PRD. REAL ESTATE

Ashmore Market Update
1st Half 2022

OVERVIEW

In Q4 2021, Ashmore* recorded a median house price of $975,000, and a median unit price of $480,000. This represents annual (Q4 2020 – Q4 2021) median price growth of 42.8% for houses and 18.5% for units. Between Q4 2020 – Q4 2021 total sales in both markets slowed, by -19.2% for houses (to 80 sales) and by -32.9% for units (to 47 sales). The market is undersupplied, as median price growth is alongside lower number of sales. There is an imbalance in high demand and low supply levels, suggesting Ashmore* is in need of ready-to-sell new stock – particularly houses and townhouses.
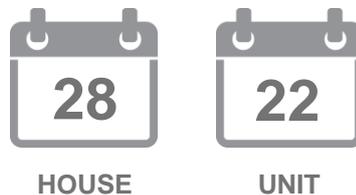
CHANGE FROM LAST	YEAR	HALF YEAR
House Sales	↓	↓
House Median Price	↑	↑
House Rental Price	↑	↑
Unit Sales	↓	↓
Unit Median Price	↑	↑
Unit Rental Price	↑	↑

MARKET CONDITIONS

SALES MEDIAN PRICE Q4 2021

$975K $480K

SALES AVERAGE DAYS ON MARKET Q4 2021

28 HOUSE   22 UNIT

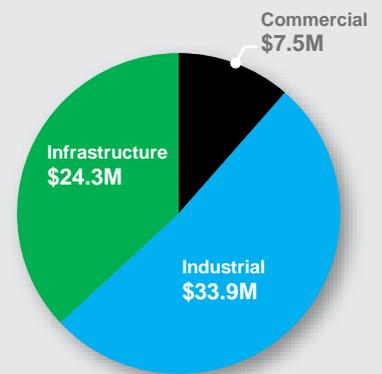**RENTAL MEDIAN PRICE Q4 2021**

$698 $500

RENTAL AVERAGE DAYS ON MARKET Q4 2021

18 HOUSE   20 UNIT
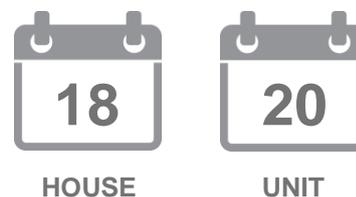
FUTURE DEVELOPMENTS

Ashmore* is set to see approximately **$65.7M worth of new projects commencing in the 1st half of 2022**.

Commercial $7.5M

Infrastructure $24.3M

Industrial $33.9M

A strong focus on industrial and infrastructure projects will improve liveability factors for current residents and create employment opportunities during the construction phase. This can potentially impact the real estate market in terms of an increase in demand for housing. An absence of residential projects raises a concern, which may result in first home buyers being priced out.

A main infrastructure project over the 1st half of 2022 is the Gold Coast Disaster & Emergency Management Centre ($24.0M). The project is set to design & construct a disaster & emergency management centre, after the demolition and removal of an existing warehouse.

A key commercial project is Nerang Road Neighbourhood Centre ($6.0M). Key industrial projects include: Nerang Road & Industrial Avenue Industrial Units ($13.0M) and Nerang Road Self Storage Facility ($10.0M).

There is still an absence in residential projects, in particular for ready-to-sell houses. Now is an ideal time for developers to enter the Robina* market and create unique new housing solutions.

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

Average vendor discounts between Q4 2020 and Q4 2021 have swung to a premium for both property types, to 1.4% for houses and 4.9% for units. Ashmore* have now shifted to favour sellers, where buyers are offering above the first list price.
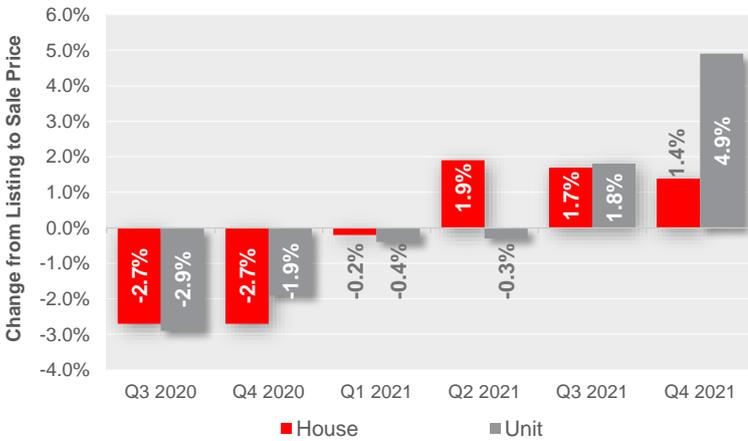
When compared to the Gold Coast LGA, the suburb of Ashmore has historically stayed on par for house prices, whereas the unit market has been more affordable. This is a great opportunity for first home buyers to take opportunity of the affordable unit market in Ashmore.

The dominant proportion of homes sold in Ashmore* across 2021^ were in the premium price bracket of $850,000 and above (29.9%). Units recorded a dominant lower-middle price point between $300,000 to $399,999 (28.9%). A premium market is growing in the area, particularly for houses. Affordable options are still available, in good news for first home buyers.
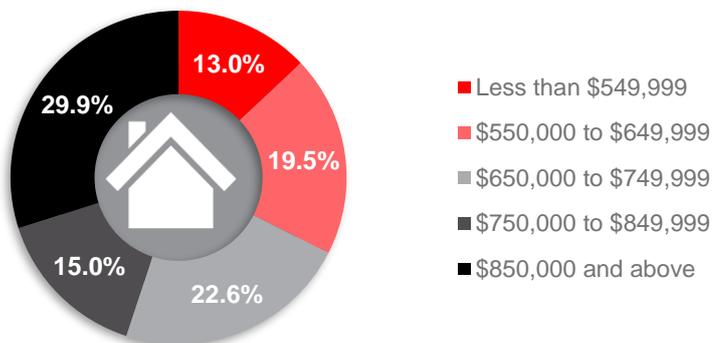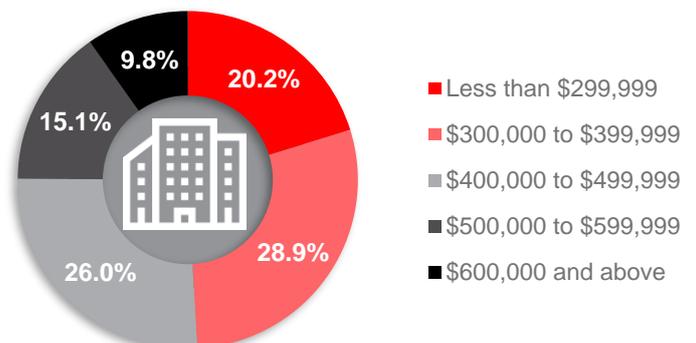
MARKET COMPARISON
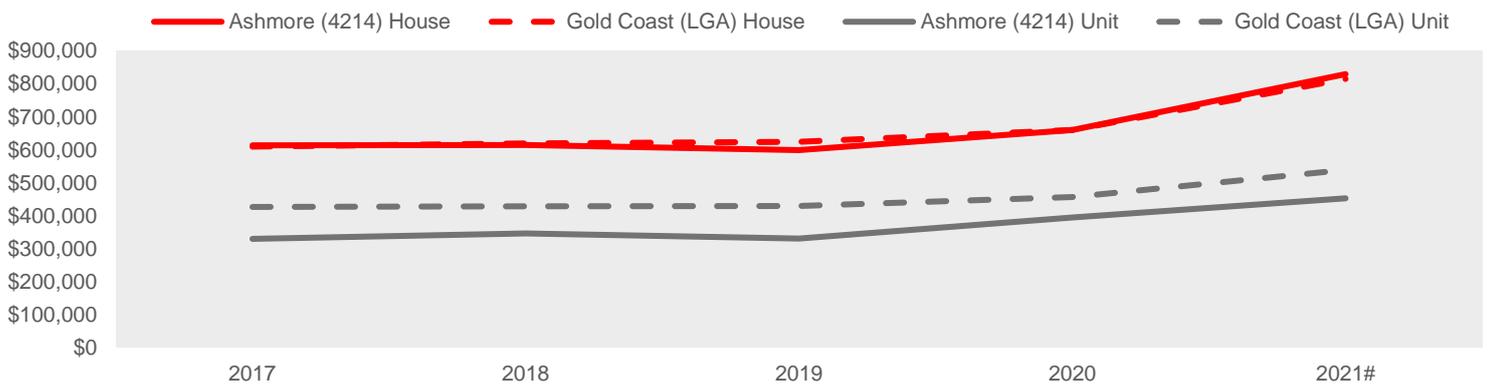
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Ashmore.

PRICE BREAKDOWN 2021^

HOUSES SOLD

- Less than $549,999
- $550,000 to $649,999
- $650,000 to $749,999
- $750,000 to $849,999
- $850,000 and above

UNITS SOLD

- Less than $299,999
- $300,000 to $399,999
- $400,000 to $499,999
- $500,000 to $599,999
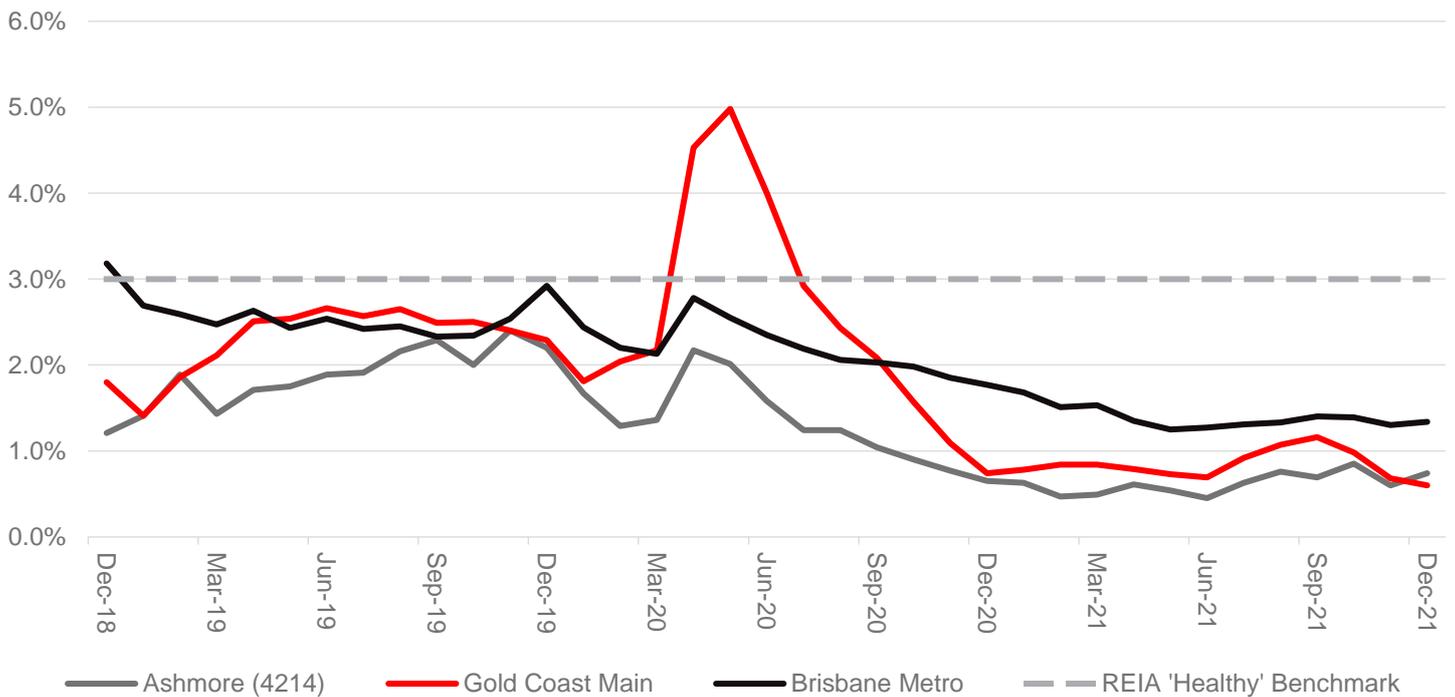- $600,000 and above

PRD. RESEARCH

RENTAL GROWTH 2021€

In December 2021, house rental yields in Ashmore¥ were recorded at 4.1%. House rental yield has declined in the past 12 months due to median house sale price growth, of 42.8%, outstripping median house rental price growth, of 16.3%. That said Q4 2021 median house rental price $698 per week and average days on the market declined by -5.3% (to 18 days). This indicates a strong and resilient rental market.

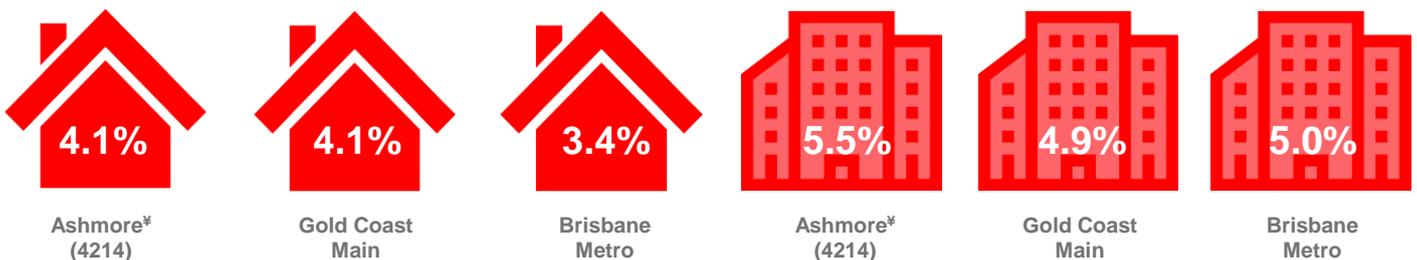3 bedroom houses have provided investors with +20.0% rental growth annually€, with a median rent of $600 per week.

Also in December 2021, Ashmore¥ recorded a vacancy rate of 0.7%, generally on par with Gold Coast LGA (0.6%) but below Brisbane Metro (1.3%). Vacancy rates in Ashmore¥ have trended below 1.0% in the past 12 months and remain well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, even amidst COVID-19 conditions. This confirms there is still a healthy rental demand and investors can be confident of a conducive investment environment in Ashmore¥.
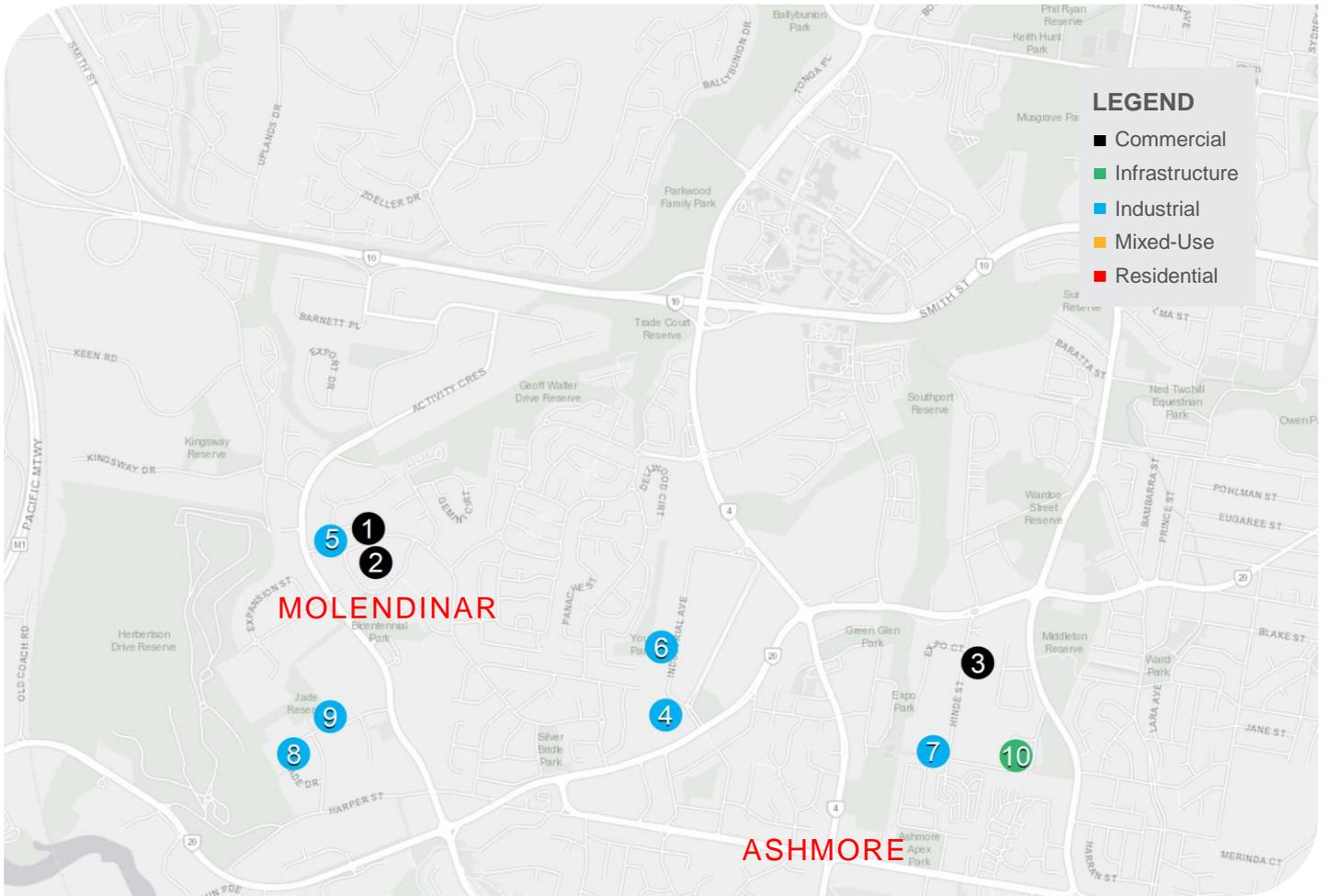
2 Bedrooms	3 Bedrooms	4+ Bedrooms
+8.6%	+20.0%	+11.1%

RENTAL VACANCY RATES 2021

Ashmore (4214) — Gold Coast Main — Brisbane Metro — REIA 'Healthy' Benchmark

RENTAL YIELD 2021§

4.1%	4.1%	3.4%	5.5%	4.9%	5.0%
Ashmore¥ (4214)	Gold Coast Main	Brisbane Metro	Ashmore¥ (4214)	Gold Coast Main	Brisbane Metro

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TOP DEVELOPMENTS MAP 1st HALF 2022ᴬ

LEGEND
- ■ Commercial
- ■ Infrastructure
- ■ Industrial
- ■ Mixed-Use
- ■ Residential

MOLENDINAR

ASHMORE

Location	Project£	Type	Estimated Valueᵘ	Commence Dateᵠ
1	Nerang Road Neighbourhood Centre	Commercial	$6,000,000	17/01/2022
2	Beacon Lighting	Commercial	$1,200,000	30/07/2022
3	Madocke Beer Brewery	Commercial	$300,000	12/06/2022
4	Nerang Road & Industrial Avenue Industrial Units	Industrial	$13,000,000	14/12/2022
5	Nerang Road Self Storage Facility	Industrial	$10,000,000	17/01/2022
6	Industrial Avenue Warehouse Units & Self Storage Units	Industrial	$5,500,000	14/03/2022
7	Fort Knox Storage Southport	Industrial	$3,000,000	19/12/2022
8	Jade Drive Warehouse	Industrial	$1,200,000	15/07/2022
9	Firmaco Facilities	Industrial	$1,200,000	03/10/2022
10	Gold Coast Disaster & Emergency Management Centre	Infrastructure	$24,000,000	17/01/2022

PRD. RESEARCH

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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.

Orla Jensen, Principal
M +61 418 769 562
E orla@prdashmore.com.au

PRD Ashmore
P +61 2 5597 1200
F +61 2 5539 3472

Shop 11/406 Southport Nerang Road
Ashmore QLD 4214

PRD.com.au/ashmore

REFERENCES

* Ashmore market data and key indicators encapsulates aggregate property market conditions within the suburbs of Ashmore and Molendinar.

** 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 2021 (01/01/2021 – 31/12/2021) only.

^ 2021 encapsulates sales transactions for 2021 (01/01/2021 – 31/12/2021) only.

€ Annual rental growth is a comparison between 2020 (01/01/2020 – 31/12/2020) and 2021 (01/01/2021 – 31/12/2021) house median rent figures.

¥ Ashmore market data encapsulates aggregate property conditions within the postcode of 4214.

§ Rental yields shown are as reported as of December 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 within the suburbs of Ashmore, Benowa, Southport, and Bundall.

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 Pricefinder, Cordell Connect database, SQM Research, Esri ArcGIS.

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