



**Surfers Paradise**  
Property Factsheet  
1st Half 2018





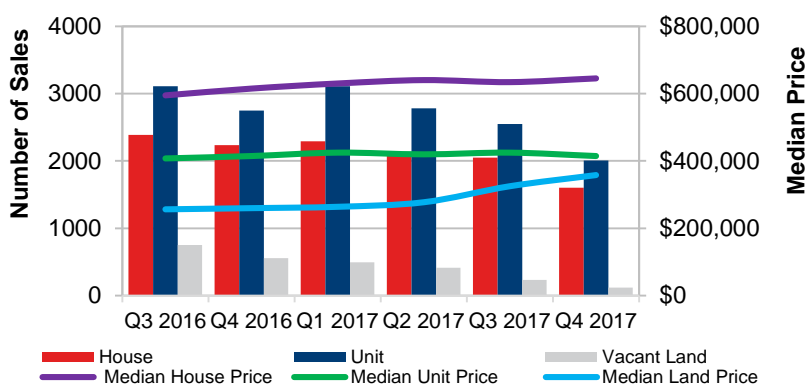
## MARKET CONDITIONS

The Surfers Paradise property market recorded a median house price of \$1,270,000 and \$350,000 for units in Q4 2017, representing an annual price change of -0.4% and -4.1% respectively. Over the same period of time house prices in the Gold Coast City Region grew by 4.9% to \$645,000 while unit prices remained the same at \$415,000. This indicates that although there is a partial softening in the market, this suggests now is the prime time for first home buyers to capitalise on affordability. Surfers Paradise is still a premium and sought-after market in comparison to the Gold Coast as a whole.

Average days to sell in Surfers Paradise over the past 12 months to Q4 2017 have significantly improved for houses (40 days). This is further accompanied by the tightening of average vendor discount for houses (to -5.1% in Q4 2017), suggesting more competition in the house market and an ideal time for those wanting to sell their property. On the other hand, the average days and average vendor discount has slightly widened for units, currently at 91 days and -5.3% respectively. This suggests now is the time for first home buyers to enter the unit market and secure their property.

Median unit rent in Surfers Paradise has experienced a positive growth of 3.8% over the past 12 months to Q4 2017 (to \$410p/w). Over the same period, median house rent has softened to \$523p/w. Low vacancy rates of 1.4% continue to demonstrate the strong rental demand in the area. Astute house investors are benefiting from 5.0% rental yield, which is higher than Gold Coast Main's 4.3%.

## GOLD COAST CITY REGION GROWTH



## OVERVIEW

Located just an hour from Brisbane is Gold Coast's tourism and entertainment centre. Surfers Paradise is globally known for its beautiful beaches and welcoming atmosphere. The area is popular with professionals and young families. In the 2016 Census, there were 23,689 people residing in Surfers Paradise.

Change from Last	Year	Half Year
House Sales	↓	↓
House Median Price	↓	↓
House Rental Price	↓	↓
Unit Sales	↓	↓
Unit Median Price	↓	↓
Unit Rental Price	↑	↓

## FUTURE DEVELOPMENTS\*

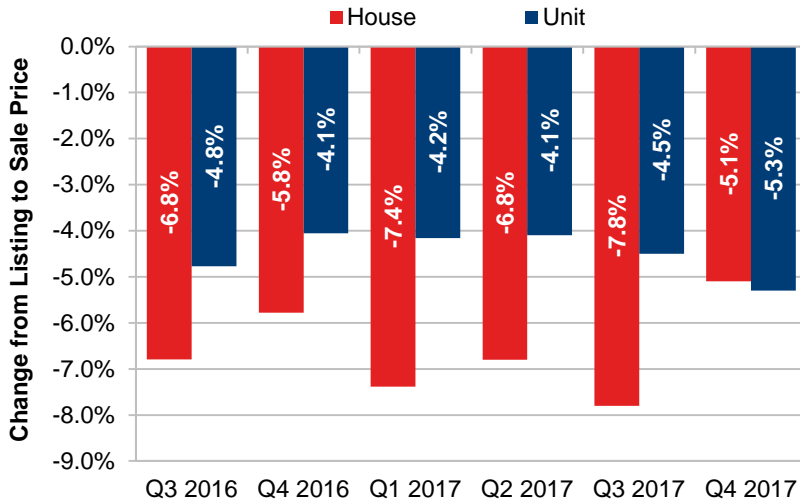
Surfers Paradise is set to see approx. \$264.6M of new projects commencing in the 1st half of 2018. Residential projects account for the majority of mixed use development value (56.7%), totalling an estimated \$150M of projects. This is followed by residential developments (\$110.5M or 41.8%) and commercial (\$4.1M or 1.5%).

Overall 699 units and 3 townhouses will be added to the Surfers Paradise market in the 1<sup>st</sup> half of 2018, spread over 2 mixed-use and 7 residential projects.

The key mixed used project is the Markwell Residences (\$110.0M), which will include the construction of 45-storey development with 562sqm commercial space and an additional 206 units to the Surfers Paradise market. The main residential project is the Ferny Avenue Units (\$35.0M) which will include the construction of 24 storey residential building comprising 42 one-bedroom and 56 two-bedroom units. Both projects are scheduled to commence in March 2018.

\*Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value. Quoted construction and/or completion dates are estimate only, as per relevant data authority.  
Source: APM PriceFinder, Cordell Database, realestate.com.au, ABS.  
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## AVERAGE VENDOR DISCOUNT\*



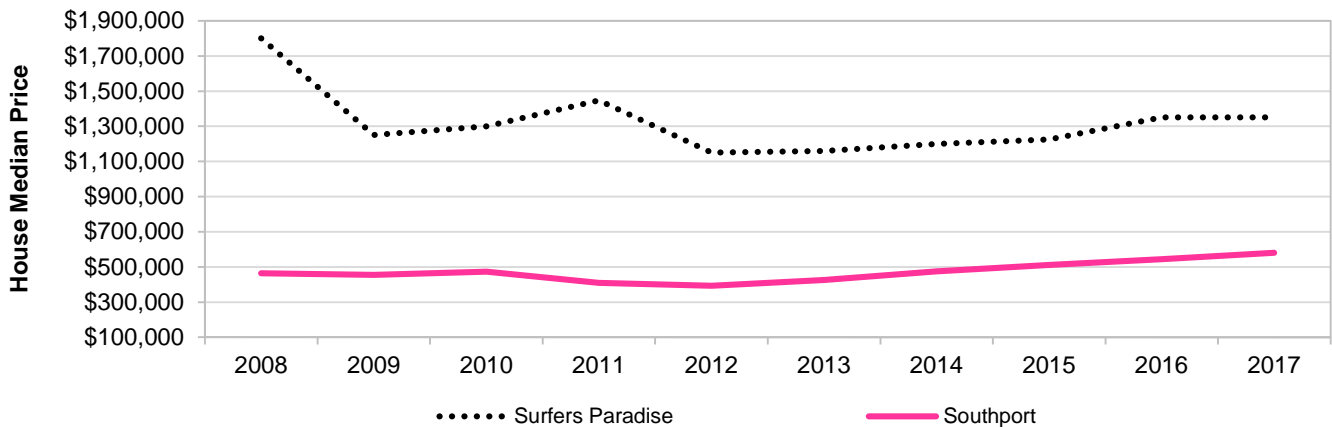
### AVERAGE VENDOR DISCOUNT

Average vendor discount reflects the average percentage difference between first list price and final sold price. A lower percentage difference (closer to zero) suggests buyers are willing to purchase close to the first asking price of a property.

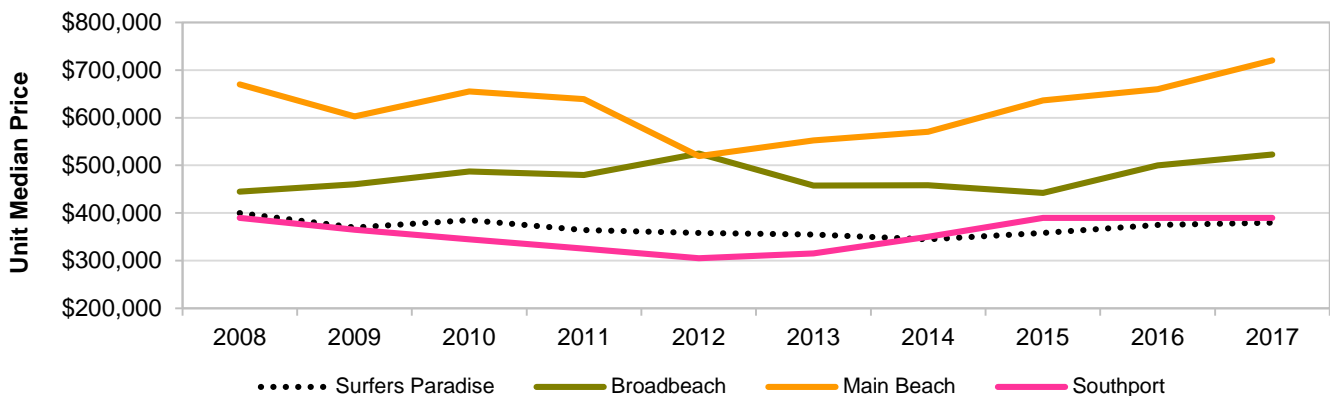
### MARKET COMPARISON GRAPH

The market comparison graph provides comparative trend for median price of house and units over the past 10 years. Suburbs profiled are chosen based on proximity to the main suburb analysed in the factsheet, which is Surfers Paradise. The main suburb is highlighted through a dotted black line graph.

## HOUSE MARKET COMPARISON\*\*



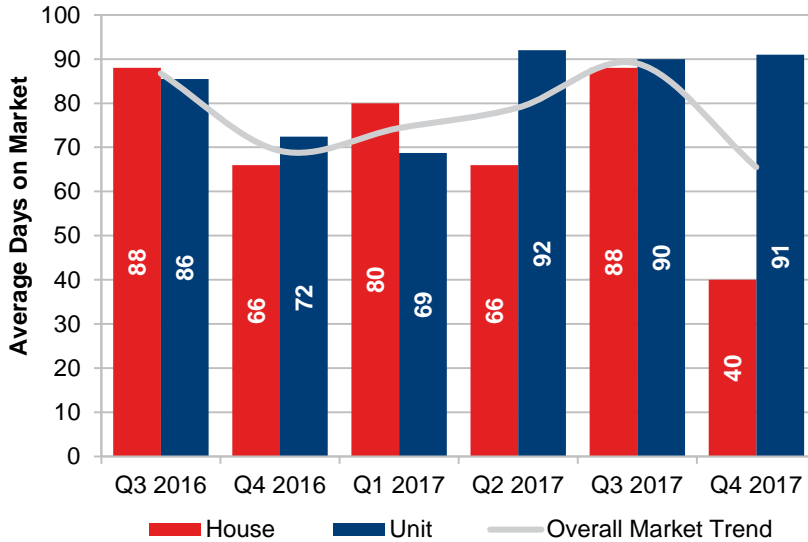
## UNIT MARKET COMPARISON



\*Q3 and Q4 2017 quoted data for houses represents both settled transactions (i.e. government data) and agents' advice.

\*\*Broadbeach and Main Beach are not included in the graph due to not meeting the requirement of having a minimum of 20 sales each year. Source: APM Pricefinder, realestate.com.au, Real Estate Institute of Australia. © Copyright PRDnationwide 2018.

## AVERAGE DAYS ON MARKET\*



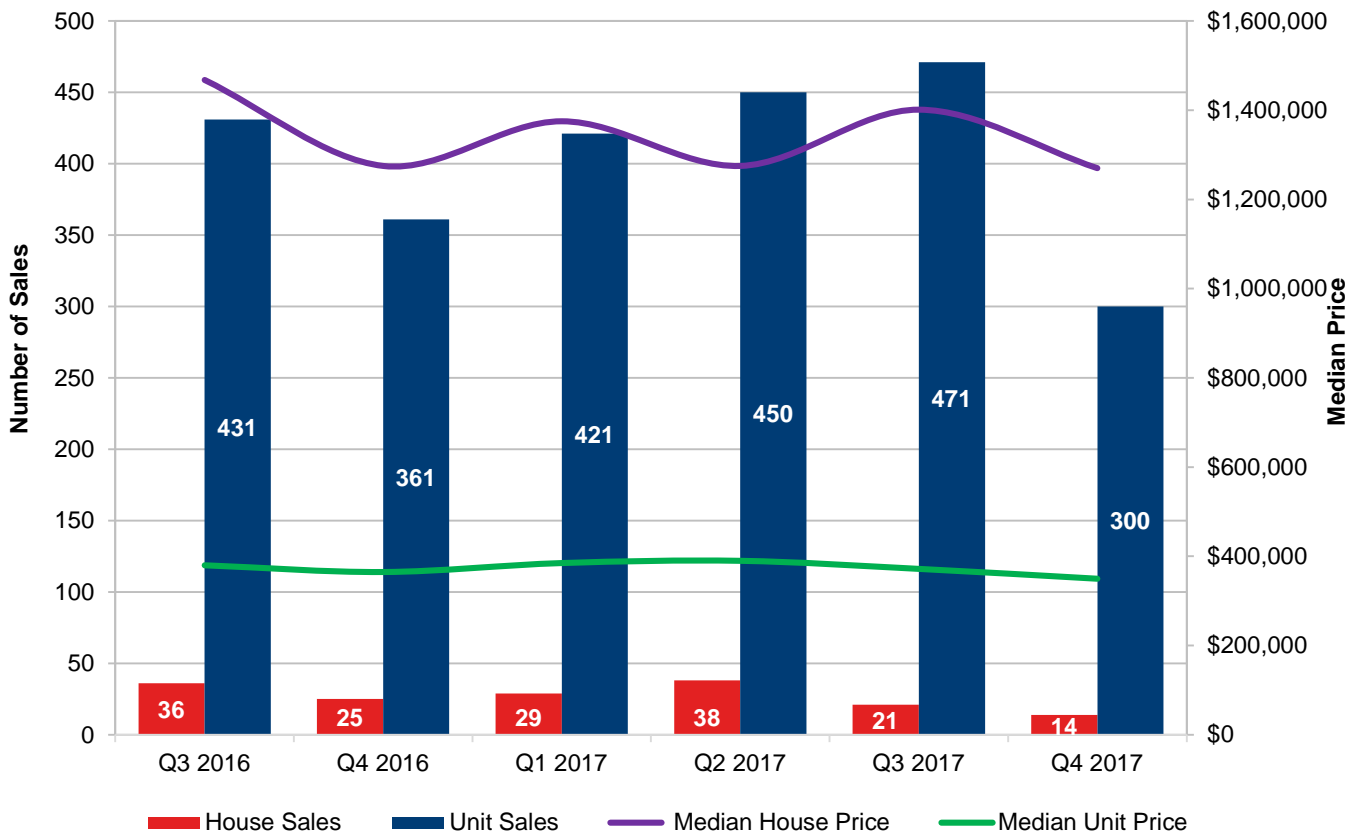
### HOUSE KEY FACTS Q4 2017

Median Sale Price: \$1,270,000  
 Annual Growth: -0.4%\*\*  
 Average Days on Market: 40  
 % Change between First Listed Price and Sold Price: -5.1%

### UNITS KEY FACTS Q4 2017

Median Sale Price: \$350,000  
 Annual Growth: -4.1%\*\*  
 Average Days on Market: 91  
 % Change between First Listed Price and Sold Price: -5.3%

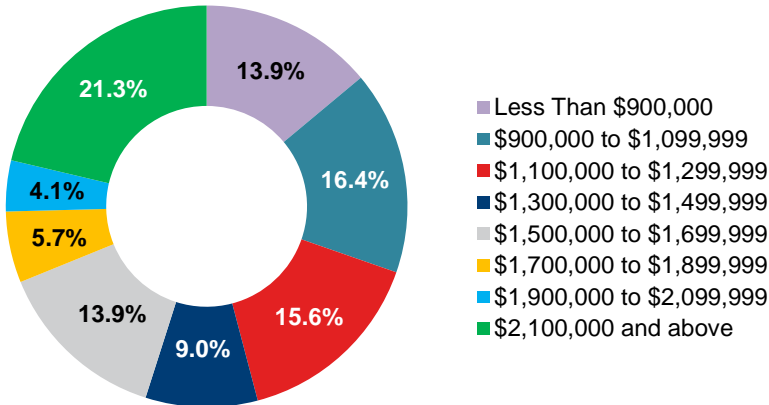
## SALES AND MEDIAN PRICE\*



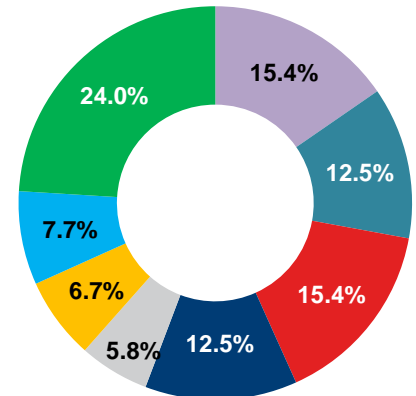
\*Q3 and Q4 2017 quoted data for houses represents both settled transactions (i.e. government data) and agents' advice.  
 \*\*Annual growth represents price growth for property transactions between Q4 2016 to Q4 2017 (inclusive).  
 Source: APM Pricerfinder, realestate.com.au, SQM Research. © Copyright PRDnationwide 2018.

## SALES PRICE POINT ANALYSIS

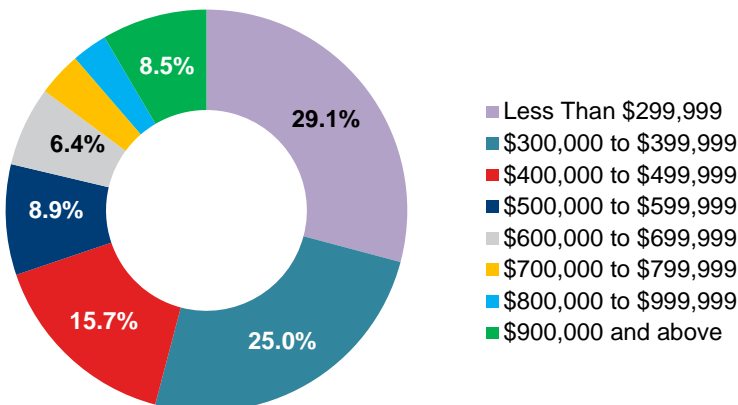
### HOUSE PRICE POINT 2016



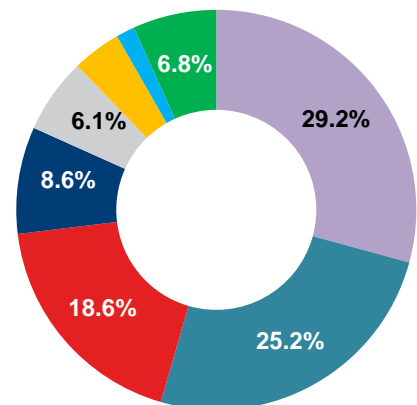
### HOUSE PRICE POINT 2017



### UNIT PRICE POINT 2016



### UNIT PRICE POINT 2017



#### KEY IMPLICATIONS - HOUSE

The majority of houses sold in Surfers Paradise during 2017 remained in the over \$2,100,000 price bracket, increasing partially to 24.0%. This signals a strong and continued demand for properties in the higher end of the market.

The proportion of sales occurring in the \$1,300,000-\$1,500,000 increased from 9.0% to 12.5% in 2017, indicating a centralisation of prices in Surfers Paradise.

In 2017, the proportion of sales under \$900,000 increased from 13.9% to 15.4%, indicating that more affordable options are becoming available for first home buyers and investors in Surfers Paradise.

#### KEY IMPLICATIONS - UNIT

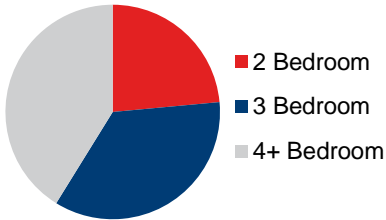
The majority of units being sold in Surfers Paradise during 2017 remains in the price segment, below \$300,000, (29.2%). There is a slight increase in the proportion of sales within the mid-priced units (between \$300K-\$600K), however sales in the \$900,000 and above segment decreased partially from 8.5% to 6.8%. This is in line with the -4.1% softening of median price over the past 12 months to Q4 2017, which is likely due to the current oversupply of units.

Exciting and affordable opportunities are on offer for first home buyers and investors who are looking to purchase a unit in a highly desirable area.

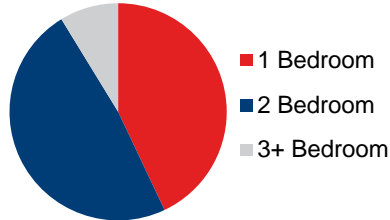


## INVESTMENT ANALYSIS

### HOUSE



### UNIT



### KEY COMMENTS

The median weekly rent prices for houses over the past 12 months to Q4 2017 have softened to \$523, while the median weekly rent prices for units has grown by 3.8% to \$410. Low vacancy rates, currently at 1.4% is relatively on par with Gold Coast Main's 1.2% and signals a stable rental demand in the area. Further, current investors are benefiting from 5.0% (houses) and 5.1% (unit) rental yield. These aspects confirm Surfers Paradise as a desirable location for investment with rewarding returns.

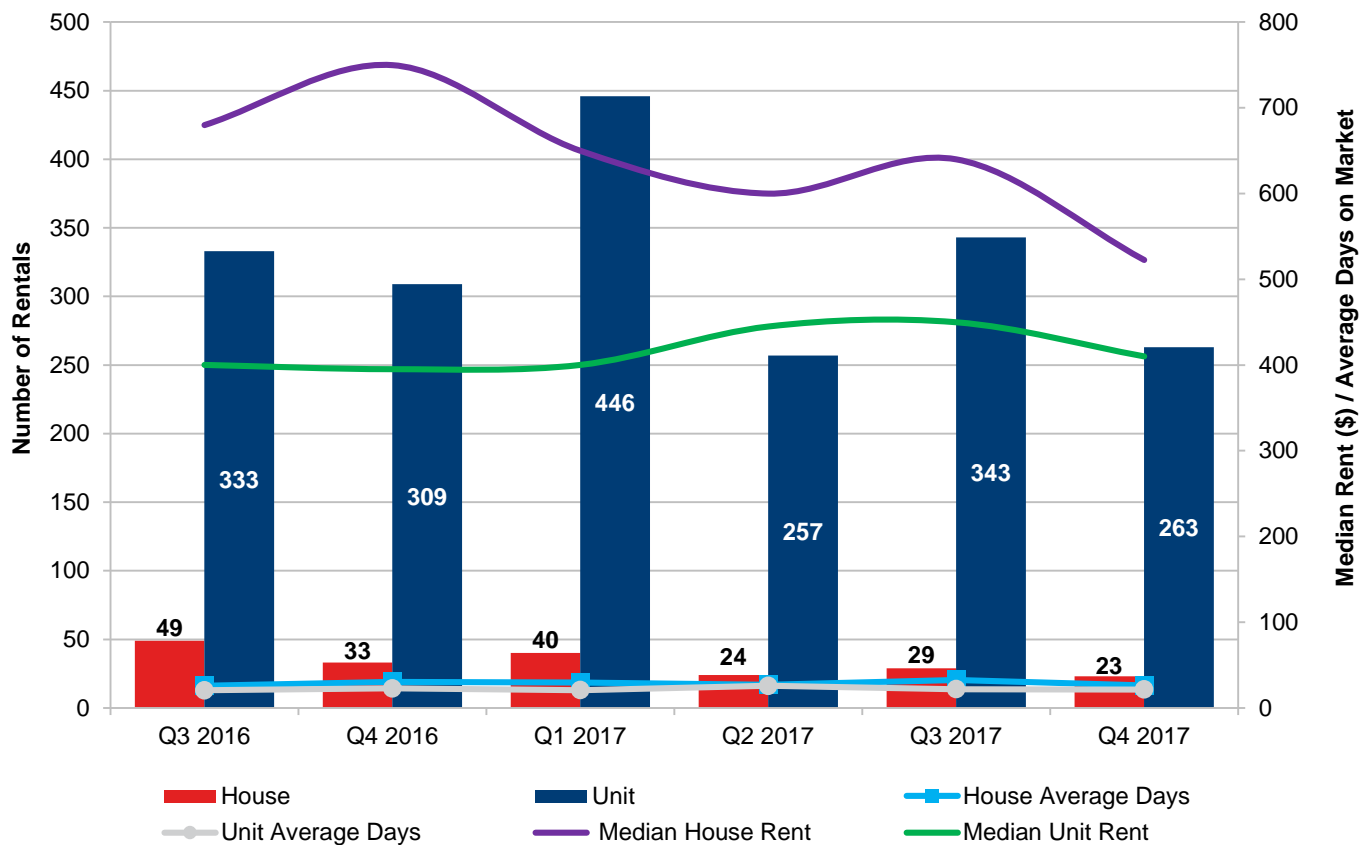
### HOUSE KEY FACTS Q4 2017

Median Rent Price: \$523 per week  
 Suburb Rental Yield: 5.0%  
 Average Days on Market: 26  
 Bedroom Breakdown:  
 2 Bed: 24%, 3 Bed: 35%, 4+ Bed: 41%

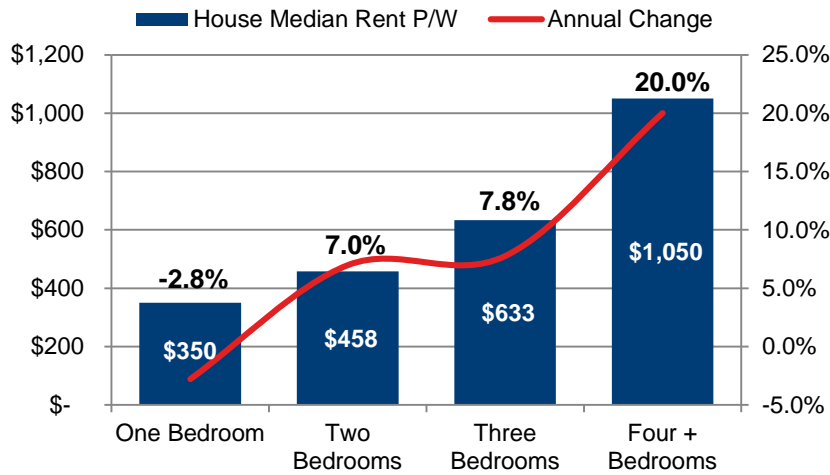
### UNITS KEY FACTS Q4 2017

Median Rent Price: \$410 per week  
 Suburb Rental Yield: 5.1%  
 Average Days on Market: 21  
 Bedroom Breakdown:  
 1 Bed: 43%, 2 Bed: 48%, 3+ Bed: 9%

## MEDIAN RENT AND AVERAGE DAYS ON MARKET



## RENTAL PERFORMANCE 2017



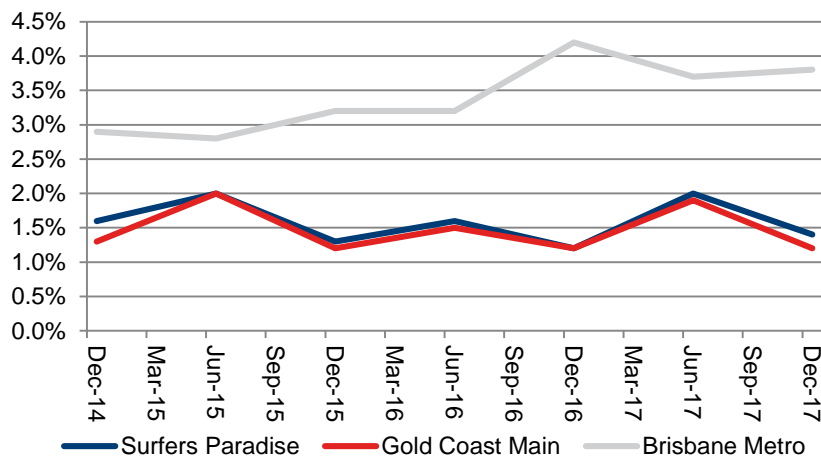
### KEY COMMENTS

Surfers Paradise house rental returns are currently at 5.0%, higher than Gold Coast Main (4.3%) and Brisbane Metro (3.8%). Units rental yield in Surfers Paradise (5.1%) is relatively on par with that of Gold Coast Main (5.4%).

4+ bedroom houses provide investors with impressive annual rental growth at 20.0% (\$1,050 weekly rental return).

Surfers Paradise's vacancy rate is at 1.4%, which is relatively on par with Gold Coast Main's 1.2%. Surfer Paradise's stable vacancy rate over the past 12 months provides conducive conditions for sustainable investments.

## VACANCY RATES 2017



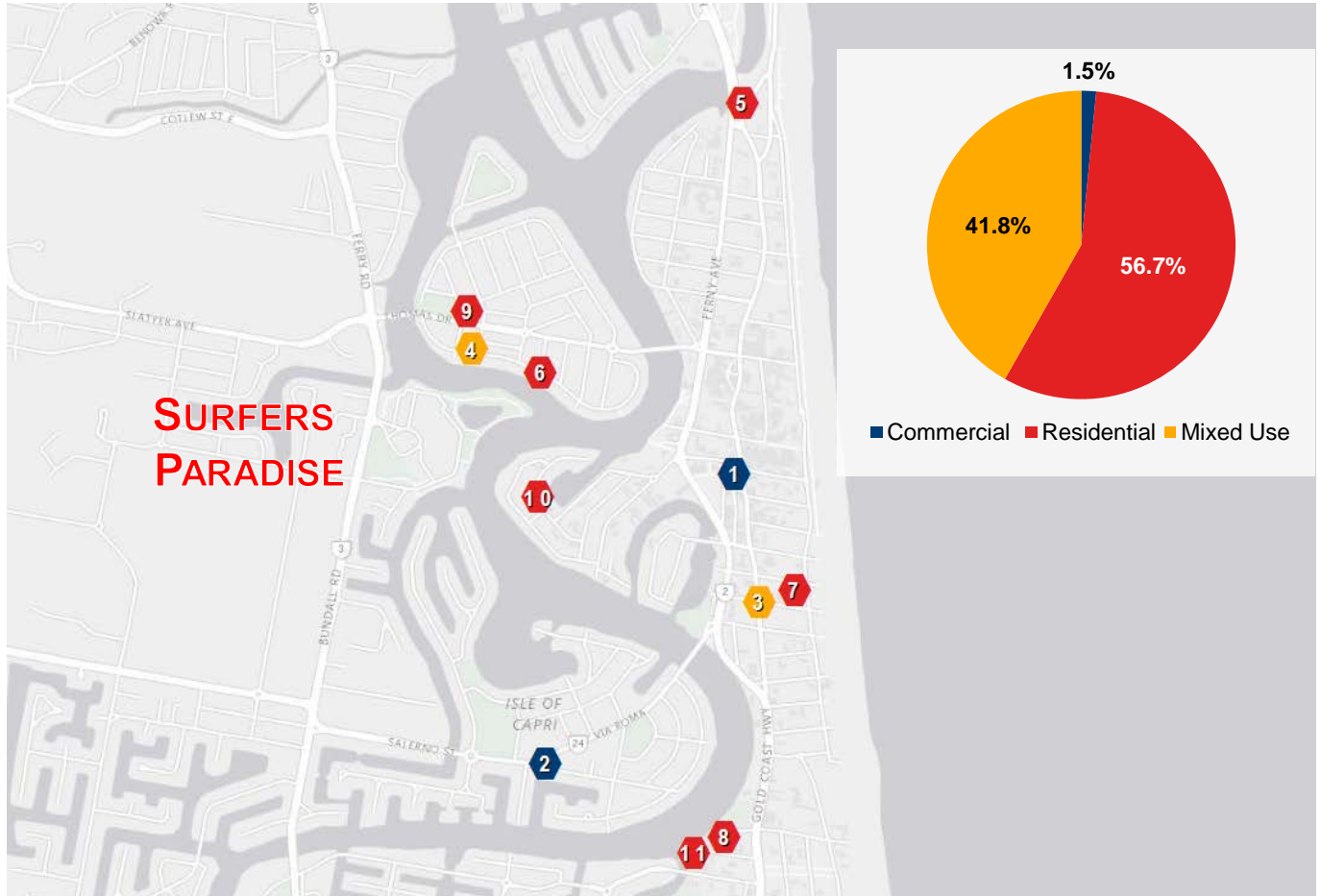
## RENTAL YIELD 2017

Suburb/Postcode/LGA	House Rental Yield	Unit Rental Yield
Surfers Paradise	5.0%	5.1%
Gold Coast Main	4.3%	5.4%
Brisbane Metro	3.8%	5.0%

## KEY HOUSING DEMOGRAPHICS

	Surfers Paradise	Gold Coast LGA	Queensland
Median weekly household income	\$1,136	\$1,404	\$1,402
Median monthly mortgage repayments	\$1,700	\$1,950	\$1,733
Unemployed	9.1%	7.0%	7.6%
Professionals	15.8%	18.3%	19.8%
Owned outright	23.0%	26.2%	28.5%
Owned with mortgage	16.9%	33.6%	33.7%
Rented	56.1%	36.6%	34.2%

# PROJECT DEVELOPMENT MAP 1<sup>ST</sup> HALF 2018



Location	Project	Type	Estimated Value*	Commence Date**
1	The Islander Backpackers Resort	Commercial	\$2,100,000	11/06/2018
2	Via Roma Commercial Building	Commercial	\$2,000,000	25/06/2018
3	Markwell Residences (206 units)	Mixed Used	\$110,000,000	02/03/2018
4	Mawarra Street Mixed Use Development (149 units)	Mixed Used	\$40,000,000	24/05/2018
5	Ferry Avenue Units (98 units)	Residential	\$35,000,000	05/03/2018
6	Parnoo Road Mixed Use Development - Marcoland Chevron Island (110 units and 3 town houses)	Residential	\$30,000,000	16/04/2018
7	Hamilton Avenue Units (49 units)	Residential	\$20,000,000	04/06/2018
8	Cannes Avenue Apartments - Serenity Surfers Paradise (24 apartments)	Residential	\$8,000,000	18/04/2018
9	Anembo Street Units (27 units)	Residential	\$6,500,000	25/05/2018
10	Sunrise Boulevard Apartments (20 apartments)	Residential	\$6,000,000	18/02/2018
11	Cannes Avenue Apartments (16 apartments)	Residential	\$5,000,000	19/03/2018

\*Estimated value is the value of construction costs provided by relevant data authority, it does not reflect the project's sale/commercial value.

\*\*Commencement date quoted for each project is an approximate only, as provided by the relevant data authority, PRDnationwide does not hold any liability to the exact date in which each project commences and/or is completed.

Source: Cordell Database, BatchGeo, ESRI ArcGIS, Gold Coast City Council. © Copyright PRDnationwide 2018.



## ABOUT PRDnationwide RESEARCH

**PRDnationwide's research division provides reliable, unbiased, and authoritative property research and consultancy to clients in metro and regional locations across Australia**

Our extensive research capability and specialised approach ensures our clients can make the most informed and financially sound decisions about residential and commercial properties.

## OUR KNOWLEDGE

**Access to accurate and objective research is the foundation of all good property decisions**

As the first and only truly knowledge based property services company, PRDnationwide shares experience and knowledge to deliver innovative and effective solutions to our clients.

We have a unique approach that integrates people, experience, systems and technology to create meaningful business connections. We focus on understanding new issues impacting the property industry; such as the environment and sustainability, the economy, demographic and psychographic shifts, commercial and residential design; and forecast future implications around such issues based on historical data and fact.

## OUR PEOPLE

**Our research team is made up of highly qualified researchers who focus solely on property analysis**

Skilled in deriving macro and micro quantitative information from multiple credible sources, we partner with clients to provide strategic advice and direction regarding property and market performance. We have the added advantage of sourcing valuable and factual qualitative market research in order to ensure our solutions are the most well considered and financially viable.

Our experts are highly sought after consultants for both corporate and government bodies and their advice has helped steer the direction of a number of property developments and secured successful outcomes for our clients.

## OUR SERVICES

**Our research services span over every suburb, LGA, and state within Australia; captured in a variety of standard and customized products**

We have the ability and systems to monitor market movements, demographic changes and property trends. We use our knowledge of market sizes, price structure and buyer profiles to identify opportunities for clients and provide market knowledge that is unbiased, thorough and reliable.



## PERSONAL PROFILE:

- Unit Sales Specialist – Surfers Paradise, Main Beach and Broadbeach
- Selling on the Gold Coast since 2004
- Winner of numerous Real Estate Sales Awards
- Expert advice on marketing strategies
- Family Business owner

**Trent Scott, Partner**  
**PRDnationwide Surfers Paradise**

Shop 5 St Tropez North  
33-35 Orchid Avenue  
Surfers Paradise QLD 4217  
Australia

**T** +61 7 5588 0088  
**F** +61 7 5570 3877  
**M** +61 417 773 597  
**E** [trent@prdsurfers.com.au](mailto:trent@prdsurfers.com.au)

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