



Palm Beach Market Update 2nd Half 2023



OVERVIEW

In Q2 2023, Palm Beach* recorded a median house price of \$1,515,000, and a median unit price of \$857,000. This represents annual (Q2 2022 – Q2 2023) softening of -0.7% (house) and -9.7% (unit). That said on a quarterly (Q1 – Q2 2023) basis median prices grew by 0.7% for houses and softened by a lower percentage of -8.8% (units). Thus cash rate hikes did impact the market, but consumer confidence is returning. Buyers looking for a more affordable market must act fast. 44 houses were sold in Q2 2023, a -12.0% decline in the past 12 months. This suggest an undersupply and further explains the price growth.

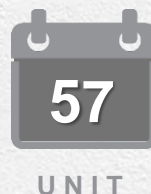
	CHANGE FROM LAST	YEAR	HALF YEAR
 House Sales		↓	↔
House Median Price		↓	↑
House Rental Price		↑	↑
 Unit Sales		↑	↑
Unit Median Price		↓	↑
Unit Rental Price		↑	↑

MARKET CONDITIONS

SALES MEDIAN PRICE Q2 2023



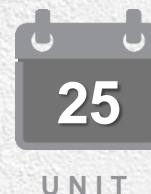
SALES AVERAGE DAYS ON MARKET Q2 2023



RENTAL MEDIAN PRICE Q2 2023



RENTAL AVERAGE DAYS ON MARKET Q2 2023



FUTURE DEVELOPMENTS

Palm Beach* is set to see approximately **\$29.2M** worth of new projects commencing in the 2nd 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.

There is a significant injection of residential property developments in Palm Beach, including:

- The Elevaire Palm Beach Apartments (\$12.5M and 41 apartments)
- 124 Gold Coast Highway Units (\$11M and 16 Units)
- 7 Molucca Avenue Units (\$4.5M and 8 Units)
- 15 Tallebudgera Drive Units (\$1.2M and 4 Units)

Palm Beach's residential market is poising itself to have a number of opportunities for buyers, with 69 units/apartments being injected into the supply pipeline. This will assist with some of the market demand.

There is an absence in new ready-to-sell houses planned, which will put more pressure on house prices.

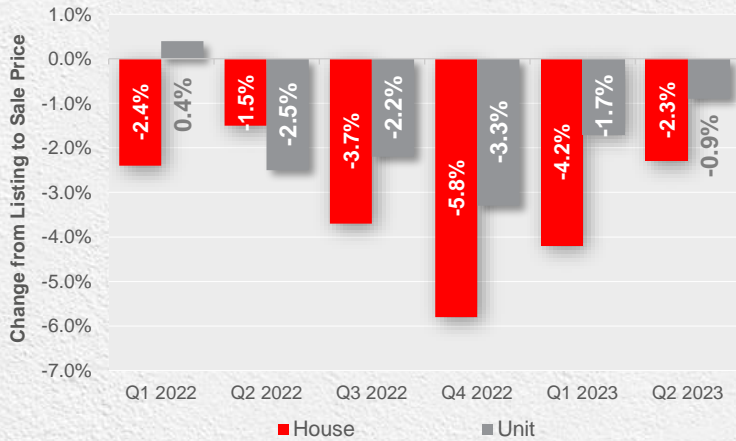


69 Units/
Apartments

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.

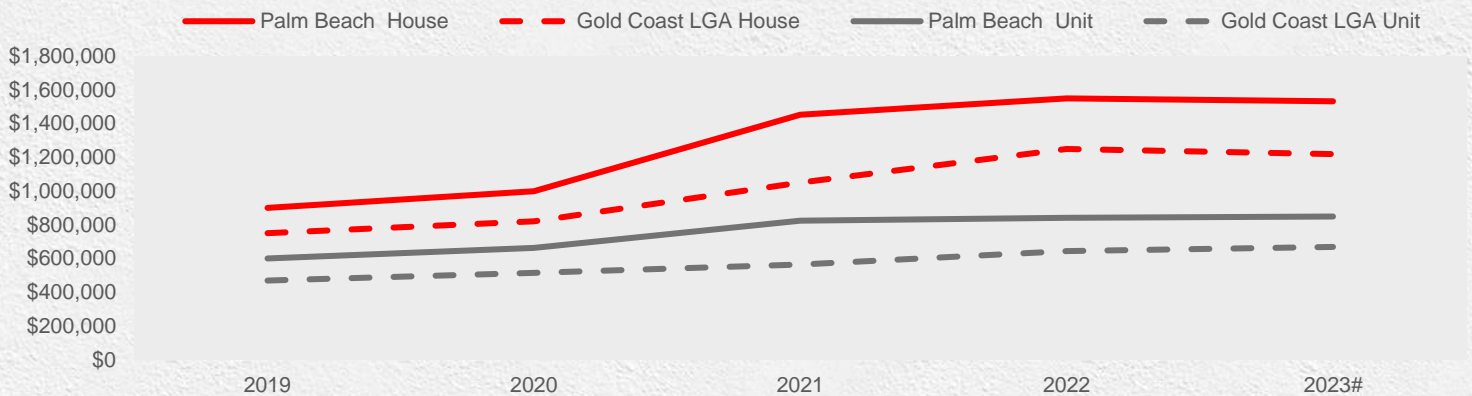
Average vendor discounts between Q2 2022 and Q2 2023 have widened for houses, to -2.3%, and tightened for units, to -0.9%. There is a shift in market dynamics, one that still favours buyers but they now need to offer closer to the first list price. For both property types, the period for peak of average vendor discount has passed (in Q4 2022).



The suburb of Palm Beach 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 price softening in Palm Beach.

The dominant proportion of homes sold in Palm Beach* across 2023# were in the premium price bracket of above \$1,500,000 (47.9%). Units also recorded a dominant premium price point, of \$900,000 and above (45.7%). That said there are still opportunities for buyers at the most affordable price points – 22.2% for houses and 17.4% for units. Interestingly there is quite a similar price breakdown between houses and units in Palm Beach, which shows some uniformity in how both property types move in the market. This helps investors with their decision making.

MARKET COMPARISON

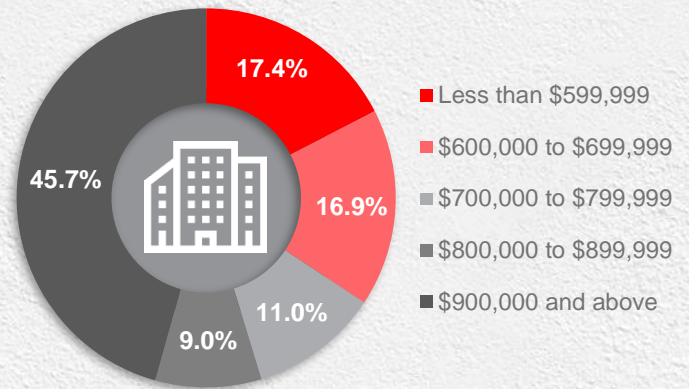
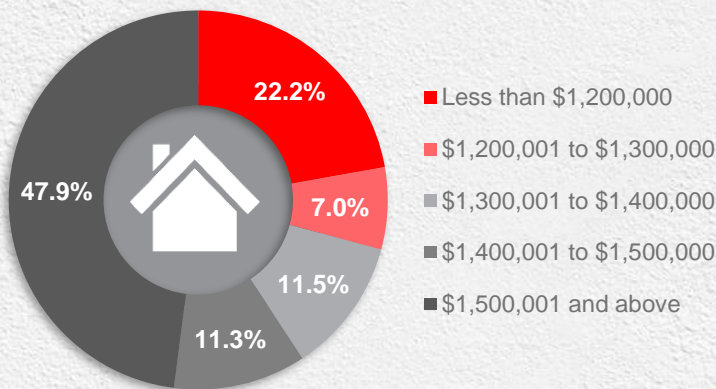


The market comparison graph provides a comparative trend for the median price of houses and vacant land over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Palm Beach.

PRICE BREAKDOWN 2023#

HOUSES SOLD

VACANT LAND SOLD

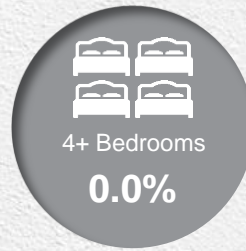
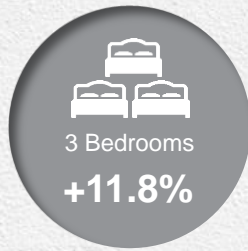


RENTAL GROWTH 2023€

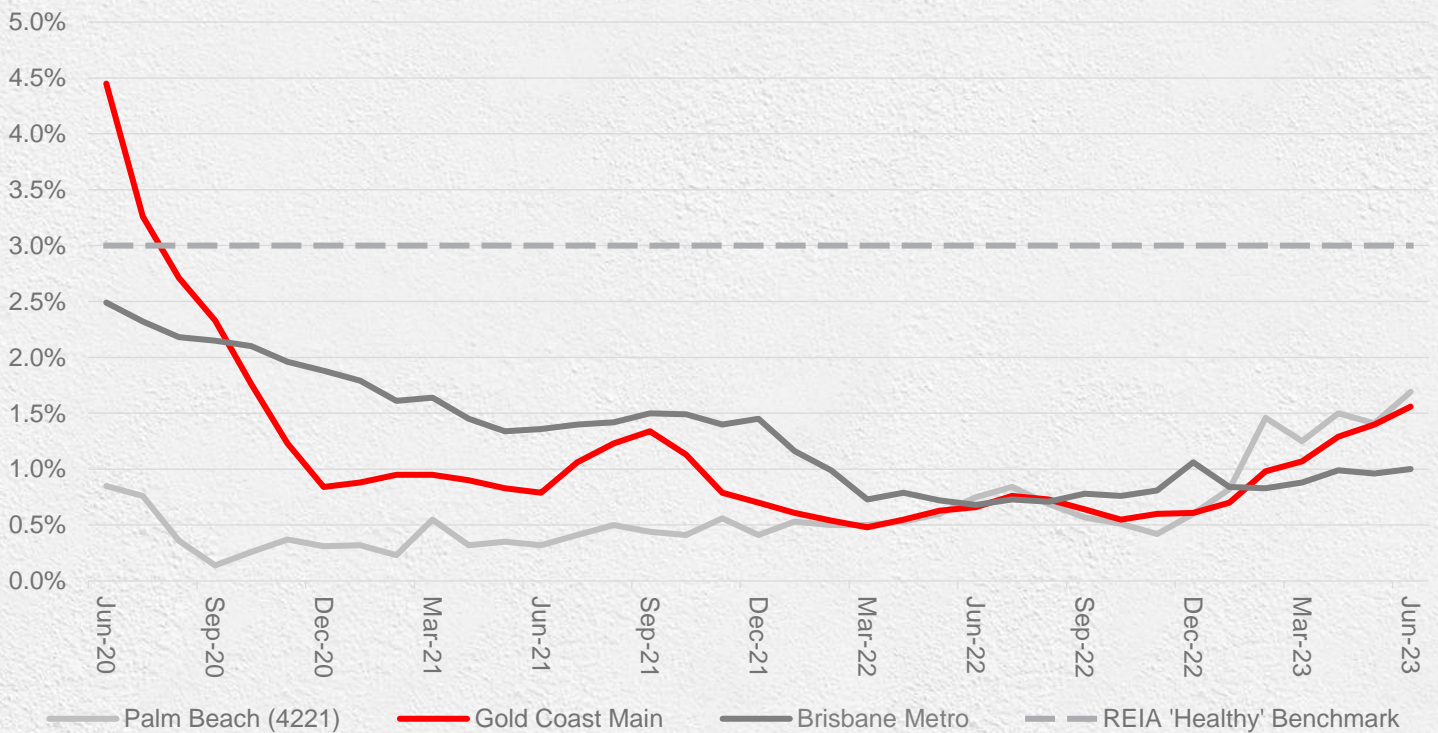
House rental yields in Palm Beach* was 3.7% in June 2023, on par with Gold Coast Main and Brisbane Metro. This was paired with a 6.1% increase in median house rental price in the 12 months to Q2 2023, to \$955 per week. The number of houses rented declined by -9.1% (to 50 rentals), which suggest an undersupplied house rental market. With median house sale prices softening in the past 12 months, this creates an opportunity for investors to re-enter the Palm Beach* market.

3 bedroom houses have provided investors with +11.8% rental growth annually, achieving a median rent of \$950 per week.

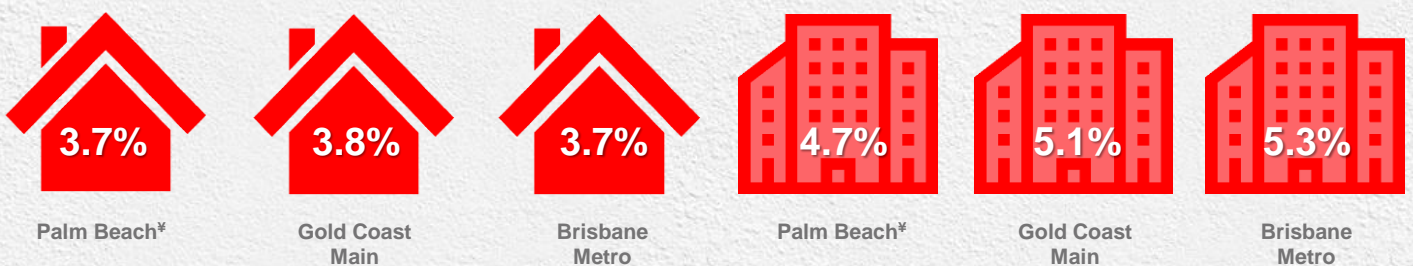
Palm Beach* recorded a vacancy rate of 1.7% in June 2023, slightly above Gold Coast Main's 1.6% average. Vacancy rates in Palm Beach* grew slightly in the past 12 months, due to investors returning and capitalising on the tight market. However 1.7% vacancy rate is quite a low reading and well below the Real Estate Institute of Australia's healthy 3.0% benchmark. Overall this still points to quicker rental occupancy and thus a conducive and sustainable investment environment.



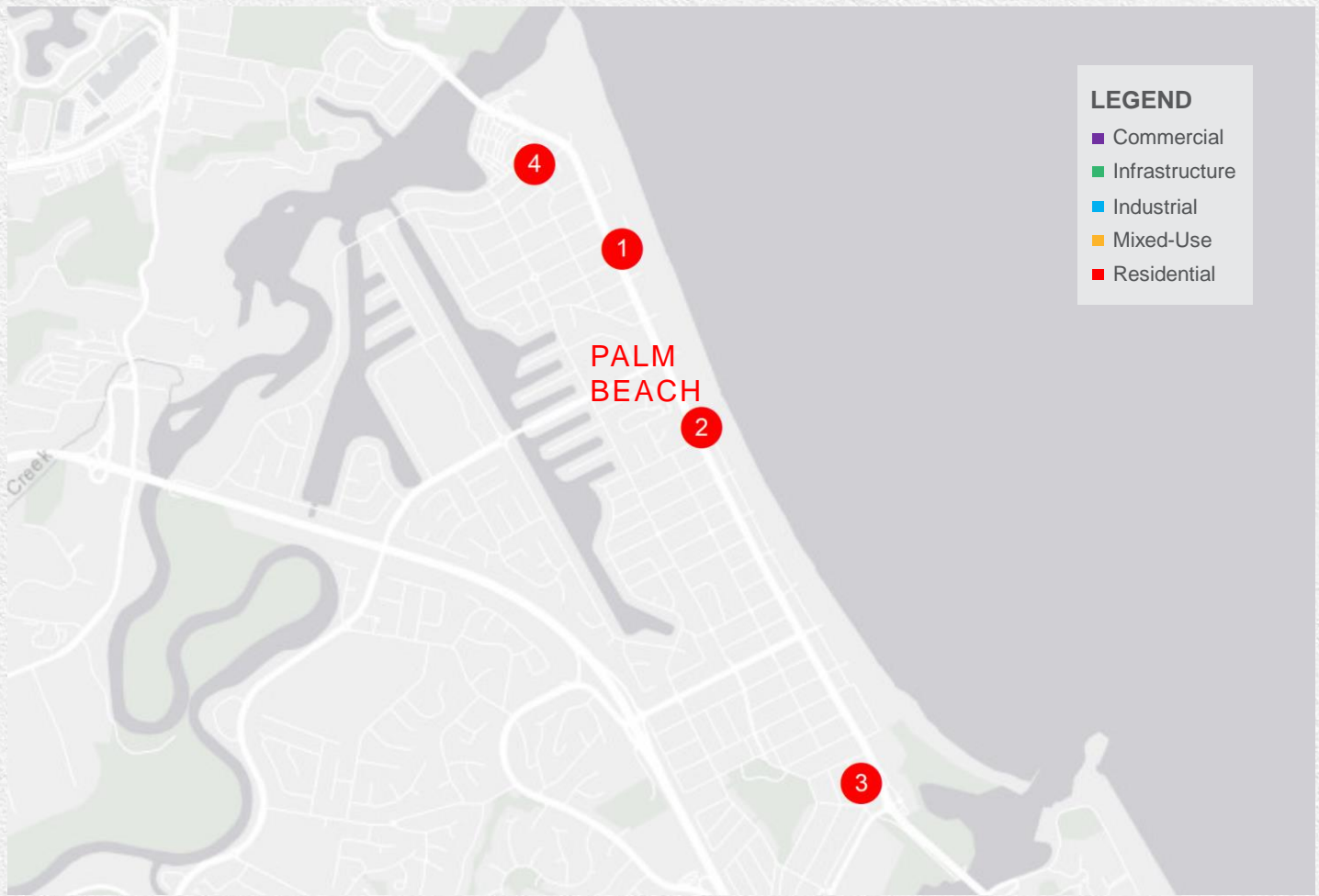
RENTAL VACANCY RATES 2023



RENTAL YIELD 2023\$



TOP DEVELOPMENTS MAP 2nd HALF 2023[Ⓐ]



Location	Project [£]	Type	Estimated Value [Ⓜ]	Commence Date [Ⓜ]
1	Elevaire Palm Beach Apartments (41 Units)	Residential	\$12,500,000	13/12/2023
2	124 Gold Coast Highway Units Palm Beach (16 Units)	Residential	\$11,000,000	03/12/2023
3	7 Molucca Avenue Units (8 Units)	Residential	\$4,500,000	23/10/202
4	15 Tallebudgera Drive Units (4 Units)	Residential	\$1,200,000	23/11/2023



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.



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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.

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.

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

§ 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 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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