


Southport Market Update

2nd Half 2022



OVERVIEW

In Q2 2022, Southport* recorded a median house price of \$905,000, and a median unit price of \$520,000. This represents annual (Q2 2021 – Q2 2022) median price growth of 20.7% for houses and 18.2% for units. Total sales decreased between Q2 2021 – Q2 2022, by -51.8% (to 66 sales) for houses and by -37.1% (to 448 sales) for units. Strong demand have quickly absorbed new listings, thus creating an undersupplied market. Now is an ideal time for owners and down-sizers to capitalise on higher returns for investment. The imbalance in demand and supply can provide a buffer against cash rate hikes.

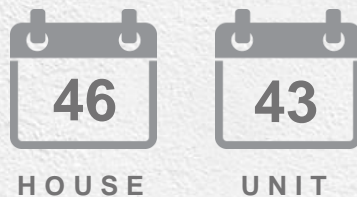
	CHANGE FROM LAST	YEAR	HALF YEAR
			
House Sales		↓	↓
House Median Price		↑	↑
House Rental Price		↑	↑
			
Unit Sales		↓	↓
Unit Median Price		↑	↑
Unit Rental Price		↑	↑

MARKET CONDITIONS

SALES MEDIAN PRICE Q2 2022



SALES AVERAGE DAYS ON MARKET Q2 2022



RENTAL MEDIAN PRICE Q2 2022

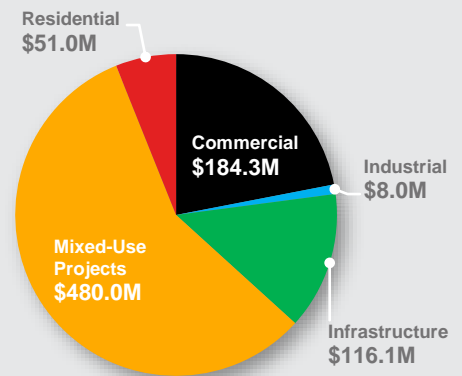


RENTAL AVERAGE DAYS ON MARKET Q2 2022



FUTURE DEVELOPMENTS

Southport* is set to see approximately **\$839.4M** worth of new projects commencing in the 2nd half of 2022.

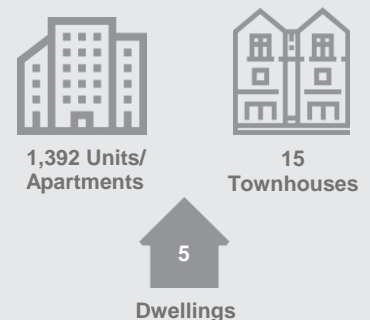


These projects will stimulate economic growth and create large employment opportunities in Southport. This will have a spill-over impact on the real estate market, in the form of higher demand for properties.

The Gold Coast University Hospital Expansion (\$114.0M) is a key infrastructure project that improves available amenities for residents.

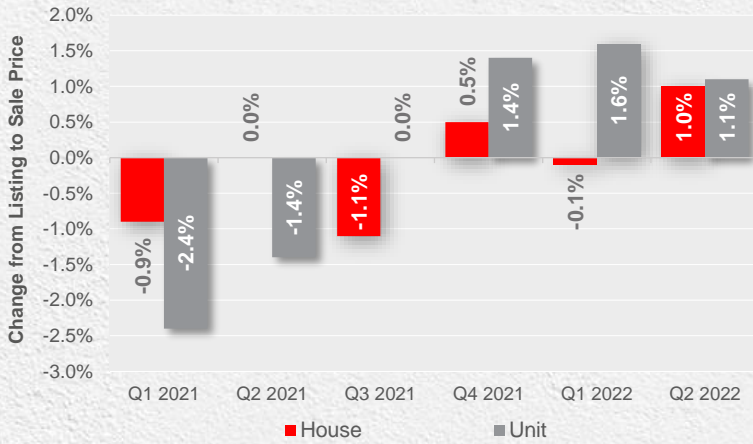
A main mixed-use project in the 2nd half of 2022 is Nerang and Cougal Street Mixed Use Development (\$400.0M). The project is set to add 1019 apartments, a theatre, and retail food and drink premises to Southport*. This will assist with the current unit undersupply.

Examples of residential projects include Isola Apartments Labrador (\$16.0M, 55 units), 39 Minnie Street Townhouse (\$2.7M, 9 townhouses), and Pegasus Musgrave Apartments (\$6.5M, 29 apartments).



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.

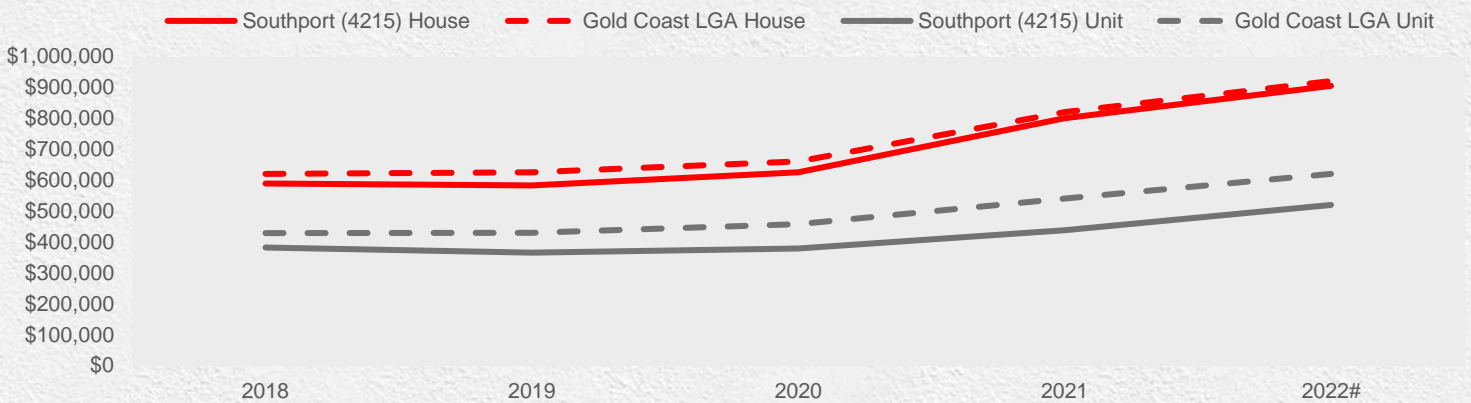


Average house vendor discount between Q2 2021 and Q2 2022 have further increased to a higher premium of 1.0%. It swung from a negative to a premium of 1.1% for units. Market conditions in Southport* continue to favour vendors, as buyers are still willing to offer above the initial listing price. This may not last in the current cash rate hike environment, thus an opportunity for sellers.

The suburb of Southport has historically performed on par the wider Gold Coast Local Government Area (LGA) in regards to median house prices. Units on the other hand have been more affordable compared to the LGA. This continued to be the case in 2022#.

The dominant proportion of homes sold in Southport* across 2022# were in the premium price of \$900,000 and above (38.2%). Units recorded a dominant most affordable price point of below \$399,999 (32.1%). This suggests different market speeds between the property types, benefitting buyers of different budgets.

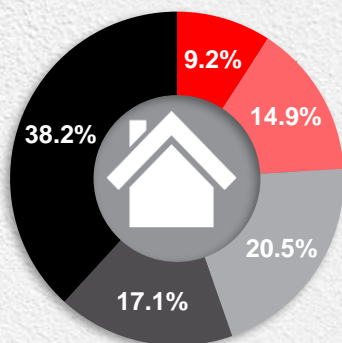
MARKET COMPARISON



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 Southport.

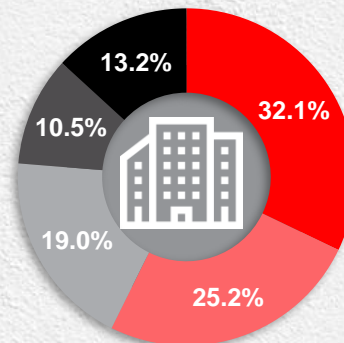
PRICE BREAKDOWN 2022#

HOUSES SOLD



- Less than \$599,999
- \$600,000 to \$699,999
- \$700,000 to \$799,999
- \$800,000 to \$899,999
- \$900,000 and above

UNITS SOLD



- Less than \$399,999
- \$400,000 to \$499,999
- \$500,000 to \$599,999
- \$600,000 to \$699,999
- \$700,000 and above



RENTAL GROWTH 2022€

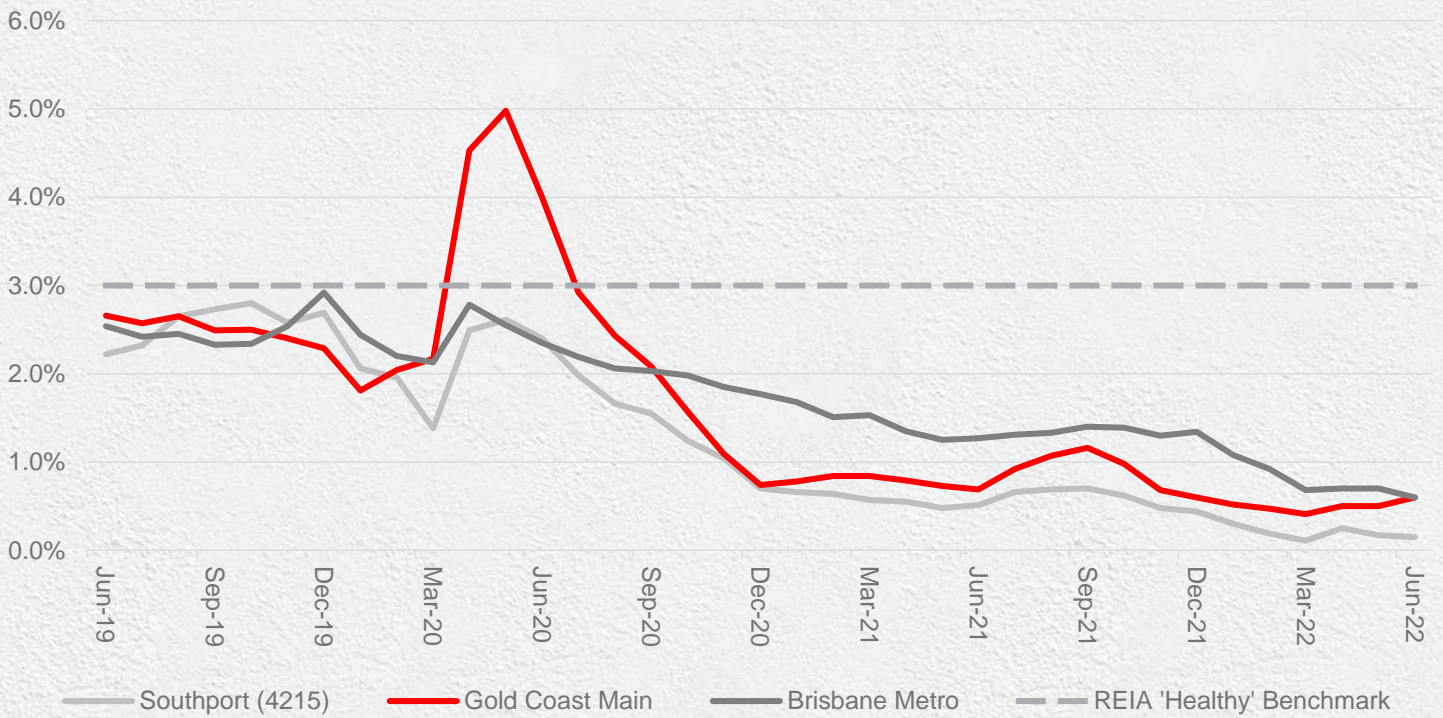
Over the past 12 months, house rental yields in Southport* softened to sit at 4.1% in June 2022. This was due to median house rental price growing by 16.2% in Q2 2021-Q2 2022, slightly under median house sale price growth of 20.7%. That said Southport* house rental yield is still above that of Gold Coast and Brisbane, and demand for house rentals increased by 5.0% in the 12 months to Q2 2022). This presents a beneficial rental market for investors.

2 bedroom houses have provided investors with +27.1% rental growth annually, achieving a median rent of \$540 per week.

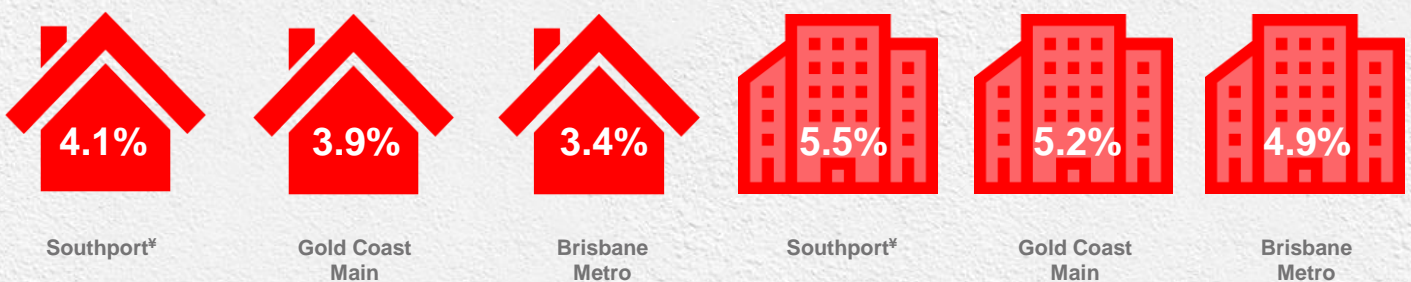
Southport* recorded a vacancy rate of 0.2% in June 2022, which is well below Brisbane Metro's and Gold Coast Mains 0.6% average. Vacancy rates in Southport* have decreased heavily over the past 12 months, sitting below 1.0% for the past 18 months. This indicates an increase in its rental demand. Combined, 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.



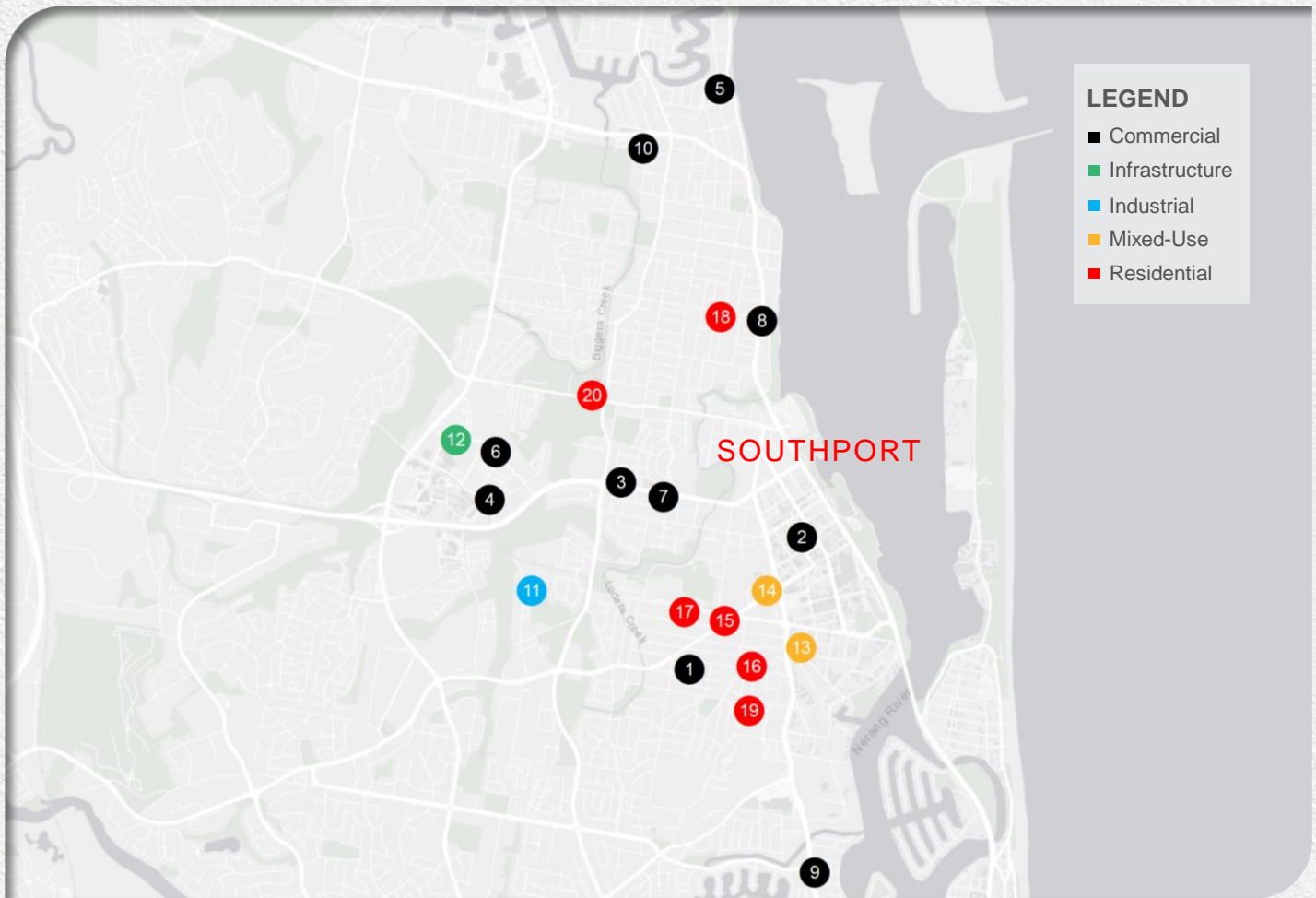
RENTAL VACANCY RATES 2022



RENTAL YIELD 2022\$



TOP DEVELOPMENTS MAP 2nd HALF 2022[Ⓐ]



Location	Project [£]	Type	Estimated Value [Ⓜ]	Commence Date [Ⓜ]
1	Margaret Street Industrial Building	Commercial	\$2,200,000	10/10/2022
2	Hicks Street Bar & Restaurant	Commercial	\$2,500,000	05/12/2022
3	Smith Street Medical Centre	Commercial	\$3,000,000	06/10/2022
4	Griffith University Gold Coast Campus Adapt Facility	Commercial	\$80,000,000	18/10/2022
5	Tricare Labrador Retirement Facility Stage 1	Commercial	\$40,000,000	18/09/2022
6	Infin8 Lumina	Commercial	\$40,000,000	28/11/2022
7	Beale Street Medical Centre	Commercial	\$3,000,000	20/12/2022
8	Caltex Service Station Labrador	Commercial	\$3,000,000	21/11/2022
9	Southport 7 Eleven Service Station & Starbucks Cafe	Commercial	\$4,000,000	05/12/2022
10	Labrador Park Shopping Centre	Commercial	\$5,000,000	05/12/2022
11	Bailey Crescent Self Storage Units	Industrial	\$8,000,000	28/11/2022
12	Gold Coast University Hospital	Infrastructure	\$114,400,000	22/08/2022
13	Imperial Square Regal Residences Southport Stage 1 (225 Units)	Mixed-use	\$80,000,000	10/09/2022
14	Nerang Street & Cougal Street Mixed Use Development (1019 Units)	Mixed-use	\$400,000,000	22/11/2022
15	Pohlman Street Townhouses (6 Townhouses)	Residential	\$2,500,000	27/10/2022
16	Minnie Street Apartments (17 Units)	Residential	\$8,000,000	03/10/2022
17	Queen & Pohlman Streets Community Housing Units (40 Units)	Residential	\$8,000,000	21/08/2022
18	Isola Apartments Labrador (55 Units)	Residential	\$16,000,000	28/08/2022
19	39 Minnie Street Townhouses (9 Townhouses)	Residential	\$2,700,000	17/10/2022
20	Pegasus Musgrave Apartments (29 Units)	Residential	\$6,500,000	24/11/2022



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

* Southport market data and key indicators encapsulates aggregate property market conditions within the suburbs of Southport, Biggera Waters and Labrador.

** 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.

¥ Southport market data encapsulates aggregate property conditions within the postcode of 4215.

§ 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 suburbs of Southport, Biggera Waters and Labrador.

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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