



Palm Beach Market Update 2nd Half 2021



OVERVIEW

In Q2 2021, Palm Beach* recorded a median house price of \$1,358,000, and a median unit price of \$881,000. This represents annual (Q2 2020 – Q2 2021) median price growth of 53.0% for houses and 41.0% for units. Between Q2 2020 – Q2 2021 total sales in both markets have increased, by 7.3% for houses (to 44 sales) and by 6.4% for units (to 100 sales). This is a clear indication of increased consumer confidence, with real returns on investment as price growth is accompanied by higher transaction volumes. This should encourage vendors to sell, as demand is exceeding supply levels.

	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 2021



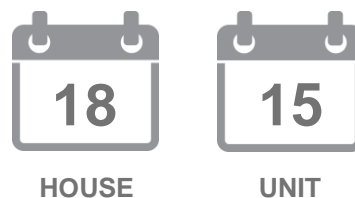
SALES AVERAGE DAYS ON MARKET Q2 2021



RENTAL MEDIAN PRICE Q2 2021

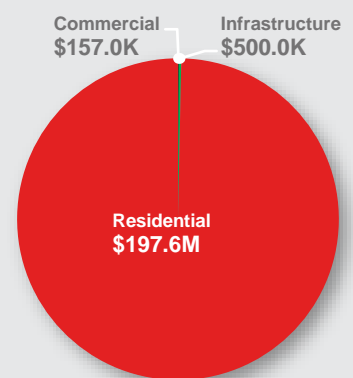


RENTAL AVERAGE DAYS ON MARKET Q2 2021



FUTURE DEVELOPMENTS

Palm Beach* is set to see approximately **\$198.3M** worth of new projects commencing in the 2nd half of 2021.



These projects will stimulate economic growth and create large employment opportunities in Palm Beach*, which will continue to have a positive spill-over impact on the real estate market. New housing stock is necessary to answer current demand in the area.

A major residential project in the 2nd half of 2021 is the Alegria Palm Beach (\$46.0m, 76 apartments). This project is set to construct luxury apartments with communal open space of 589sq m on level 1 (podium) & at ground level which includes high quality landscaping areas, foyer, lounge & a gym at ground level.

\$197.6M of residential projects is planned, adding 5 townhouses and 455 units/apartments. Key notable projects include: Gold Coast Highway Units (\$40.0M, 112 units) and Mawarra Street Palm Beach Apartments - Oransay Court (\$24.0M, 80 apartments). New and innovative housing is needed, to ensure demand is answered.



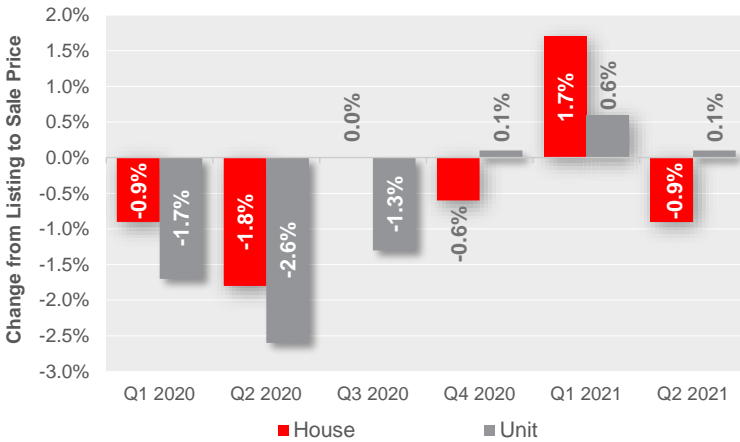
455 Units/
Apartments



5
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.

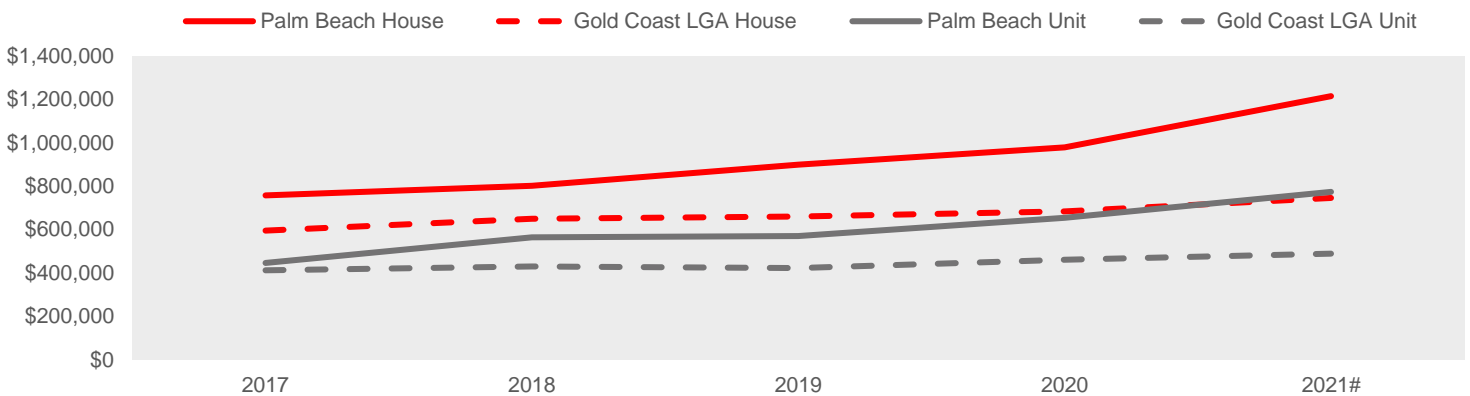


Average vendor discounts between Q2 2020 and Q2 2021 have tightened for both property types, at -0.9% for houses, and have swung to a premium of 0.1% for units. The Palm Beach* market is now shifting to favour vendors, where buyers have to either offer closer to the initial listing price (houses) or above (units).

The suburb of Palm Beach has historically outperformed Gold Coast Main Local Government Area (LGA) in both house and unit median prices. This trend has continued in 2021# with house and units recording extraordinary median prices.

The dominant proportion of homes sold in Palm Beach* across 2021^ were priced above \$1,050,000 (76.8%). Units also recorded a dominant price point of above \$700,000 (58.4%). Palm Beach* continues to show a growing premium market, with long term capital growth expectancy. There are more affordable options in the unit market, in good news for first home buyers.

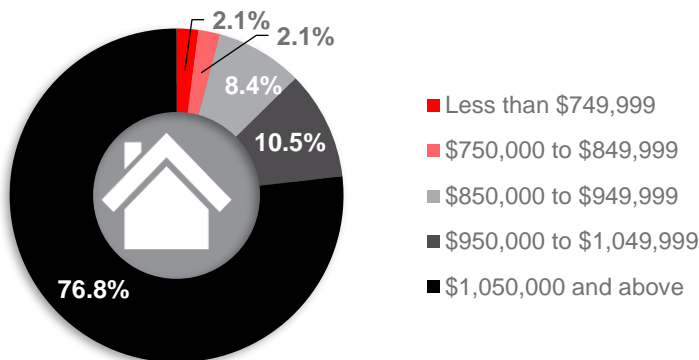
MARKET COMPARISON



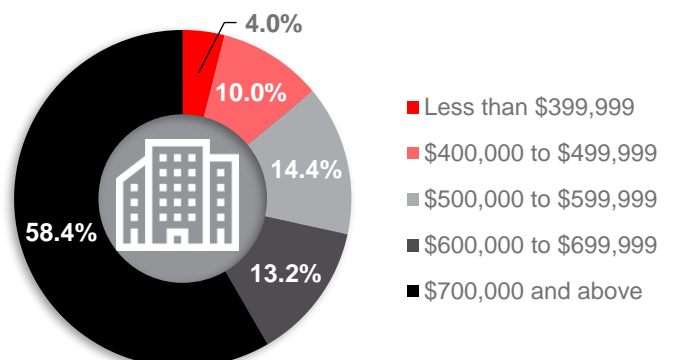
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Palm Beach.

PRICE BREAKDOWN 2021^

HOUSES SOLD



UNITS SOLD

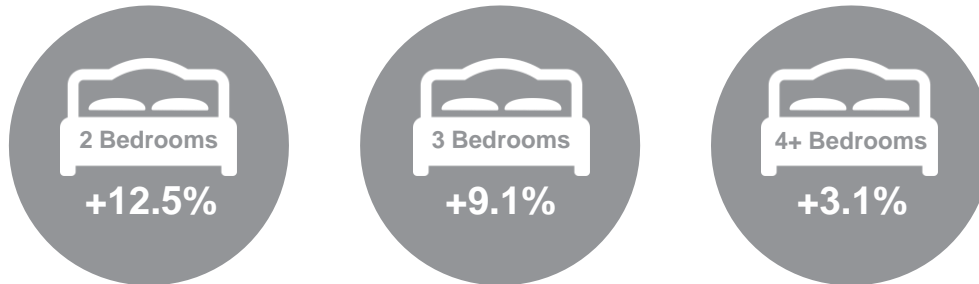


RENTAL GROWTH 2021€

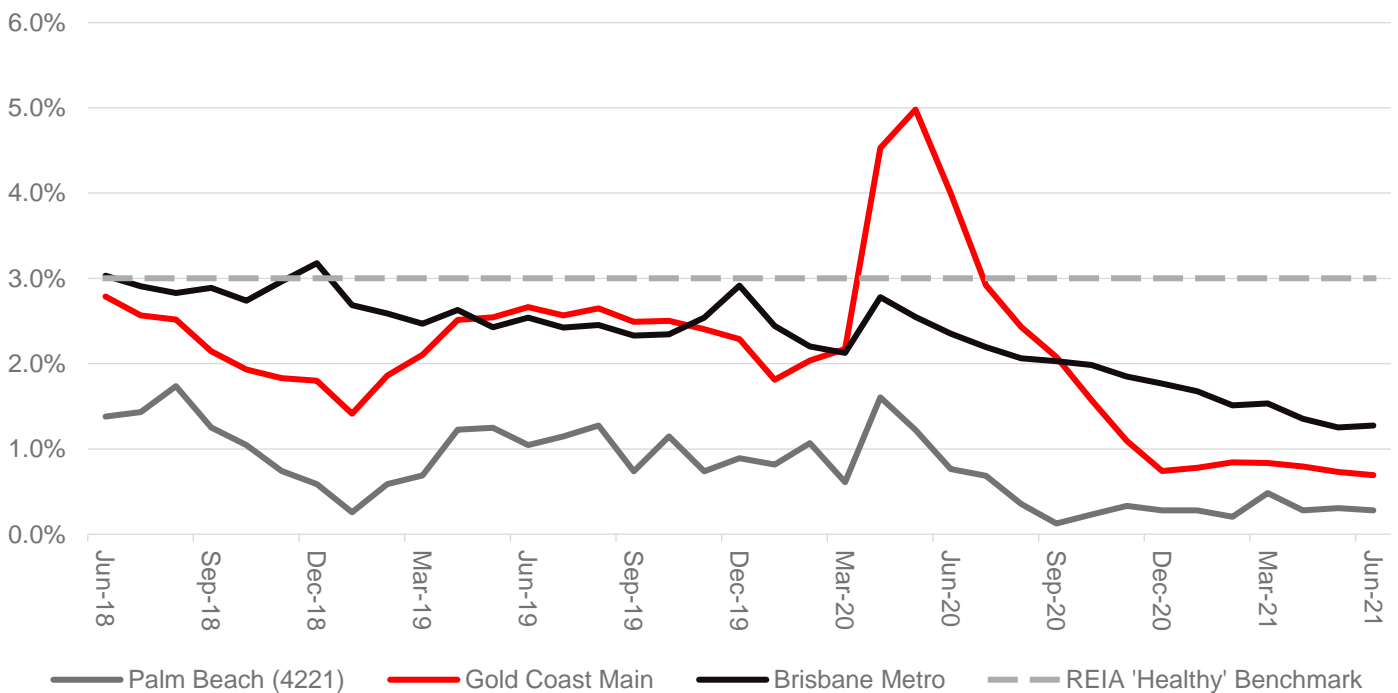
In June 2021, house rental yields in Palm Beach* were recorded at 2.8%. In the 12 months to Q2 2021, the median house rental price increased by 21.9% to reach \$780 per week, while average days on the market slightly increased by 5.9% (to 18 days). The increase in average days on market is offset by higher median rental price, indicating a resilient rental market.

2 bedroom houses have provided investors with +12.5% rental growth annually€, with a median rent of \$585 per week.

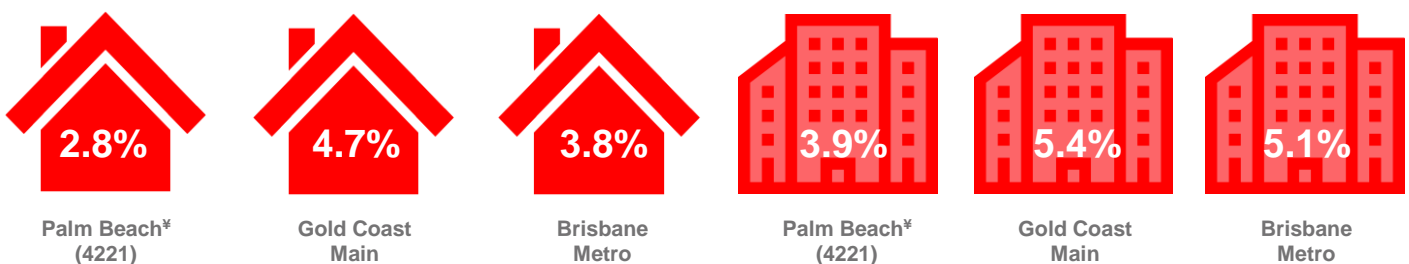
Also in June 2021, Palm Beach* recorded a vacancy rate of 0.3%, below that of Gold Coast Main (0.7%) and well below Brisbane Metro (1.3%). Vacancy rates in Palm Beach* have continue to tighten and recorded historical lows in the past 6 months, remaining well below the Real Estate Institute of Australia's healthy benchmark of 3.0% as the economy recovers. There is healthy rental demand and investors can be confident of a conducive investment environment in Palm Beach*.



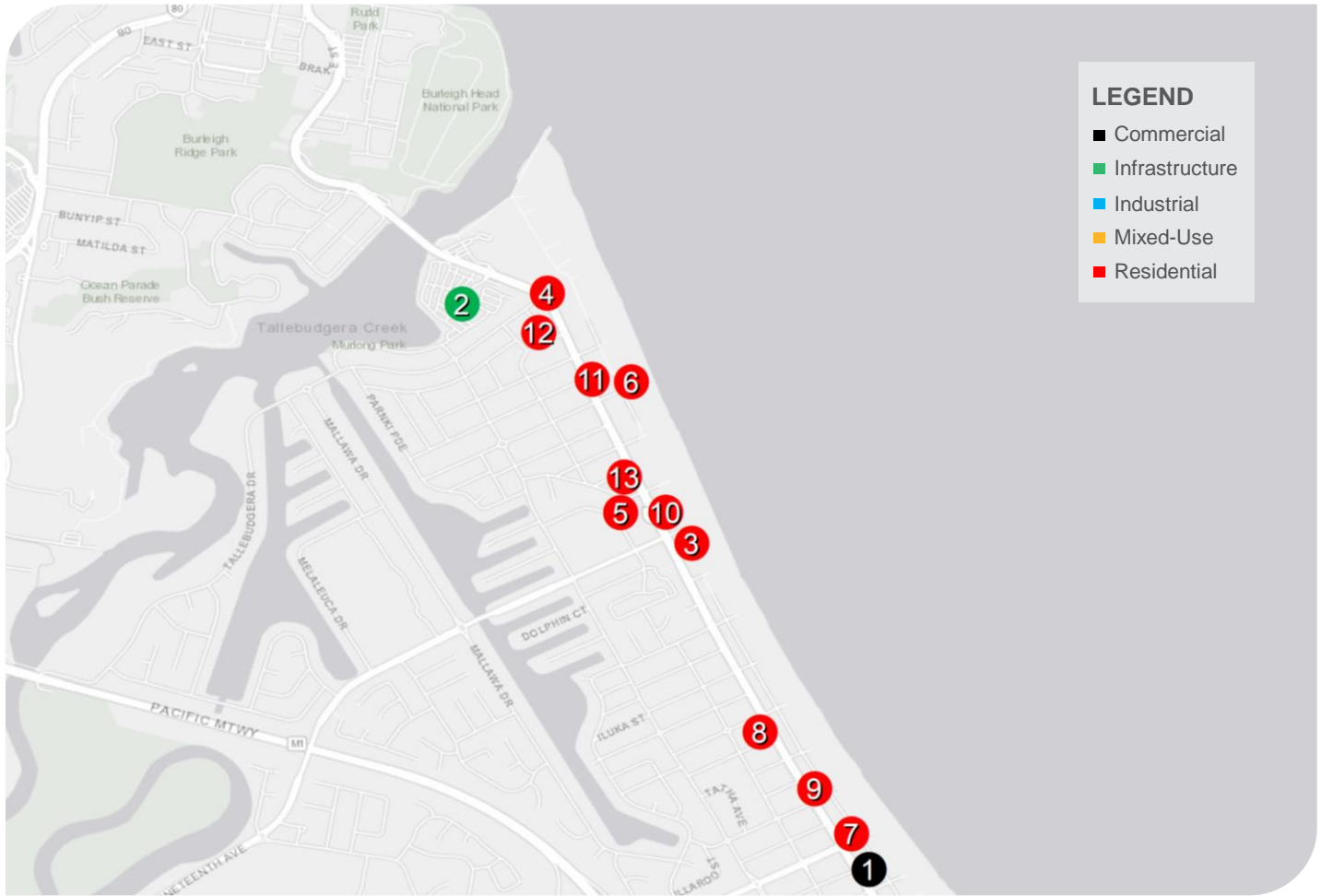
RENTAL VACANCY RATES 2021



RENTAL YIELD 2021§



TOP DEVELOPMENTS MAP 2ND HALF 2021[▲]



Location	Project [£]	Type	Estimated Value ^µ	Commence Date ^ψ
1	Burleigh Electorate Office	Commercial	\$157,000	17/08/2021
2	Tallebudgera Creek Tourist Park	Infrastructure	\$500,000	09/10/2021
3	Alegria Palm Beach- (76 Apartments)	Residential	\$46,000,000	25/10/2021
4	Gold Coast Highway Units- (112 Units)	Residential	\$40,000,000	23/10/2021
5	Mawarra Street Palm Beach Apartments - Oransay Court- (80 Apartments)	Residential	\$24,000,000	26/07/2021
6	Ommia Apartments- (12 Apartments)	Residential	\$20,000,000	27/07/2021
7	Jefferson Lane Units- (38 Units)	Residential	\$18,000,000	16/11/2021
8	Gold Coast Highway Apartments- (58 Apartments)	Residential	\$17,400,000	22/12/2021
9	Gold Coast Highway Apartments- (8 Apartments)	Residential	\$12,000,000	07/12/2021
10	Cabana Palm Beach- (34 Units)	Residential	\$10,200,000	18/10/2021
11	The Esplanade Units- (15 Units)	Residential	\$4,500,000	06/12/2021
12	Nyrang Avenue Units- (12 Units)	Residential	\$4,000,000	03/08/2021
13	Gold Coast Highway Townhouses- (5 Townhouses)	Residential	\$1,500,000	13/12/2021

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.

2021 encapsulates sales transactions for 1H 2021 (01/01/2021 – 30/06/2021).

^ 2021 encapsulates sales transactions for 1H 2021 (01/01/2021 – 30/06/2021).

€ Annual rental growth is a comparison between 1H 2020 (01/01/2020 – 30/06/2020) and 1H 2021 (01/01/2021 – 30/06/2021) 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 June 2021.

⌘ 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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