



South East Queensland Premium Property Report

2nd Half 2019



INTRODUCTION

With the significant rise in Sydney and Melbourne property prices between 2014-2017, many outpriced buyers turned their preferences to South East Queensland (SEQ), creating a more prominent premium property market. Now that property prices in Sydney and Melbourne have softened, it is important to understand how buyer activity in the SEQ premium property market has been impacted. This report provides an insight into current trends and how interstate migration is driving the SEQ premium property market, assisting buyers to make informed decisions.

METHODOLOGY

POPULATION GROWTH

Population and population growth rate data for this report was obtained through the Australian Bureau of Statistics (ABS). Between 2016 and 2018 SEQ's population strengthened from 3,438,959 (2016) to 3,600,000 (2018) people, and is projected to grow by 49.4% in 2041 to 5,377,030 people. The three major Local Government Areas (LGAs) in Queensland (Brisbane, Gold Coast, and Sunshine Coast) are expected to have a significant growth in population between 2018 and 2026. Brisbane is expected to grow by 8.3% to 1,334,432 people, Gold Coast by 24.6% to 723,342, and Sunshine Coast by 23.4% to 394,842.

VACANCY RATES

Vacancy rate data for this report was obtained through SQM Research. As of June 2019, the three major SEQ cities of Brisbane, Gold Coast and Sunshine Coast recorded vacancy rates of 2.5%, 2.7% and 1.7% respectively; below the Real Estate Institute of Australia's (REIA) healthy rental demand benchmark of 3.0%. A lower vacancy rate indicates high rental demand, thus higher occupancy of investment properties. Overall, SEQ's vacancy rate shows a positive and encouraging trend, currently sitting at its lowest point since June 2016, of 1.9%. This is great news for investors, as their investment properties are being occupied relatively quickly.

PROJECTS

Project data for Brisbane, Gold Coast and the Sunshine Coast was obtained through the Cordell Connect database. Projects selected have commencement dates ranging from 1 January 2018 to 31 December 2020, and are considered to be 'proceeding', i.e. have a 'firm', 'possible', 'commenced', or 'early planning' status. The commencement date indicates a general project commencement date and not necessarily construction. Projects have been categorised into the following sectors: residential, commercial, mixed-use, industrial and infrastructure. Mixed-use projects must contain a residential component. The estimated value quoted is based on the estimated value of land and/or construction costs provided by the relevant data authority, and does not reflect sale/commercial value.

PREMIUM HOUSE BUYER ACTIVITY

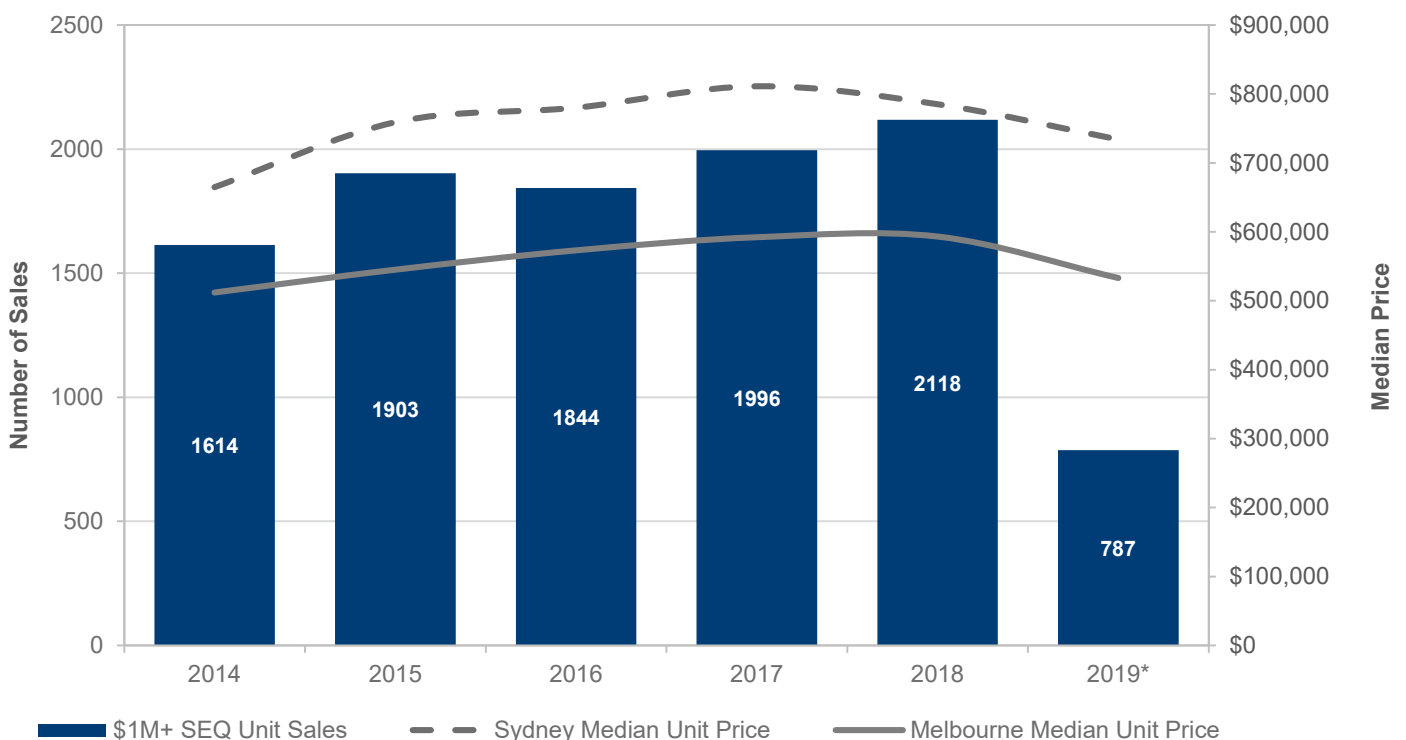
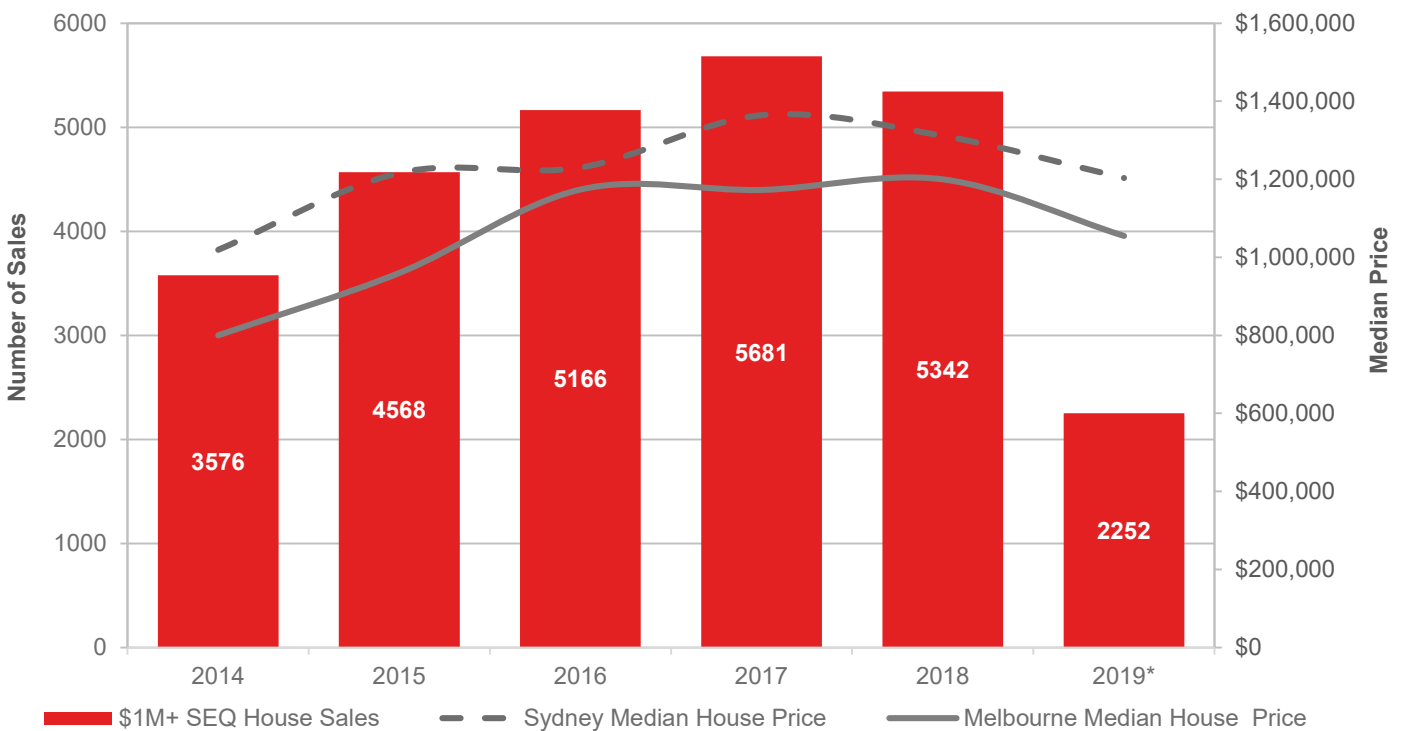
The data used to indicate premium house and unit buyer activity was obtained through APM PriceFinder. All sales within the Brisbane, Gold Coast and Sunshine Coast LGAs between 2014 and 2018 were considered. A house and/or unit is considered sold based on the sale date and not the settlement date. The final sale price of each house and/or unit was obtained from APM Pricefinder. The final sale prices that were undisclosed and/or quoted as \$0 were not included in the analysis. Graphs presented in this report show the percentage of houses or units sold for \$1,000,000 and above, compared to all houses and units sold in the area for each year.

KEY FINDINGS

- SEQ's population is projected to increase approximately 49.4% by 2041. This signals a significant increase in housing demand and the need to create enough supply to ensure a sustainable and affordable market.
- In June 2019, Brisbane, Gold Coast and Sunshine Coast's vacancy rates were all below the REIA healthy benchmark of 3.0%, with SEQ recording its lowest vacancy rate (of 1.9%) since June 2016.
- Between 2018-2020, \$47.7B worth of projects will be invested in Brisbane, Gold Coast and Sunshine Coast.
- The number of sales in the Brisbane, Gold Coast and Sunshine Coast's \$1.0M and above house markets have seen a consistent year on year percentage increase.
- Brisbane and Sunshine Coast's \$1.0M and above unit markets almost doubled between 2014 and 2018.

SEQ PREMIUM HOUSE BUYER ACTIVITY

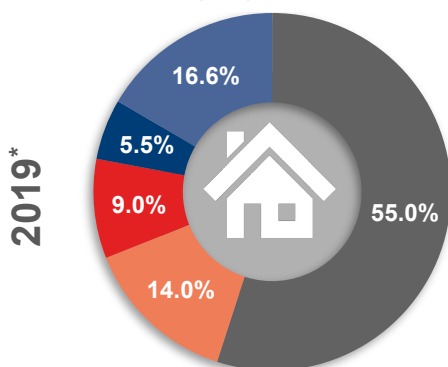
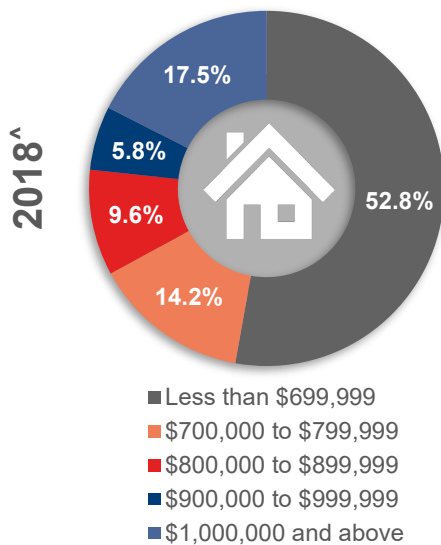
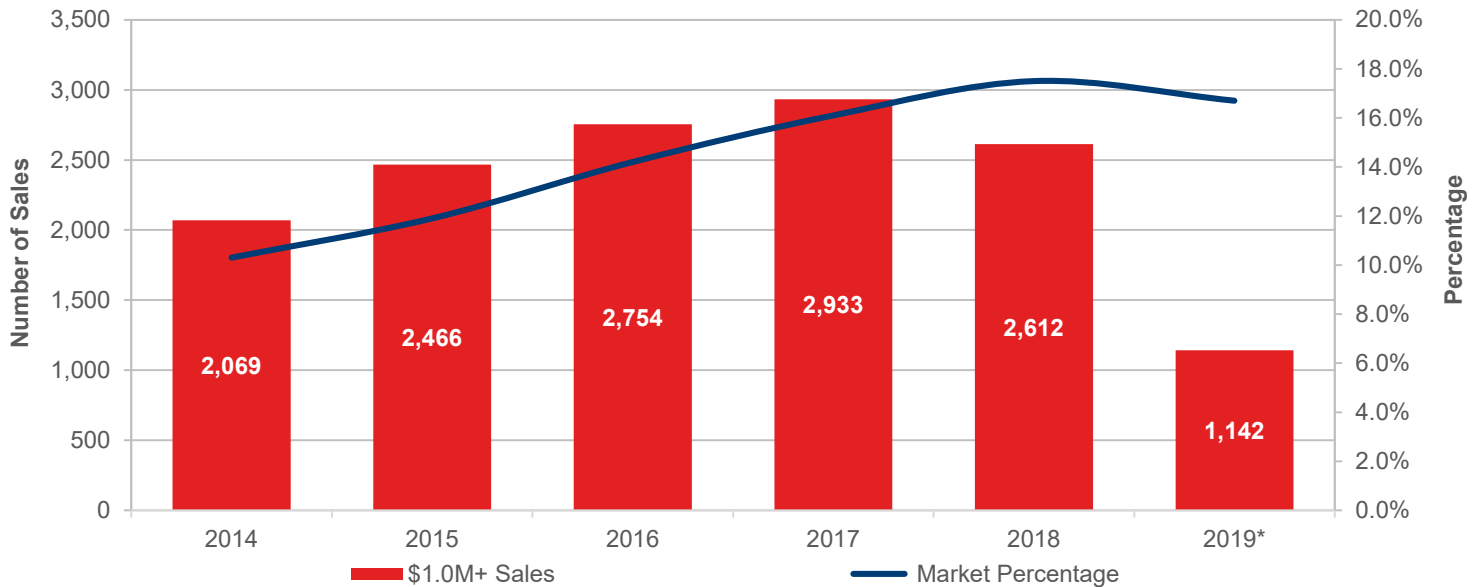
The below graph represents the number of premium (\$1M+) sales in SEQ compared to Sydney and Melbourne median prices between 2014 and 2019*. The patterns below show strong buyer activity towards premium properties in SEQ, as median prices in Sydney and Melbourne increased. This is a clear indication of interstate buyers tapping into the SEQ premium property market and taking advantage of a more affordable market when compared to Sydney and Melbourne. Interestingly, as Sydney and Melbourne median house price softened in 2017-2018, so did the number of SEQ premium property sold, further confirming a direct relationship between the markets.



2019* encapsulates sales transactions for the 1st half of 2019 (01/01/2019 to 30/06/2019). Source: PriceFinder. © Copyright PRDnationwide 2019.

BRISBANE PREMIUM HOUSE BUYER ACTIVITY

In 2019*, Brisbane houses sold for over \$1.0M accounted for 16.6% of sales, which is a jump compared to 10.3% in 2014. This has been an increasing trend since 2014, peaking in 2018 (17.5%) in terms of percentage of market share, and in 2017 (2,933 sales) in terms of total sales. Houses priced over \$1.0M experienced a decline in average days on market, from 94 days in 2014 to 81 days in 2019*. The highest house sale price in Brisbane for 2019* was \$7.75M, in New Farm.



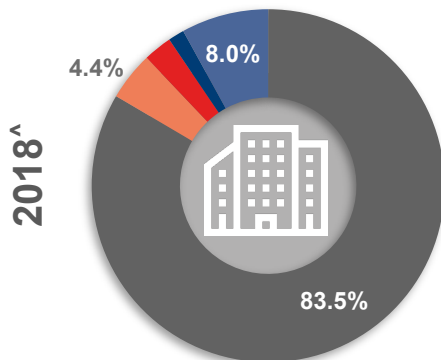
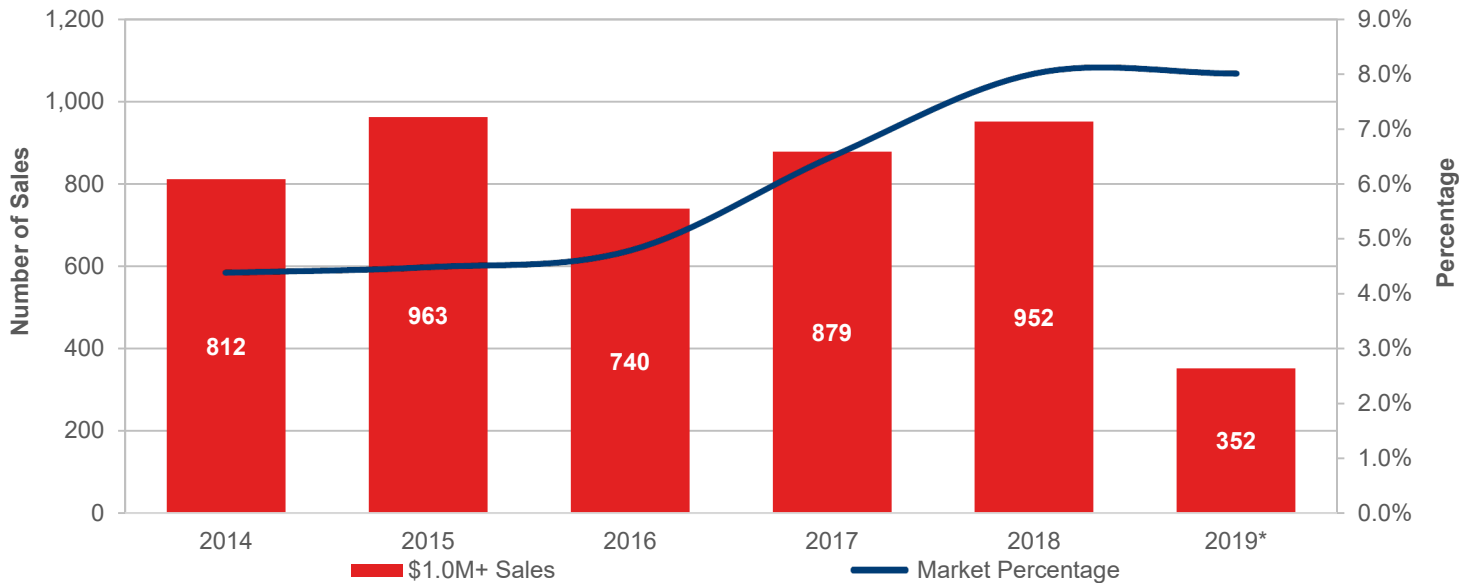
TOP 10 PREMIUM SALES 2019*

Address	Suburb	Sale Price	Sale Date
39 Griffith Street	New Farm	\$7,750,000	11/02/2019
67 Longman Terrace	Chelmer	\$6,600,000	28/05/2019
197 King Arthur Terrace	Tennyson	\$6,100,000	01/04/2019
30 Wendell Street	Norman Park	\$6,000,000	20/03/2019
26 Leura Terrace	Hawthorne	\$5,700,000	17/04/2019
81 Moray Street	New Farm	\$5,520,000	04/03/2019
42 Quay Street	Bulimba	\$5,400,000	09/05/2019
141 Laurel Avenue	Chelmer	\$5,000,000	29/05/2019
630 Jesmond Road	Fig Tree Pocket	\$4,650,000	08/01/2019
69 Towers Street	Ascot	\$4,150,000	03/04/2019

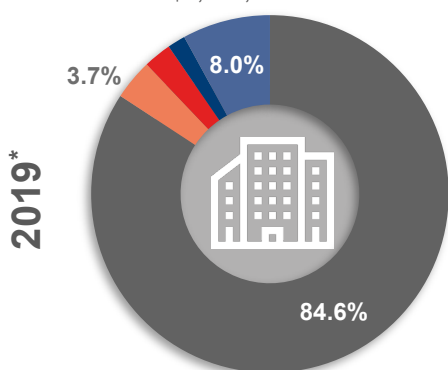
Disclaimer: [^]2018 encapsulates sales transactions for the year 2018 (01/01/2018 to 31/12/2018).
*2019 encapsulates sales transactions for the 1st half of 2019 (01/01/2019 to 30/06/2019). Source: APM Pricefinder. © Copyright PRDNationwide 2019.

BRISBANE PREMIUM UNIT BUYER ACTIVITY

The Brisbane premium unit market has grown in terms of market share percentage, gaining momentum in 2016 and peaking in 2018 (8.0%). Units sold at \$1.0M and above accounted for 8.0% in 2019*, almost double their market share of 4.5% in 2014. Units priced over \$1.0M recorded a decline in average days on market, from 175 days in 2014 to 120 days in 2019*, which indicates high demand. The highest unit sale price in Brisbane for 2019* was \$5.2M, in New Farm.



- Less than \$699,999
- \$700,000 to \$799,999
- \$800,000 to \$899,999
- \$900,000 to \$999,999
- \$1,000,000 and above

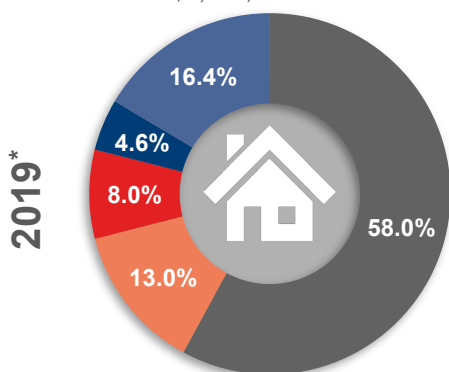
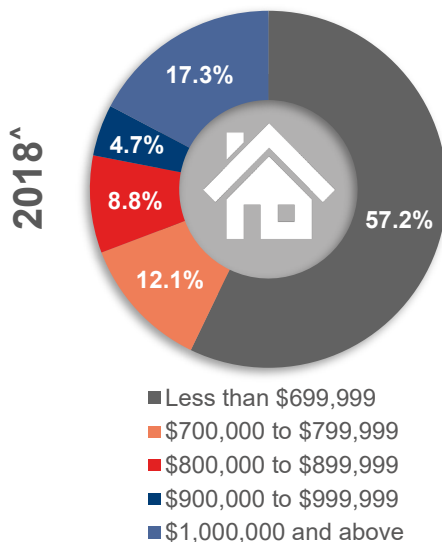
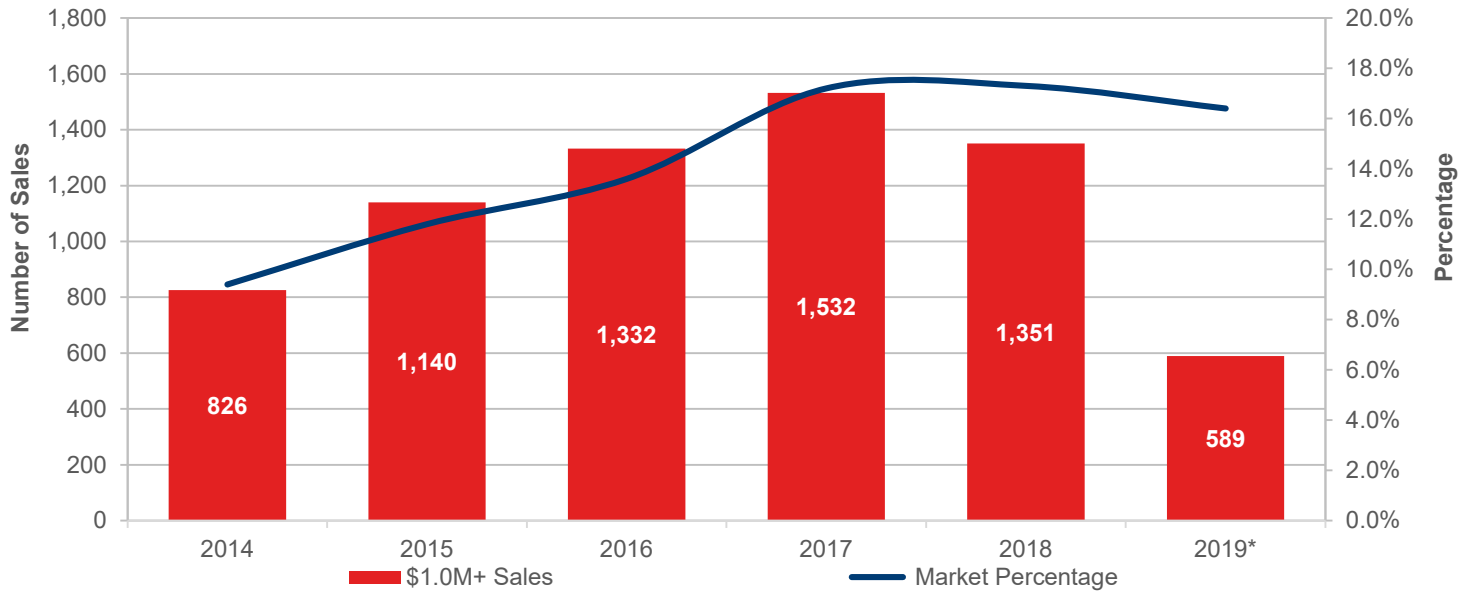


TOP 10 PREMIUM SALES 2019*

Address	Suburb	Sale Price	Sale Date
10/81 Moray Street	New Farm	\$5,520,000	04/03/2019
5/9 Griffith Street	New Farm	\$4,766,000	07/06/2019
5/1 Macquarie Street	Teneriffe	\$4,000,000	22/03/2019
22/55 Oxlade Drive	New Farm	\$3,650,000	13/06/2019
1305/161 Grey Street	South Brisbane	\$3,500,000	14/06/2019
332/1 Newstead Terrace	Newstead	\$3,175,000	11/03/2019
1903/140 Alice Street	Brisbane City	\$2,500,000	21/06/2019
11/55 Oxlade Drive	New Farm	\$2,425,000	13/06/2019
901/35 Tribune Street	South Brisbane	\$2,125,000	11/06/2019
1505/18 Longland Street	Newstead	\$2,050,000	31/05/2019

GOLD COAST PREMIUM HOUSE BUYER ACTIVITY

The Gold Coast's premium house market share percentage grew significantly, from 9.4% in 2014, to 16.4% in 2019*. It peaked in 2017, recording 1,532 sales and a 17.2% market share of all sold houses. Houses priced over \$1.0M experienced a slight decline in average days on market, from 172 days in 2014, to 116 days in 2019*. In 2019*, the highest house sale price on the Gold Coast was \$18.9M, in Southport.

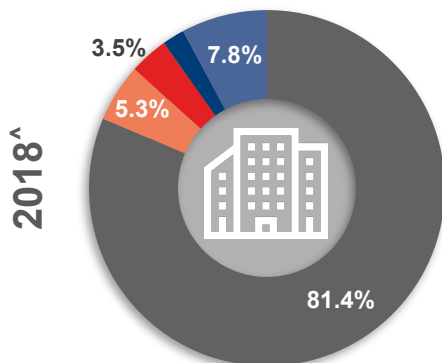
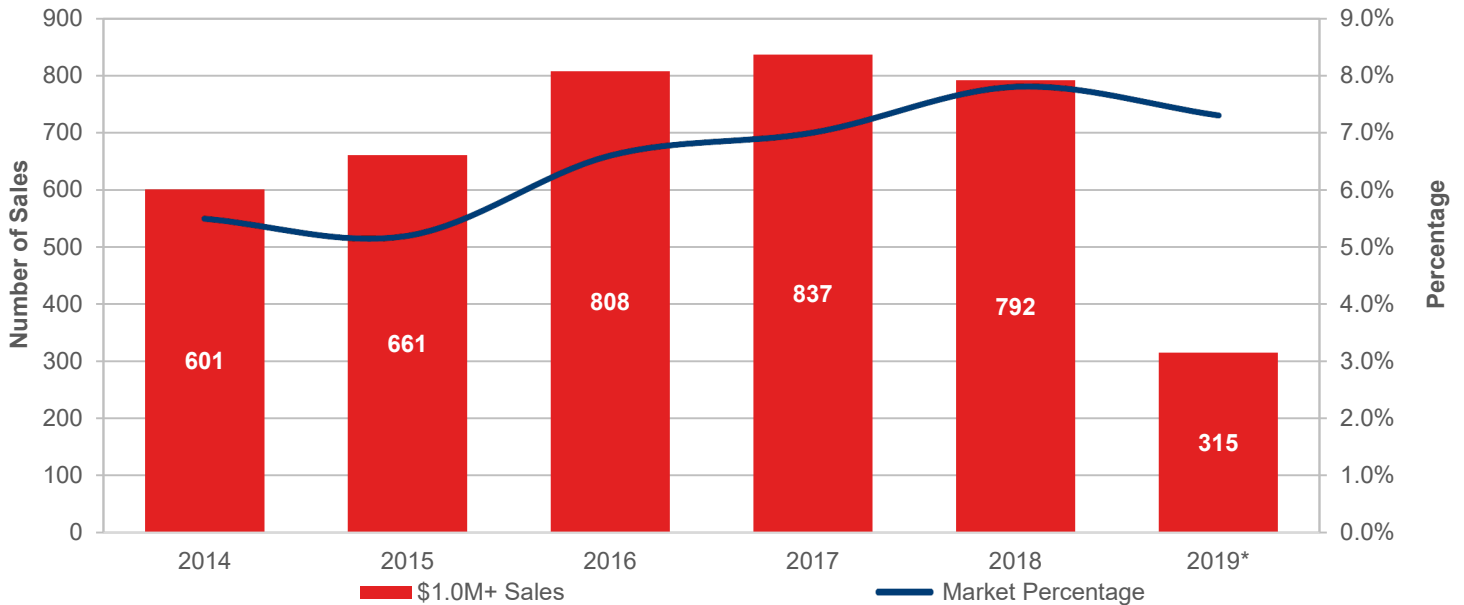


TOP 10 PREMIUM SALES 2019*

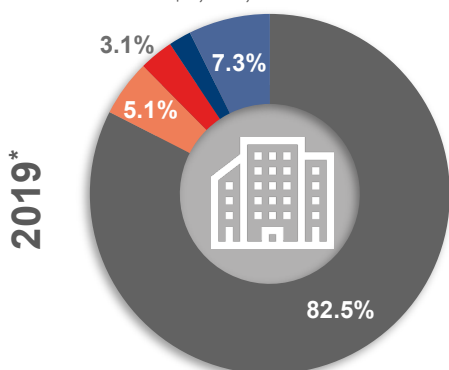
Address	Suburb	Sale Price	Sale Date
22 White Street	Southport	\$18,900,000	08/05/2019
130 Bundall Road	Bundall	\$11,000,000	02/01/2019
3533 Main Beach Parade	Main Beach	\$8,250,000	27/02/2019
22 Admiralty Drive	Surfers Paradise	\$7,975,000	31/01/2019
1 Yacht Street	Southport	\$7,000,000	23/06/2019
45 Knightsbridge Parade	Paradise Point	\$6,980,000	23/04/2019
125 Hedges Avenue	Mermaid Beach	\$6,950,000	30/01/2019
99 William Street	Mermaid Beach	\$6,395,000	29/06/2019
20 Parklane Terrace	Paradise Point	\$6,300,000	04/03/2019
3 Rows Court	Bundall	\$6,200,000	19/02/2019

GOLD COAST PREMIUM UNIT BUYER ACTIVITY

The Gold Coast's premium unit market share percentage grew significantly, from 5.5% in 2014 to 7.3% in 2019*. It peaked in 2018, recording 792 sales and a 17.2% market share of all units sold. Units priced over \$1.0M experienced a significant decline in average days on market, from 224 days in 2014, to 142 days in 2019*. In 2019*, the highest unit sale price in the Gold Coast area was \$8.2M, in Main Beach.



- Less than \$699,999
- \$700,000 to \$799,999
- \$800,000 to \$899,999
- \$900,000 to \$999,999
- \$1,000,000 and above

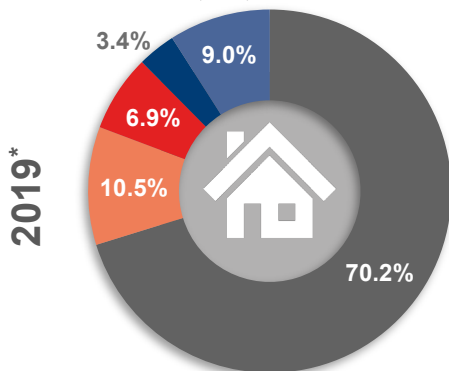
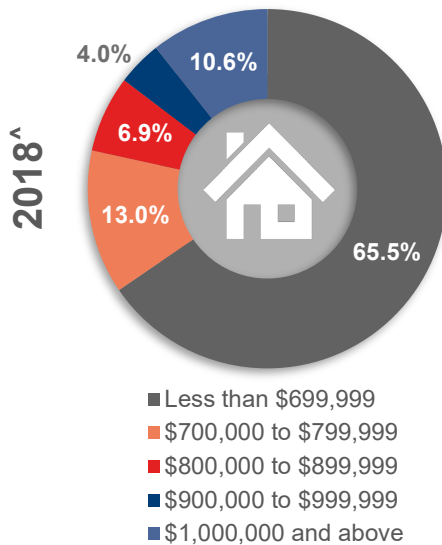
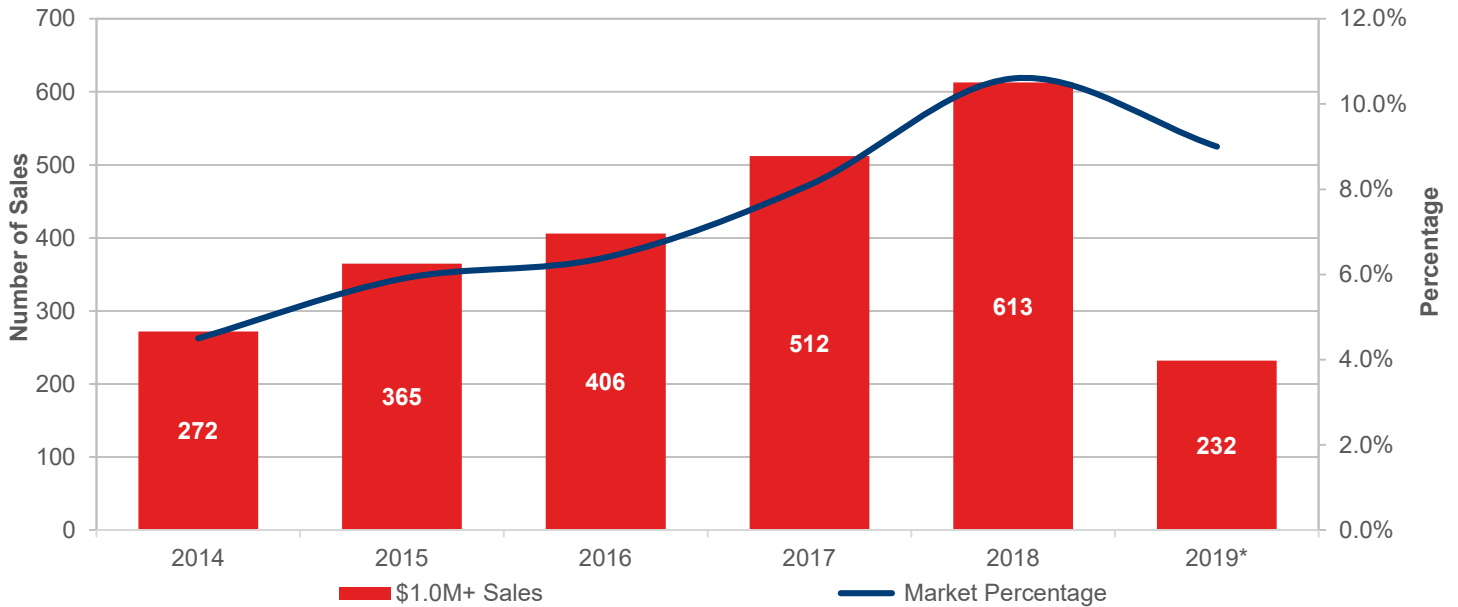


TOP 10 PREMIUM SALES 2019*

Address	Suburb	Sale Price	Sale Date
7/353 Main Beach Parade	Main Beach	\$8,250,000	27/02/2019
B27-2/75 Brighton Parade	Southport	\$4,450,000	15/02/2019
6801/4 Esplanade	Surfers Paradise	\$3,600,000	16/01/2019
2/1491 Gold Coast Highway	Palm Beach	\$3,350,000	31/01/2019
3804/3 Oracle Boulevard	Broadbeach	\$2,550,000	11/02/2019
4/79 Albatross Avenue	Mermaid Beach	\$2,400,000	21/01/2019
1404/120 Marine Parade	Coolangatta	\$2,300,000	14/03/2019
1201/60 Marine Parade	Coolangatta	\$2,250,000	14/06/2019
26702 Ephraim Island	Paradise Point	\$2,250,000	24/01/2019
5601/2 Ephraim Island	Paradise Point	\$1,927,500	25/01/2019

SUNSHINE COAST PREMIUM HOUSE BUYER ACTIVITY

The Sunshine Coast's premium house market share percentage grew significantly, from 5.5% in 2014 to 7.3% in 2019*. It peaked in 2018, recording 613 sales and a 10.6% market share of all houses sold. Houses priced over \$1.0M experienced a decline in average days on market, from 135 days in 2014 to 91 days in 2019*. In 2019*, the highest house sale price in the Sunshine Coast area was \$4.8M, in Moffat Beach.

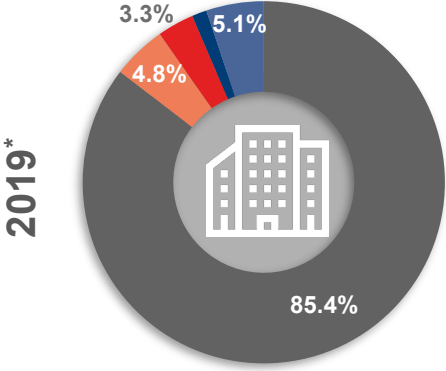
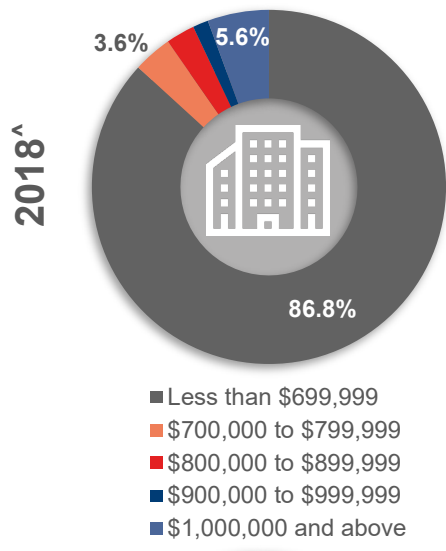
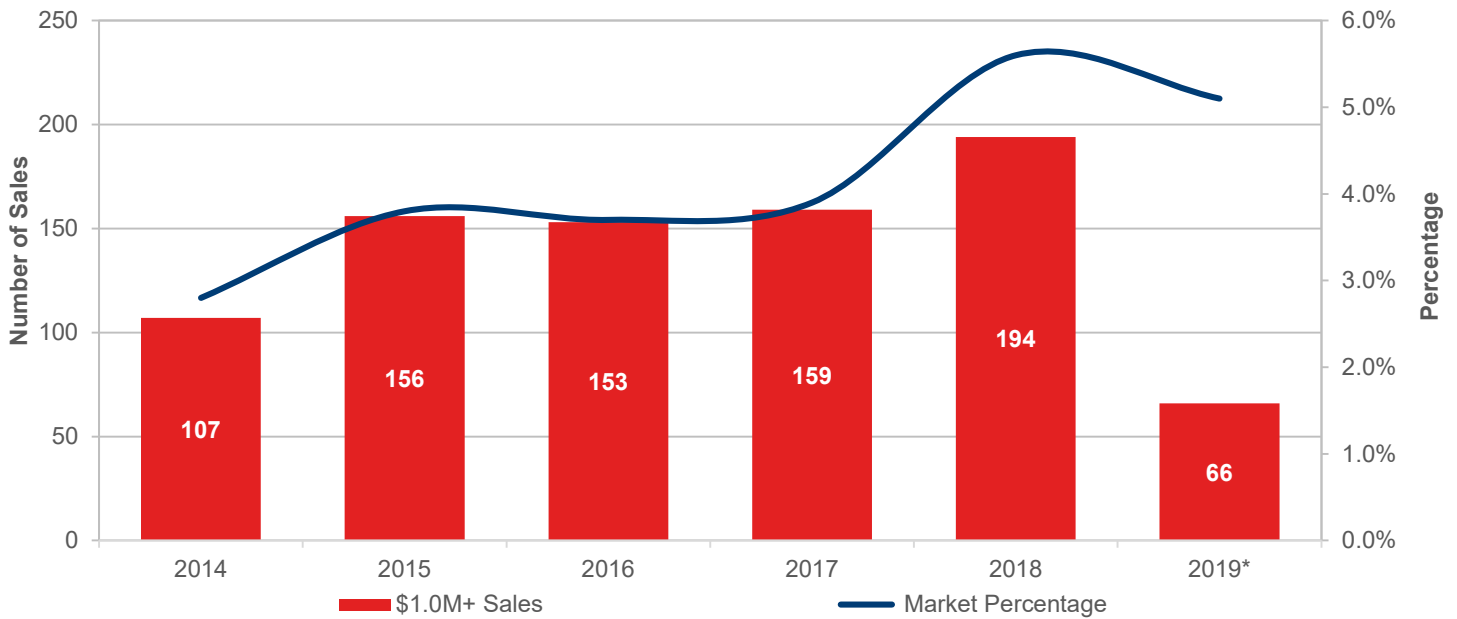


TOP 10 PREMIUM SALES 2019*

Address	Suburb	Sale Price	Sale Date
1 Bennett Street	Moffat Beach	\$4,800,000	26/04/2019
7 Mooloolah Island	Minyama	\$4,800,000	01/02/2019
55 Trail Road	Maleny	\$3,368,610	18/05/2019
39 First Avenue	Mooloolaba	\$3,197,000	23/01/2019
351 Duke Road	Doonan	\$2,853,800	23/04/2019
37 Venning Road	Verrierdale	\$2,650,000	01/04/2019
39 Shurvell Road	Hunchy	\$2,550,000	02/01/2019
24 Mindi Road	Doonan	\$2,300,000	18/03/2019
8 Myoora Court	Minyama	\$2,225,000	10/03/2019
57 Dales Road	Chevallum	\$2,200,000	13/05/2019

SUNSHINE COAST PREMIUM UNIT BUYER ACTIVITY

The Sunshine Coast's premium unit market share percentage grew significantly, from 2.8% in 2014 to 5.1% in 2019*. It peaked in 2018, recording 194 sales and a 5.6% market share of all units sold. Units priced over \$1.0M experienced a slight decline in average days on market, from 115 days in 2014 to 92 days in 2019*. In 2019*, the highest unit sale price in the Sunshine Coast area was \$6.1M, in Noosa Heads.

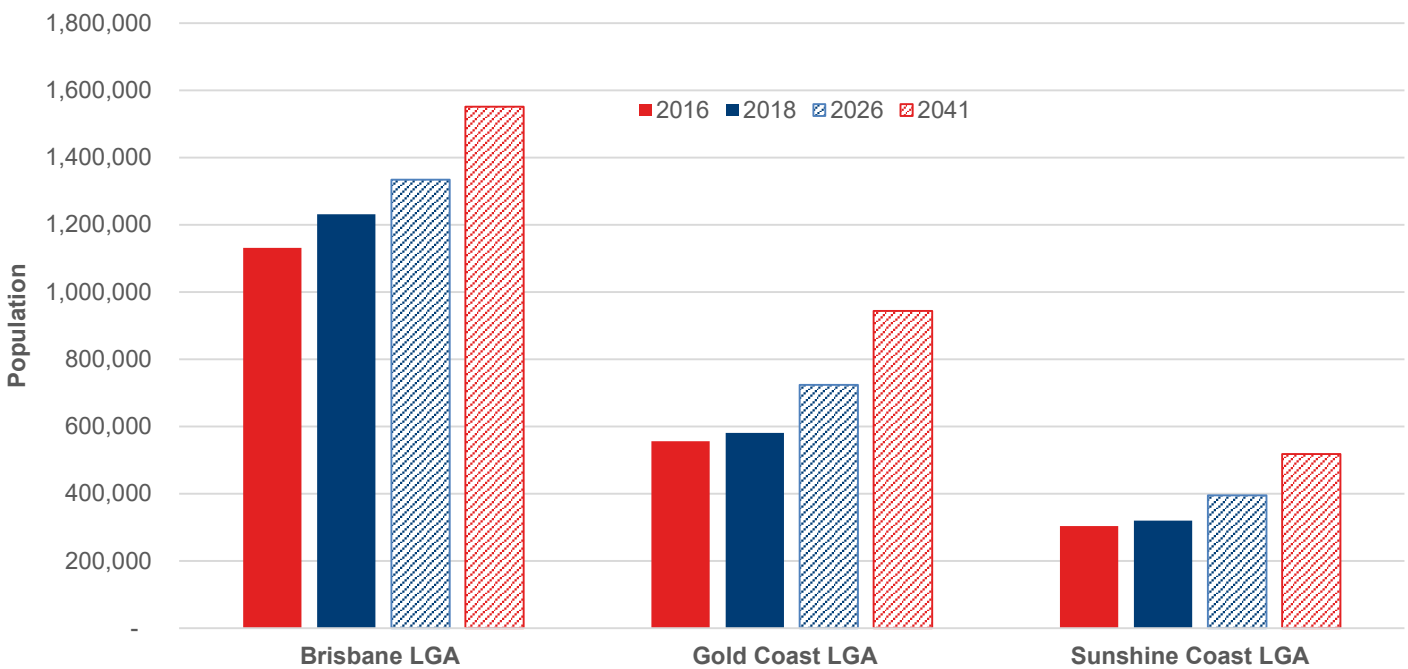
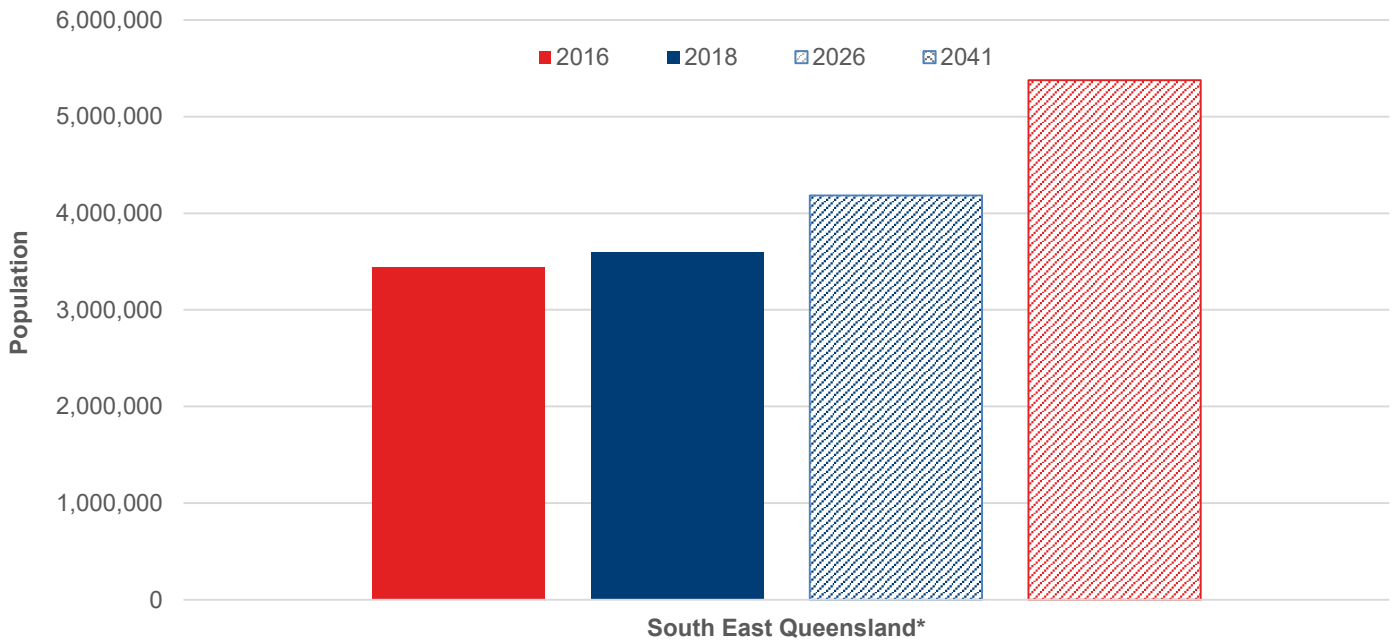


TOP 10 PREMIUM SALES 2019*

Address	Suburb	Sale Price	Sale Date
5/37 Hastings Street	Noosa Heads	\$6,100,000	25/03/2019
19/8 Serenity Close	Noosa Heads	\$3,700,000	31/01/2019
3/279 Gympie Terrace	Noosaville	\$3,550,000	01/05/2019
34/ 39-45 First Avenue	Mooloolaba	\$3,197,000	09/05/2019
13/3 Morwong Drive	Noosa Heads	\$2,600,000	03/06/2019
23/10 Serenity Close	Noosa Heads	\$2,550,000	31/01/2019
6/1 Morwong Drive	Noosa Heads	\$2,100,000	14/05/2019
16/7 Grand Parade	Kawana Island	\$2,050,000	18/04/2019
8/80-86 Hilton Terrace	Noosaville	\$2,000,000	11/01/2019
22/24 Munna Crescent	Noosaville	\$1,850,000	09/02/2019

Disclaimer: ^2018 encapsulates sales transactions for the year 2018 (01/01/2018 to 31/12/2018). *2019 encapsulates sales transactions for the 1st half of 2019 (01/01/2019 to 30/06/2019). Source: APM Pricerfinder. © Copyright PRDnationwide 2019.

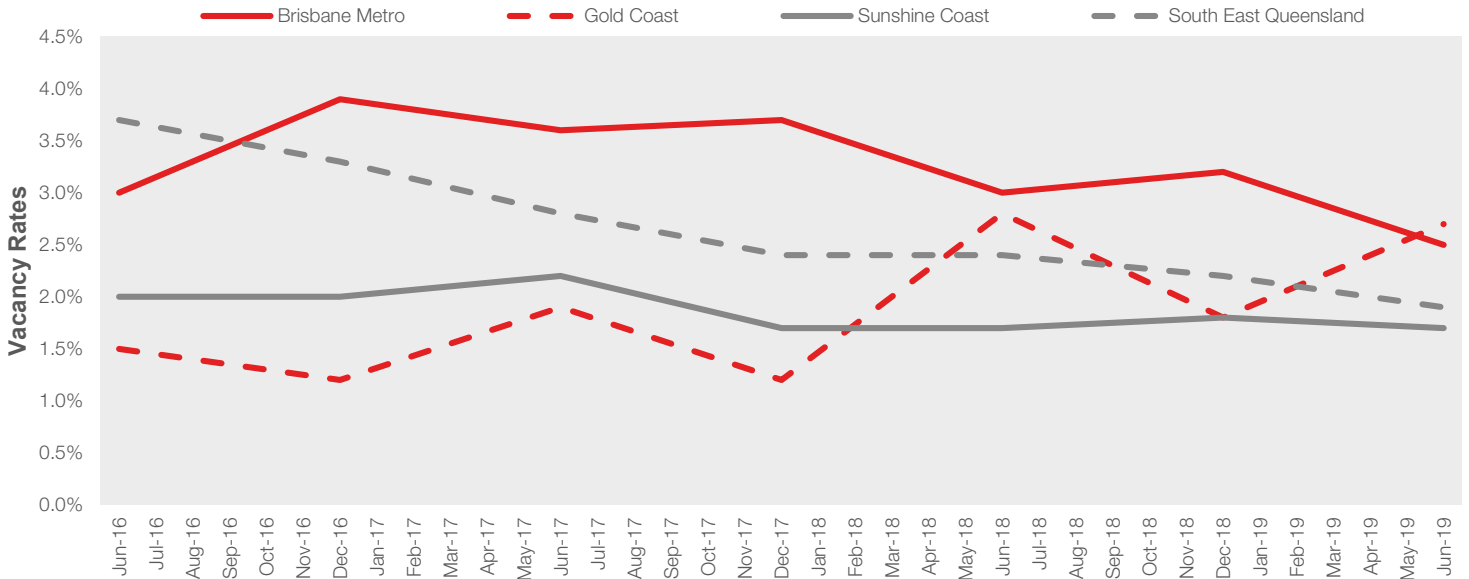
POPULATION AND FUTURE PROJECTIONS



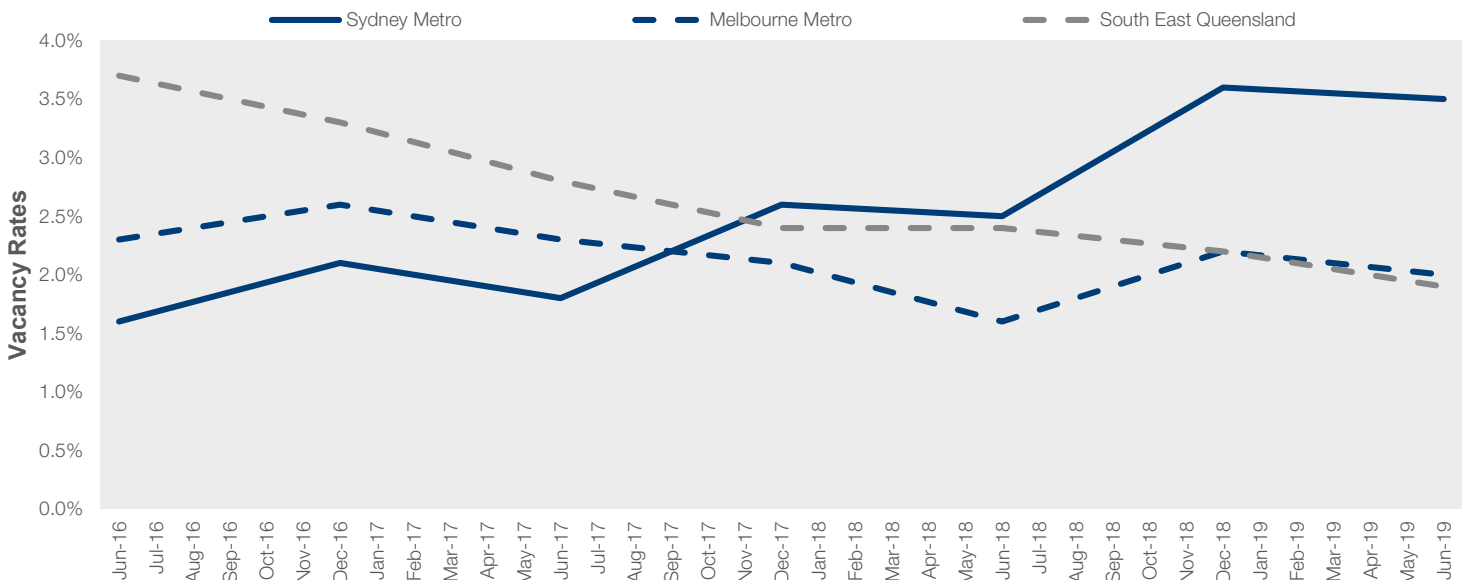
Population Projections	SEQ	Brisbane LGA	Gold Coast LGA	Sunshine Coast LGA
Year 2026	4,184,388 +16.2%	1,334,432 +8.3%	723,342 +24.6%	394,842 +23.4%
Year 2041	5,377,030 +49.4%	1,551,149 +25.9%	943,686 +62.5%	518,004 +61.9%

VACANCY RATES

Vacancy rates determine rental demand and occupancy levels of investment properties. As of June 2019, vacancy rates in Brisbane (2.5%), Gold Coast (2.7%) and Sunshine Coast (1.7%) were recorded at healthy levels, sitting below the REIA's healthy benchmark of 3.0%. SEQ's vacancy rate has seen a declining trend since June 2016, currently sitting at 1.9%. This indicates there is now a healthier rental demand across SEQ.



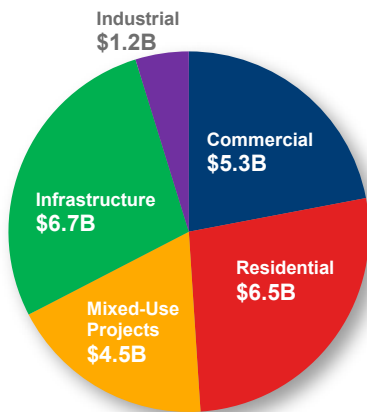
As of June 2019, vacancy rates in Sydney Metro and Melbourne Metro were recorded at 3.5% and 2.0%. Compared to the REIA healthy benchmark of 3.0%, this suggests an oversupply of rental properties in Sydney Metro. Sydney Metro's vacancy rate has shown an upward trend since June 2016, indicating that rental demand and occupancy levels of investment properties are weakening. Melbourne Metro's vacancy rate has remained fairly stable, sitting around the 2.0% mark. In contrast, SEQ's vacancy rate has declined sharply since June 2016, and in June 2019 was at a lower level than both Sydney Metro and Melbourne Metro. This indicates a stronger rental demand across SEQ, making it an ideal area for investors.



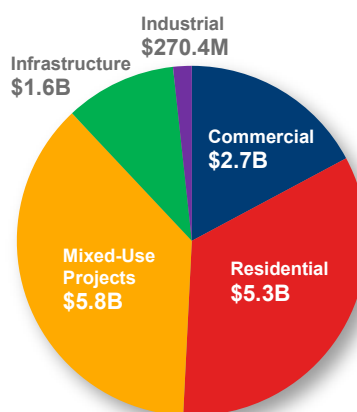
PROJECTS 2018-2020

A combined total of \$47.7B worth of projects (estimated value) will be invested into the Brisbane, Gold Coast and Sunshine Coast markets between 2018-2020. These projects will offer innovative housing design and stock to cater for future demand. With a healthy balance in commercial, infrastructure, and mixed-use projects, they will also stimulate economic activity and create local employment opportunities, which will have a positive spill-over impact on the real estate market.

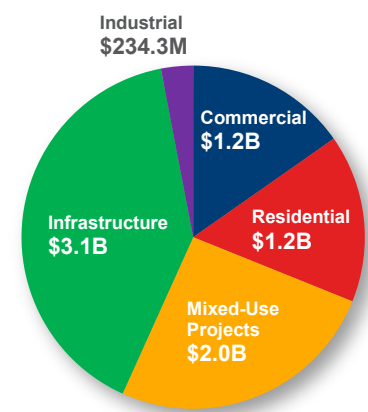
BRISBANE



GOLD COAST



SUNSHINE COAST



TOP KEY PROJECTS BY ESTIMATED VALUE

LGA	Project Name	Location	Project Type	Estimated Value [^]	Commence Date
Gold Coast	Norwood Valley Masterplanned City	Gold Coast	Mixed-Use	\$1.0B	17/10/2019
	Ocean Side Cruise Ship Terminal	Main Beach	Infrastructure	\$450.0M	03/08/2020
	Aquis Pacific Point Hotel	Surfers Paradise	Commercial	\$440.0M	03/03/2020
	Helensvale Country Club – The Surrounds	Helensvale	Residential	\$400.0M	03/02/2020
	Schutz Australia Manufacturing Facility	Yatala	Industrial	\$20.0M	14/05/2018
Brisbane	Queens Wharf Redevelopment	Brisbane CBD	Infrastructure	\$1.5B	05/08/2019
	Queen Street Mixed Development	Brisbane CBD	Mixed-Use	\$650.0M	18/11/2020
	Herston Quarter Rehabilitation	Herston	Commercial	\$347.0M	12/02/2018
	River Reach Apartments	West End	Residential	\$120.0M	18/11/2019
	Woolworths Distribution Facility	Heathwood	Industrial	\$60.0M	18/03/2020
Sunshine Coast	Yaroomba Beach Village	Yaroomba	Mixed-Use	\$900.0M	18/05/2020
	Bruce Highway Upgrade	Cooroy	Infrastructure	\$662.5M	12/10/2020
	Actventure Resort	Glenview	Commercial	\$150.0M	16/11/2020
	Aura Estate Precint	Bells Creek	Residential	\$70.0M	31/05/2020
	Kessling Avenue	Kunda Park	Industrial	\$25.0M	21/05/2020

ABOUT PRD RESEARCH

PRD'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, PRD 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 customised 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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