





Knight
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Knight Frank Research


Gold Coast Residential Property Market Update

October 2019


Connecting people & property, perfectly

1


Agenda




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1
People &
Economy




2
New Supply



3
Rents



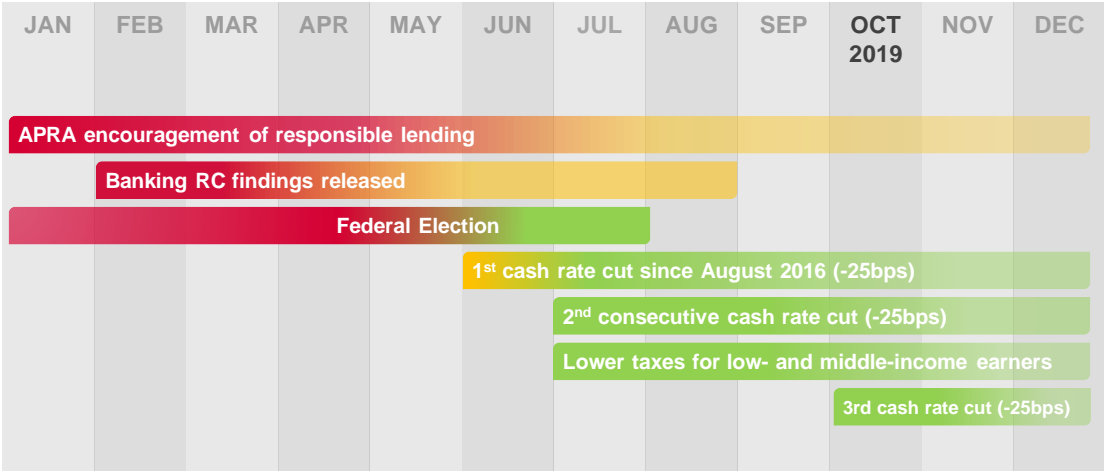
4
Values



5
Yields

2

2019 Timeline



Source: Knight Frank Research


3

People & Economy




GOLD COAST POPULATION GROWTH 2018
+2.6% P.A.
~300
MORE PEOPLE
LIVING ON THE GOLD COAST
EACH WEEK
GOLD COAST UNEMPLOYMENT
4.7%


QLD ECONOMIC GROWTH
3.4% P.A.
TRANSPORT
\$100B IN NEXT 10 YEARS
ACROSS AUSTRALIA
+
INFRASTRUCTURE
>\$23B IN NEXT 4 YEARS
BY STATE GOVN


CASH RATE TARGET
0.75%
MORTGAGE LENDING AVERAGE RATES
Owner-Occupier
Fixed 3yr – 3.36%
(-53bps QoQ)
Variable – 4.94%
(-42bps QoQ)
Investor
Fixed 3yr – 3.80%
(-36bps QoQ)
Variable – 5.52%
(-42bps QoQ)

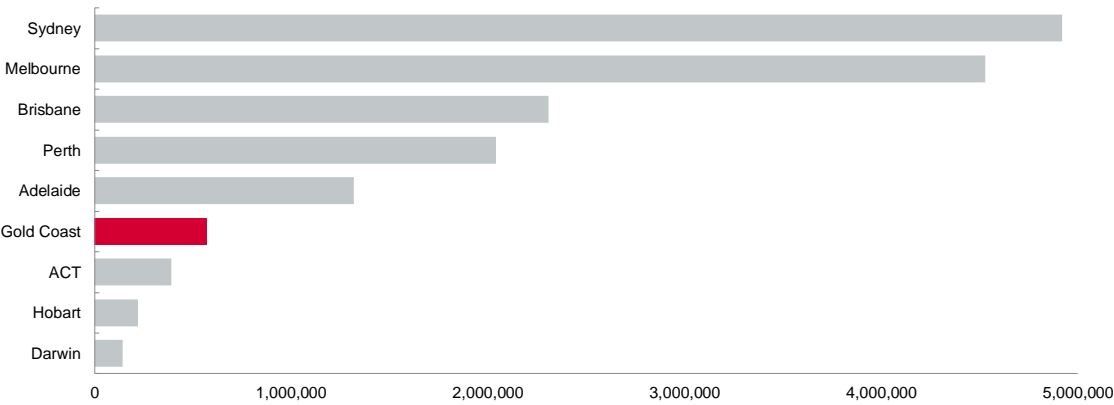
Source: Knight Frank Research, ABS, RBA, Federal & State Government budgets

4

Population Distribution



Estimated resident population



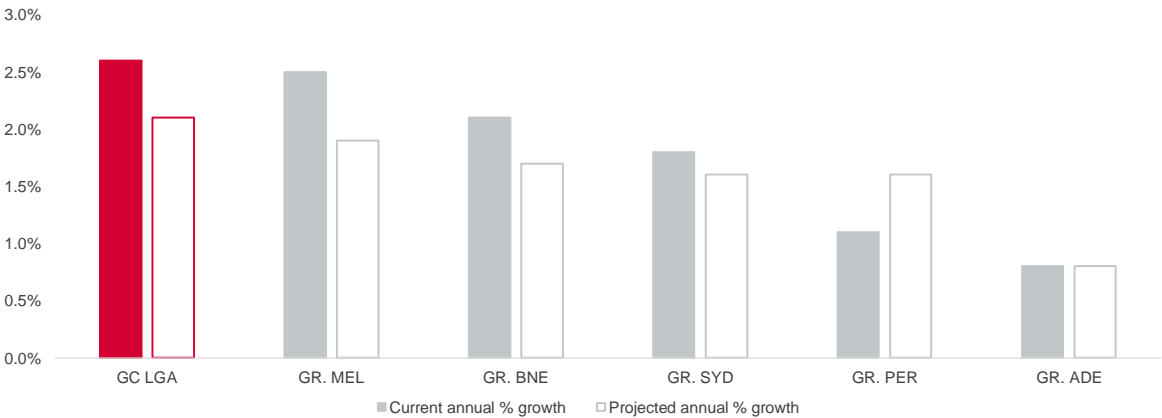
Source: Knight Frank Research, ABS

5

Population Growth projection



% annual growth 2018 & % annual projection to 2041, Greater Cities



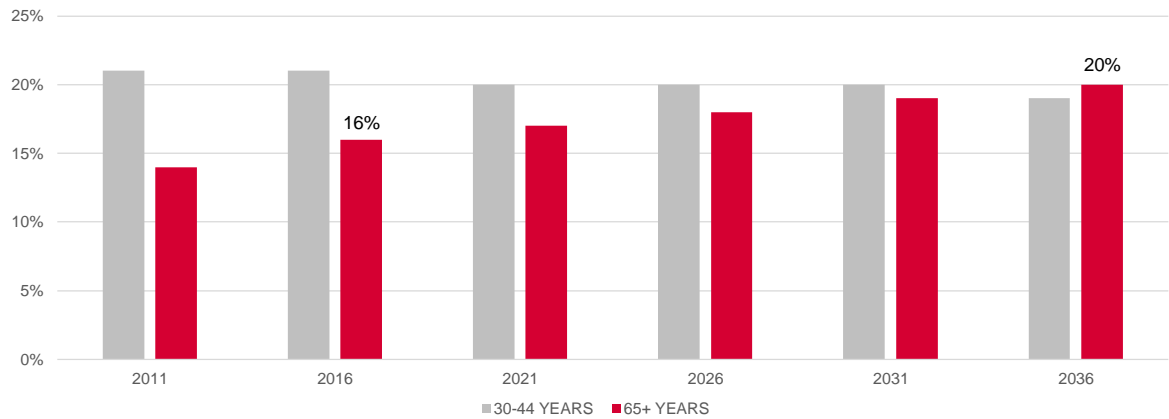
Source: Knight Frank Research, ABS

6

Gold Coast's Aging Population



% of population aged 65+ years v 30-44 years



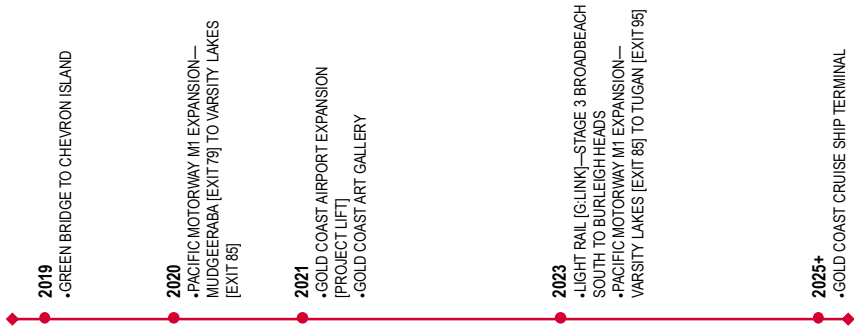
Source: Knight Frank Research, Queensland Government

7

Infrastructure Pipeline



Estimated pipeline of major proposed infrastructure projects, Gold Coast LGA



Source: Knight Frank Research, ABS

8

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4
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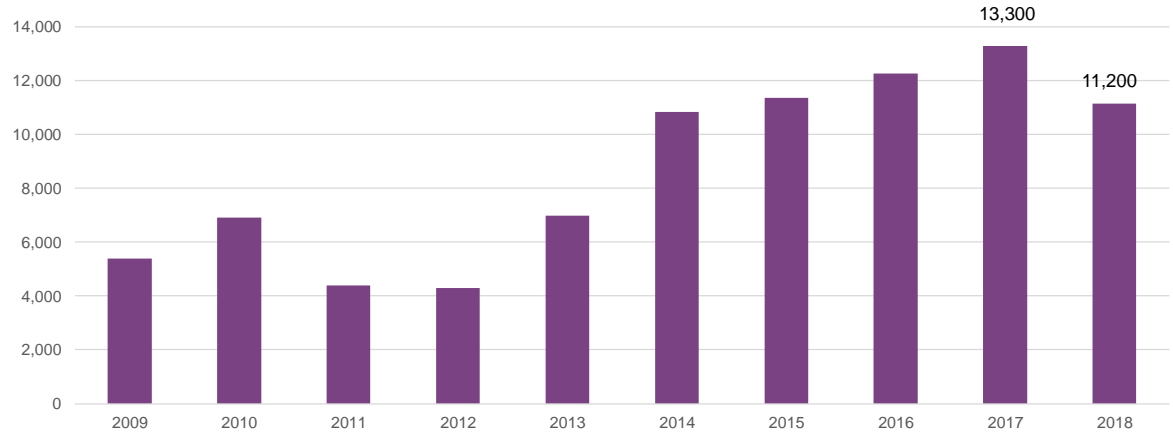


5
Yields

South East Old New Land Lots Released

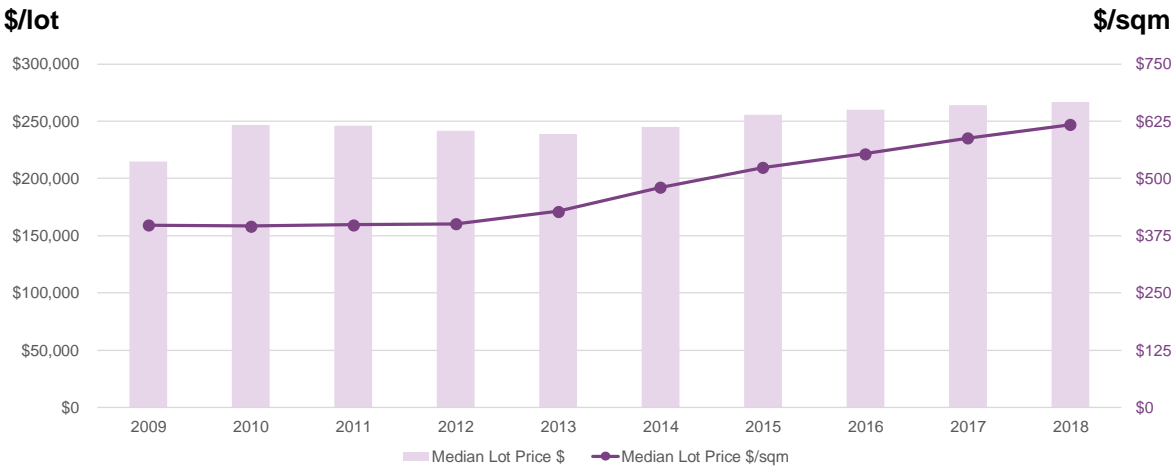


Annual total



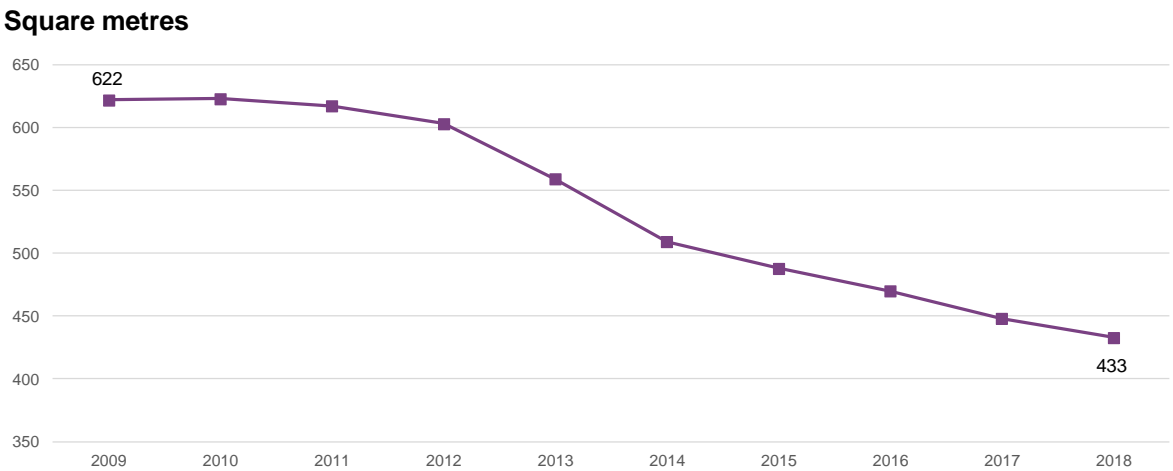
Source: Knight Frank Research, UDIA

South East Qld Median Lot Price



11

South East Qld Median Lot Size

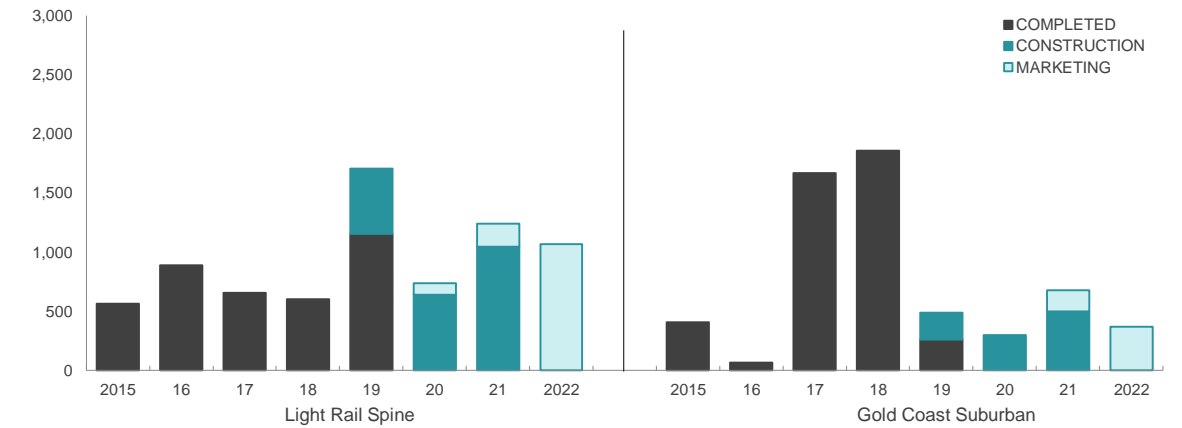


12

New apartment pipeline, Gold Coast LGA



No. apartments, includes projects with 25+ apartments



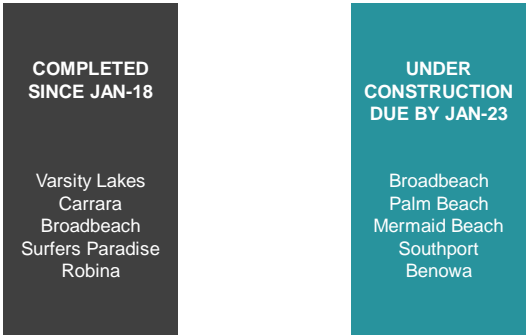
Source: Knight Frank Research

Note: The Light Rail Spine captures all suburbs that touch the G-Link, while Suburban is the balance

Top 5 Suburbs for New Apartments



No. apartments, includes projects with 25+ apartments, Gold Coast LGA



Source: Knight Frank Research

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4
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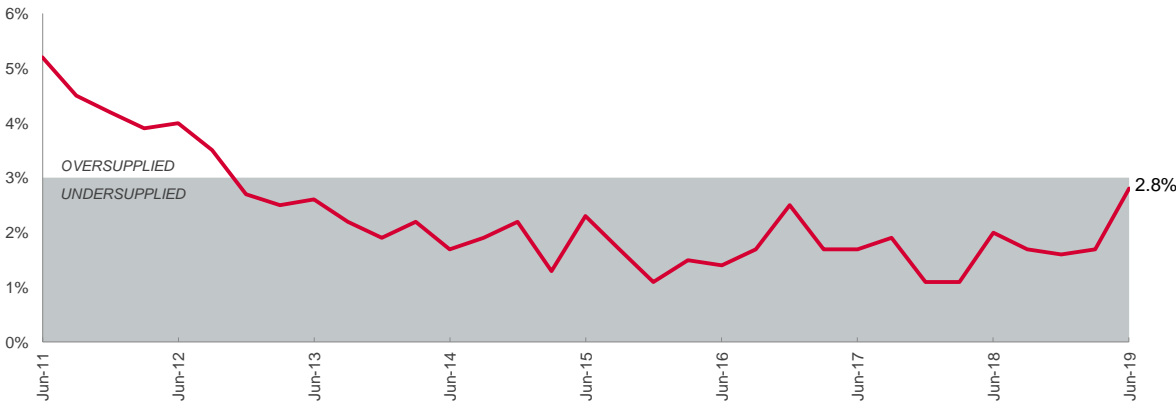
5
Yields

15

Rental Vacancy



% established residential total vacancy, Gold Coast LGA



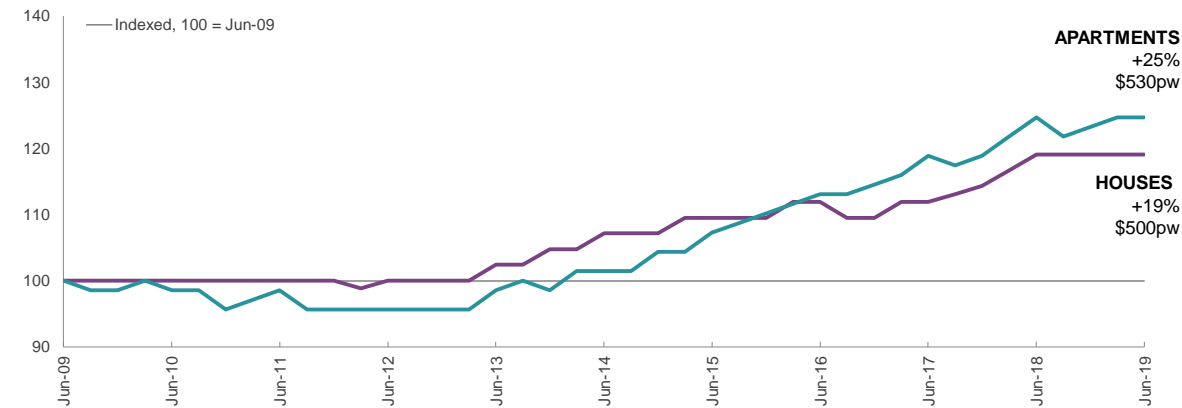
Source: Knight Frank Research, REIQ

16

Rental Performance of Houses & Apartments



% total ten year growth in median rents, Gold Coast LGA



Source: Knight Frank Research, APM

17

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1

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2

New Supply



3

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4

Values



5

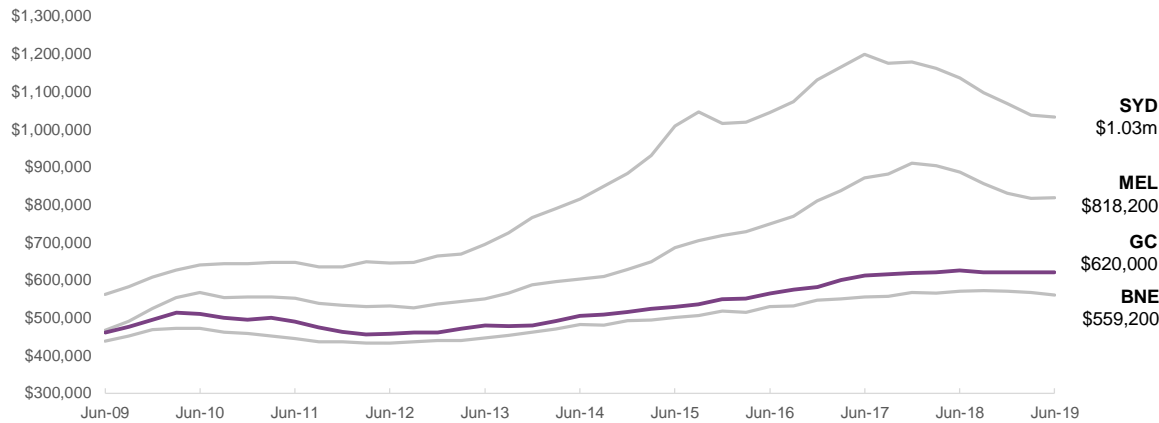
Yields

18

Capital City Comparison, Houses



Median Values

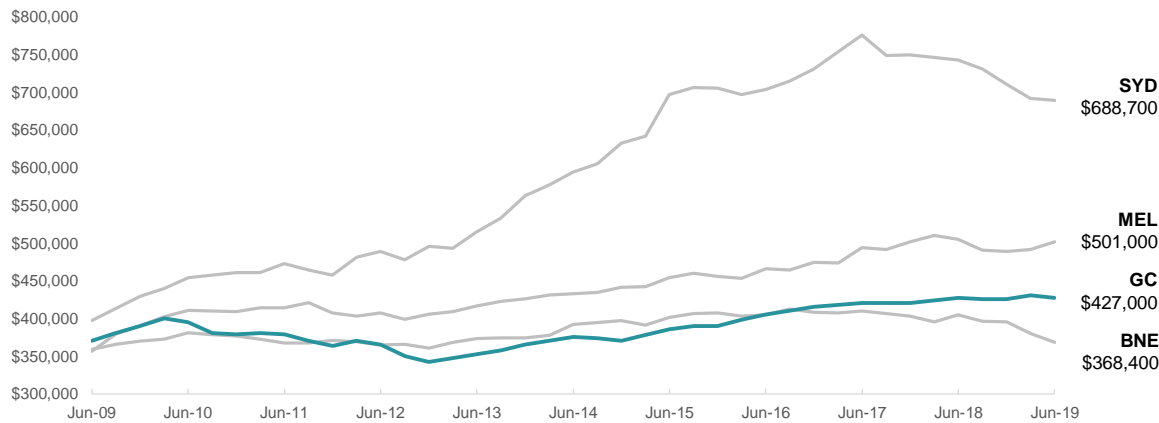


Source: Knight Frank Research, APM

Capital City Comparison, Apartments



Median Values

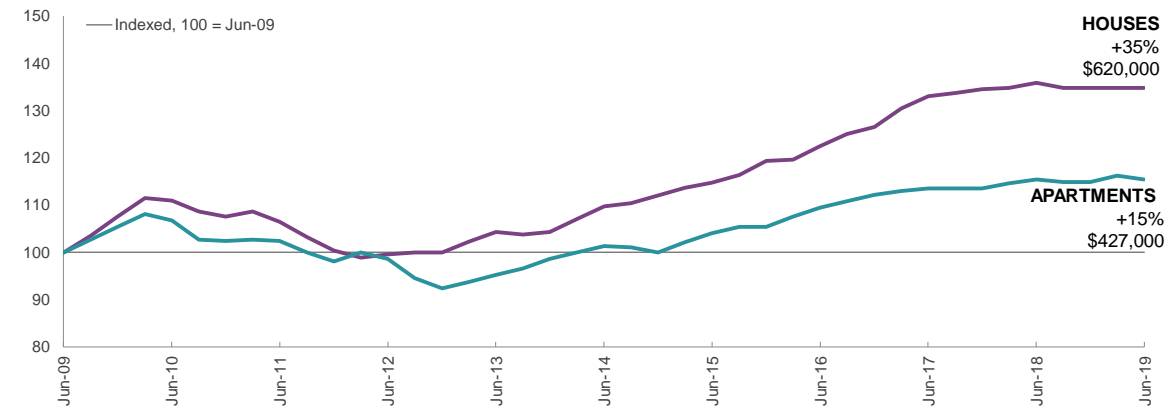


Source: Knight Frank Research, APM

Price Performance of Houses & Apartments



% total ten year growth in median values, Gold Coast LGA



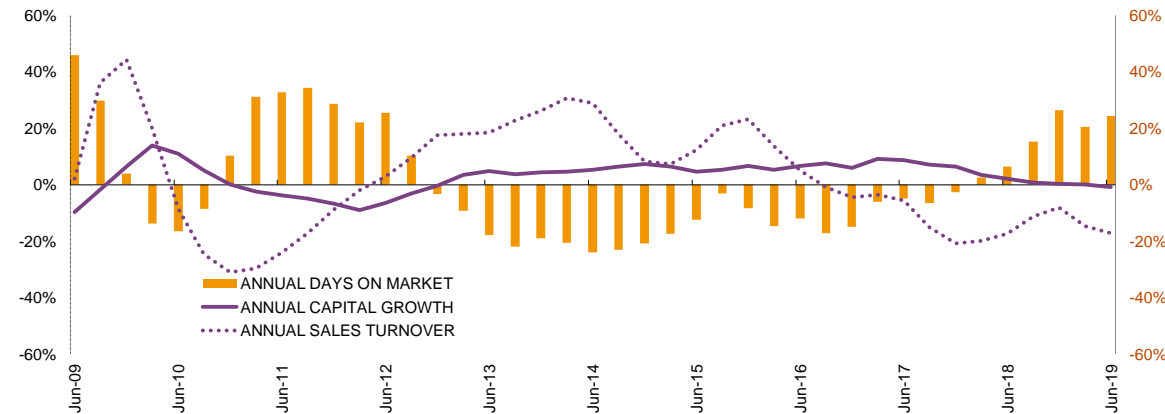
Source: Knight Frank Research, APM

21

Changes in Market Sentiment



% annual growth, Gold Coast LGA, Houses, year ending



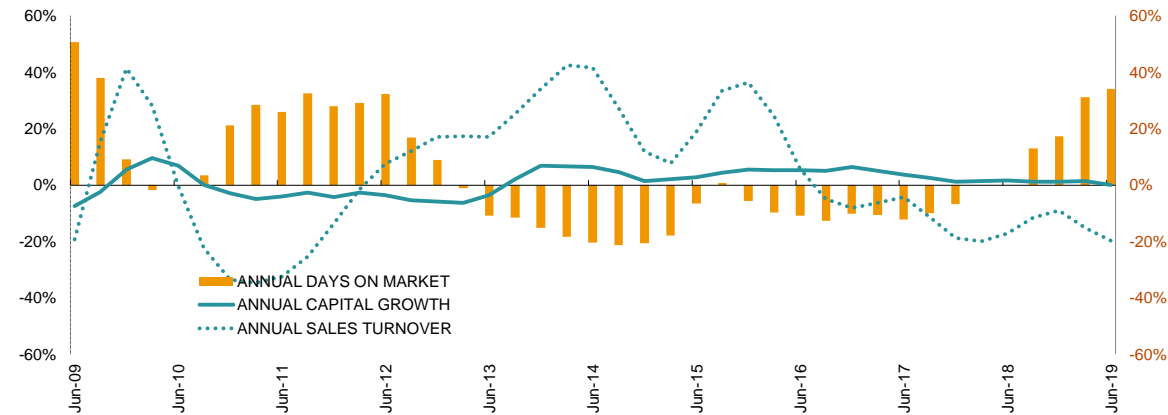
Source: Knight Frank Research, APM

22

Changes in Market Sentiment



% annual growth, Gold Coast LGA, Apartments, year ending



Source: Knight Frank Research, APM

23

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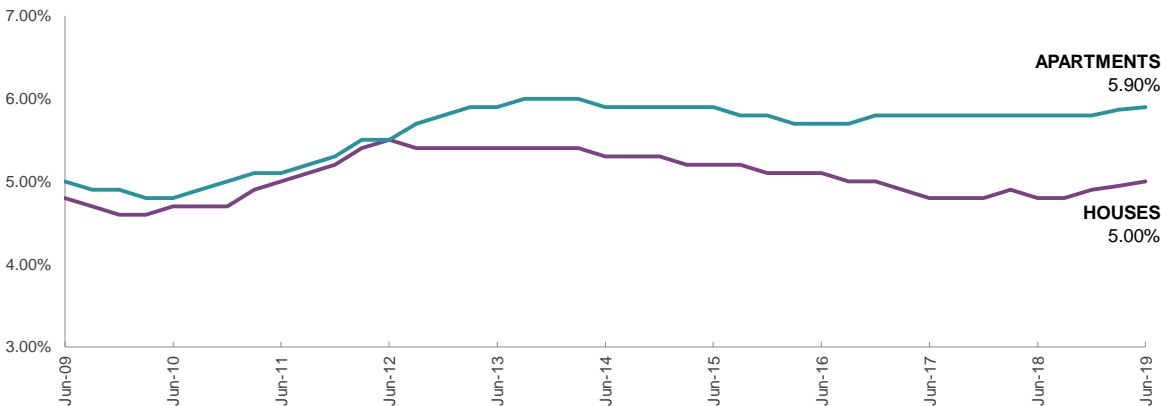
Yields

24

Yield Performance of Houses & Apartments



% median gross rental yield, Gold Coast LGA



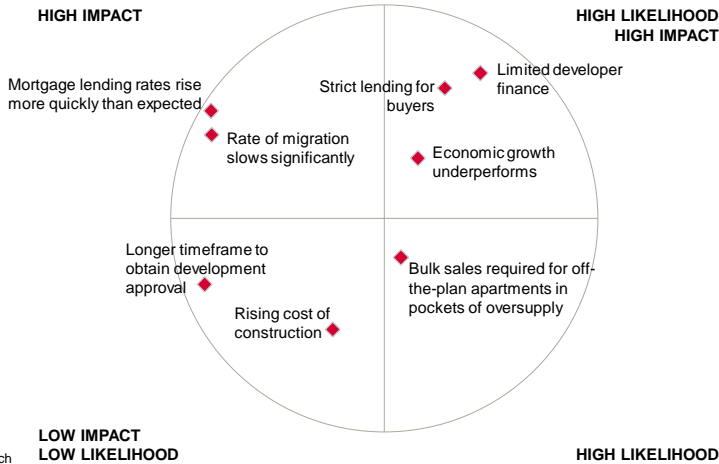
Source: Knight Frank Research, APM

25

Outlook Risk Monitor



8 scenarios assessed on the likelihood and their impact over the next year



Source: Knight Frank Research

26

Key Takeaways



- Better second half of 2019, underlying key indicators favourable
- APRA loosened cooling measures further, welcomed by market
- Strong population growth; especially 65+ years
- Land lots reduced in 2018; smaller lot sizes
- New apartment construction starts have stalled, likely an undersupply in 2-3 years

27



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28