

# Burleigh Heads Market Update 2<sup>nd</sup> Half 2023



## OVERVIEW

In Q2 2023, Burleigh Heads\* recorded a median house price of \$1,367,500, and a median unit price of \$821,000. This represents annual (Q2 2022 – Q2 2023) softening of -2.3% (houses) and -3.4% (units). That said on a quarterly (Q1 – Q2 2023) basis median house prices softened at a lower rate, of -0.7%. Thus cash rate hikes did impact the house market, but consumer confidence have returned. 178 houses were sold in Q2 2023, a -4.3% decline in the past 12 months. This suggest an undersupply and further explains the price growth. Thus time is of the essence for those looking for a more affordable market.

	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 2023



### SALES AVERAGE DAYS ON MARKET Q2 2023



### RENTAL MEDIAN PRICE Q2 2023

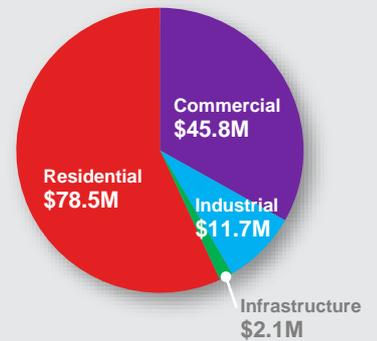


### RENTAL AVERAGE DAYS ON MARKET Q2 2023



## FUTURE DEVELOPMENTS

Burleigh Heads\* is set to see approximately **\$138.1M** worth of new projects commencing in the 2<sup>nd</sup> half of 2023.



A key focus on residential projects is ideal for the area, to address the current undersupply and ensure a more sustainable level of price growth for future first home buyers.

The Arbour (\$20.0M) is a main residential project for the 2nd half of 2023, as it plans to add 66 lots, to be built into 66 townhouses. Other residential and mixed-use projects planned include:

- Elevaire Palm Beach (41 units)
- Miami Community Housing (33 units)
- 99 The Esplanade (30 Units)
- 124 Gold Coast Highway Units (16 Units)

Despite a list of residential projects planned, there is still a very low amount of ready-to-sell houses in the pipeline, which will put more pressure on house prices.



132 Units/  
Apartments



66  
Townhouses



10  
Dwellings



66 Lots

# 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.

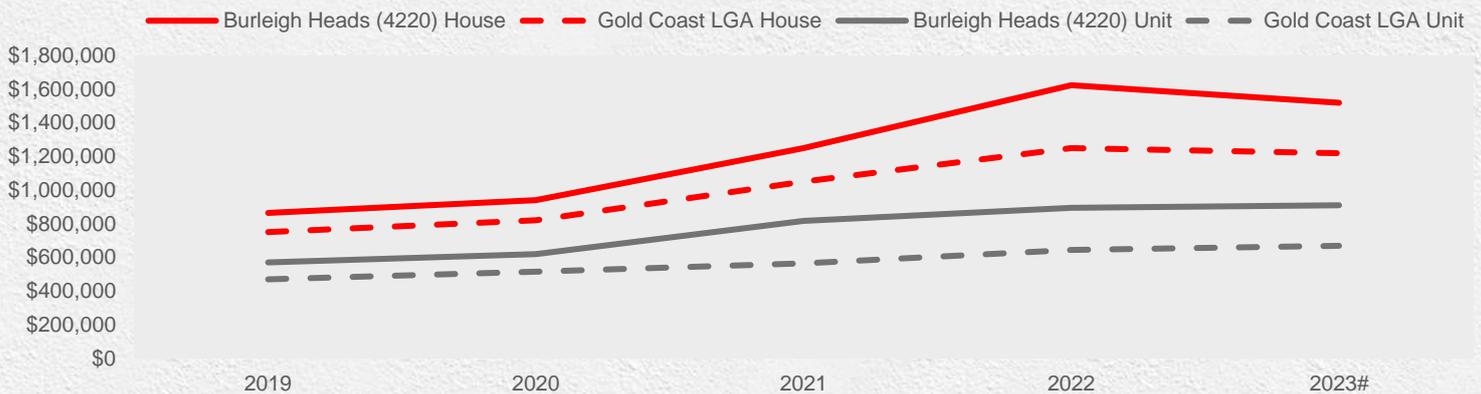


Average vendor discounts between Q2 2022 and Q2 2023 have tightened to -2.8% for houses and -1.7% for units. For units, average vendor discount has remained relatively stable in the past 12 months. For houses, the peak of a discount has passed (in Q4 2022). There is a shift in market dynamics, one that still favours buyers but they now need to offer closer to the first list price.

The suburb of Burleigh Heads has outperformed the wider Gold Coast Local Government Area (LGA) in the past 5 years, especially in house prices. 2023# saw the trend continue, even with a price softening in Burleigh Heads – thus still a premium market.

The dominant proportion of homes sold in Burleigh Heads\* across 2023# were in the premium price bracket of above \$1,500,000 (39.0%). Units also recorded a dominant premium price point, of \$950,000 and above (38.2%). That said here are still opportunities for buyers at the most affordable price points – 28.6% for houses and 20.3% for units, in good news for buyers.

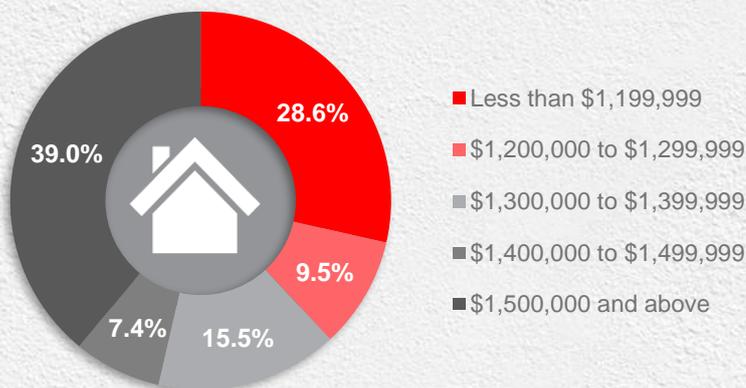
## MARKET COMPARISON



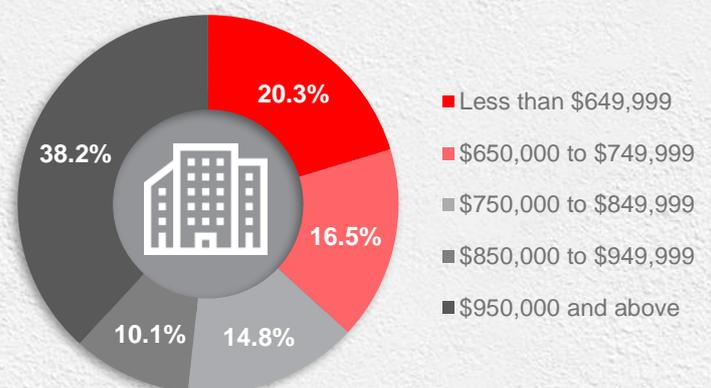
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGAs profiled was chosen based on their proximity to the main suburb analysed, which is Burleigh Heads.

## PRICE BREAKDOWN 2023#

### HOUSES SOLD



### UNITS SOLD



# RENTAL GROWTH 2023€

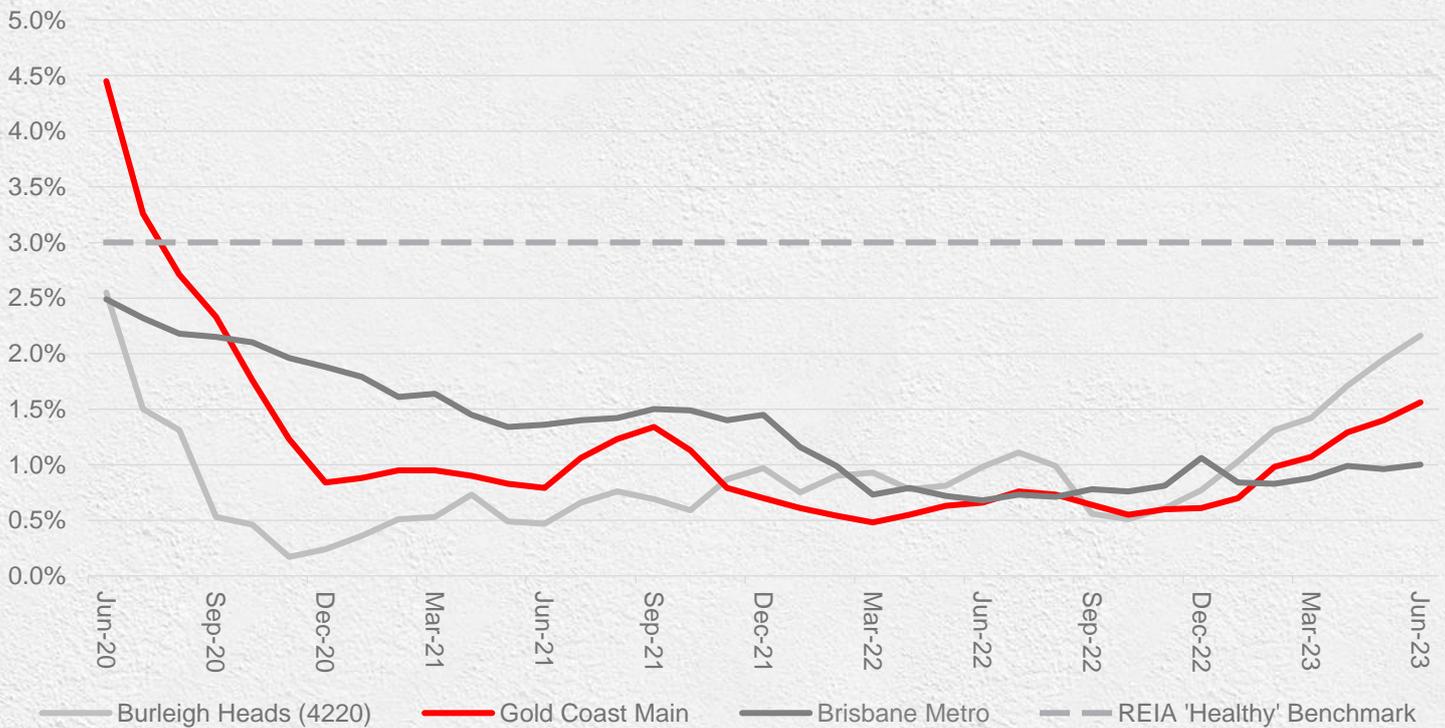
House rental yields in Burleigh Heads<sup>‡</sup> was 3.9% in June 2023; slightly higher than Gold Coast Main (3.8%) and Brisbane Metro (3.7%). Median house rental price softened by -5.6% in the 12 months to Q2 2023, while median unit rental price remained stable. The number of properties rented have increased, by 44.7% (house) and 20.6% (units), explaining the shift in prices. With unit rental yields at 6.0% as of June 2023 and high demand, there is an opportunity for investors.

3 bedroom houses have provided investors with +9.2% rental growth annually, achieving a median rent of \$928 per week.

Burleigh Heads<sup>‡</sup> recorded a vacancy rate of 2.2% in June 2023, which is above Gold Coast Main's 1.6% average. In the past 12 months vacancy rates in Burleigh Heads<sup>‡</sup> have significantly increased, due to investors returning and capitalising on the tight market. Vacancy rate in Burleigh Heads<sup>‡</sup> is just below the Real Estate Institute of Australia's healthy benchmark of 3.0%, which still points to quicker rental occupancy and thus a conducive and sustainable investment environment.



# RENTAL VACANCY RATES 2023



# RENTAL YIELD 2023\$



Burleigh Heads (4220)<sup>‡</sup>



Gold Coast Main



Brisbane Metro



Burleigh Heads (4220)<sup>‡</sup>



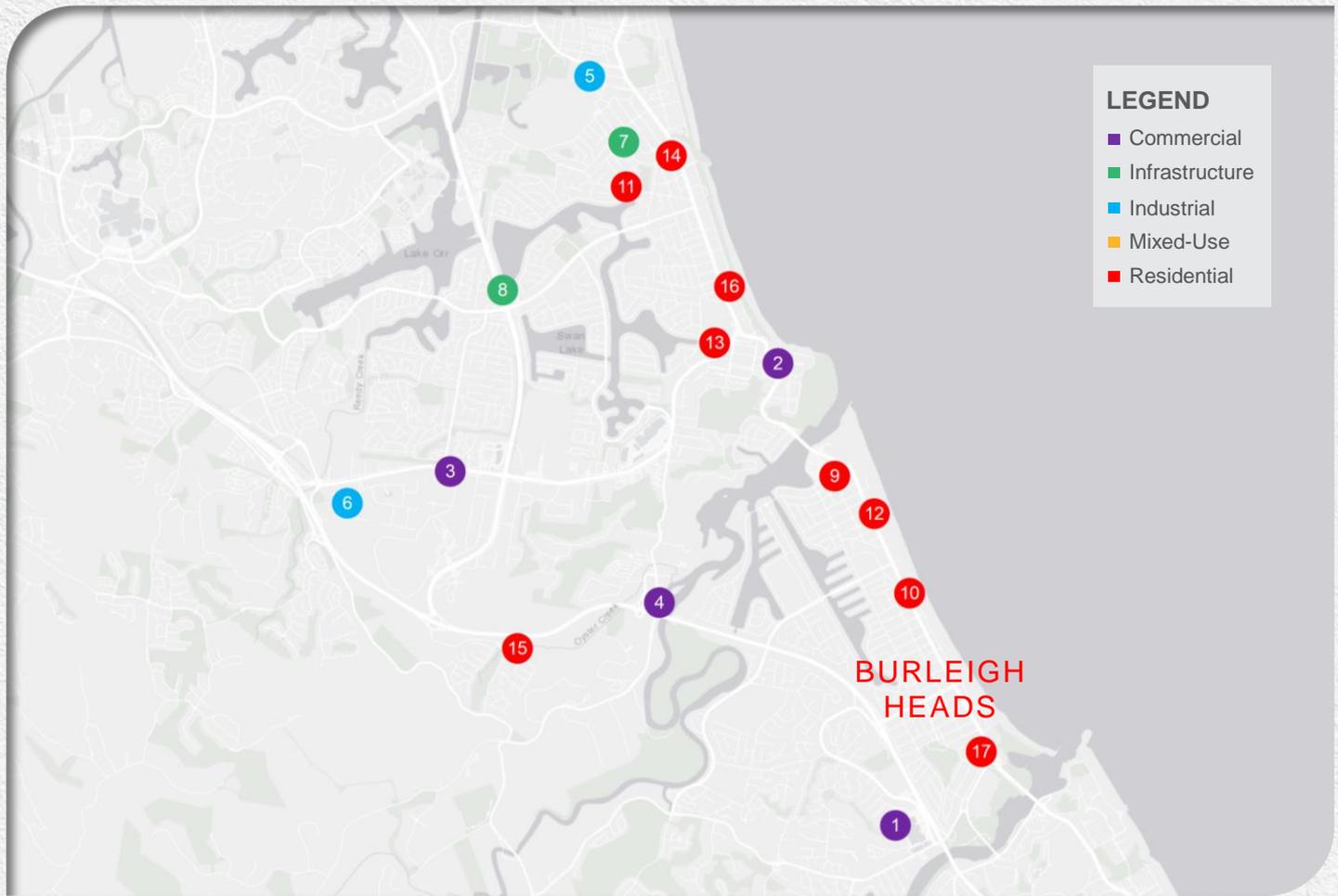
Gold Coast Main



Brisbane Metro



# TOP DEVELOPMENTS MAP 2<sup>nd</sup> HALF 2023<sup>Ⓐ</sup>



Location	Project <sup>£</sup>	Type	Estimated Value <sup>Ⓜ</sup>	Commence Date <sup>Ⓜ</sup>
1	Pine Lake Village Independent Living Units	Commercial	\$25,000,000	18/09/2023
2	1805 Gold Coast Highway Mixed Use Development	Commercial	\$18,000,000	12/10/2023
3	223 Burleigh Connection Road Offices & Gymnasium	Commercial	\$1,300,000	06/12/2023
4	36 Tallebudgera Creek Road Commercial Building	Commercial	\$1,500,000	14/11/2023
5	3 Ozone Parade Warehouse Units & Caretakers Residence	Industrial	\$4,000,000	25/09/2023
6	The Nordic Warehouse Units Burleigh Heads	Industrial	\$7,700,000	24/12/2023
7	Lions Head Park Bank Stabilisation	Infrastructure	\$1,250,000	02/10/2023
8	Cassowary Drive Bridge Replacement	Infrastructure	\$850,000	18/12/2023
9	15 Tallebudgera Drive Units (4 Units)	Residential	\$1,200,000	23/11/2023
10	124 Gold Coast Highway Units Palm Beach (16 Units)	Residential	\$11,000,000	03/12/2023
11	81 Mountain View Avenue Dwellings (4 Dwellings)	Residential	\$2,800,000	16/12/2023
12	Elevaire Palm Beach Apartments (41 Units)	Residential	\$12,500,000	13/12/2023
13	Flora Burleigh (6 Dwellings)	Residential	\$1,500,000	01/11/2023
14	Miami Community Housing Project (33 Units)	Residential	\$15,000,000	06/11/2023
15	The Arbour – Burleigh (66 Townhouses, 66 Lots)	Residential	\$20,000,000	08/10/2023
16	96 The Esplanade Units (30 Units)	Residential	\$10,000,000	01/12/2023
17	7 Molucca Avenue Units (8 Units)	Residential	\$4,500,000	23/10/2023

## 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.



**John Fischer**

Principal / Specialist  
+61 478 071 623

[john@prdburleighheads.com.au](mailto:john@prdburleighheads.com.au)



**Adam Van Leeuwen**

Director / Sales Specialist  
+61 481 271 806

[adam@prdburleighheads.com.au](mailto:adam@prdburleighheads.com.au)



**Braiden Smith**

Director / Sales Specialist  
+61 413 203 626

[braiden@prdburleighheads.com.au](mailto:braiden@prdburleighheads.com.au)



## PRD Burleigh Heads

P +61 7 5535 4544

F +61 7 5576 1382

[PRD.com.au/burleighheads](http://PRD.com.au/burleighheads)

14 The Esplanade,  
Burleigh Heads QLD 4220

# REFERENCES

\* Burleigh Heads market data and key indicators encapsulates aggregate property market conditions within the postcodes of 4220 and 4221.

\*\* Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.

# 2023 encapsulates sales transactions for 2023 (01/01/2023 – 30/6/2023) only.

€ Annual rental growth is a comparison between Q2 2022 (01/04/2022 – 30/06/2022) and Q2 2023 (01/04/2023 – 30/06/2023) house median rent figures.

¥ Burleigh Heads rental market data encapsulates aggregate property conditions within the postcode of 4220.

§ Rental yields shown are as reported as of June 2023.

⌘ 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 and 4221.

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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