



Palm Beach Market Update 1st Half 2022



OVERVIEW

In Q4 2021, Palm Beach* recorded a median house price of 1,700,000 and a median unit price of \$840,000. This represents annual (Q4 2020 –Q4 2021) median price growth of 50.8% for houses and 15.2% for units. Between Q4 2020 – Q4 2021 total sales in both markets slowed, by -12.1% for houses (to 51 sales) and by -36.8% for units (to 96 sales). Current occupiers and down-sizers can benefit from real returns on capital investment, as median price growth has been fuelled by an imbalance in high demand and low supply levels. The market is undersupplied, in need for ready-to-sell new stock.

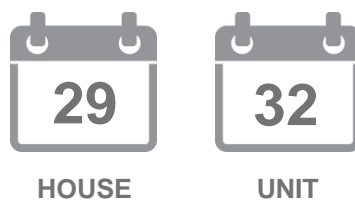
	CHANGE FROM LAST	YEAR	HALF YEAR
	House Sales	↓	↓
	House Median Price	↑	↑
	House Rental Price	↑	↑
	Unit Sales	↓	↓
	Unit Median Price	↑	↑
	Unit Rental Price	↑	↑

MARKET CONDITIONS

SALES MEDIAN PRICE Q4 2021



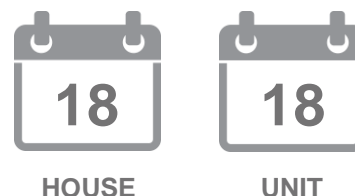
SALES AVERAGE DAYS ON MARKET Q4 2021



RENTAL MEDIAN PRICE Q4 2021

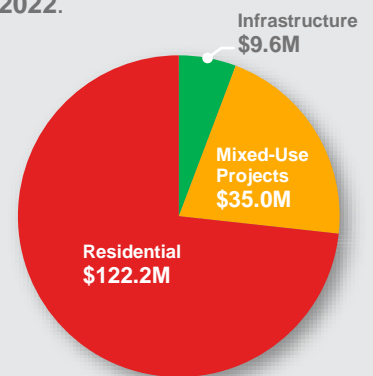


RENTAL AVERAGE DAYS ON MARKET Q4 2021



FUTURE DEVELOPMENTS

Palm Beach* is set to see approximately **\$166.8M** worth of new projects commencing in the 1st half of 2022.



A strong focus on mixed-use and residential projects will provide much needed housing stock, creating a more sustainable price growth. It will also create new employment opportunities during the construction phase.

A main mixed-use project in the 1st half of 2022 is Hemingway Palm Beach (\$35.0M, 78 apartments). This project is set to construct a 14 storey residential tower containing 78 apartments with a 60sq m cafe on ground floor.

\$122.2M of residential projects is planned, adding 4 dwellings and 325 units/apartments. A key residential project in the 1st Half of 2022 is the Northshore Palm Beach (\$50.0M, 93 units and 4 villas). Other key projects include: Alegria Palm Beach (\$46.0M, 76 apartments) and The Tally Apartments Palm Beach (\$13.5M, 45 apartments).

There is still room for developers who are able to offer ready-to-sell houses and townhouses, as these property types are undersupplied.



325 Units/
Apartments

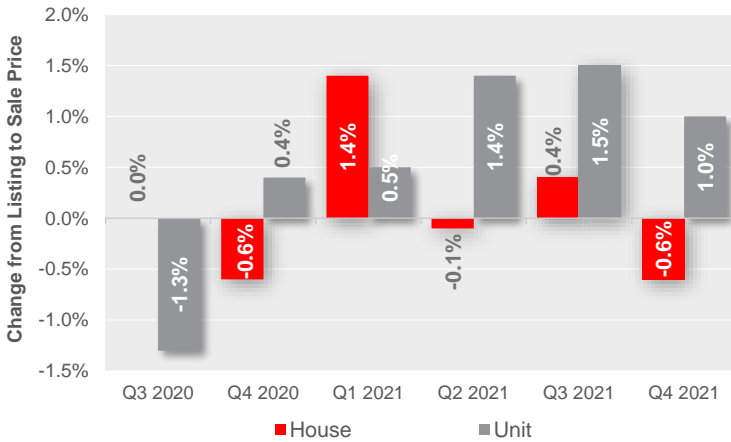


4
Dwellings

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.

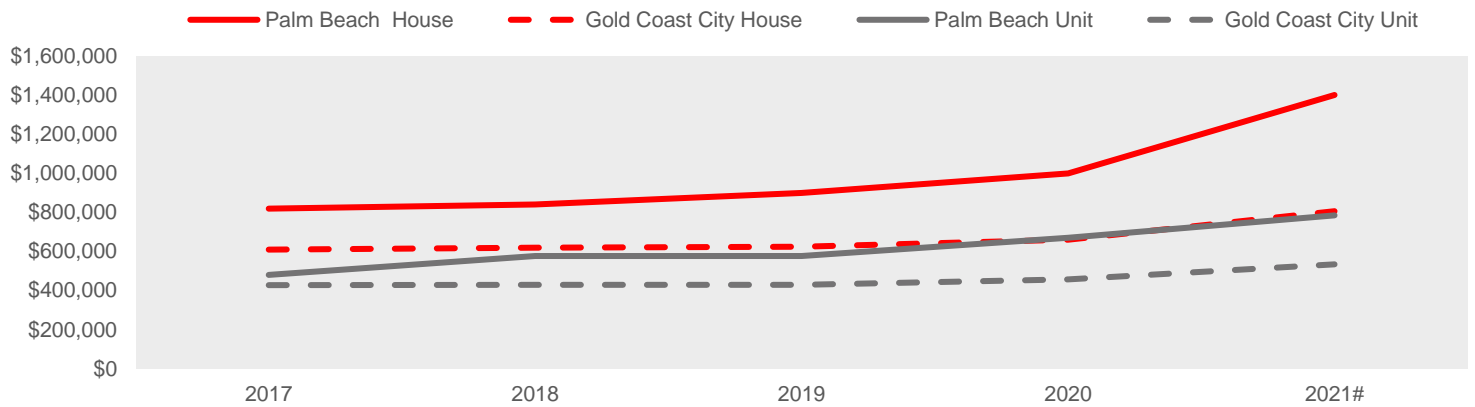
Average vendor discounts between Q4 2020 and Q4 2021 have become relatively stable for houses at -0.6% and travelled to a higher premium of 1.0% for units. Market conditions have shifted towards sellers, where buyers offer closer or above the first list price.



The suburb of Palm Beach historically outperformed the wider Gold Coast City Local Government Area (LGA) in both house and unit median prices. This continues in 2021[#], reinforced by the Palm Beach suburb retaining premium prices for both its units and houses relative to other suburbs located within the LGA.

The dominant proportion of homes sold in Palm Beach* across 2021[^] were in the premium price bracket of \$1,050,000 and above (68.3%). Units also recorded a dominant premium price point of \$700,000 and above (44.0%). Affordable options are available, particularly within the unit market, however this has shrunk in the past 12 months – thus buyers need to act fast.

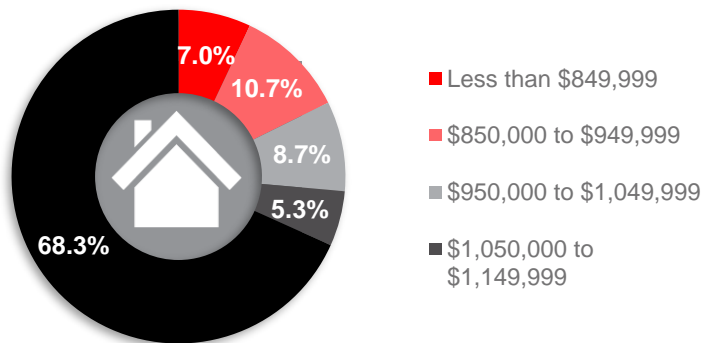
MARKET COMPARISON



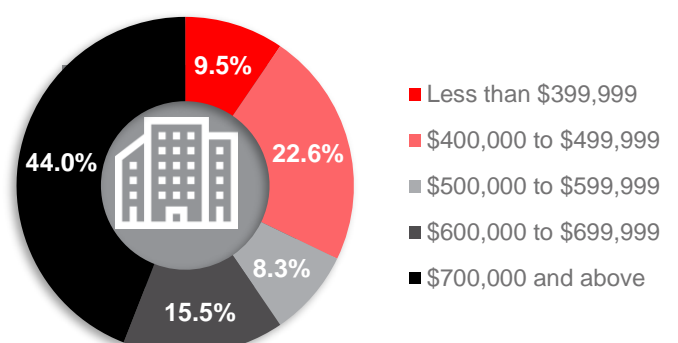
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Palm Beach.

PRICE BREAKDOWN 2021[^]

HOUSES SOLD



UNITS SOLD



RENTAL GROWTH 2021€

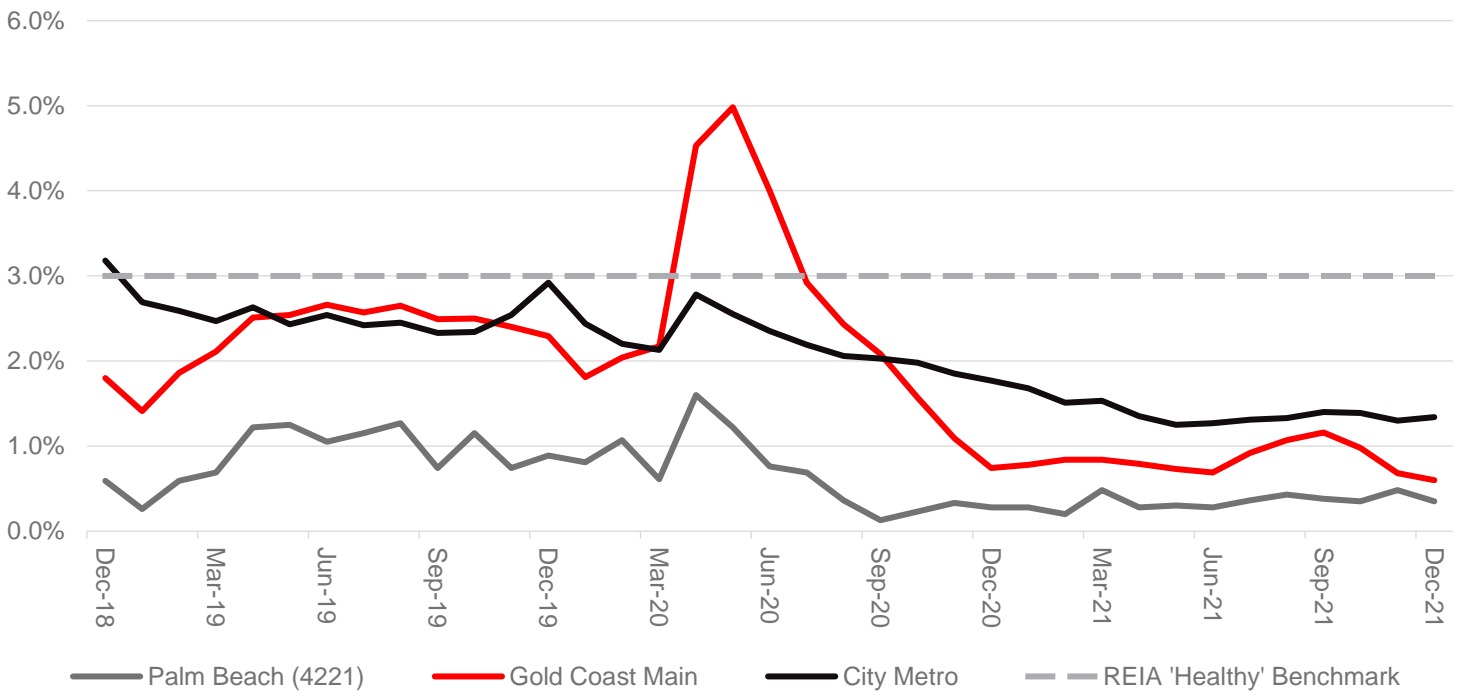
In December 2021, house rental yields in Palm Beach* were recorded at 2.8%. House rental yield has declined in the past 12 months due to median house sale price growth, of 50.8%, outpacing median house rental price growth, of 24.8%. That said Q4 2021 median house rental price reached \$880 per week, with a low average days on the market of 18 days. This indicate a strong and resilient rental market.

2+ bedroom houses have provided investors with +19.2% rental growth annually€, with a median rent of \$620 per week.

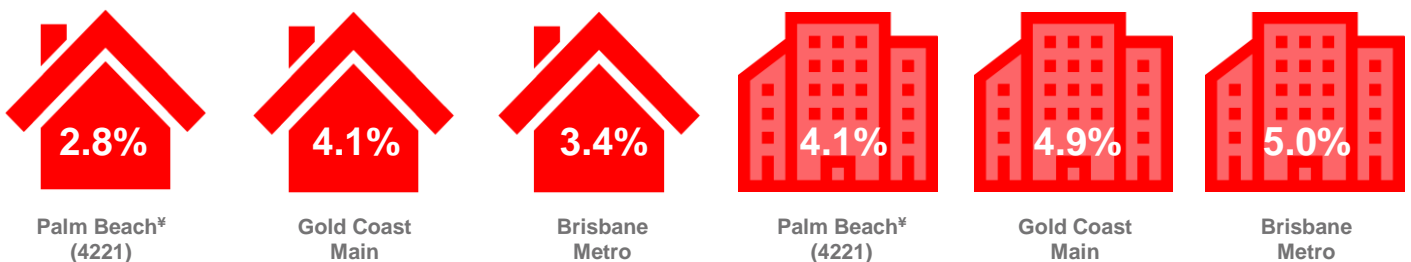
Also in December 2021, Palm Beach* recorded a vacancy rate of 0.4%, below that of Gold Coast LGA (0.6%) and well below Brisbane Metro (1.3%). Vacancy rates in Palm Beach* remain within 0.5% mark in the past 12 months and well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, even amidst COVID-19 conditions. This confirms there is still a healthy rental demand and investors can be confident of a conducive investment environment in Palm Beach*.



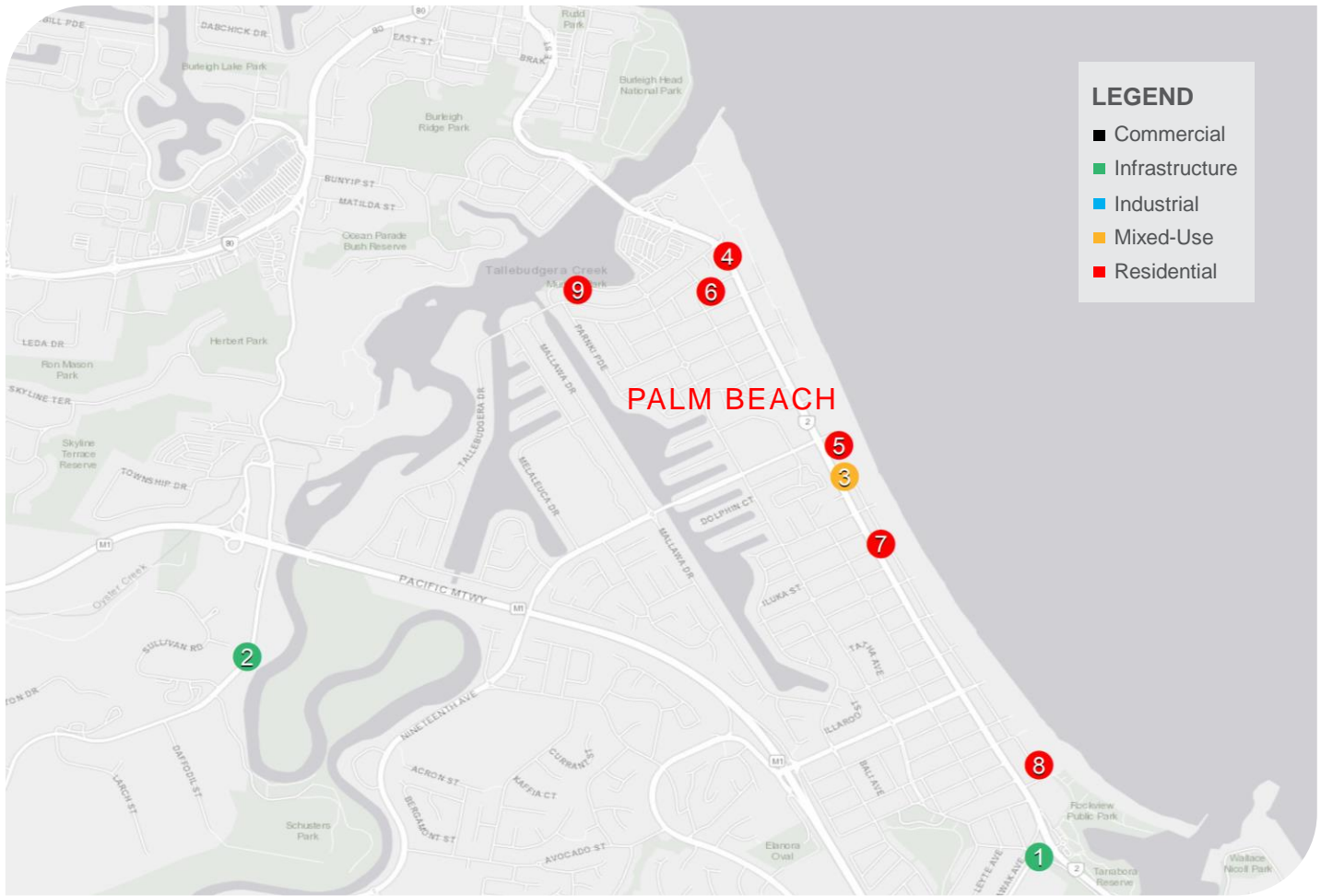
RENTAL VACANCY RATES 2021



RENTAL YIELD 2021§



TOP DEVELOPMENTS MAP 1st HALF 2022^A



Location	Project [£]	Type	Estimated Value ^µ	Commence Date ^ψ
1	Palm Beach Currumbin State High School	Infrastructure	\$8,000,000	18/04/2022
2	Tallebudgera Creek Training Wall	Infrastructure	\$1,600,000	03/03/2022
3	Hemingway Palm Beach- (78 Apartments)	Mixed-use	\$35,000,000	08/02/2022
4	Northshore Palm Beach- (93 Units, 4 Dwellings)	Residential	\$50,000,000	07/02/2022
5	Alegria Palm Beach- (76 Apartments)	Residential	\$46,000,000	07/02/2022
6	The Tally Apartments Palm Beach- (45 Apartments)	Residential	\$13,500,000	07/03/2022
7	Gold Coast Highway Apartments- (29 Apartments)	Residential	\$8,700,000	07/03/2022
8	Jefferson Lane Apartments- (4 Apartments)	Residential	\$4,000,000	28/02/2022
9	Murlong Crescent Luxury Units- (4 Units)	Residential	\$3,500,000	28/03/2022

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.



Michael Power, Principal
M +61 407 136 700
E michaelpower@prdpalmbeach.com.au

PRD Palm Beach
P +61 7 5534 6044
F +61 7 5534 6022

40-42 Palm Beach Avenue
Palm Beach QLD 4221

PRD.com.au/palmbeach

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 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.

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

§ 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 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.

Disclaimer: PRD does not give any warranty in relation to the accuracy of the information contained in this report. If you intend to rely upon the information contained herein, you must take note that the information, figures and projections have been provided by various sources and have not been verified by us. We have no belief one way or the other in relation to the accuracy of such information, figures and projections. PRD will not be liable for any loss or damage resulting from any statement, figure, calculation or any other information that you rely upon that is contained in the material.

Prepared by PRD Research. © All medians and volumes are calculated by PRD Research. Use with written permission only. All other responsibilities disclaimed. © Copyright PRD 2022.