



Palm Beach Market Update

2nd Half 2020



OVERVIEW

Palm Beach* recorded a median house price of \$915,000 and a median unit price of \$545,000 in Q2 2020. This represents annual (Q2 2019 – Q2 2020) median price growth of 11.6% for houses and 6.3% for units. Between Q2 2019 - Q2 2020 sales increased, by 60.5% for house (to 69 sales) and by 1.3% for units (to 79 sales). The Palm Beach* property market shows great resilience during COVID-19, from a price growth and demand perspective. There many opportunities for first home, with ample government incentives.

	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 Q2 2020



SALES AVERAGE DAYS ON MARKET Q2 2020



RENTAL MEDIAN PRICE Q2 2020

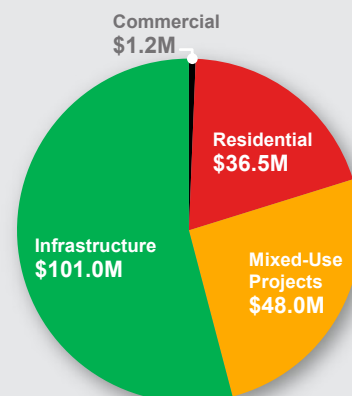


RENTAL AVERAGE DAYS ON MARKET Q2 2020



FUTURE DEVELOPMENTS

The Palm Beach* area is set to see approximately **\$186.7 worth of new projects in the 2nd half of 2020.**



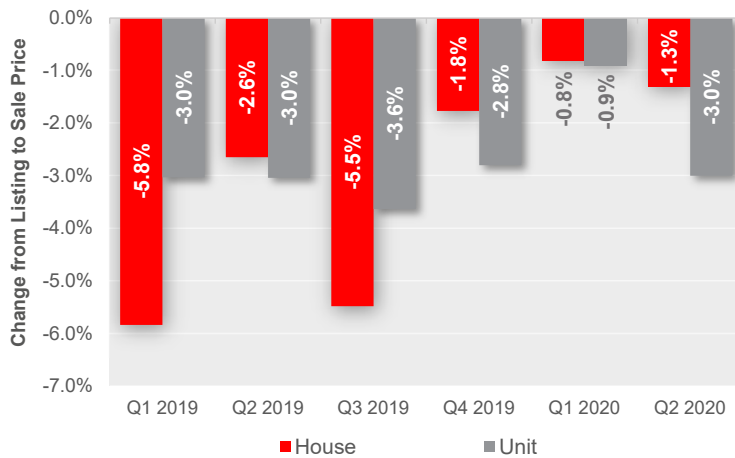
A large focus on infrastructure will improve liveability for residents of Palm Beach*, as well as stimulate economic growth and increase productivity. The construction of infrastructure projects will create new jobs in the area, which will have positive spill-over impact on the real estate market.

A key infrastructure project for the 2nd half of 2020 is the M1 South Pacific Burleigh to Palm beach (\$100.0M). These road works projects will enhance accessibility to Palm Beach, potentially increasing business activity in the area. A total of 150 units/apartments is planned in the 2nd Half of 2020, which will answer current demand and help ensure sustainable price growth. Key residential projects include: Village Palm Beach (\$26.0M, 75 apartments), East Apartments Palm Beach (\$22.0M, 33 apartments) and Palm Beach Apartments (\$25.0M, 17 apartments).



AVERAGE VENDOR DISCOUNT

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.



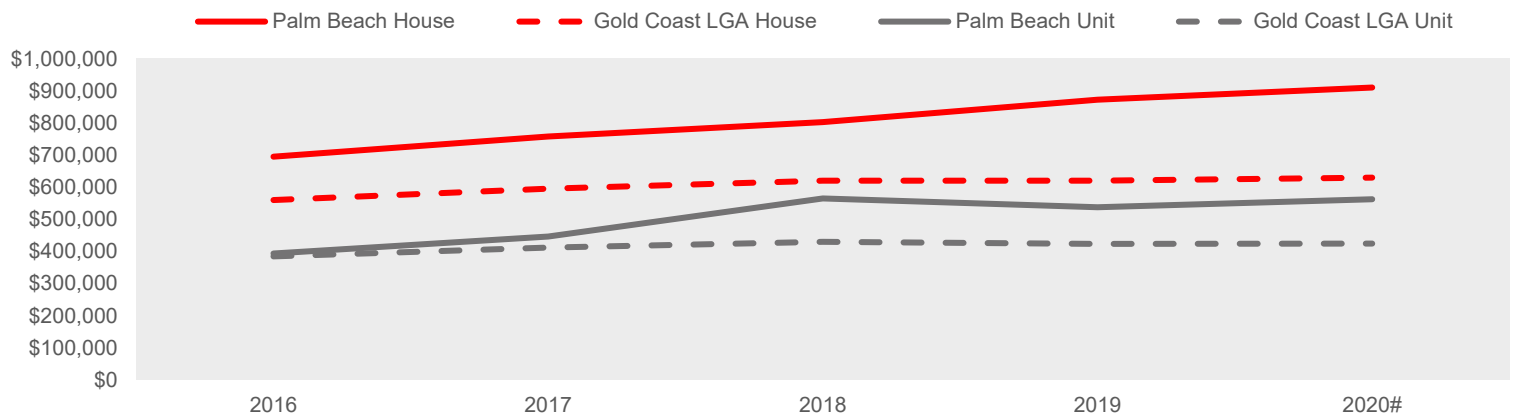
KEY COMMENTS

Over the 12 months to Q2 2020, average vendor discounting has tightened to -1.3% for houses and remained stable at -3.0% for units. Market conditions in Palm Beach* provide unique opportunities. Sellers can achieve a final sale price closer to their first list price, whilst buyers can still benefit from a discount. Now is the time to transact.

Over the past 5 years to 2020#, the suburb of Palm Beach has outperformed the Gold Coast Main Local Government Area (LGA) area regarding property prices. Palm Beach is a premium market compared to the LGA, with the continual expectation for high capital growth.

The dominant proportion of houses sold in Palm Beach* across 2020^ were in the highest price bracket of \$1.05M and above (40.3%). Units also experienced high buyer activity within the premium market of \$700K and above (33.6%). This indicates that premium properties are still in high demand in Palm Beach*.

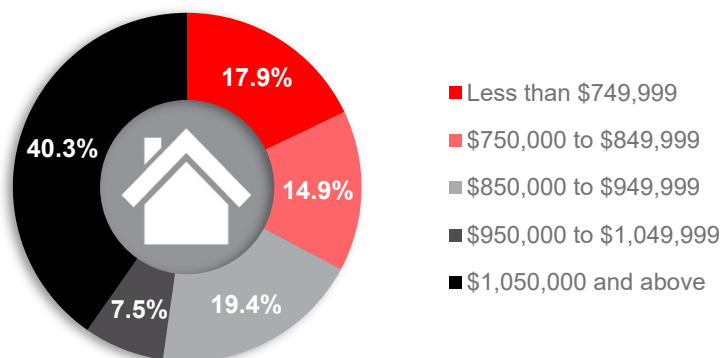
MARKET COMPARISON



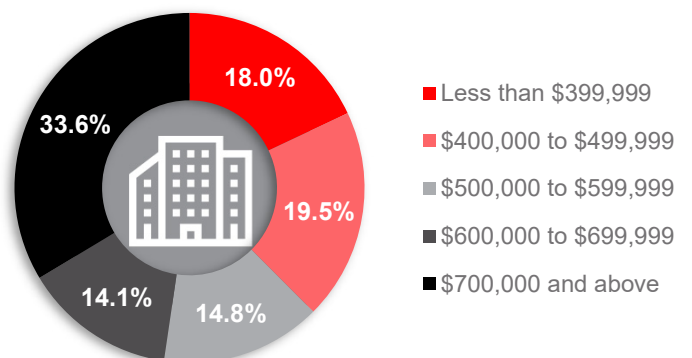
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled is chosen based on their proximity to the main suburb analysed, which is Palm Beach.

PRICE BREAKDOWN 2020^

HOUSES SOLD



UNITS SOLD

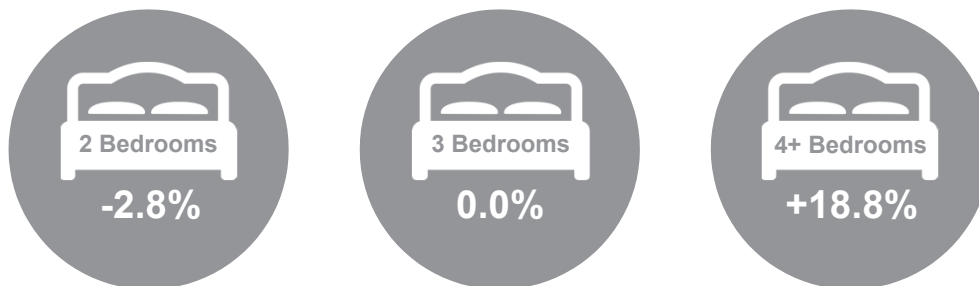


RENTAL GROWTH 2020€

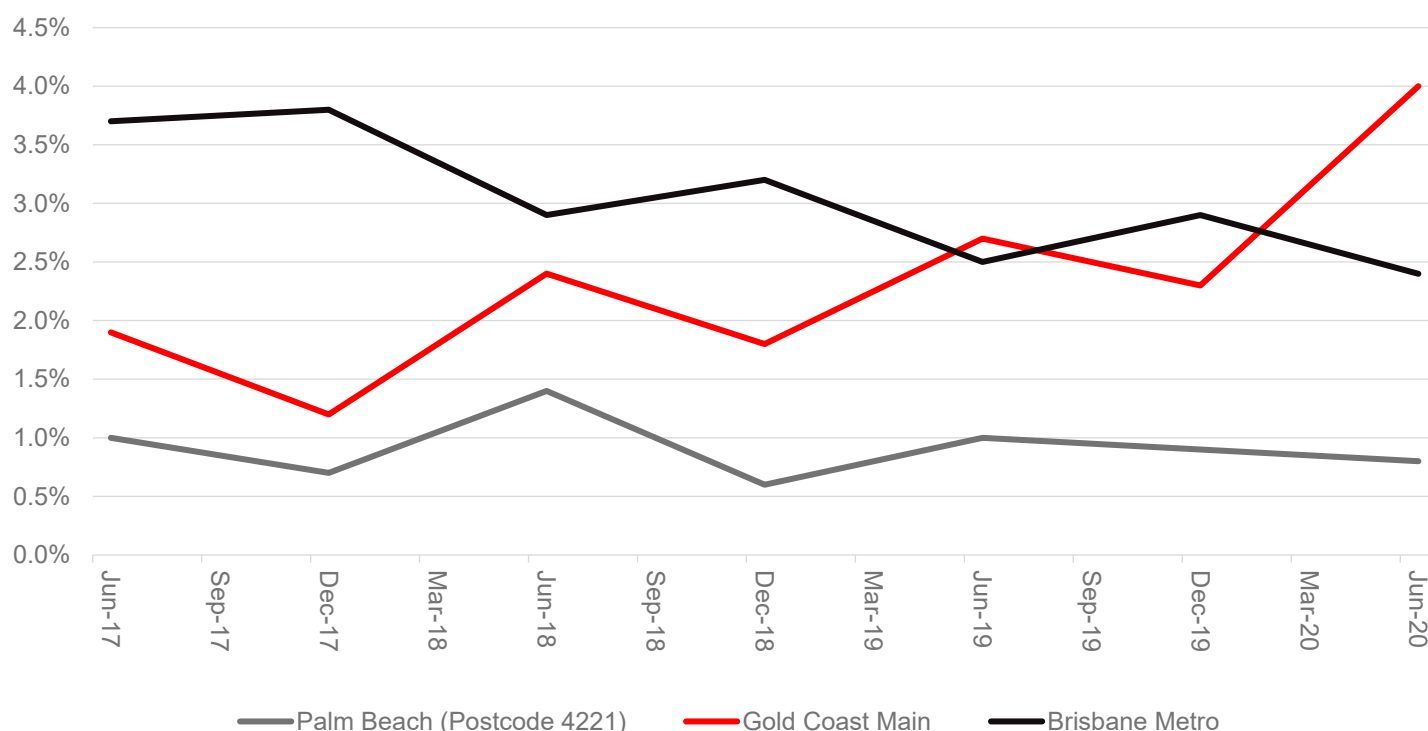
In June 2020, house rental yields in Palm Beach* was recorded at 3.8%. In the 12 months to Q2 2020 house average days on the market declined by -28.8% to 21 days and median unit rental price grew by 4.7% at \$450 per week. This represented a resilient rental market throughout COVID-19.

4+ bedroom houses have provided investors with +18.8% rental growth annually, with a median rent of \$950 per week.

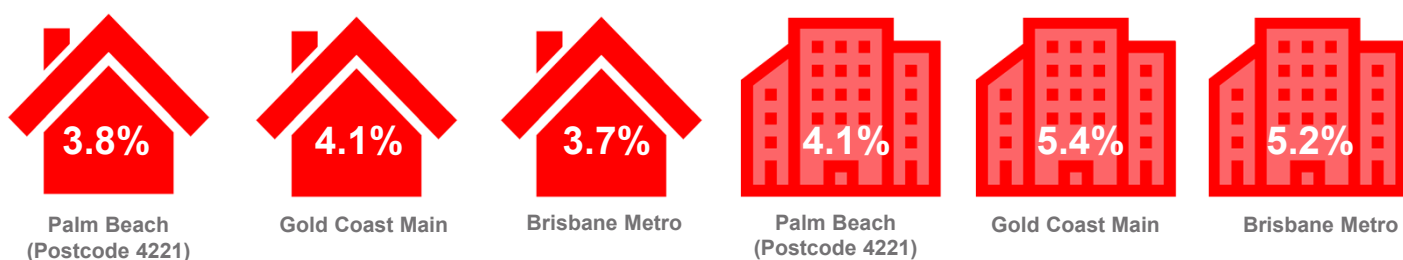
Over the June 2020 Quarter, Palm Beach* recorded a low vacancy rate of 0.8%, outperforming Gold Coast Main (4.0%) and Brisbane Metro (2.4%). Vacancy rates in Palm Beach* have continued to be on a declining trend since June and December 2019, even amidst COVID-19 conditions. This confirms there is a healthy rental demand and investors can be confident of conducive investment environment in Palm Beach*.



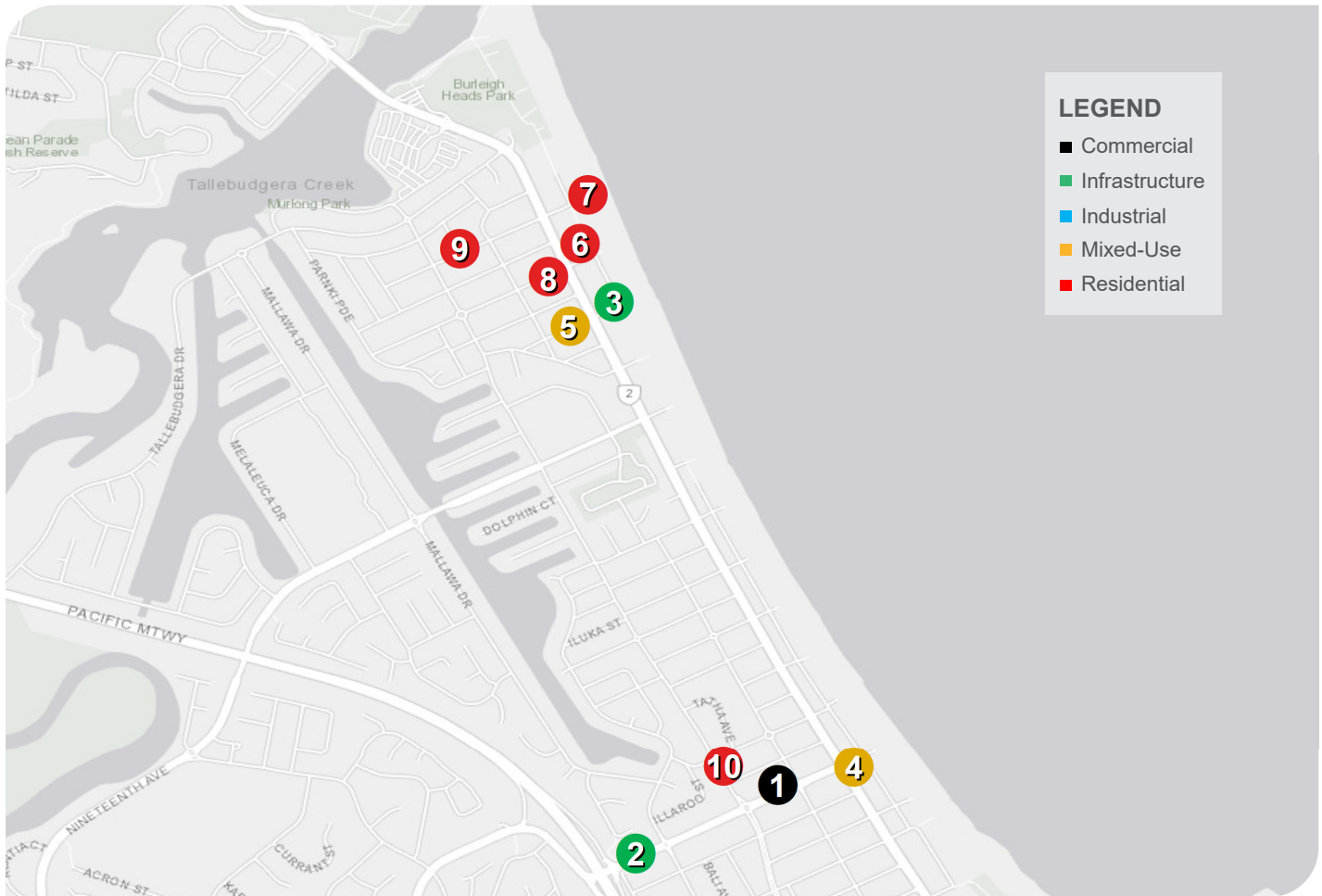
RENTAL VACANCY RATES 2020



RENTAL YIELD 2020\$



PROJECT DEVELOPMENT MAP 2nd HALF 2020[Ⓐ]



Location	Project [Ⓔ]	Type	Estimated Value [Ⓝ]	Commence Date [Ⓜ]
1	Active Hand Therapy	Commercial	\$1,200,000	04/07/2020
2	M1 South Pacific Motorway Burleigh To Palm Beach	Infrastructure	\$100,000,000	04/11/2020
3	Palm Beach Oceanway	Infrastructure	\$1,000,000	19/10/2020
4	Village Palm Beach- (75 Apartments)	Mixed Use	\$26,000,000	18/11/2020
5	East Apartments Palm Beach- (33 Apartments)	Mixed Use	\$22,000,000	03/08/2020
6	Palm Beach Apartments- (17 Apartments)	Residential	\$25,000,000	29/09/2020
7	The Esplanade Units- (15 Units)	Residential	\$4,500,000	10/11/2020
8	Gold Coast Highway Apartments- (3 Apartments)	Residential	\$2,500,000	18/11/2020
9	Alkira Avenue Apartments- (4 Apartments)	Residential	\$2,500,000	29/10/2020
10	Seventh Avenue Residences- (3 Units)	Residential	\$2,000,000	16/07/2020

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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REFERENCES

* 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.

2020 encapsulates sales transactions for 1H 2020 (01/01/2020 – 30/06/2020) only.

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€ Annual rental growth is a comparison between 1H 2019 (01/01/2019 – 30/06/2019) and 1H 2020 (01/01/2020 – 30/06/2020) house median rent figures.

¥ Palm Beach market data encapsulates aggregate property conditions within the postcode of 4221.

§ Rental yields shown are as reported at June 2020.

⌘ Project development map showcases a sample of upcoming projects only, due to accuracy of addresses provided by the data provider for geocoding purposes.

£ Projects refers to the top developments within the suburb of Palm Beach.

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

ψ Commencement date quoted for each project is an approximate only, as provided by the relevant data authority, PRD does not hold any liability to the exact date.

Source: APM Pricerfinder, Cordell Connect database, SQM Research, ESRI ARCGIS.

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