



Palm Beach Market Update

1st Half 2020



OVERVIEW

Palm Beach* recorded a median house price of \$907,000 and a median unit price of \$552,000 in Q4 2019. This represents annual (Q4 2018 – Q4 2019) median price growth of 6.5% for houses and 14.7% for units. Between Q4 2018 – Q4 2019, total sales strengthened by 11.8% for houses (to 38 sales) and by 4.8% for units (to 66 sales). The Palm Beach* market is strong, with an increase in demand and high capital growth. Now is the time to transact in the market, particularly for first home buyers before prices become unaffordable.

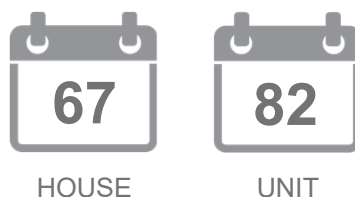
	CHANGE FROM LAST	YEAR	HALF YEAR
 House Sales		↑	↓
House Median Price		↑	↑
House Rental Price		↔	↔
 Unit Sales		↑	↓
Unit Median Price		↑	↑
Unit Rental Price		↑	↑

MARKET CONDITIONS

SALES MEDIAN PRICE Q4 2019



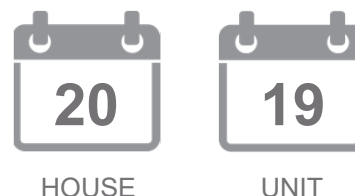
SALES AVERAGE DAYS ON MARKET Q4 2019



RENTAL MEDIAN PRICE Q4 2019

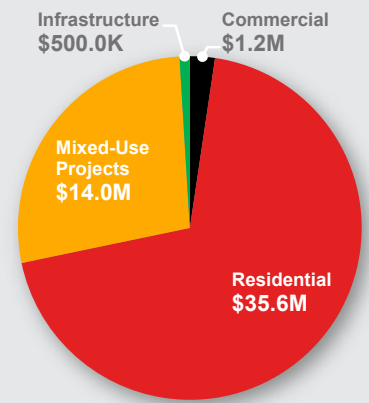


RENTAL AVERAGE DAYS ON MARKET Q4 2019



FUTURE DEVELOPMENTS

The Palm Beach* area is set to see approximately **\$51.3M** worth of new projects in the 1st half of 2020.



A large focus on residential projects in the area will help ease constraints on housing supply. Mixed use projects add to housing supply, whilst also adding commercial opportunities and local jobs. Together these projects will address increased demand and help maintain sustainable price growth.

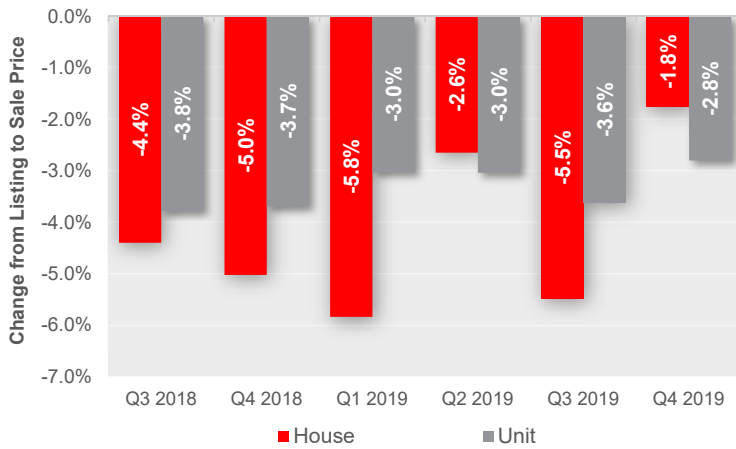
Overall, a total of 90 units will be constructed in the 1st half of 2020. Key residential projects include Palm Beach Apartments (\$25.0M, 17 apartments) and Twenty Second Avenue Apartments (\$6.6M, 22 apartments). Key mixed-use projects include Gold Coast Highway Mixed-Use Development (\$11.5M, 3 apartments) and Palm Beach Apartments (6 units, \$2.5M).



*Palm Beach market data and key indicators encapsulates aggregate property market conditions within the suburb of Palm Beach. **Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.
Source: APM Pricerfinder, Cordell Connect database.
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AVERAGE VENDOR DISCOUNT* KEY COMMENTS

Average vendor discount reflects the average percentage difference between the first list price and final sold price. A lower percentage difference (closer to 0.0%) suggests that buyers are willing to purchase close to the first asking price of a property.

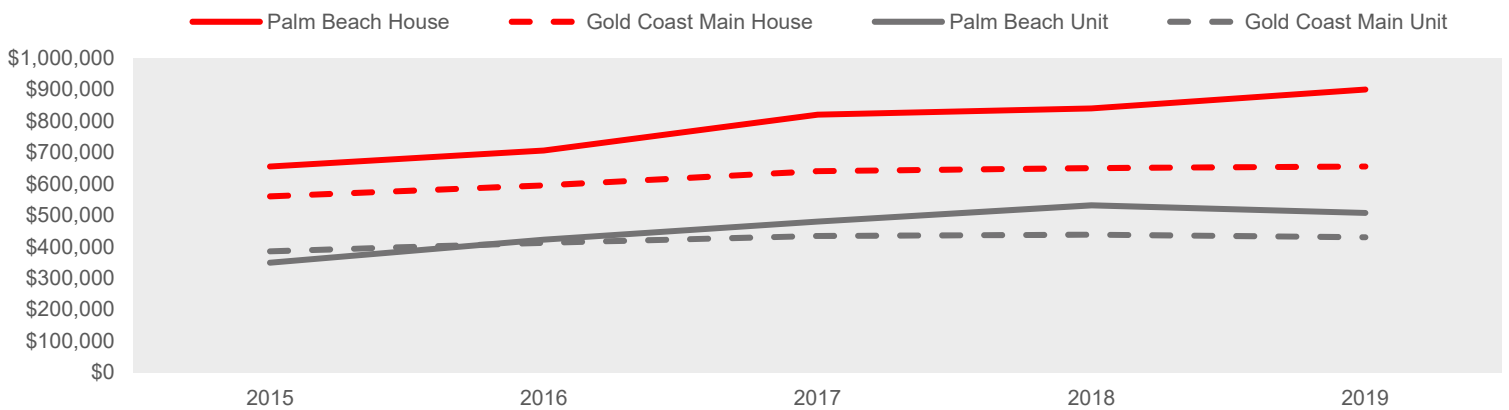


Average vendor discounting between Q4 2018 and Q4 2019 has tightened to -1.8% for houses and -2.8% for units. Market conditions in Palm Beach* have now shifted to favour vendors, where buyers are willing to negotiate closer to the initial listing price. Palm Beach is heading towards a sellers' market as demand is increasing due to current low interest rate environment and lenient access to finance.

Over the past 5 years to 2019, the suburb of Palm Beach* continued to outperform the Gold Coast Local Government Area (LGA) area regarding property prices. Palm Beach* is premium market with high future capital growth.

The dominant proportion of houses sold in Palm Beach* in 2019 were in the highest price bracket of \$1.05M and above (36.0%). On the other hand, majority of the units sold (28.3%) were in the lower price bracket of less than \$399K. There is a property for every budget in Palm Beach*.

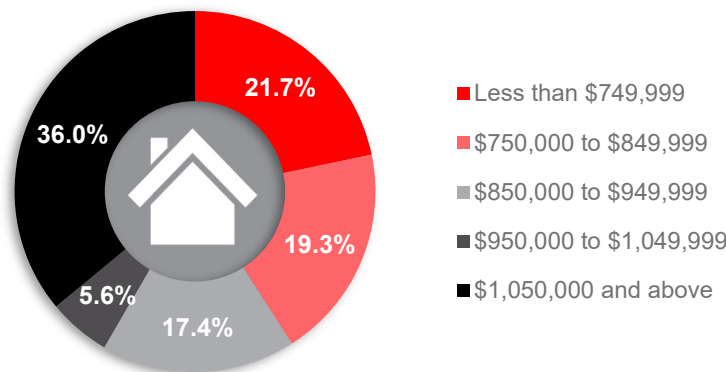
MARKET COMPARISON



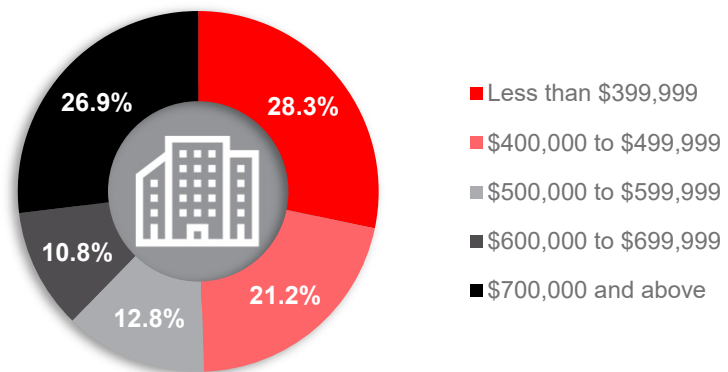
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Palm Beach.

PRICE BREAKDOWN 2019^

HOUSES SOLD



UNITS SOLD

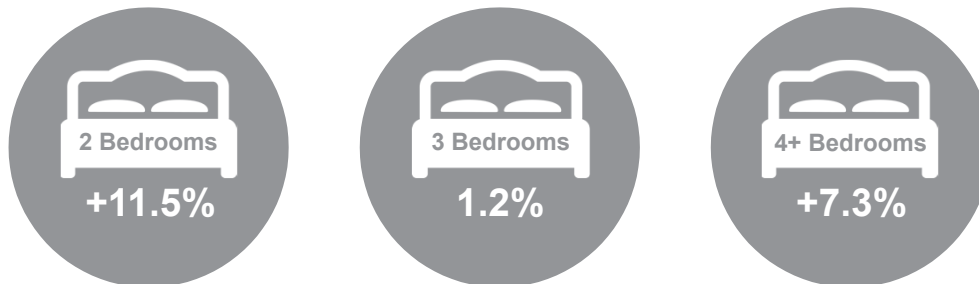


RENTAL GROWTH 2019*

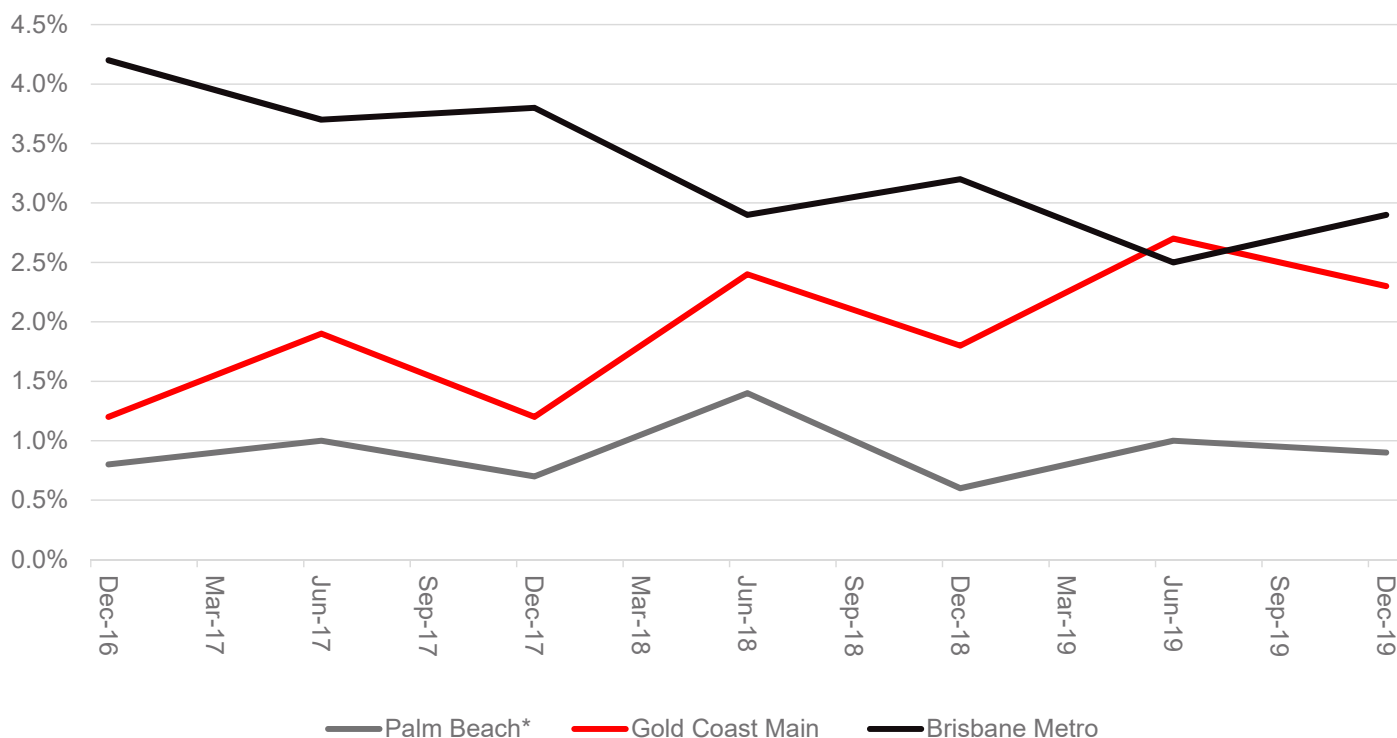
House rental yields in Palm Beach* were recorded at a rate of 4.9% in December 2019, well above that of Gold Coast Main (4.1%) and Brisbane Metro (3.9%). Over the 12 months to Q4 2019 house rental median price was stable at \$650 per week, followed by unit rental median price growth of 4.7% to \$450 per week. This suggests that the rental market is in a healthy position, as an increase in rental demand have not caused a decline in rental prices.

2-bedroom houses have provided investors with +11.5% rental growth annually, resulting in a median rent of \$535 per week.

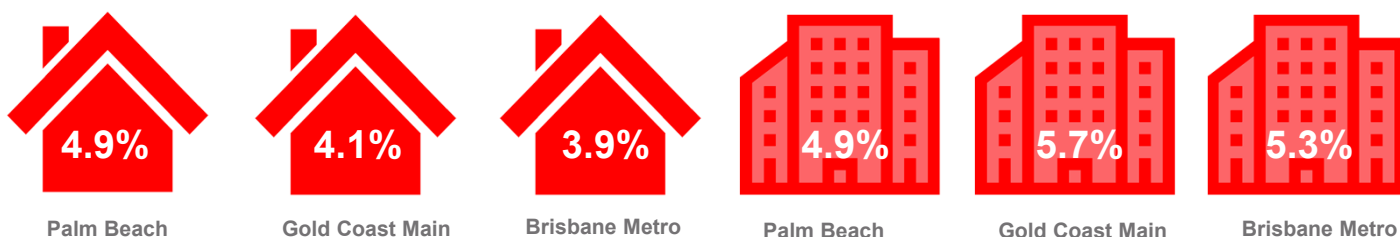
Palm beach* recorded a vacancy rate of 0.9% in December 2019, a lower rate than Gold Coast Main (2.3%) and Brisbane Metro (2.9%). This confirms there is a healthier rental demand in Palm Beach*, with rental properties occupied quickly.



RENTAL VACANCY RATES 2019



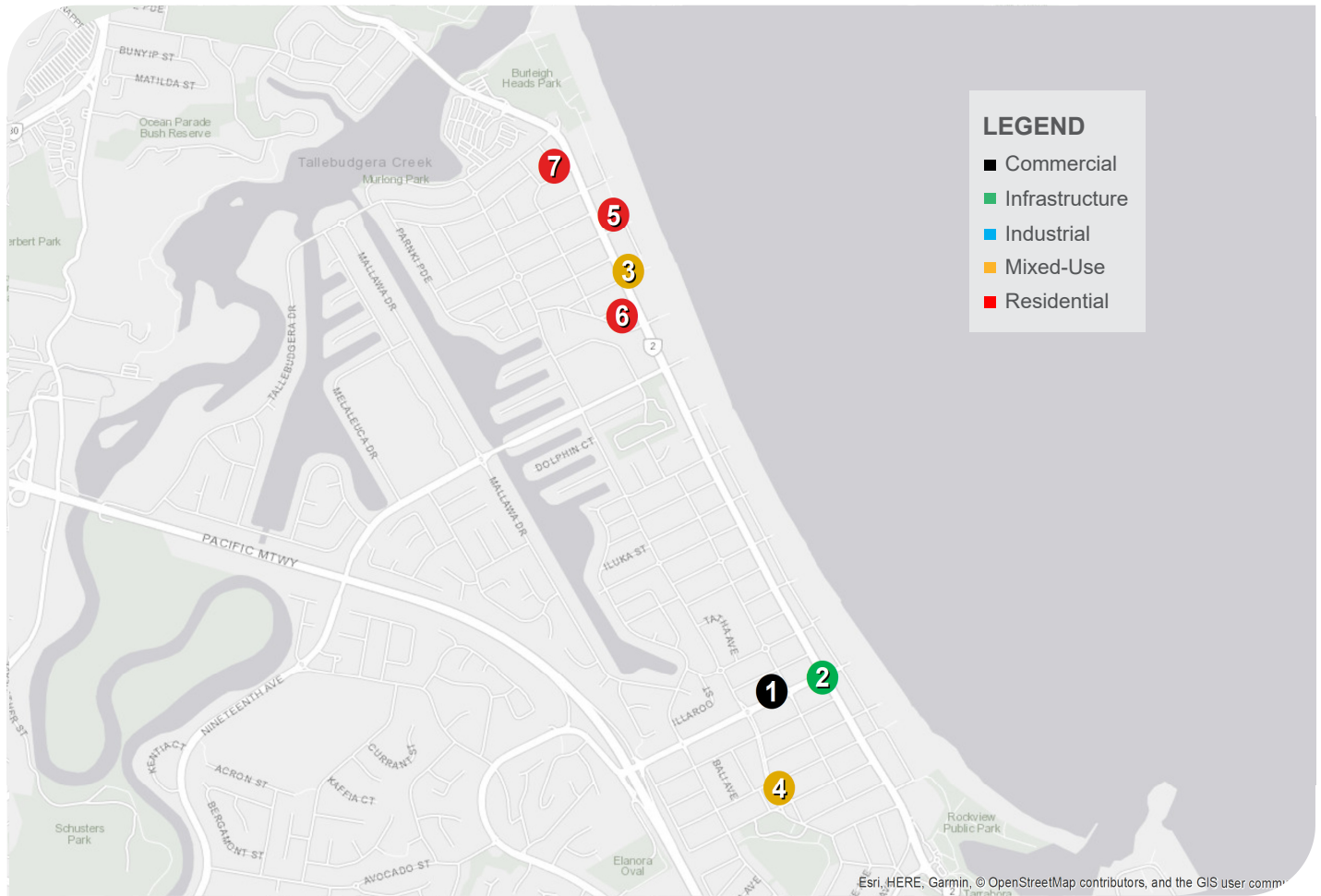
RENTAL YIELD 2019^



*Palm Beach market data and key indicators encapsulates aggregate property market conditions within the suburbs of Palm Beach. Annual rental growth is a comparison between 2018 and 2019 house median rent figures.

^Rental yields shown are as reported at December 2019. Source: APM Pricer, SQM Research. © Copyright PRD 2020.

PROJECT DEVELOPMENT MAP 1st HALF 2020*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Active Hand Therapy	Commercial	\$1,200,000	04/05/2020
2	Gold Coast Highway & Seventh Avenue Intersection	Infrastructure	\$500,000	27/04/2020
3	Gold Coast Highway Mixed Use Development- (33 Apartments)	Mixed Use	\$11,500,000	13/05/2020
4	Palm Beach Neighbourhood Centre-(6 Units)	Mixed Use	\$2,500,000	27/01/2020
5	Palm Beach Apartments- (17 Apartments)	Residential	\$25,000,000	29/06/2020
6	Twenty Second Avenue Apartments- (22 Apartments)	Residential	\$6,600,000	24/04/2020
7	Nyrang Avenue Units- (12 Units)	Residential	\$4,000,000	03/02/2020

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

OUR KNOWLEDGE

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

OUR PEOPLE

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

OUR SERVICES

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



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