


Tallebudgera and Surrounds Market Update 2nd Half 2021



OVERVIEW

In Q2 2021, Tallebudgera* recorded a median house price of \$1,550,000. This represents annual (Q2 2020 – Q2 2021) median price growth of 64.9% for houses. Between Q2 2020 – Q2 2021 total sales remained stable for houses (at 27 sales). This is a clear indication of increased consumer confidence, with real returns on investment as there is price growth even with similar number of sales. Thus demand is exceeding well above supply levels. Furthermore there is an absence of new stand-alone housing stock in the project pipeline, which creates an advantage for current home owners.

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

MARKET CONDITIONS



**SALES MEDIAN PRICE
Q2 2021**



HOUSE

**SALES AVERAGE DAYS ON
MARKET Q2 2021**



**RENTAL MEDIAN PRICE
Q2 2021**



HOUSE

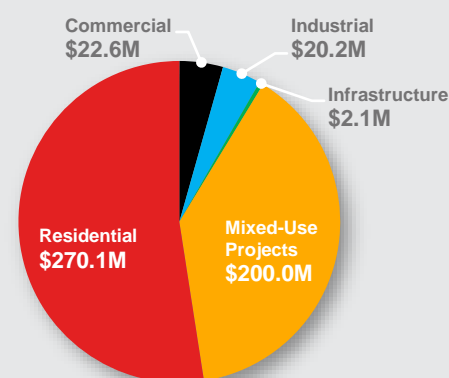
**RENTAL AVERAGE DAYS ON
MARKET Q2 2021**

MEDIAN HOUSE PRICE COMPARISON

| Suburb | 2019 | 2020 | 2021# | 2019 – 2021 % Growth |
|---------------------|-------------|-------------|-------------|-------------------------|
| Tallebudgera | \$910,000 | \$965,000 | \$1,270,000 | 39.6% |
| Tallebudgera Valley | \$1,100,000 | \$1,100,000 | \$1,521,000 | 38.3% |
| Currumbin Valley | \$870,000 | \$1,200,000 | \$1,313,000 | 50.9% |

FUTURE DEVELOPMENTS

Tallebudgera and surrounds* is set to see approximately **\$515.0M worth of new projects commencing in the 2nd half of 2021.**



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

A major mixed-use project in the 2nd half of 2021 is the Mondrian Gold Coast (\$200.0M). This project is set to construct 84 apartments, hotel suites and bars. A total of \$270.1M of residential projects is planned, adding 14 townhouses and 580 units/apartments. A key residential project in the 2nd half of 2021 is the Alegria Palm Beach (\$46.0M, 76 apartments).

Other key projects include: Gold Coast Highway Units (\$40.0M, 112 units) and Mawarra Street Palm Beach Apartments - Oransay court (\$24.0M, 80 apartments). The unit market is set to receive a healthy amount of stock, but there is an absence in new houses and vacant lots for first home buyers to access government grants and build.



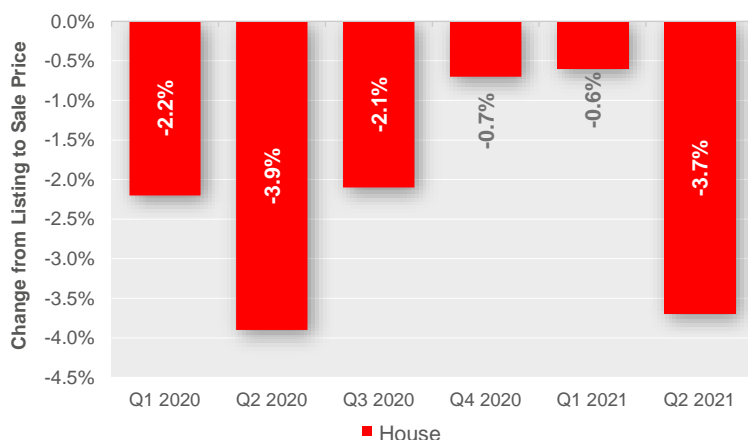
**580 Units/
Apartments**



**14
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.

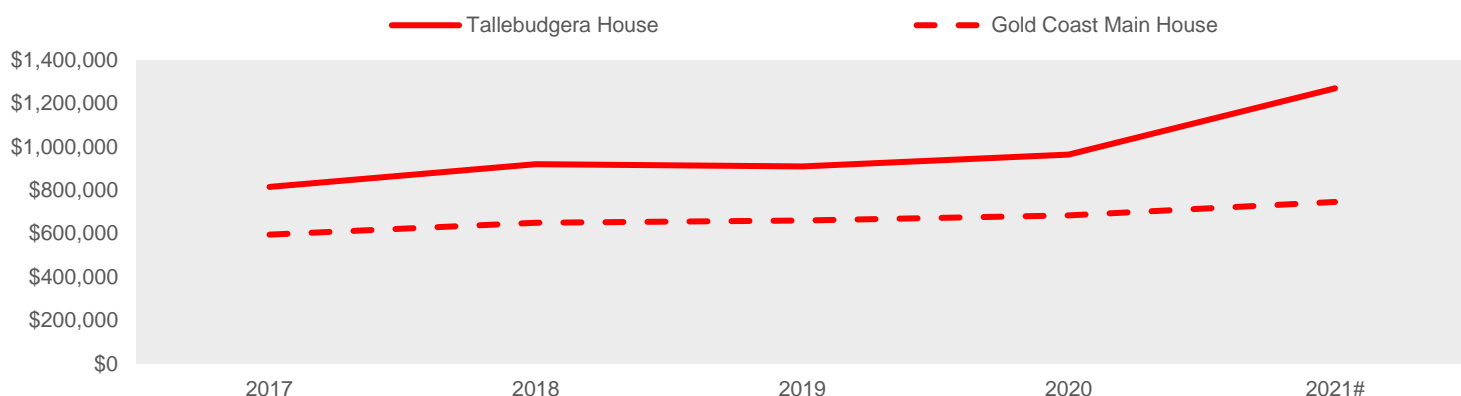


Average vendor discounts between Q2 2020 and Q2 2021 have slightly tightened to -3.7% for houses. There is a slight shift in the market to favour vendors, as buyers need to offer closer to the first list price, however buyers still have enough room to negotiate. Now is the time to transact in the market.

The suburb of Tallebudgera has outperformed the Gold Coast Main Local Government Area (LGA) in house median prices the past five years. This trend has continued in 2021[#], with houses recording immense price growth and extraordinary sale prices.

In 2020^{^^}, the dominant proportion of houses sold in Tallebudgera* were in the premium price bracket of \$1.1m and above, at 48.7%. Buyer confidence have soared in 2021[^], with the premium price bracket of \$1.1M and above now making up 88.9% of sales. Affordable options are extremely limited, pricing out many first home buyers.

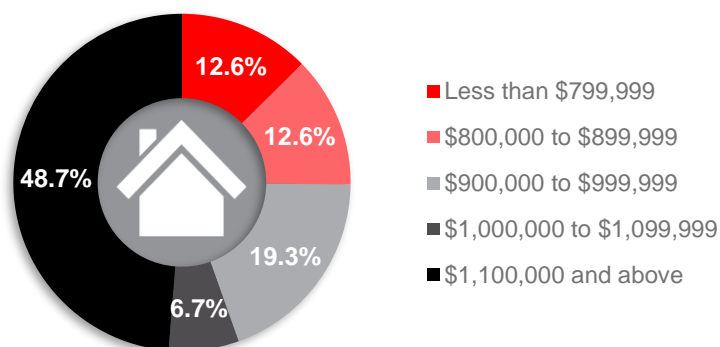
MARKET COMPARISON



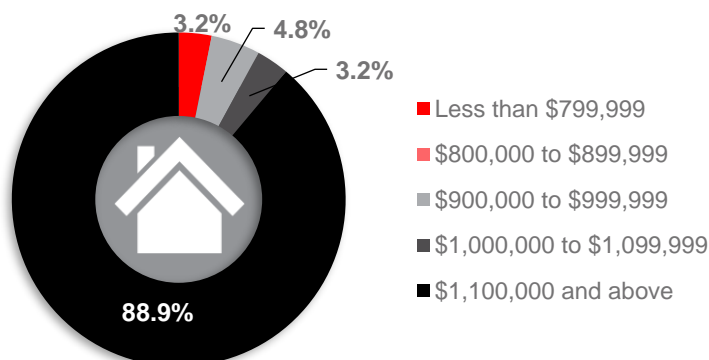
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Tallebudgera.

PRICE BREAKDOWN 2020^{^^} and 2021[^]

HOUSES SOLD 2020



HOUSES SOLD 2021

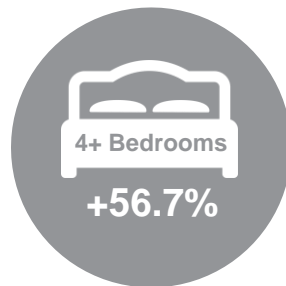
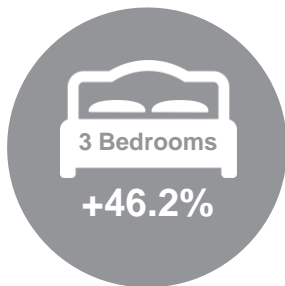


RENTAL GROWTH 2021€

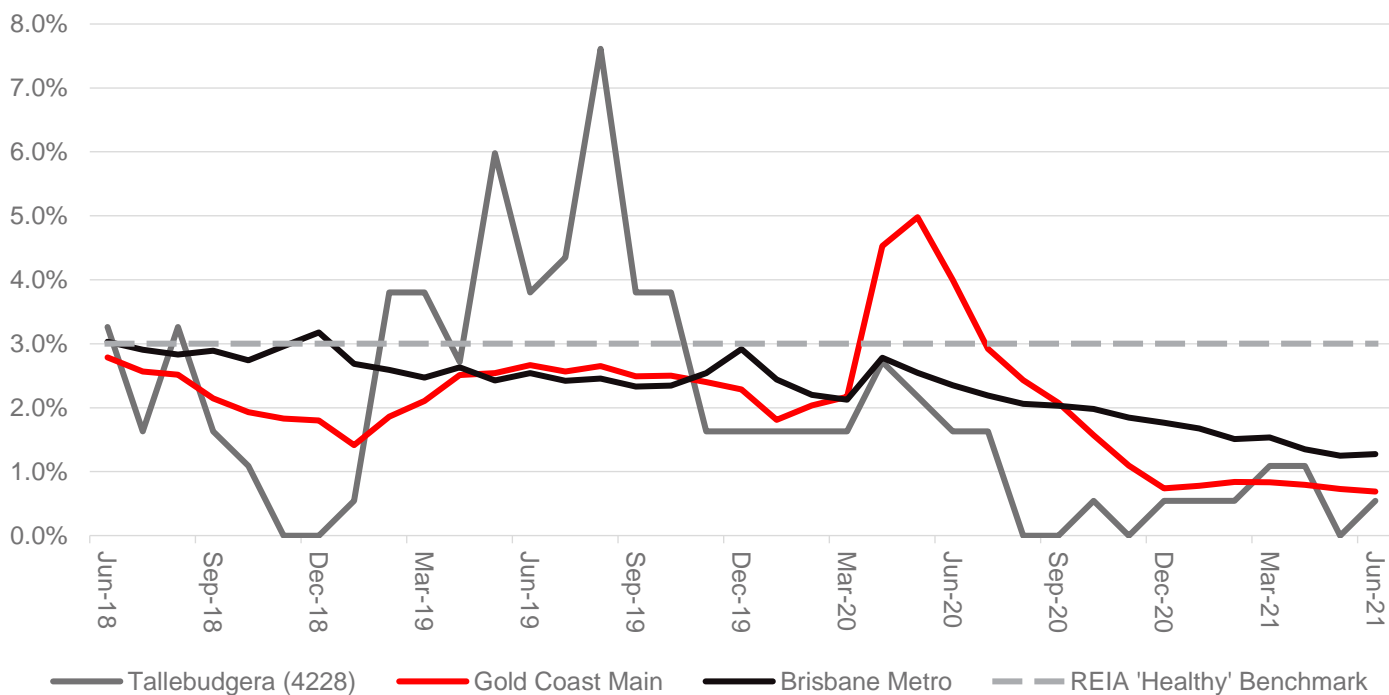
In June 2021, house rental yields in Tallebudgera[‡] were recorded at 5.0%. In the 12 months to Q2 2021, the median house rental price increased by 72.3% to reach \$1,025 per week, along with average days on the market recorded at 20 days. These figures indicate an extremely high surge in investment returns, inviting astute investors to enter the market.

4+ bedroom houses have provided investors with +56.7% rental growth annually[€], with a median rent of \$1,175 per week.

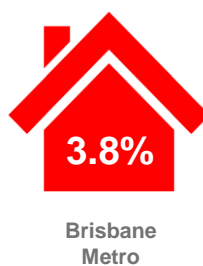
Also in June 2021, Tallebudgera[‡] recorded a vacancy rate of 0.5%, below that of Gold Coast Main (0.7%) and well below Brisbane Metro (1.3%). Vacancy rates in Tallebudgera[‡] have continued to tighten and remain well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, as the economy recovers from COVID-19. There is a sustainable healthy rental demand and investors can be confident of a conducive investment environment in Tallebudgera[‡].



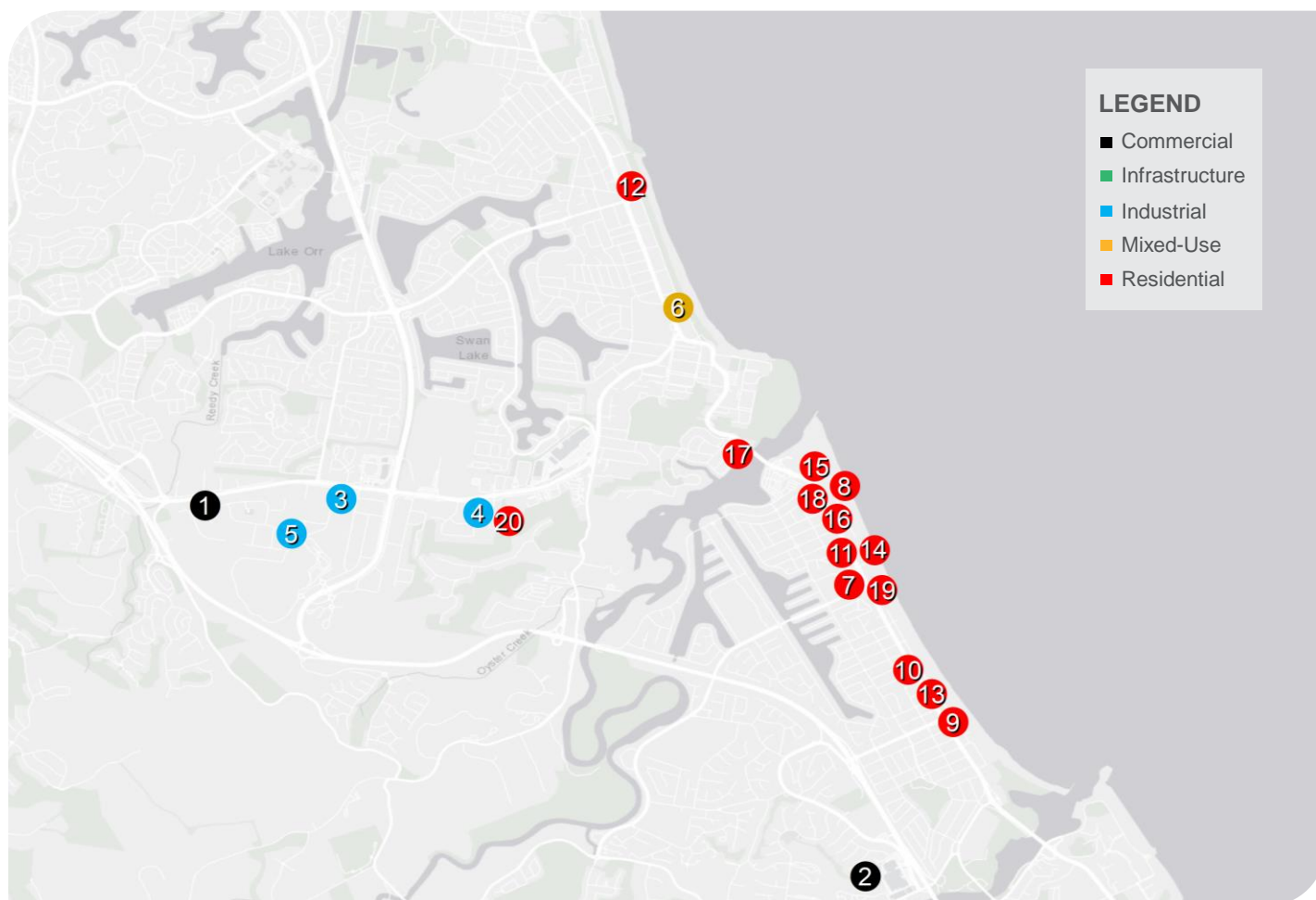
RENTAL VACANCY RATES 2021



RENTAL YIELD 2021§



TOP DEVELOPMENTS MAP 2ND HALF 2021[Ⓐ]



| Location | Project [Ⓔ] | Type | Estimated Value [Ⓜ] | Commence Date [Ⓜ] |
|----------|---|-------------|------------------------------|----------------------------|
| 1 | Ern Harley Drive Service Station | Commercial | \$7,000,000 | 18/11/2021 |
| 2 | Pine Lake Retirement Village | Commercial | \$15,000,000 | 18/07/2021 |
| 3 | Rudman Parade Warehouses | Industrial | \$15,000,000 | 01/11/2021 |
| 4 | Leda Drive Industrial Development | Industrial | \$4,000,000 | 18/11/2021 |
| 5 | Hotrock Granite | Industrial | \$1,200,000 | 30/11/2021 |
| 6 | Mondrian Gold Coast- (84 Apartments) | Mixed-use | \$200,000,000 | 20/09/2021 |
| 7 | Mawarra Street Palm Beach Apartments - Oransay Court- (80 Apartments) | Residential | \$24,000,000 | 26/07/2021 |
| 8 | Ommia Apartments- (12 Apartments) | Residential | \$20,000,000 | 27/07/2021 |
| 9 | Jefferson Lane Units- (38 Units) | Residential | \$18,000,000 | 16/11/2021 |
| 10 | Gold Coast Highway Apartments- (58 Apartments) | Residential | \$17,400,000 | 22/12/2021 |
| 11 | Gold Coast Highway Townhouses- (5 Townhouses) | Residential | \$1,500,000 | 13/12/2021 |
| 12 | Alba Apartments- (47 Apartments) | Residential | \$40,000,000 | 15/10/2021 |
| 13 | Gold Coast Highway Apartments- (8 Apartments) | Residential | \$12,000,000 | 07/12/2021 |
| 14 | Cabana Palm Beach- (34 Units) | Residential | \$10,200,000 | 18/10/2021 |
| 15 | Gold Coast Highway Units- (112 Units) | Residential | \$40,000,000 | 23/10/2021 |
| 16 | The Esplanade Units- (15 Units) | Residential | \$4,500,000 | 06/12/2021 |
| 17 | Awoonga Avenue Apartments- (4 Apartments) | Residential | \$4,500,000 | 08/09/2021 |
| 18 | Nyrang Avenue Units- (12 Units) | Residential | \$4,000,000 | 03/08/2021 |
| 19 | Alegria Palm Beach- (76 Apartments) | Residential | \$46,000,000 | 25/10/2021 |
| 20 | Ikkina Road Townhouses- (9 Townhouses) | Residential | \$28,000,000 | 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

* Tallebudgera market data and key indicators encapsulates aggregate property market conditions within the suburbs of Tallebudgera, Tallebudgera Valley and Currumbin Valley.

** 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).

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

€ 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.

¥ Tallebudgera market data encapsulates aggregate property conditions within the postcode of 4228.

§ 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 postcodes of 4220, 4221 and 4228.

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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