



Palm Beach Market Update 1st Half 2021



OVERVIEW

In Q4 2020, Palm Beach* recorded a median house price of \$1,127,000, and a median unit price of \$739,000. This represents annual (Q4 2019 – Q4 2020) median price growth of 21.9% for houses and 23.2% for units. Between Q4 2019 – Q4 2020 house sales declined, by -8.9% (to 51 sales), but increased for units, by 18.5% (to 154 sales). Price growth and lower stock suggest an undersupplied house market. The unit market shows real return on capital investment, as price growth is matched by an increase in sales. Now is an ideal time to transact, with unique opportunities for both sellers and buyers.

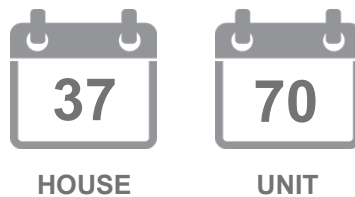
	CHANGE FROM LAST	YEAR	HALF YEAR
	House Sales	↓	↑
	House Median Price	↑	↑
	House Rental Price	↑	↑
	Unit Sales	↑	↑
	Unit Median Price	↑	↑
	Unit Rental Price	↑	↑

MARKET CONDITIONS

SALES MEDIAN PRICE Q4 2020



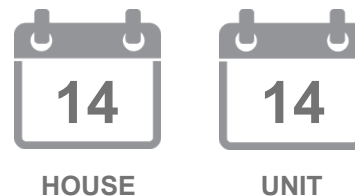
SALES AVERAGE DAYS ON MARKET Q4 2020



RENTAL MEDIAN PRICE Q4 2020

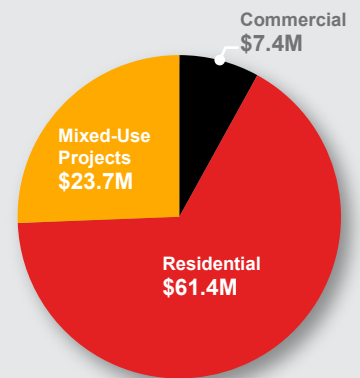


RENTAL AVERAGE DAYS ON MARKET Q4 2020



FUTURE DEVELOPMENTS

The Palm Beach* area is set to see approximately **\$92.5M** worth of new projects commencing in the 1st half of 2021.



A large focus in residential projects is ideal for Palm Beach*, as it will cater to the high local demand, and growing interstate and foreign investment into the area. This creates a more balanced market and sustainable price growth.

A major mixed-use projects in the 1st half of 2021 is the Gold Coast Highway Apartments (\$23.7M). This will add 78 apartments and a café, in a 12 storey building. Mawarra Street Palm Beach Apartments (\$24.0M) is a key residential project, adding 80 apartments. These two projects will add to the supply of units, catering for high demand. A total of \$61.4M of residential projects is planned, adding 248 units/apartments and 3 townhouses to the Palm Beach* market. Other notable projects include: Gold Coast Highway Apartments – Aurora (\$8.7M, 29 apartments), Esplanade Units (\$15.0M, 39 units) and Palm Beach Avenue Unit (\$2.0M, 3 units).



248 Units/
Apartments

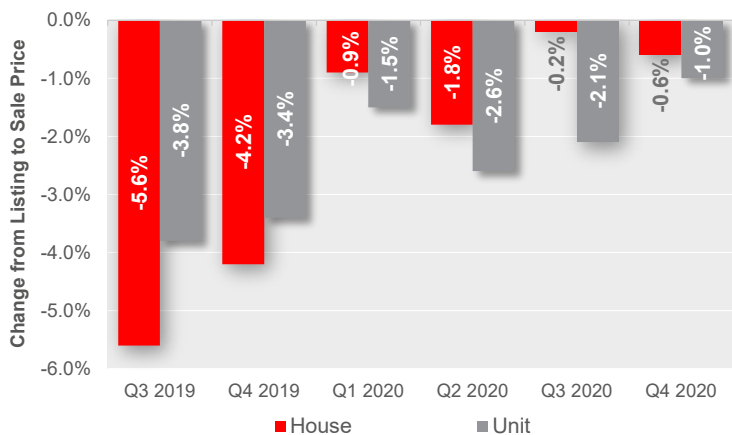


3
Townhouses

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.

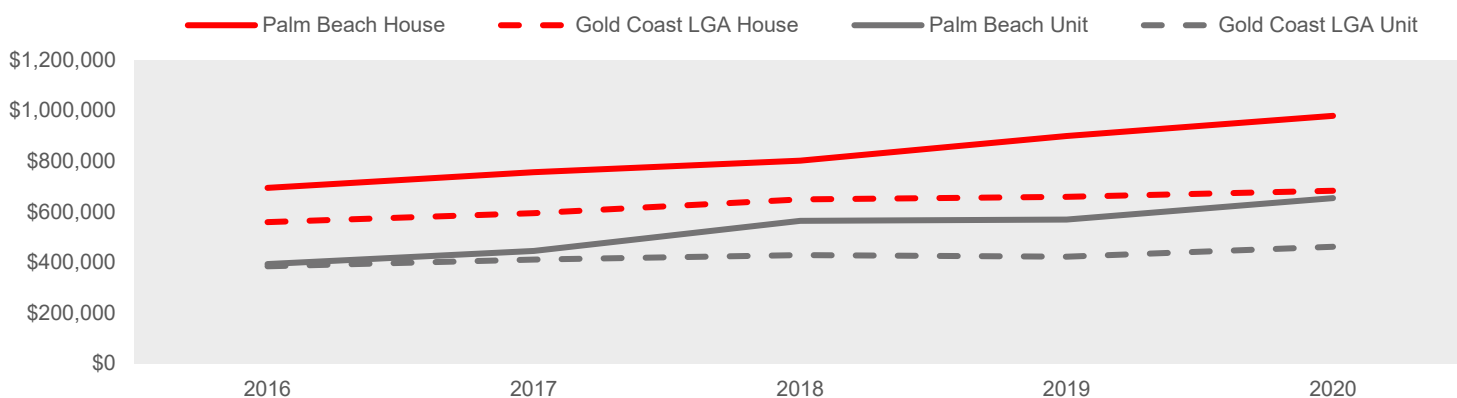
Average vendor discounts between Q4 2019 and Q4 2020 have tightened for both property types, to -0.6% for houses and -1.0% for units. Market conditions in Palm Beach* are shifting to favour sellers, however buyers still have some room to negotiate. Now is an opportune time to transact in Palm Beach*.



The suburb of Palm Beach represents a premium market, outperforming Gold Coast Main Government Area (LGA) in regards to property median prices. In 2020, median prices for both property types surged, particularly for units, creating opportunities for owners.

The dominant proportion of homes sold in Palm Beach* across 2020^ were in the premium price bracket of \$1,050,000 and above (43.9%). Units also recorded a dominant premium price point of above \$700,000 (45.8%). There is preference towards premium stock, those looking for affordable options need to act fast.

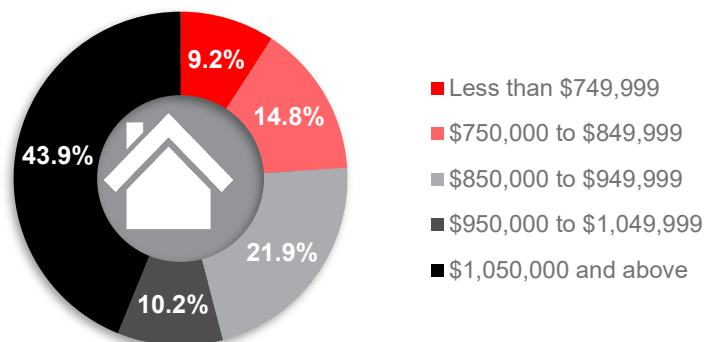
MARKET COMPARISON



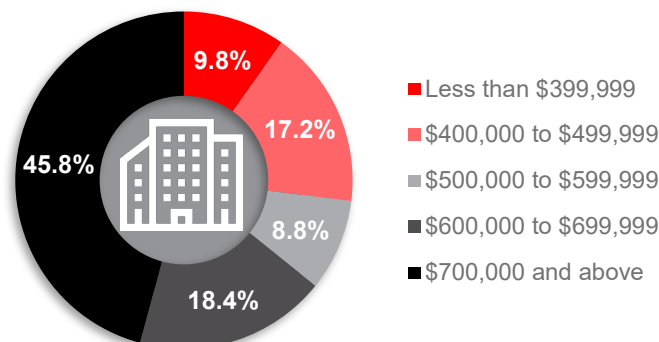
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Palm Beach.

PRICE BREAKDOWN 2020^

HOUSES SOLD



UNITS SOLD

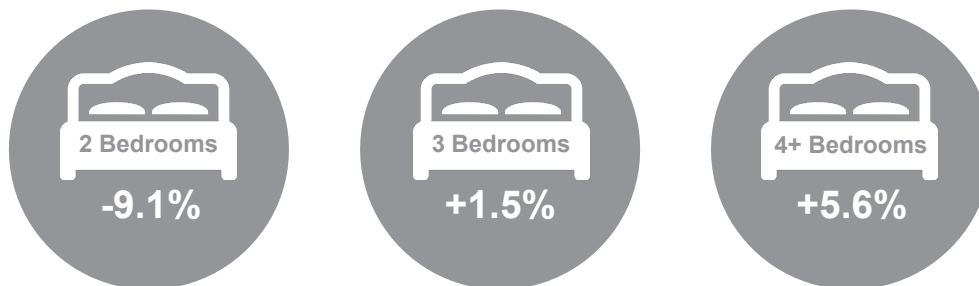


RENTAL GROWTH 2020€

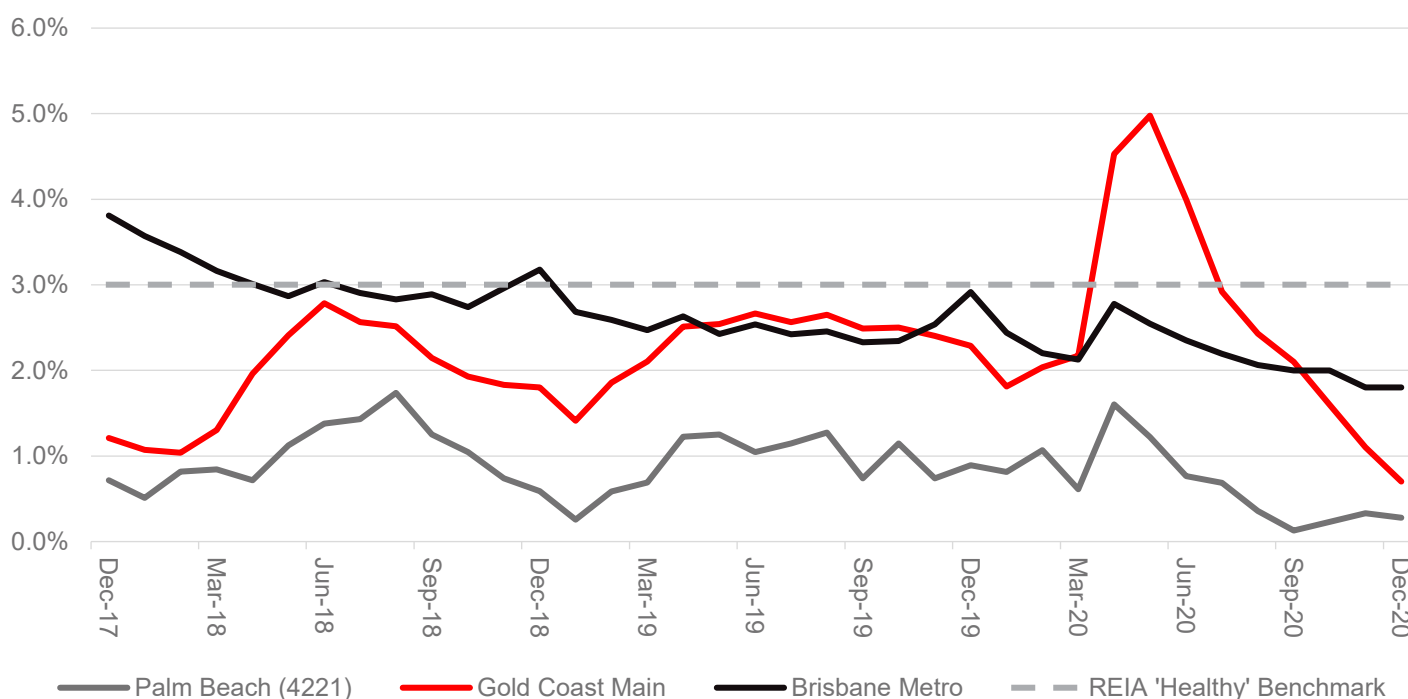
In December 2020, house rental yields in Palm Beach* were recorded at 3.0%. In the 12 months to Q4 2020 the median house rental price grew by 7.7%, to \$700 per week. Furthermore, this is in conjunction with average days on the market declining by -26.3% (to 14 days). This establishes Palm Beach* as a resilient and highly demanded rental market.

4+ bedroom houses have provided investors with +5.6% rental growth annually, with a median rent of \$898 per week.

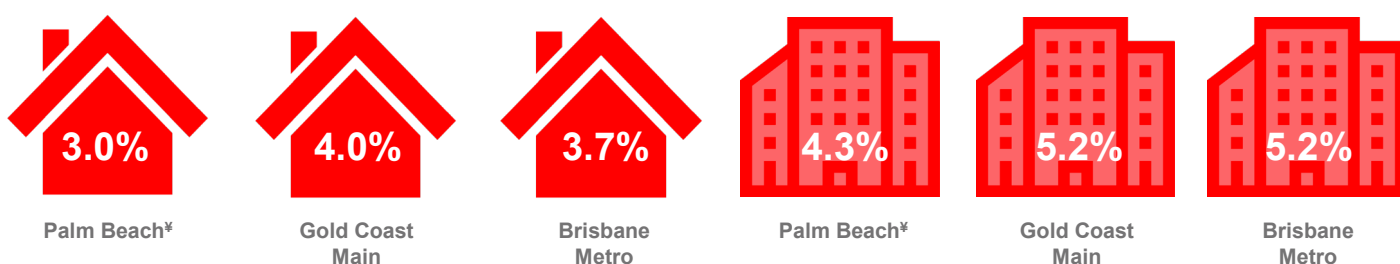
In December 2020, Palm Beach* recorded a significantly low vacancy rate of 0.3%, below that of Gold Coast Main (0.7%) and Brisbane Metro (1.8%). Vacancy rates in Palm Beach* are at all time record lows, and well below the Real Estate Institute of Australia's healthy benchmark of 3.0%. This confirms that there is high resilience in the rental market despite COVID-19, thus investors can be confident of a conducive investment environment in Palm Beach*.



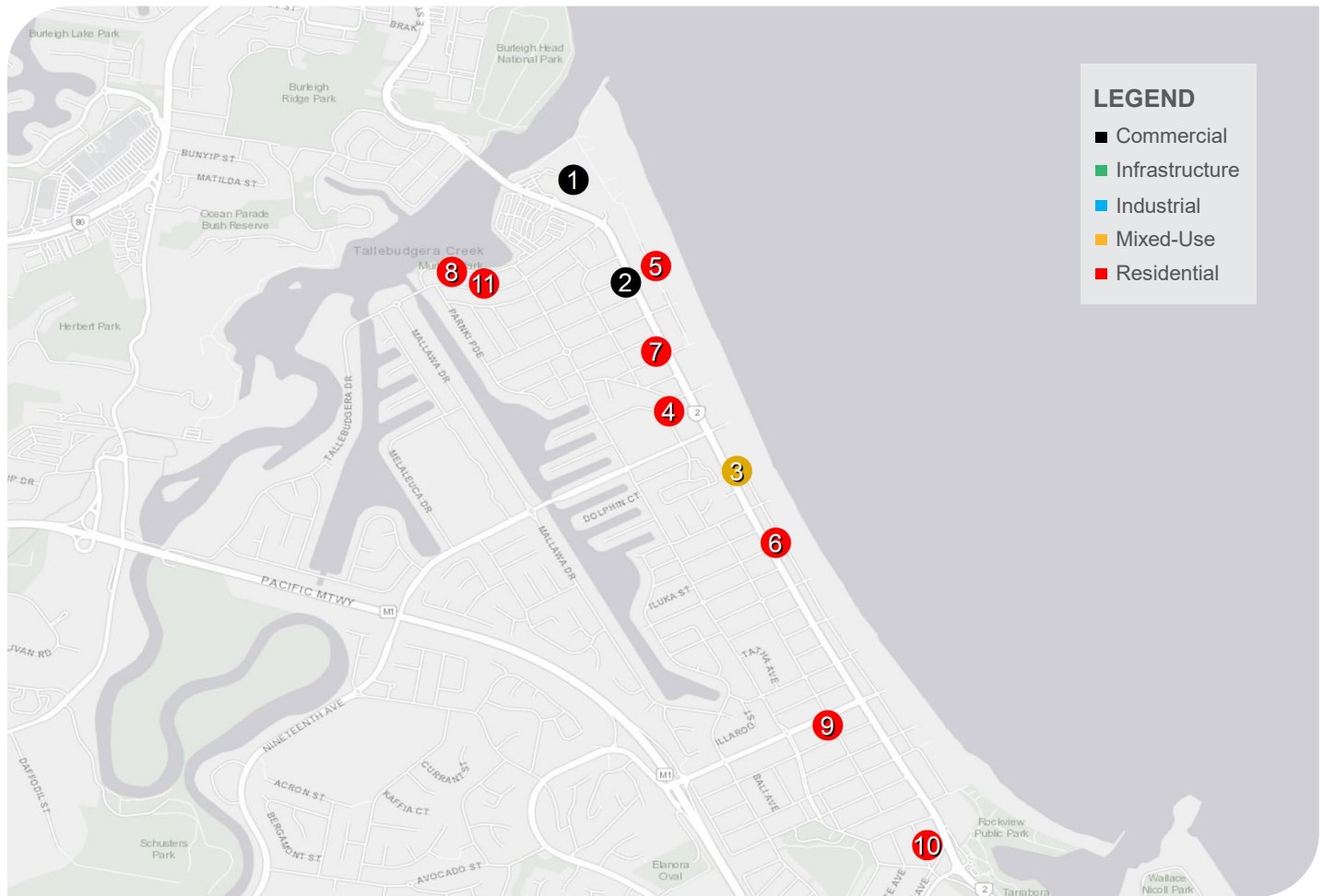
RENTAL VACANCY RATES 2020



RENTAL YIELD 2020\$



TOP DEVELOPMENTS MAP 1ST HALF 2021[Ⓐ]



Location	Project [Ⓔ]	Type	Estimated Value [Ⓜ]	Commence Date [Ⓟ]
1	Gold Coast Adventure Precinct	Commercial	\$6,521,000	18/01/2021
2	Gold Coast Highway Medical Centre	Commercial	\$900,000	04/03/2021
3	Gold Coast Highway Apartments- (78 Apartments)	Mixed Use	\$23,700,000	14/06/2021
4	Mawarra Street Palm Beach Apartments - Oransay Court- (80 Apartments)	Residential	\$24,000,000	15/04/2021
5	The Esplanade Units - Perspective 488 Palm Beach- (39 Units)	Residential	\$15,000,000	08/03/2021
6	Gold Coast Highway Apartments – Aurora- (29 Apartments)	Residential	\$8,700,000	12/05/2021
7	Gold Coast Highway Apartments- (7 Apartments)	Residential	\$5,500,000	15/06/2021
8	Murlong Crescent Luxury Units- (4 Units)	Residential	\$3,500,000	20/01/2021
9	Palm Beach Avenue Units- (3 Units)	Residential	\$2,000,000	20/01/2021
10	Molucca Avenue Units- (8 Units)	Residential	\$1,800,000	10/04/2021
11	Tallebudgera Drive Townhouses- (3 Townhouses)	Residential	\$900,000	08/04/2021

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 2020 (01/01/2020 – 31/12/2020).

^ 2020 encapsulates sales transactions for 2020 (01/01/2020 – 31/12/2020).

€ Annual rental growth is a comparison between 2019 (01/01/2019 – 31/12/2019) and 2020 (01/01/2020 – 31/12/2020) house median rent figures.

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

§ Rental yields shown are as reported as of December 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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