



Gold Coast Residential Market and Commonwealth Games 2018

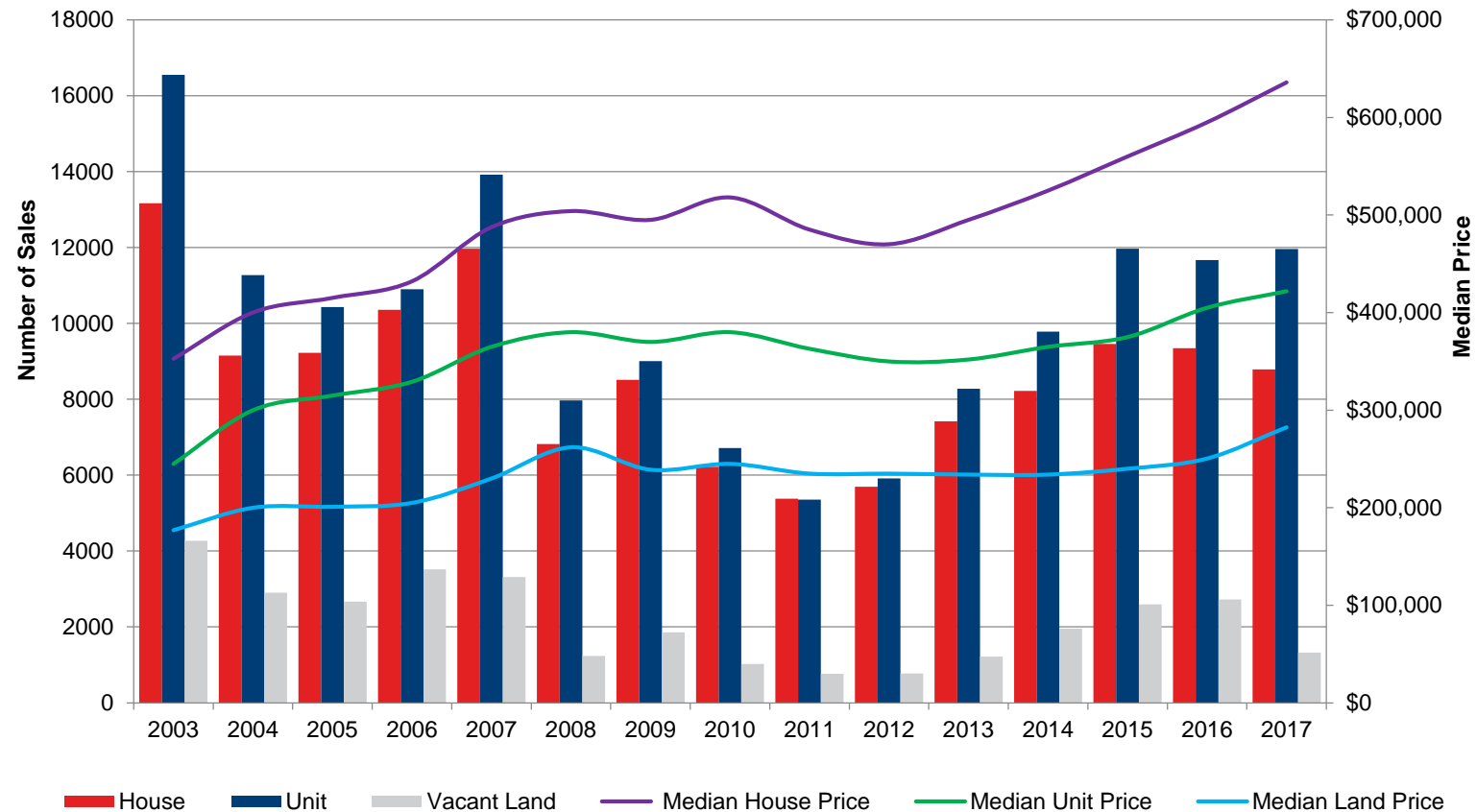
1st Half 2018 Update



Residential Market Agenda

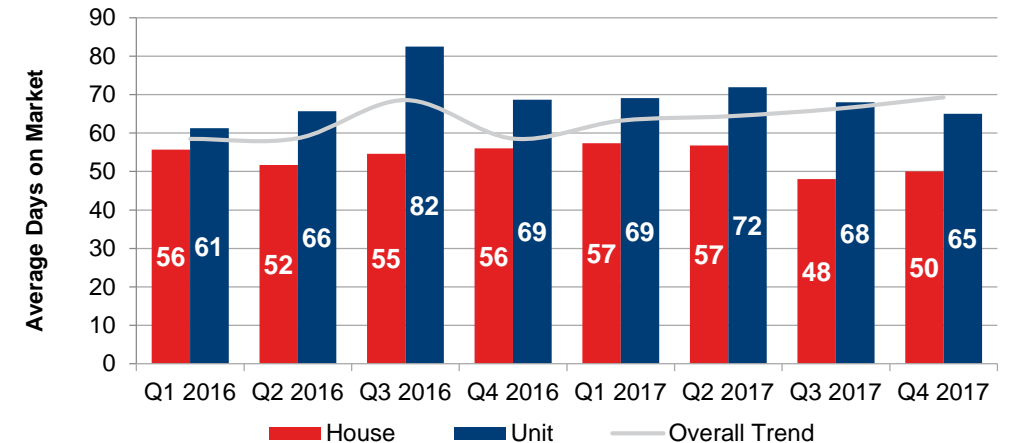
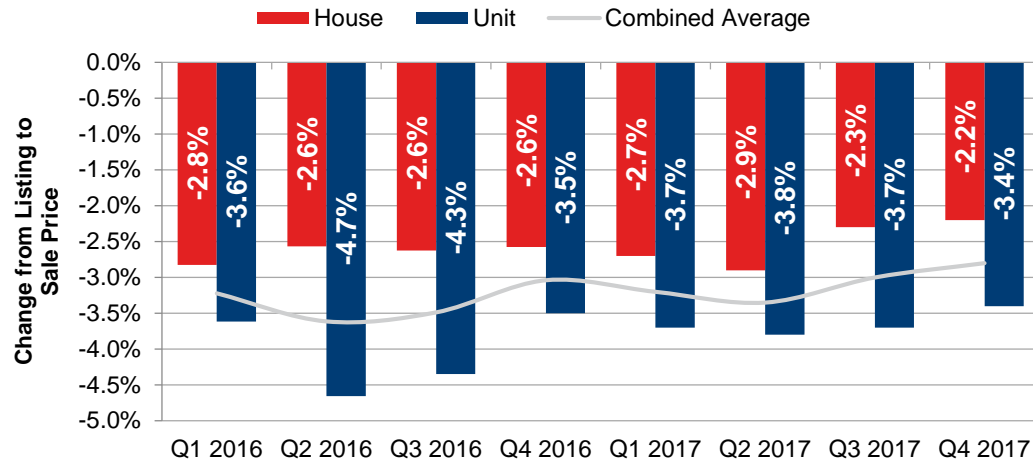
- Gold Coast property market in figures
- Gold Coast market comparison
- Which are the top performing areas on the Gold Coast?
- Gold Coast investment potential
- Gold Coast market and the 2018 Commonwealth Games
- Home buying tips – what market research do you need?

15 Year Capital Growth



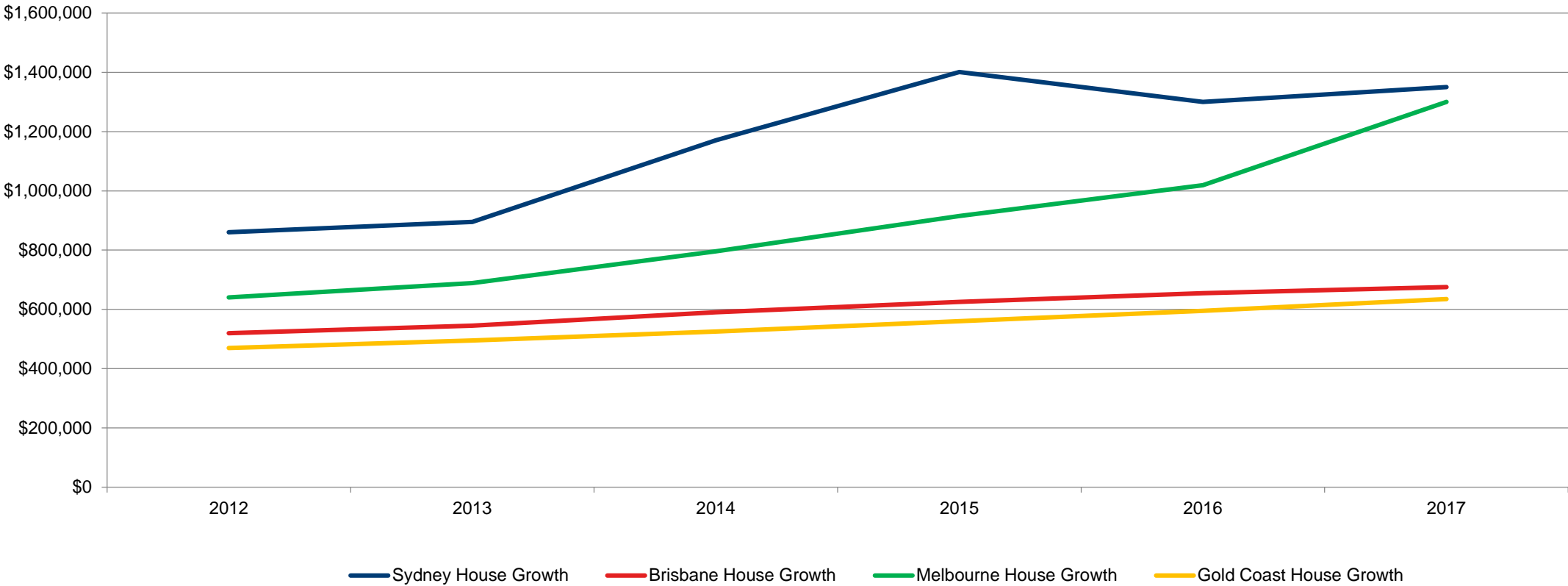
- Median house and unit prices continue to positively grow in Gold Coast LGA
- 6.9% median house price growth between 2016 – 2017, currently at \$636,000
- 4.2% median unit price growth between 2016 – 2017, currently at \$422,000
- 2.5% growth in the number of units sold between 2016 – 2017, which when combined with positive price change suggest real capital growth in the market

Average Vendor Discount and Average Day on Market

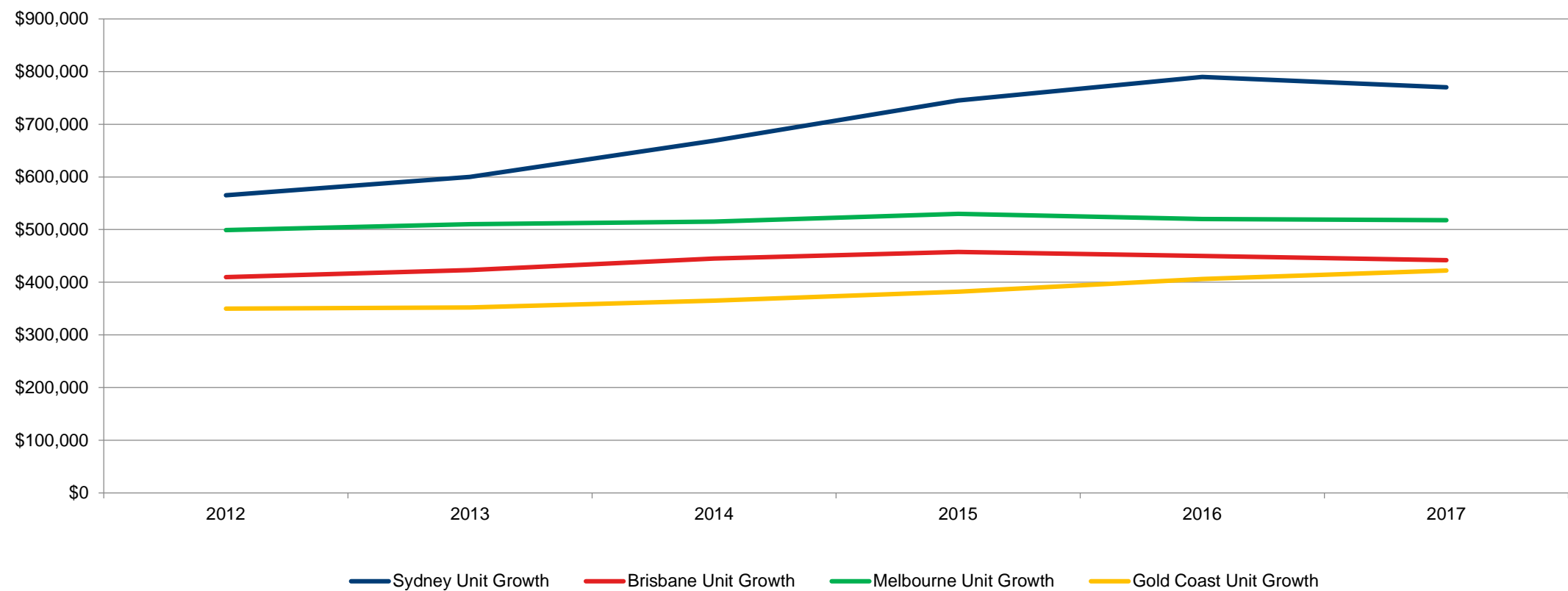


- House average vendor discount has tightened to -2.2% in Q4 2017. This means buyers are more willing to offer closer to first list asking price – **Now is the time to sell!**
- Unit average vendor discount remained stable at -3.4% in Q4 2017. This means the market supply and demand is in equilibrium – **Now is the time to buy and sell!**
- Average days on the market for both house and units have decreased, suggesting more competition in the market – **Buyers secure your property now!**

Gold Coast Median Price Comparison - Houses



Gold Coast Median Price Comparison - Units



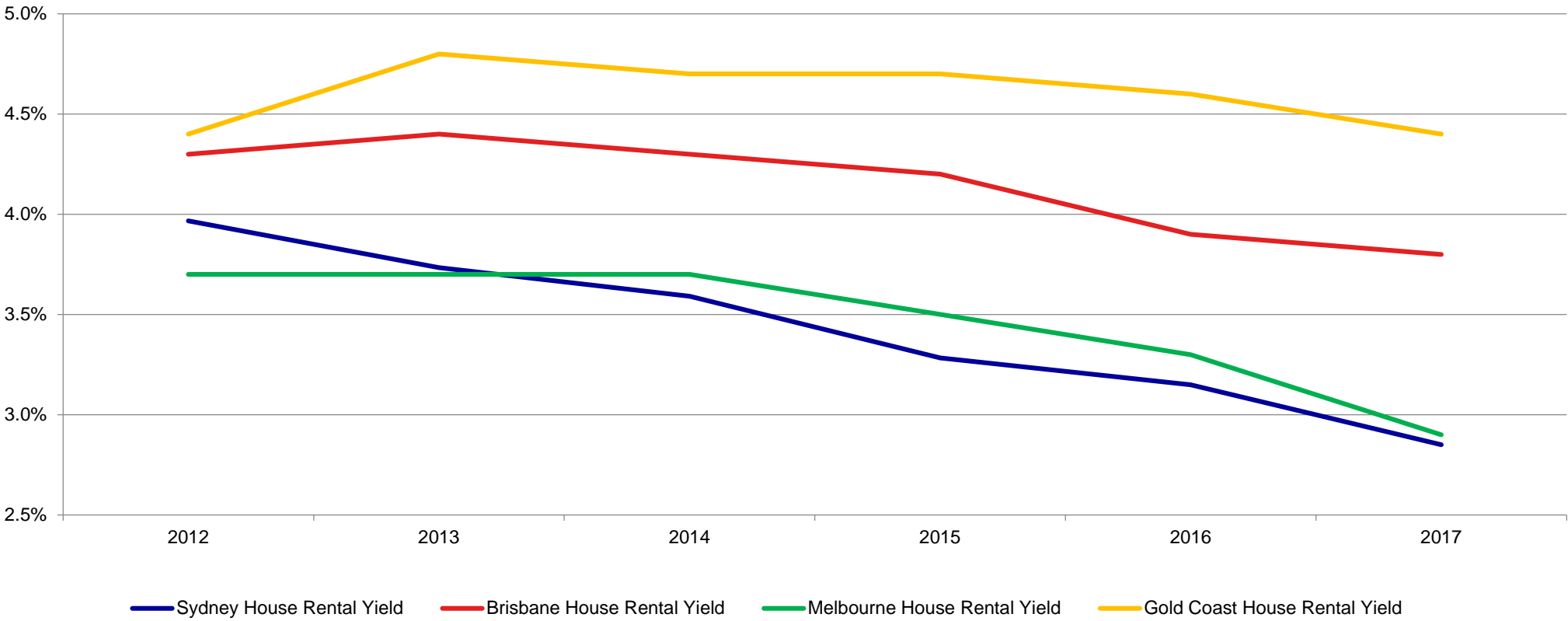
Top Performers – Houses

Suburb	Number of Sales 2016	Median Price 2016	Number of Sales 2017	Median Price 2017	Price Growth	Vacancy Rates	Rental Yield
Coolangatta	31	\$720,000	23	\$900,000	31.9%	0.5%	3.3%
Tallebudgera Valley	31	\$800,000	30	\$975,000	21.9%	1.8%	4.0%
Hollywell	79	\$627,000	47	\$732,000	16.7%	1.3%	4.3%
Mermaid Waters	195	\$760,000	170	\$886,000	16.6%	0.8%	4.0%
Palm Beach	217	\$706,000	172	\$820,000	16.1%	0.7%	3.8%
Gold Coast	9,365	\$595,000	8,194	\$636,000	6.9%	1.6%	4.4%

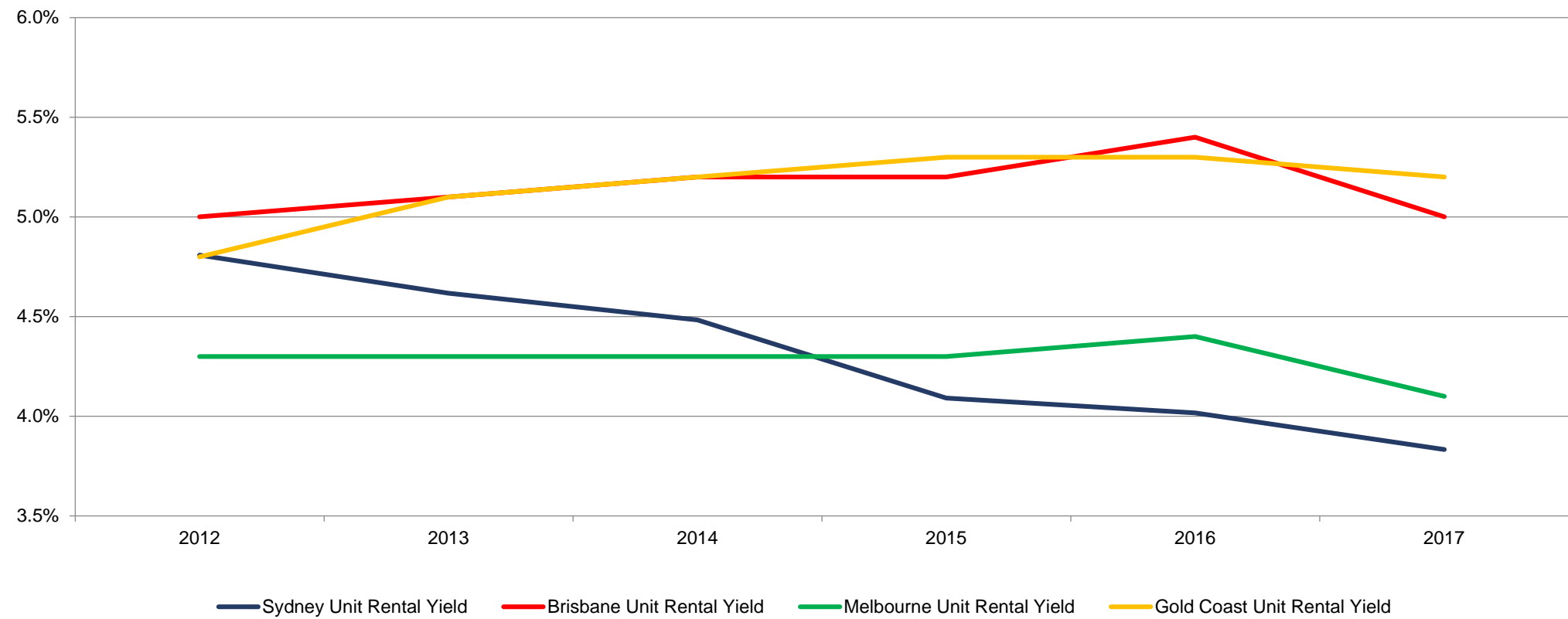
Top Performers – Units (based on price growth)

Suburb	Number of Sales 2016	Median Price 2016	Number of Sales 2017	Median Price 2017	Price Growth	Vacancy Rate	Rental Yield
South Stradbroke	49	\$120,000	46	\$214,000	78.3%	1.3%	N/A
Helensvale	39	\$350,000	32	\$592,000	69.1%	2.5%	3.5%
Benowa	136	\$475,000	128	\$639,000	34.5%	1.2%	4.0%
Coomera	169	\$351,000	81	\$399,000	13.7%	2.7%	5.0%
Paradise Point	141	\$615,000	138	\$695,000	13.0%	1.3%	3.1%
Gold Coast	11,749	\$405,000	10,675	\$422,000	4.2%	1.6%	5.2%

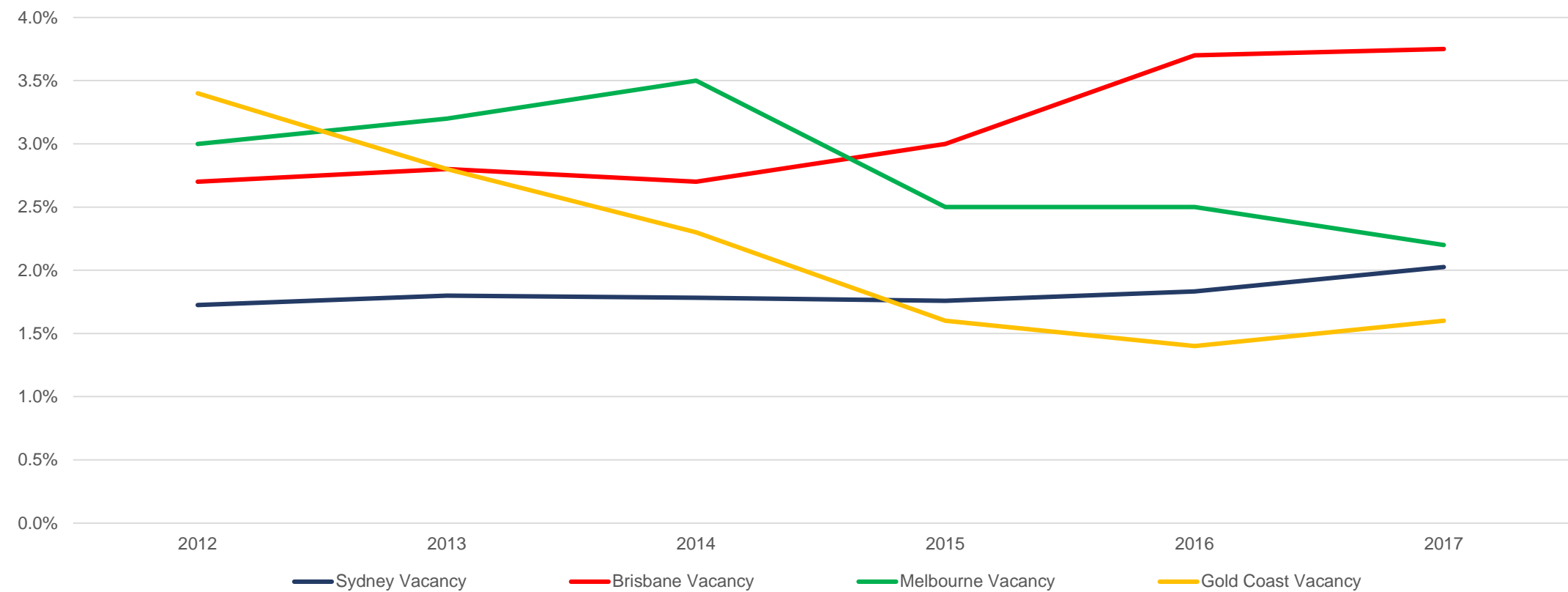
Gold Coast Investment Potential - Houses



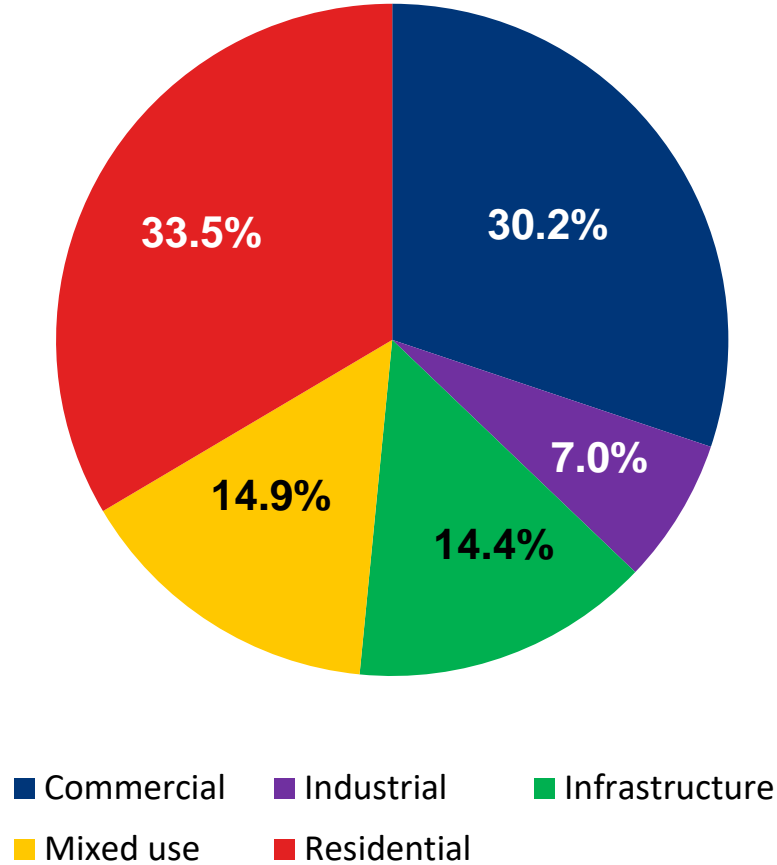
Gold Coast Investment Potential - Units



Gold Coast Vacancy Rates



Gold Coast 1st Half 2018 Development



- 1st Half 2018 development amount to \$1.6B
- Focused on residential development (33.5%) - \$540.3M
- Followed by commercial projects – 30.7% or \$486.3M
- Approx. 1,655 Lots, 718 Units, 335 Apartments, 294 Townhouses planned for development in 1st Half of 2018
- A main mixed-use project is the Markwell Residences in Surfers Paradise. \$110.0M, 206 units and 562sqm commercial space . Due for construction in May 2018.
- A main residential project is the Vue Terrace Homes in Robina. Value of \$70.0M and will deliver 72 luxurious townhouses in an estate. Due for construction March 2018.

Commonwealth Games 2018 Suburbs – Market Update

- The Gold Coast 2018 Commonwealth Games is estimated to inject \$2 billion into the Gold Coast economy.
- A plan has been drawn up to include the Commonwealth Games Village as part of the precinct for research, knowledge and innovation:
 - 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 well as 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
- It is believed the games will provide long term benefits for residential opportunities, the tourism industry, and transport infrastructure; as follows:
 - Residential opportunities from the 1,252 apartments (built for the Athlete's 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 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

Commonwealth Games 2018 Suburbs – Market Update

	Median Price		Price Growth		Transaction Growth		Rental Growth		Rental Yield	
	House	Unit	House	Unit	House	Unit	House	Unit	House	Unit
Ashmore	\$595,000	\$333,500	2.6%	2.2%	4.9%	-4.8%	-5.4%	-14.8%	4.6%	6.1%
Broadbeach and Broadbeach Waters	\$1,107,000	\$512,500	5.7%	2.5%	-1.7%	15.7%	12.4%	11.8%	1.3%	4.2%
Carrara	\$595,000	\$461,250	9.2%	-3.2%	-4.1%	-19.5%	-7.1%	13.6%	4.6%	4.8%
Coomera	\$515,000	\$390,000	5.7%	11.3%	-11.6%	-45.3%	-6.1%	2.7%	4.8%	5.0%
Oxenford	\$533,000	\$317,600	8.2%	-0.1%	-9.6%	32.4%	-1.6%	5.9%	4.7%	5.8%
Runaway Bay	\$962,500	\$470,000	0.3%	0.6%	-19.5%	12.7%	8.3%	6.8%	3.3%	4.4%
Southport	\$590,000	\$387,000	8.5%	-2.0%	-8.7%	-2.4%	-6.4%	20.0%	4.4%	5.0%

- Gold Coast LGA price growth is 6.9% (house) and 4.2% (unit), with 4.4% (house) and 5.2% (unit) rental yield
- There is evidence that some Commonwealth Games suburbs are performing better than the Gold Coast City LGA – in terms of price growth and rental yield
- Declining transaction growth but positive price growth indicate more supply is needed in the area

Melbourne Commonwealth Games 2006

Parkville, VIC

- In 2005 prior to the Games, the annual median price growth was 6.2%
- Sales transactions in Parkville and surrounding suburbs rose over 33.0% between 2006 to 2007
- On the year of the Commonwealth Games prices increased by 11.4%
- 2 years post-Games prices increased by 20.6%
- \$43.5 million was invested in further development of the athlete village, to transform it to a residential precinct (1000 residences) with a focus on sustainability

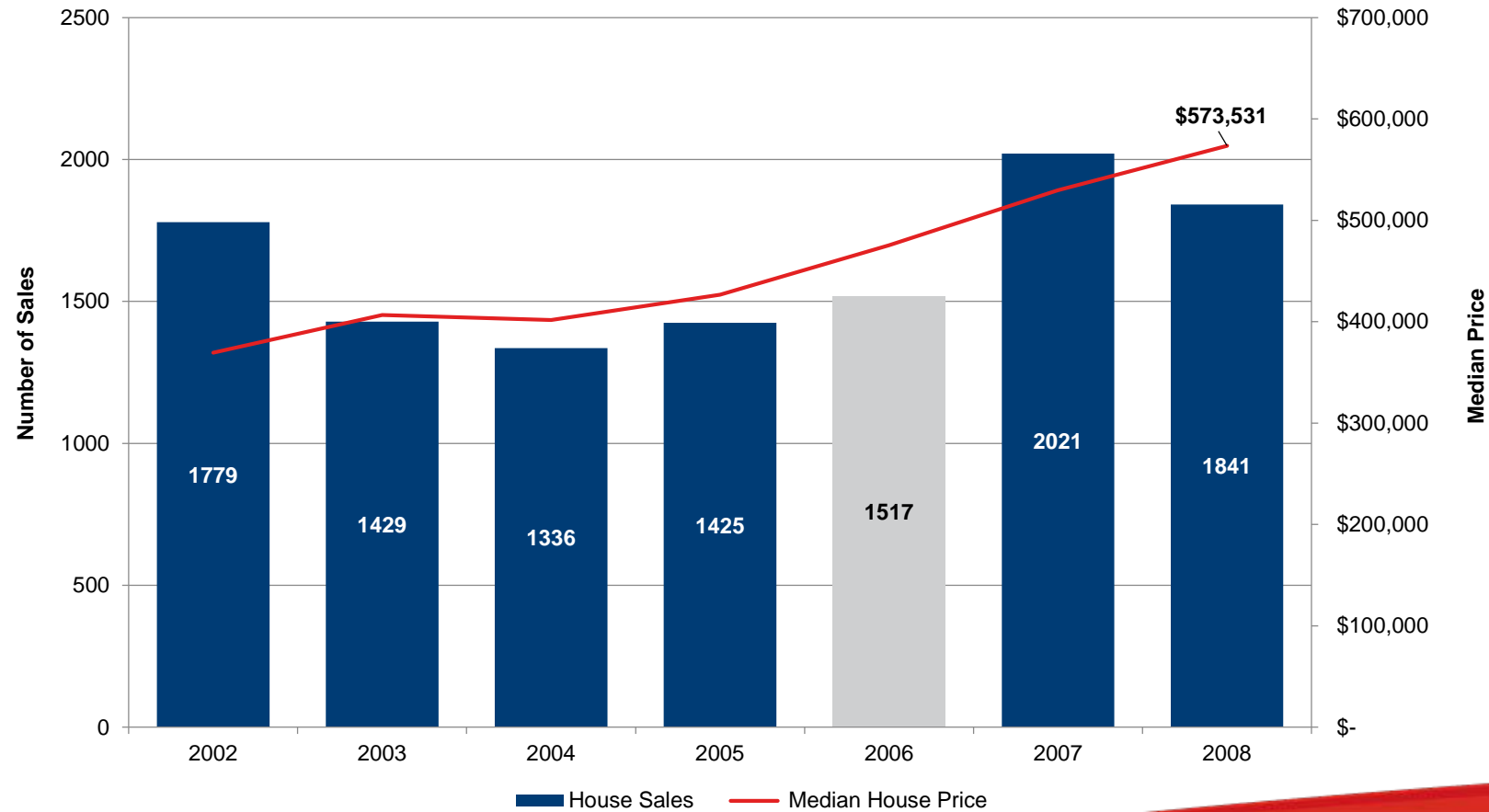
Sydney Olympics 2000

Newington, NSW

- Newington and surrounding suburbs sales numbers rose nearly 58.0% from 2000 to 2001
- During the year of the Olympics median house prices increased by 13.1%.
- 2 years post-Olympics prices increased by 38.6%
- Since the Olympic Games, the Olympic Park has undergone over \$2.7 billion worth of development projects
- Athletes accommodation was reconfigured to offer nearly 900 townhouses and 700 apartments to the public
- Sydney Olympic Park Master Plan 2030: 31,500 jobs, 6,000 new dwellings and 14,000 residents

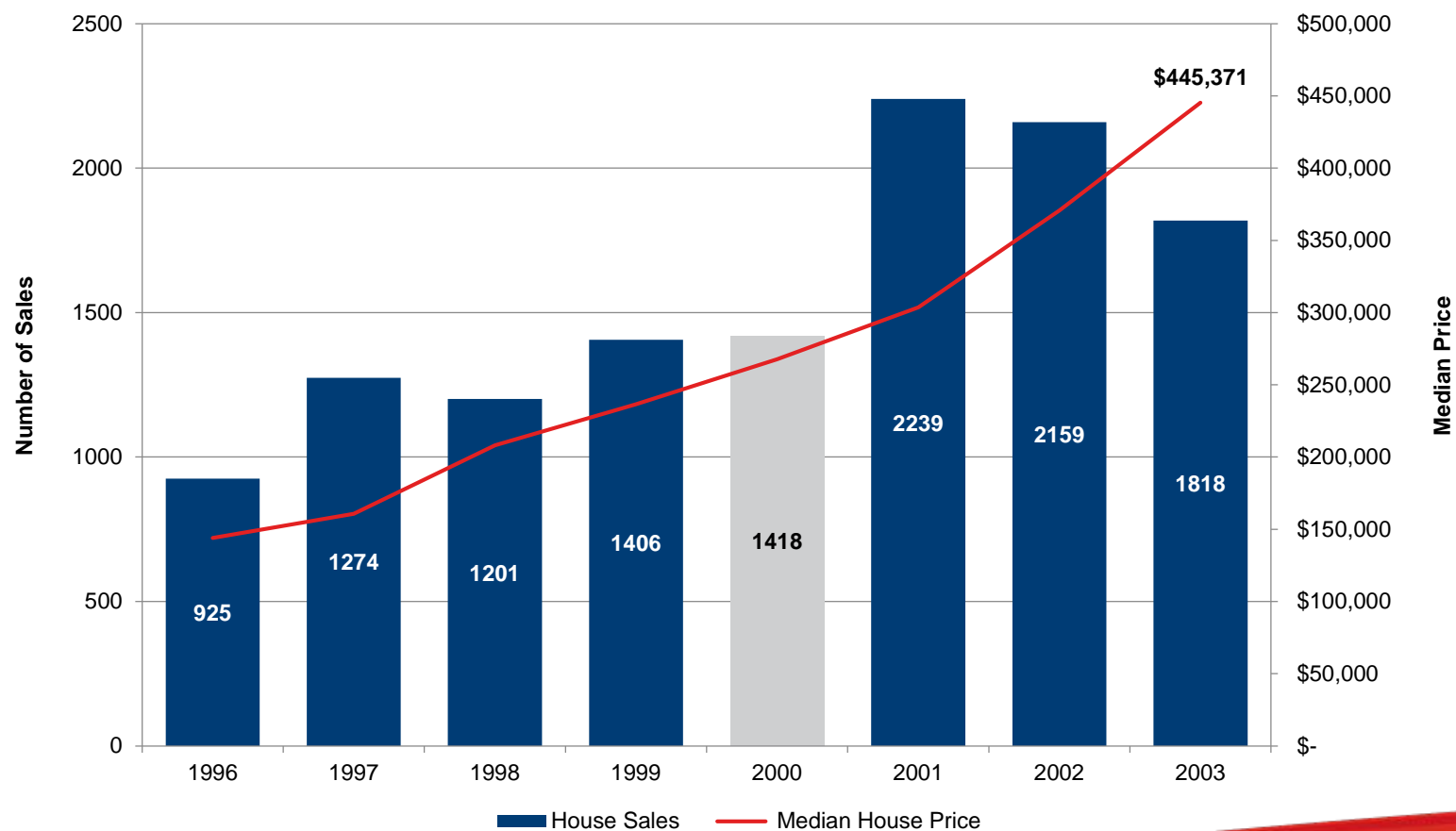
Parkville and Surrounding Suburbs

Melbourne Commonwealth Games 2006



Newington and surrounding suburbs

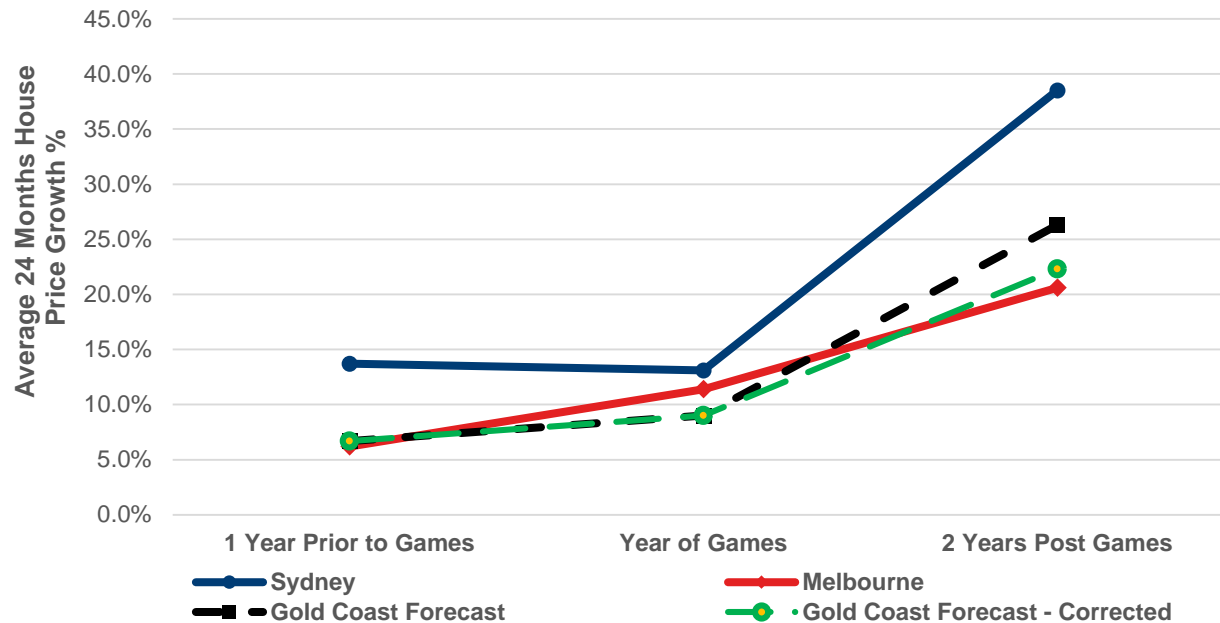
Sydney Olympic Games 2000



Previous and Current Observations

- “...there was a massive rise in prices that impacted all metropolitan areas, this was contrary to many property owner’s beliefs of a post-Olympic market crash in Sydney” - *Frank Mazzotta, (Principal of PRDnationwide Kingsgrove, Bexley North, and Ramsgate Beach)*
- “...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” - *Gerald Adam (Principal of PRDnationwide Southport)*
- “... the rental market is also hugely impacted. In Ashmore in particular, this has translated to the lowest vacancy rate the area has historically seen” - *Orla Jensen (Principal of PRDnationwide Ashmore)*
- “... the rental market has been very competitive in recent times, greatly reduced the number of days on market for rental properties. The Games will have a positive influence on Gold Coast’s tourism industry, which will follow on directly to the property sector” - *Justin Johnson (PRDnationwide Robina)*

Gold Coast Market Forecast



- The Games is perceived very positively and businesses are at a better financial position due to this. It is expected businesses will further flourish during the Games
- 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.
- 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 (soccer game) being held in Brisbane
- Gold Coast forecast corrected – to accommodate current stringent laws on international buyer loans and changes in policies related to home buying since 2002

A scenic view of a beach at sunset. In the foreground, a wooden boardwalk with railings leads from the bottom center towards the ocean. The sand is light-colored and textured. The ocean has gentle waves with white foam. The sky is a mix of deep blue, orange, and yellow, with a bright sun low on the horizon to the right, creating a strong glow and reflecting on the water. Dark clouds are visible in the upper left.

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