

SOUTHPORT

Property Watch®

PRD nationwide



Southport residence.

KEY MARKET INDICATORS

Change from Last	Year	Half Year
HOUSE SALES	↑	↑
HOUSE MEDIAN	↑	↑
HOUSE RENTS	↑	↑
UNIT SALES	↑	↑
UNIT MEDIAN	↓	↑
UNIT RENTS	↔	↑

Indicators are based on the year ending 30 March 2013.

With heavy **infrastructure investment** by the QLD Government in association with the GCCC in and around the **Southport Area** combined with cautious optimism in the market, the future is looking **positive** for residents and investors alike.

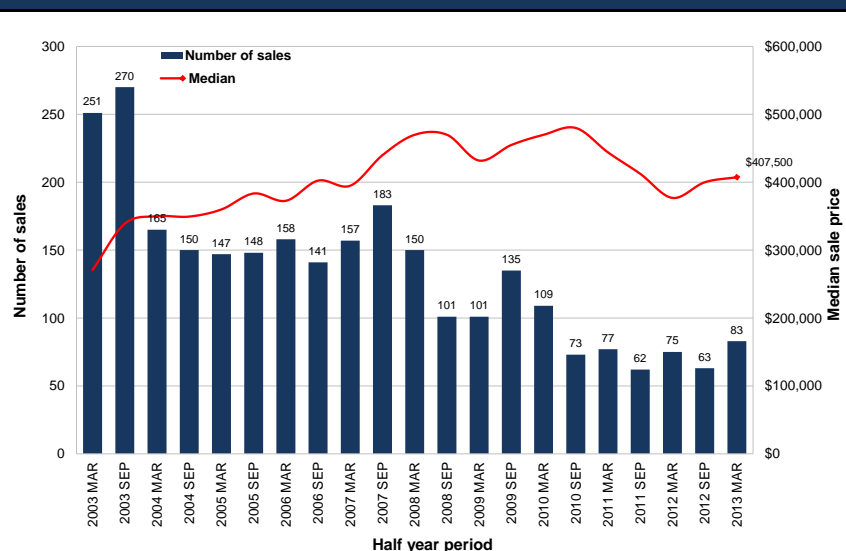
SOUTHPORT MARKET OVERVIEW

The following Property Watch report is the result of an investigation into the historic and current residential real estate market trends of the Gold Coast suburb of Southport. For the purpose of this report, the house and unit markets in Southport will be analysed.

The Southport house market has demonstrated an improvement in sales activity over the six months to 31 March 2013; and has seen better improvement over 12 months, as confidence in the local market appears to be slowly returning in lieu of more favourable and affordable mortgage options. A total of 83 transactions were recorded during the March 2013 half year period, representing a 32 per cent increase in volume from the previous September 2012 period, however was still well below the 10 year average of 133 sales per half year period. At present, the Gold Coast as a whole is undertaking the largest proposed infrastructure project throughout Australia, due by and large to the amount of added infrastructure required for the upcoming Commonwealth Games. At the time of writing, the total projects across Southport had an approximate value in excess \$2.6 billion dollars, while the Commonwealth Games infrastructure is over \$1.2 trillion dollars alone.

As evidenced by the rise in the median price since the March 2012 period, buyers have been more inclined to take on larger debt, with properties in the higher price ranges proving popular amongst buyers. First home buyers are still largely absent in the market, while investors are becoming more active. A price point analysis undertaken for the house market indicates that over the past 12 months there has been a shift to a higher price point. While more affordable property in the price range of \$300,000 to \$399,999 is still where a majority of transactions are occurring (42 per cent) there has been a notable shift of buyers in the \$550,000 upwards price range which saw transactions jump up from eight per cent in March 2012 to 23 per cent in March 2013. This has attributed to the rise in median price seen.

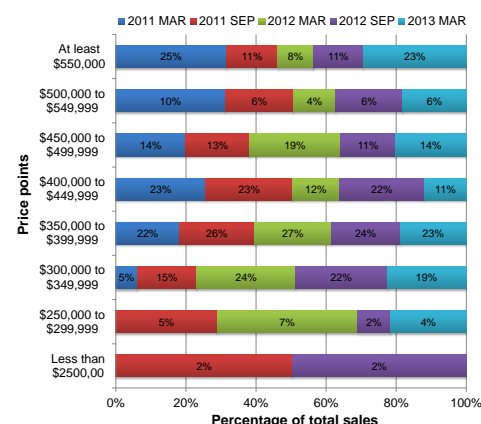
SOUTHPORT HOUSE SALES CYCLE



Prepared by PRDNationwide Research. Source: PDS

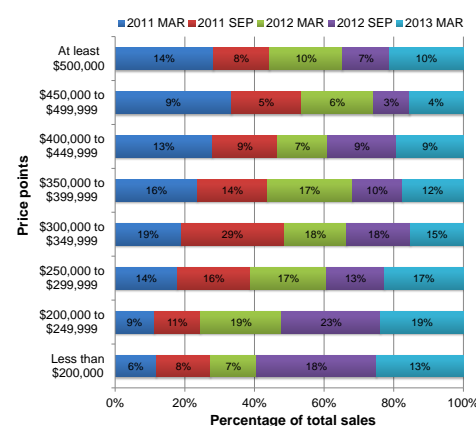
The Southport unit market appears to be beginning to turn the corner after being in decline since the half year period ending September 2008. The Area recorded a total of 213 transactions for the March 2013 period, which is a nine per cent improvement when compared to 12 months previous; and a 17 per cent improvement on the previous September 2012 half year period. Traditionally, the unit market has been the dominant market in the Southport Area, averaging 424 sales per six month period over the previous 10 years. While the recent improvement in sales is nowhere near the 10 year average, the comparative affordability of the Southport unit market should continue to drive more sales into the future. In the six months ending March 2013, the Southport unit market recorded a median price of \$300,000. This represents a five per cent improvement on the previous six months, as many pundits believe the market may have bottomed out and is beginning to see signs of improvement, which is breeding confidence in the market. This rise has also come at a time where stock levels are low, with properties on the market which are priced well selling in a short period of time. With less stock on the market, more of a price war is created amongst buyers, resulting in rising median prices.

HOUSE PRICE POINTS



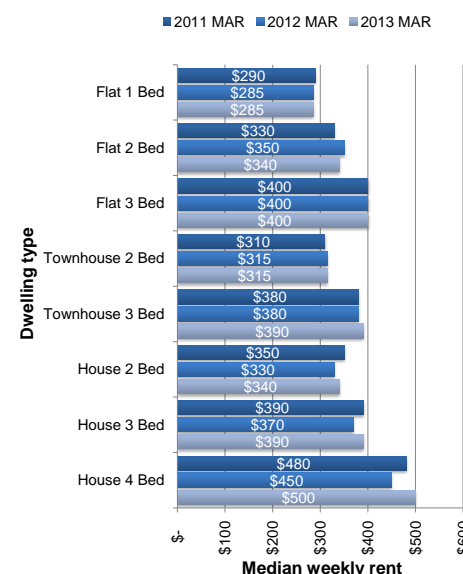
Prepared by PRDNationwide Research. Source: PDS

UNIT PRICE POINTS



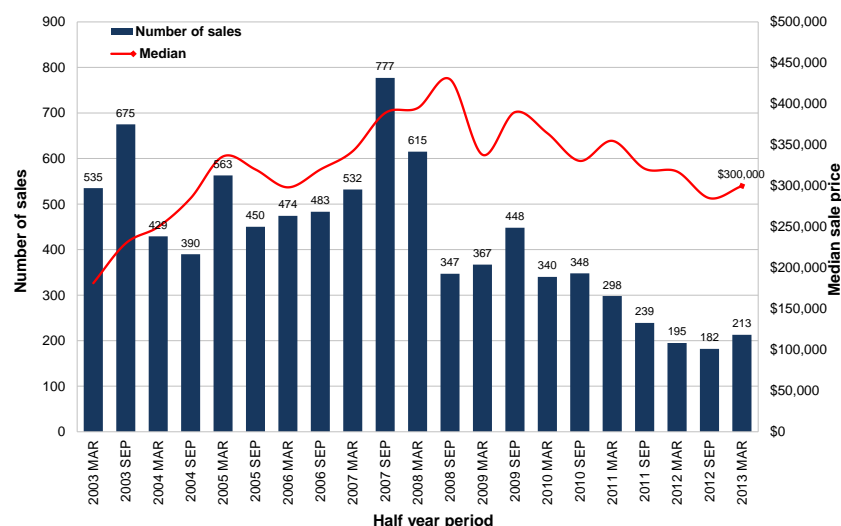
Prepared by PRDNationwide Research. Source: PDS

4215 P/C MEDIAN RENTS



Prepared by PRDNationwide Research. Source: RTA

SOUTHPORT UNIT SALES CYCLE



Prepared by PRDNationwide Research. Source: PDS

With investors beginning to re-enter the property market as bricks and mortar again represent an attractive proposition, the Southport Area in particular has many things to like from an investment point of view. Viewed by the Gold Coast City Council as a Principal Activity Centre and a major transit-oriented community, the Southport Area has been benefitting from various infrastructure projects. Of key benefit to the Southport Area is the light rail system, linking Southport (including the hospital and university campus) to Broadbeach in its initial stage. As a result, homes within easy walking distance to these light rail stops are expected to see a rise in price, due to both the convenience they provide for residents and investors, as well as the finite amount of stock in such locations.

As previously mentioned, Southport is ideally located for an investor with its close proximity to business districts, medical facilities as well as education facilities. As such, this has created a competitive rental market where tight vacancies are observed. Though rents have remained largely unchanged over the past three years, small increases have been seen in three bedroom townhouses and three and four bedroom houses. More so, this reflects a market which has been absent of investors in recent times. As the light rail and other infrastructure projects around Southport near completion, combined with favourable lending conditions for investors and money still coming out of the resource sector in Western Australia as well as Central and North Queensland, the rental market may begin to see some improvement over the coming years.

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