,000	10/03/2014	30/06/2015	Commenced
	14	Parklands Village Townhouses	\$30,000,000	02/04/2016	02/04/2017	Firm
	14	Parklands Gold Coast Village Structural Steel	\$10,000,000	03/12/2016	30/09/2018	Firm
Runaway Bay	15	Gold Coast City 2018 Commonwealth Games Project Runaway Bay Sport Centre Upgrade	\$9,900,000	01/10/2016	01/07/2017	Commenced
Oxenford	16	Village Roadshow Studio Superstage	\$11,000,000	30/10/2015	15/05/2016	Commenced

*The project is conducted in various locations.

**Estimated value is the value of construction costs provided by relevant data authority, it does not reflect the project's sale/commercial value.

***Commencement and completion dates quoted for each project is an approximate only, as provided by the relevant data authority, PRDnationwide does not hold any liability to the exact date in which each project commences and/or is completed.

****Project status is true at the time of data extraction from Cordell Database and it is approximate only. PRDnationwide does not hold any liability to changing and/or updated project status from the time release of this report.

Source: Cordell Database, ESRI ArcGIS, Department of Planning and Environment Queensland, Gold Coast City Council.

CURRENT MARKET CONDITION

As the Commonwealth Games draw closer, its impact on the property market in the surrounding areas is becoming more visible. This can be seen through positive growth in median prices for both houses and units in the following suburbs, which are major venues of Commonwealth Games events. Interestingly the number of unit sales has declined in 2016, which as observed by PRDnationwide Ashmore and Southport, is potentially the result of more buyers in the market than sellers.

Ashmore

- Annual Median Price Growth: **+12.6%** (House), **+4.9%** (Unit)
- Annual Sales Transaction Growth: **+4.1%** (House), **-2.9%** (Unit)

Confirmed by the PRDnationwide Ashmore office, median property prices have soared lately. Furthermore, the number of buyers (particularly from southern states) have increased as they take advantage of Ashmore's affordability and strong prospects due to its proximity to Commonwealth Games venues. The Ashmore market also benefits from the Light Rail development, as it provides current and future residents improved access to the Gold Coast Hospital and Griffith University.

Carrara

- Annual Median Price Growth: **+11.3%** (House), **+3.1%** (Unit)
- Annual Sales Transaction Growth: **+0.6%** (House), **-0.4%** (Unit)

The popularity of Carrara has risen over the past three years. In fact, compared to 2015 the annual median price growth has more than tripled. In particular the annual median price for units has almost quadrupled. This does not only benefit Carrara, but also surrounding suburbs such as Robina (approx. 8.1km from Carrara), and as observed by PRDnationwide Robina, even as far as Palm Beach (approx. 23.4km from Carrara) and Burleigh Heads (approx. 13.8km from Carrara).

Coomera

- Annual Median Price Growth: **+6.8%** (House), **+33.5%** (Unit)
- Annual Sales Transaction Growth: **+7.1%** (House), **-54.2%** (Unit)

Annual median unit price in Coomera has sharply increased. This is potentially due to a large decrease in the number of transactions, caused by an absence of new stock. Amongst the five suburbs that are home to the Commonwealth Games 2018 projects, Coomera has recorded the highest annual growth for units.

Oxenford

- Annual Median Price Growth: **+4.2%** (House), **+9.1%** (Unit)
- Annual Sales Transaction Growth: **-16.0%** (House), **-23.8%** (Unit)

Compared to the Gold Coast region, Oxenford has recorded a much lower median unit price of \$316,500 (compared to \$395,500), however with a stronger annual median growth of 9.1% (compared to 5.3%). Median house price is lower (\$495,000 compared to \$595,000), making it a more affordable market for first time buyers.

Southport

- Annual Median Price Growth: **+6.6%** (House), **+0.9%** (Units)
- Annual Sales Transaction Growth: **+9.9%** (House), **-6.5%** (Unit)

Last year the annual median house price growth was over 8.5% and this year is 6.6%. This confirms the predictions made back in 2014 by PRDnationwide Southport in the initial Commonwealth Games impact analysis. Proven to be correct each year since, it is predicted that growth will continue until well after the Games.

**Photos are taken and owned by PRDnationwide.

Source: APM Price Finder, PRDnationwide Southport, PRDnationwide Ashmore, PRDnationwide Robina.

MAJOR PROJECT DEVELOPMENT PROGRESS*



Southport – Athletes Village

Since project commencement in 2016 there has been further development progress to the site and it is close to completion.



Coomera – Coomera Sports and Leisure Centre

The project has now been completed and is ready for use.



Carrara – Carrara Sport & Leisure Centre

Further progress have occurred since project commencement in 2016. It is scheduled for completion prior to the Commonwealth Games.

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 as part of the precinct for 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 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 investment in the Gold Coast rail is designed to reduce crowding, increase passenger numbers and provide better connection to other areas of 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.



Source: Gold Coast Health & Knowledge Precinct I Draft Master Plan 2016.

COMMONWEALTH GAMES VILLAGE LEGACY

The Gold Coast Health and Knowledge Precinct is a 200 hectare site which signifies a dynamic collaboration between business, industry and universities. This enables the creation of a diverse economy. The precinct demonstrates an emerging collaborative environment for mixed-use health and knowledge activities and benefits from over \$5 billion in local infrastructure development including light rail and major road upgrades. Within the precinct, the 29 hectare Parklands Priority Development Area (PDA) has been selected as the site which will deliver the greatest built legacy – the Gold Coast 2018 Commonwealth Games Village.

The Draft Master Plan allows for:

- Extra 11,000 jobs besides the current 9,200 jobs
- 1,252 new dwellings to create home for 2,500 future residences
- 7 hectares of new parklands to remain as green space
- A 5,700m² of mixed-use retail space with capacity for further developments
- Over 2.2 kilometres of landscaped street address.
- More than \$550 million in terms of the precinct's investment and infrastructure.

Grocon Pty Ltd was selected by the Queensland Government as the developer for the Games Village in 2013. Grocon's value, community and sustainability; will be reflected through the redevelopment of 7 hectares of the 29 hectares Parklands site. The Parklands redevelopment incorporates 1,252 permanent dwellings comprising of 1170 apartments and 82 townhouses, which will provide accommodation and services to approximately 6,600 athletes and officials during the Commonwealth Games 2018. This will also incorporate 7.3 hectares of green and open space, including a community park and extensive landscaped areas.

It is believed that the games will confer long term benefits in terms of residential opportunities, tourism industry, and transport infrastructure; as follows:

- Residential opportunities from the 1,252 apartments (built for the Athletes Village) which are set to follow a Livable Housing Design, making them suitable for all people regardless of age, family needs or mobility
- Large tourism opportunities as a result from broadcasting the best of the Gold Coast to over 1.5 billion people worldwide
- The large rail investment is believed to spur change for the Gold Coast to move from a car centric city to a city that embraces public transport.

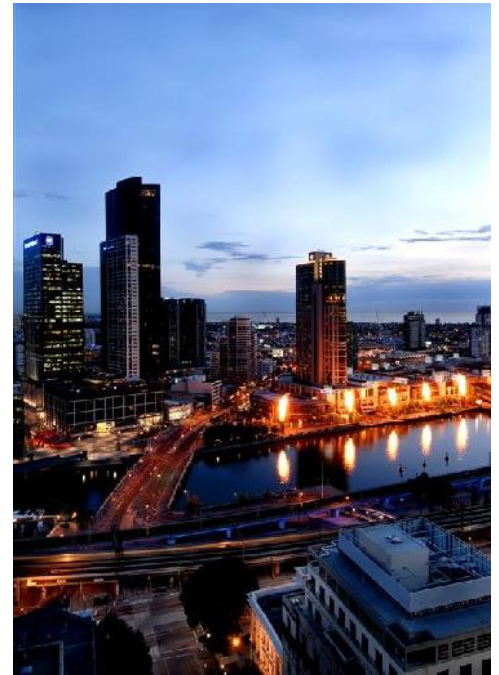
Source: Department of Infrastructure, Local Government and Planning (Gold Coast Health & Knowledge Precinct Draft Master Plan 2016 – accessed on 10th March 2017).

CASE STUDY: PARKVILLE, VIC

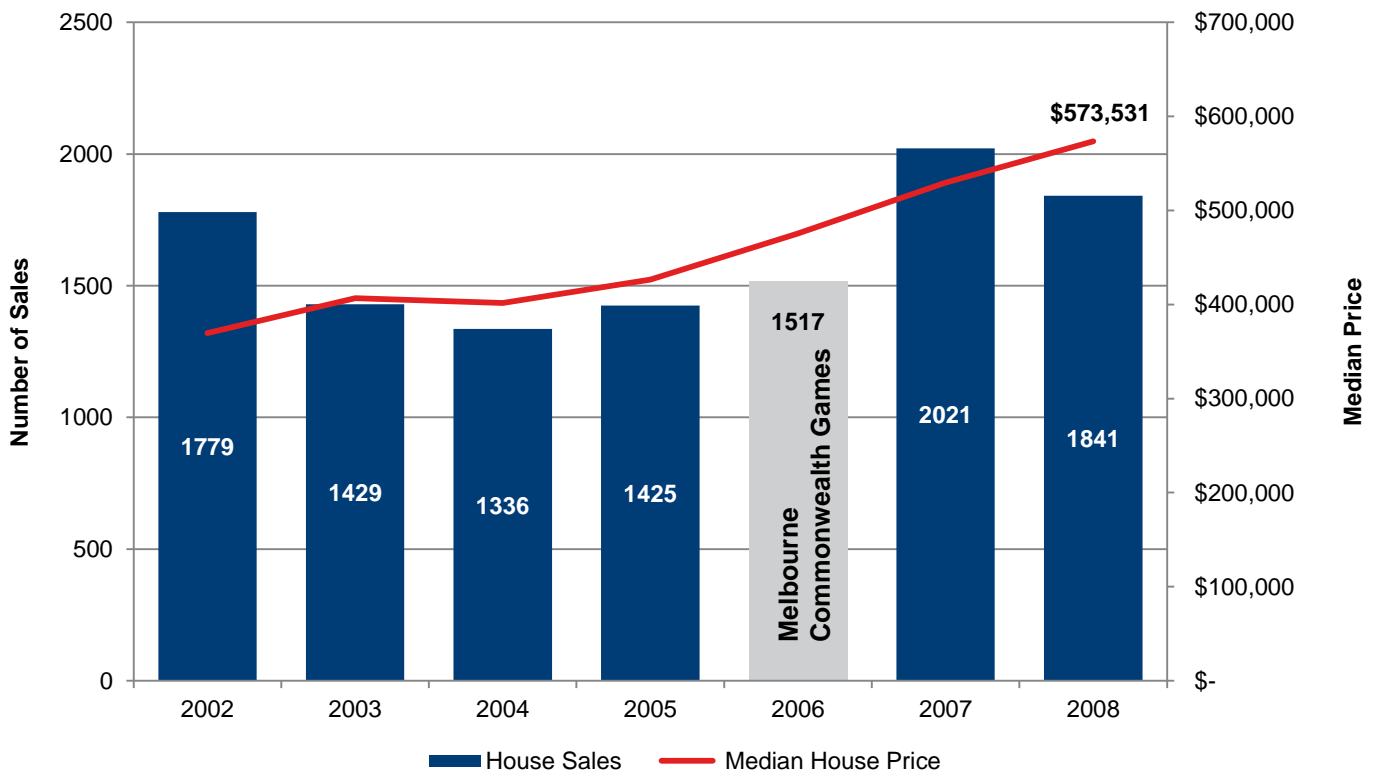
In March 2006, Melbourne played host to the Commonwealth Games, the largest cultural and sporting event in Victoria. Much like the upcoming 2018 Gold Coast Commonwealth Games, new and upgraded infrastructure developments were scattered throughout the city, rather than having a specific centre for activity.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

The Parkville Gardens accommodated approximately 6,000 athletes during the 2006 Commonwealth Games. After the Games, \$43.5 million was invested in further development of the site, to transform it to a residential precinct with a focus on sustainability. This includes approximately 1000 residences to be completed in 2018, confirming the longevity of an athlete village legacy.

The high demand and undersupply of property in Parkville and surrounding areas impacted the property market positively, with sales transactions rising over 33.0% between 2006 to 2007. In 2005 prior to the Games, the annual median price growth was 6.2%. However, on the year of the Games and the year after, prices increased by 11.4%, and continued to grow for the next 24 months. This indicated the positive impact of the Commonwealth Games on the property market in Parkville and its neighbouring suburbs.



PARKVILLE & SURROUNDS COMBINED SALES CYCLE



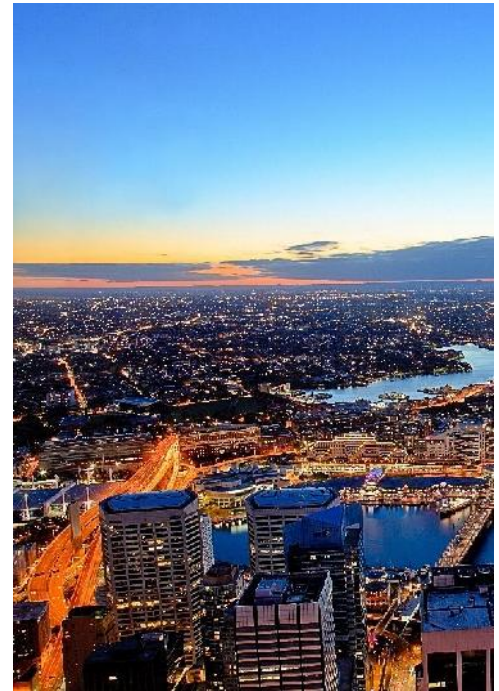
Source: APM PriceFinder, Real Estate Institute of Australia, Melbourne City Council, Melbourne 2006 Commonwealth Games, Sport and Recreation Victoria, Major Projects Victoria.

CASE STUDY: NEWINGTON, NSW

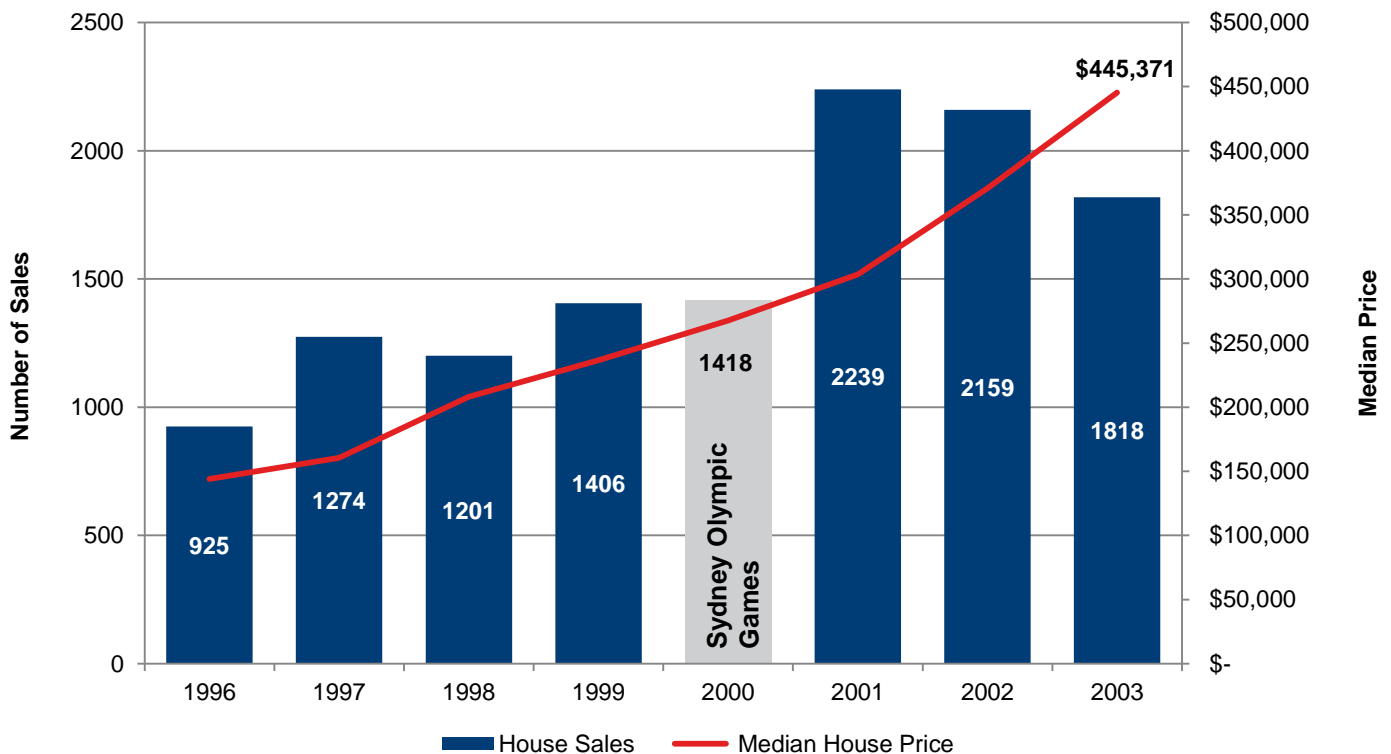
The 2000 Sydney Summer Olympics was one of the largest sporting events ever hosted in Australia and as such, it required one of the largest recreational, cultural and residential developments in Sydney's history; with the total cost of the games estimated at \$6.6 billion. Since the Olympic Games, the Olympic Park has undergone over \$2.7 billion worth of development projects to continue the success of the area and its unique community. The Olympic park now attracts over 10 million visitors each year, which is twice as many people than during the Games.

After the event the athletes accommodation was reconfigured to offer nearly 900 townhouses and 700 apartments to the public. This led to a surge in transaction activity, with Newington and surrounding suburbs sales numbers rising nearly 58.0% from 2000 to 2001. Furthermore, median house prices increased by 13.4% during the same period. As observed by Frank Mazzotta, Principal of PRDnationwide Kingsgrove, Bexley North, and Ramsgate Beach; this is contrary to many property owner's beliefs of a post-Games market crash. He further observed that the massive rise in prices impacted all metropolitan areas.

The infrastructure delivered with the Olympic Games set a new standard of sustainable and environmental design. The Sydney Olympic Park and Newington are globally recognised for the amount of solar powered homes in the suburbs. Looking towards the future, the Sydney Olympic Park Master Plan 2030 has a vision to carefully continue the success of the Olympic park. The plan looks to provide over 31,500 jobs, 6,000 new dwellings and 14,000 residents.



NEWINGTON & SURROUNDS COMBINED SALES CYCLE



Source: APM PriceFinder, Real Estate Institute of Australia, Sydney City Council, Auburn City Council, Sydney Olympic Park Authority, PRDnationwide Kingsgrove.

GOLD COAST MARKET RECAP 2015-2016*

	Median Price		Price Growth		Transaction Growth		Rental Growth		Rental Yield	
	House	Unit	House	Unit	House	Unit	House	Unit	House	Unit
Ashmore	\$580,000	\$311,500	12.6%	4.9%	4.1%	-2.9%	4.2%	-2.8%	4.5%	5.8%
Broadbeach**	\$2,075,000	\$462,500	N/A	3.8%	N/A	-15.7%	-9.5%	0.0%	1.5%	4.6%
Carrara	\$540,000	\$445,000	11.3%	3.1%	0.6%	-0.4%	4.0%	8.0%	5.0%	5.4%
Coomera	\$486,000	\$363,900	6.8%	33.5%	7.1%	-54.2%	-2.2%	2.8%	4.7%	5.3%
Oxenford	\$495,000	\$316,500	4.2%	9.1%	-16.0%	-23.8%	1.1%	2.9%	4.9%	5.8%
Runaway Bay	\$927,500	\$475,000	0.8%	4.4%	11.0%	7.7%	7.9%	-2.4%	3.8%	4.5%
Southport	\$546,000	\$384,000	6.6%	0.9%	9.9%	-6.5%	2.2%	2.8%	4.4%	5.0%

MARKET FORECAST***

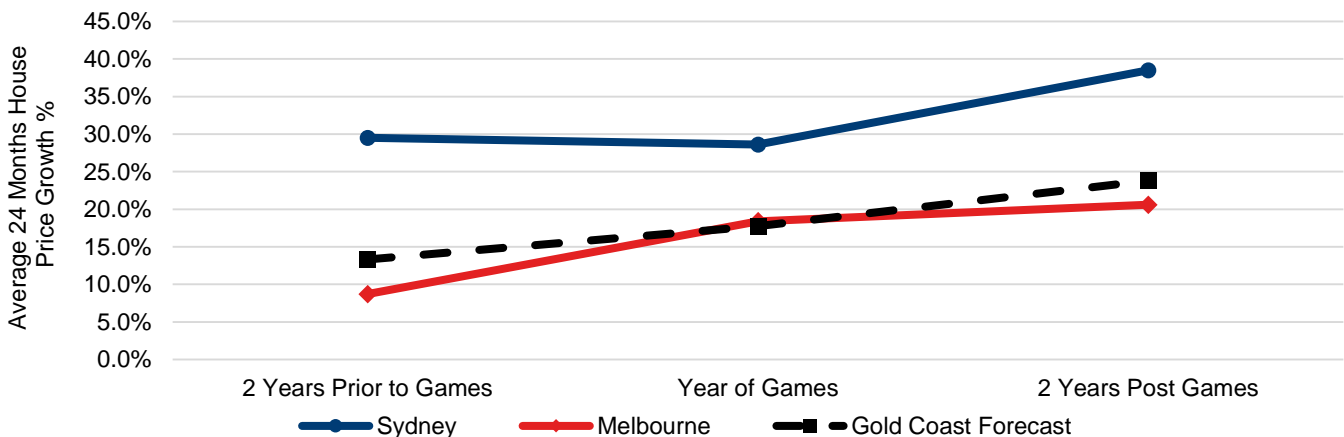
The Gold Coast market recap table above indicates that both property types in the suburbs surrounding the 2018 Commonwealth Games have witnessed median price growth over the past 12 months to 2016. Ashmore and Carrara performed very strongly in the house market and recorded double digit growth of 12.6% and 11.3% respectively. In the unit market Coomera has recorded the highest annual price growth of 33.5%, however this is due to absence of new stock.

Gerald Adam (Principal of PRDnationwide Southport) confirms that the Commonwealth Games and Light Rail has helped push up the median prices in Southport. It is observed that units now achieving rental yields near 5.0% gross and well-priced off-the-plan properties are now selling quicker, which has led to an increase in median prices by \$5,000 per property as developers increase prices. The Chinese are actively purchasing more, which increases market competition. Should the market continue to go the same direction that it is going now, more owners, investors and university students will come to the Gold Coast post Commonwealth Games.

Orla Jensen Principal of PRDnationwide Ashmore, also believes that the Gold Coast is experiencing a high amount of investment. Not only has median prices risen over the past two years, but the rental market is also hugely impacted. In Ashmore in particular, this has translated to the lowest vacancy rate the area has historically seen.

Similar market conditions are experienced in Robina, as confirmed by Justin Johnson at PRDnationwide Robina. It is observed that the rental market has been very competitive in recent times, especially due to construction workers coming from the mining sector to the Gold Coast. This has greatly reduced the number of days on market for rental properties.

The Commonwealth Games is forecasted to have a positive influence on Gold Coast's tourism industry, which will follow on directly to the property sector as a result of the games and 24 months after. The Games is perceived very positively and businesses are at better financial positions due to this, where it is expected that they will further flourish during the Games.



*Data presented only encapsulates areas in which a 2018 Commonwealth Games related project is planned for construction.

**Broadbeach quoted data captures sales in Broadbeach suburb only and does not include Broadbeach Waters. Due to limited number of transactions, quoted data is indicative only. N/A has been used when there is less than 10 sales.

***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 Pricerfinder, realestate.com.au, 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

- 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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