



Palm Beach Market Update 2nd Half 2022



OVERVIEW

In Q2 2022, Palm Beach* recorded a median house price of \$1,440,000, and a median unit price of \$895,000. This represents annual (Q2 2021 – Q2 2022) median price growth of 6.2% for houses and 9.5% for units. Total sales for Q2 2021 – Q2 2022 decreased, by -14.3% (to 48 sales) for houses and by -27.0% for units to 81 sales. Current owners 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. This can create a buffer in a rising cash rate environment.

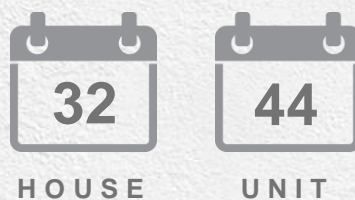
	CHANGE FROM LAST	YEAR	HALF YEAR
	House Sales	↓	↓
	House Median Price	↑	↓
	House Rental Price	↑	↑
	Unit Sales	↓	↓
	Unit Median Price	↑	↑
	Unit Rental Price	↑	↑

MARKET CONDITIONS

SALES MEDIAN PRICE Q2 2022



SALES AVERAGE DAYS ON MARKET Q2 2022



RENTAL MEDIAN PRICE Q2 2022



RENTAL AVERAGE DAYS ON MARKET Q2 2022



FUTURE DEVELOPMENTS

Palm Beach is set to see approximately **\$122.9M** worth of new projects commencing in the 2nd half of 2022.

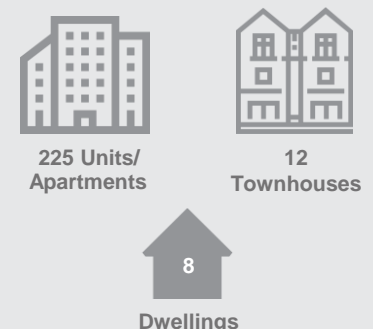


A strong focus on residential projects will provide much needed housing stock, creating a more sustainable price growth. It will also create new employment opportunities during the construction phase.

A main residential project over the 2nd half of 2022 is the Northside Palm Beach (\$50.0M). This will add 93 units and 4 dwellings to Palm Beach*. Other projects include:

- Gold Coast Highway Apartments (\$18.0M, 48 Units)
- Palm Beach Apartments (\$12.0M, 8 Units)
- Salt Apartments (\$9.5M, 23 Units)
- Jefferson Lane Apartments (\$7.8M, 16 Units)

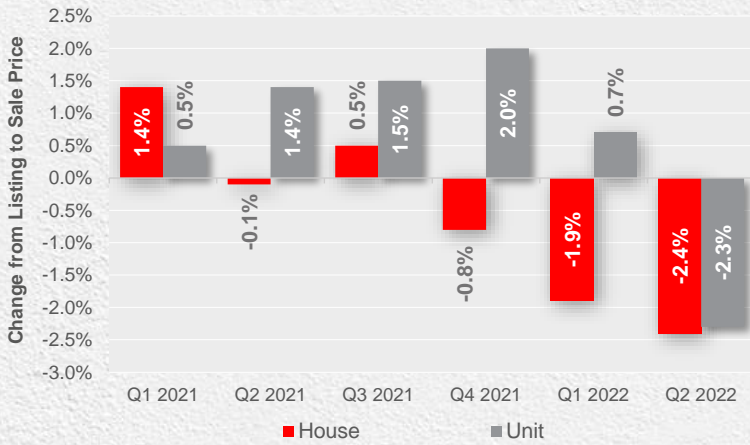
There is only a very small amount of new ready-to-sell houses in the pipeline, still below what is needed.



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.

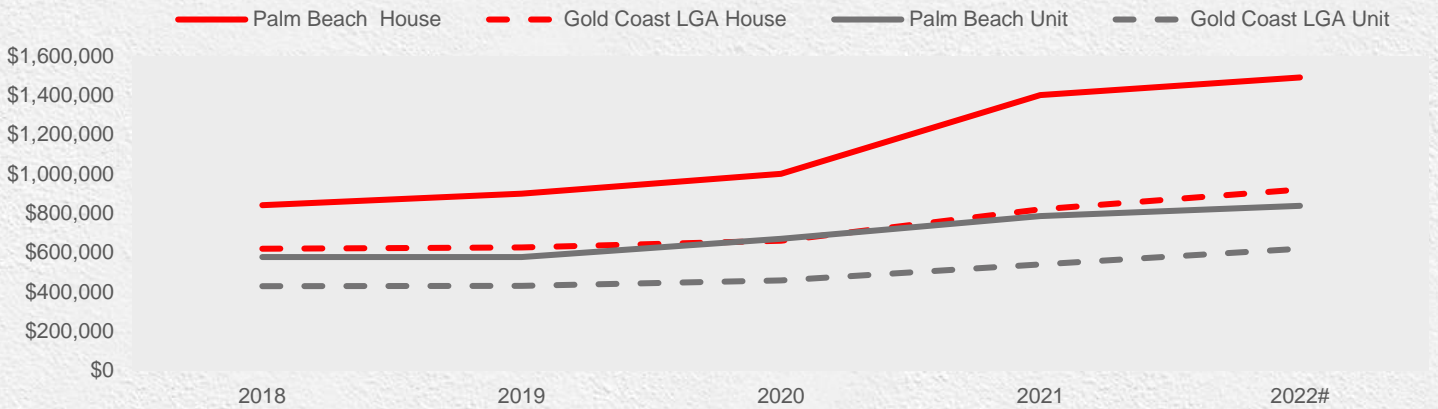
Average vendor discounts between Q2 2021 and Q2 2022 have rapidly shifted for both property types, to discounts of -2.4 for houses and -2.3% for units. Market conditions in Palm Beach* have now shifted to favour buyers, as vendors are willing to sell below the initial list price. This creates an opportunity to enter the market.



The suburb of Palm Beach has outperformed the wider Gold Coast Local Government Area (LGA) in both house and unit median prices for the past 5 years. This continued to be the case in 2022#, with houses trending toward a more premium market.

The dominant proportion of homes sold in Palm Beach* across 2022# were in the premium price bracket of above \$1,500,000 (54.8%). Units also recorded a dominant premium price point of above \$950,000 (40.5%). Affordable options are available, more so in the unit market compared to houses, and have started to slowly grow in the past 6 months.

MARKET COMPARISON

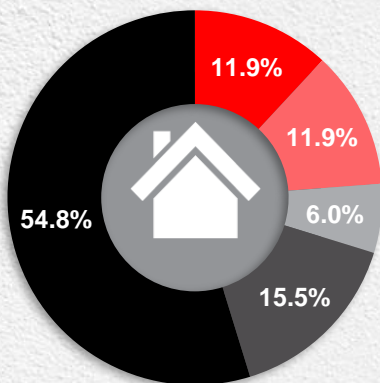


The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Palm Beach.

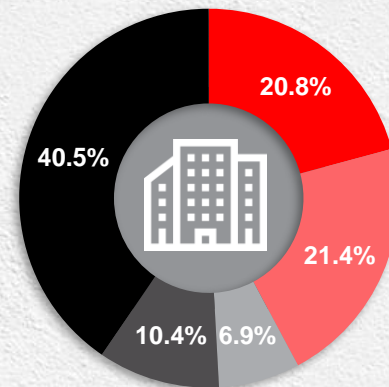
PRICE BREAKDOWN 2022#

HOUSES SOLD

UNITS SOLD



- Less than \$1,199,999
- \$1,200,000 to \$1,299,999
- \$1,300,000 to \$1,399,999
- \$1,400,000 to \$1,499,999
- \$1,500,000 and above



- Less than \$649,999
- \$650,000 to \$749,999
- \$750,000 to \$849,999
- \$850,000 to \$949,999
- \$950,000 and above

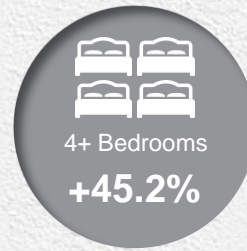
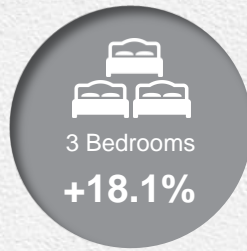


RENTAL GROWTH 2022€

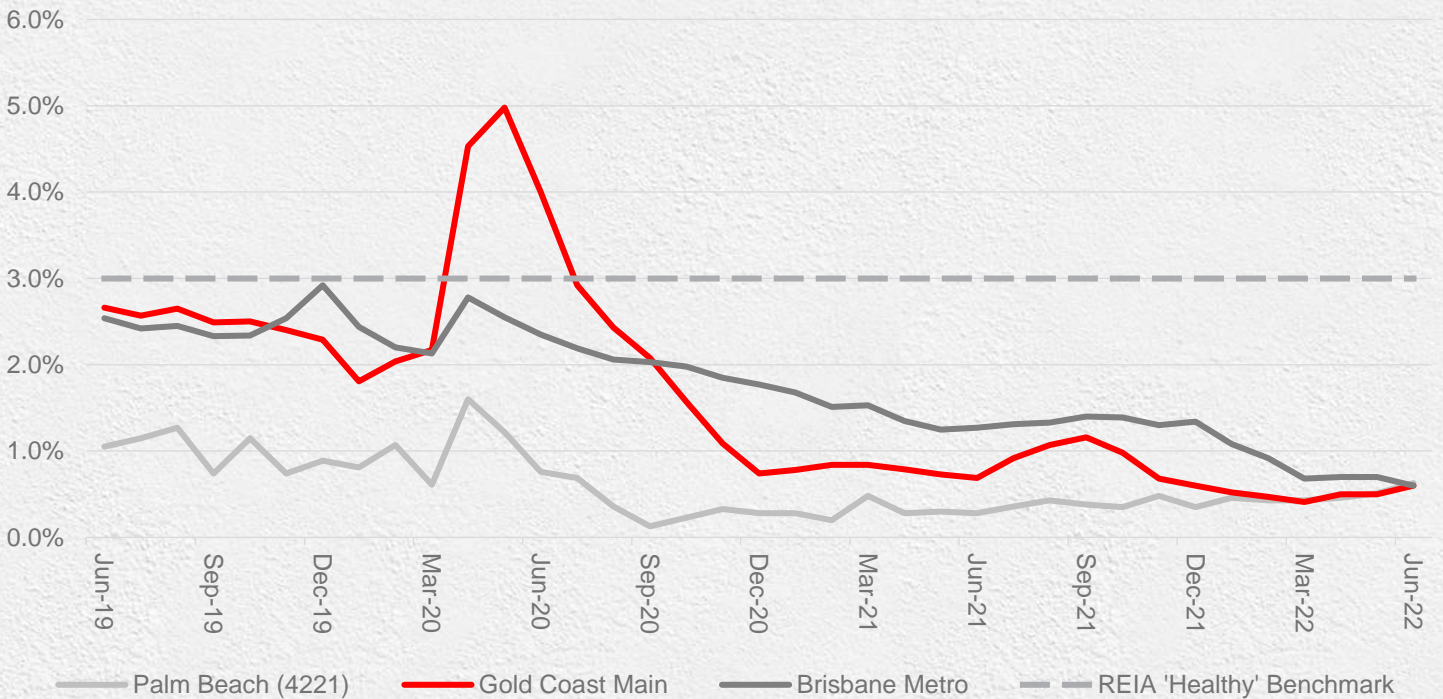
In June 2021, house rental yields in Palm Beach* were recorded at 3.4%. House rental yield has increased in the past 12 months due to median house rental price growth, of 14.6%, outpacing median house sales price growth, of 6.2%. Further, Q2 2022 median house rental price reached \$900 per week, with a low average days on the market of 21 days. This indicates a strong and resilient rental market.

4+ bedroom houses have provided investors with +45.2% rental growth annually, with a median rent of \$1,350 per week.

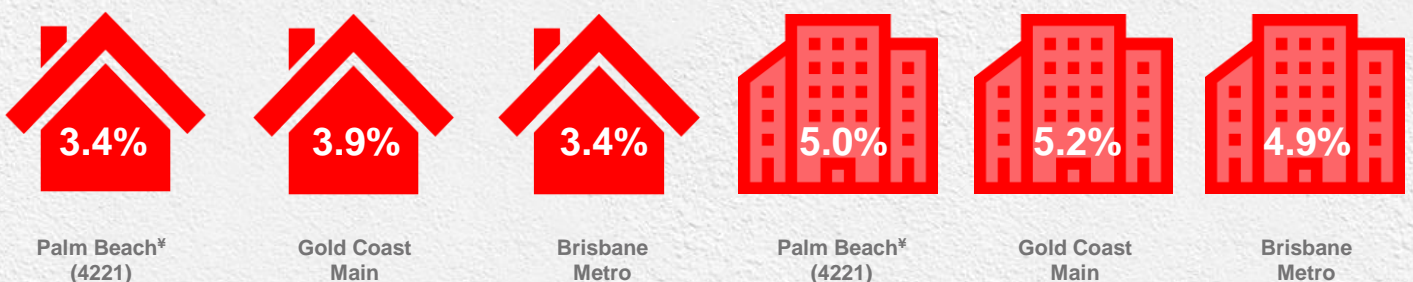
Palm Beach* recorded a vacancy rate of 0.6% in June 2022, which is on par with Brisbane and Gold Coast Metro's 0.6% average. Vacancy rates in Palm Beach* have held steady over the past 12 months, trending within 1.0% for almost 2 years. This indicates quick occupancy and stability in rental demand. These key indicators create a conducive and sustainable environment for investors, despite the increase in median sale prices of property over the past 12 months.



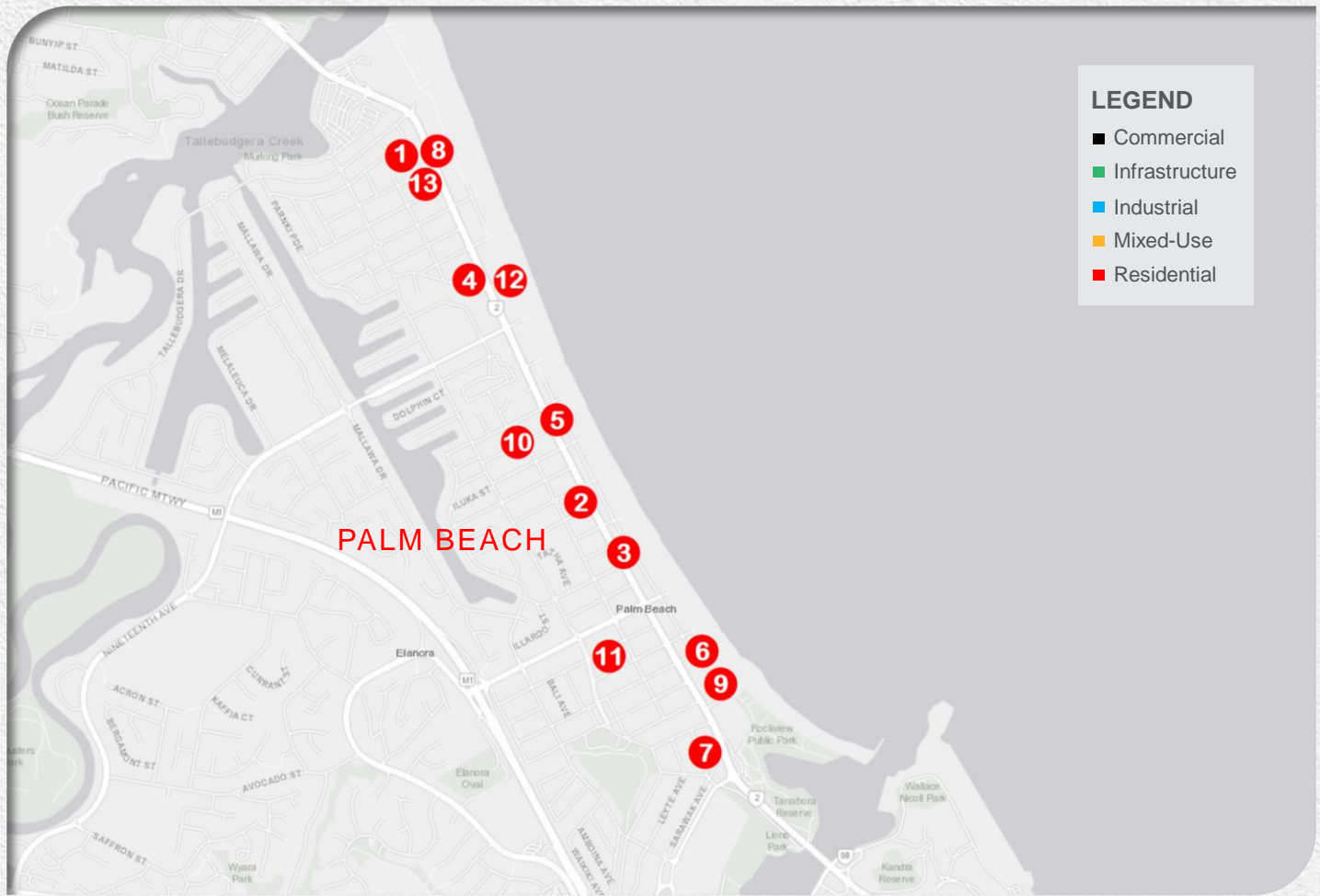
RENTAL VACANCY RATES 2022



RENTAL YIELD 2022\$



TOP DEVELOPMENTS MAP 2nd HALF 2022[Ⓐ]



Location	Project [£]	Type	Estimated Value ^µ	Commence Date ^ψ
1	Northshore Palm Beach (93 Units, 4 Dwellings)	Residential	\$50,000,000	05/09/2022
2	1214-1220 Gold Coast Highway Apartments Palm Beach (48 Units)	Residential	\$18,000,000	10/11/2022
3	Gold Coast Highway Apartments (8 Units)	Residential	\$12,000,000	28/11/2022
4	Salt Apartments Palm Beach (23 Units)	Residential	\$9,500,000	24/10/2022
5	234-236 Jefferson Lane Apartments (16 Units)	Residential	\$7,800,000	07/12/2022
6	Akuna (13 Units)	Residential	\$6,000,000	28/10/2022
7	Molucca Avenue Units (8 Units)	Residential	\$4,500,000	07/11/2022
8	Nyrang Avenue Units (12 Units)	Residential	\$4,000,000	03/08/2022
9	Jefferson Lane Apartments (4 Units)	Residential	\$4,000,000	28/11/2022
10	Cypress Terrace Townhouses (4 Townhouses)	Residential	\$2,500,000	29/08/2022
11	Fifth Avenue Townhouses (3 Townhouses)	Residential	\$1,900,000	05/12/2022
12	Gold Coast Highway Townhouses (5 Townhouses)	Residential	\$1,500,000	13/12/2022
13	Palm Beach Villas (4 Dwellings)	Residential	\$1,200,000	06/08/2022



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.



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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.

2022 encapsulates sales transactions for 1H 2022 (01/01/2022 – 30/06/2022) only.

€ Annual rental growth is a comparison between 1H 2021 (01/01/2021 – 30/06/2021) and 1H 2022 (01/01/2022 – 30/06/2022) 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 2022.

⌘ 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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