

G' Day

Thanks for buying the Matusik Ready Reckoner for the **Gold Coast City Council** local government area.

Due to increasing requests, I have decided to supply a dashboard summary and accompanying data set – for a selection of geographic areas - that I used when assessing a housing market's state of play or before undertaking project consultancy advice.

This material cuts through the generic property clutter. It tells you what is really going on. There are no fancy infographics or miles of meaningless text.

Eight dashboard charts (with a bullet point summary) and eight excel tables are supplied.

They cover a range of key data sets. Most contain data over the last decade. All hold the latest intel and, where needed, my estimates.

My database has this intel down to a suburban level, so if you are interested in a tailored report please contact us.

And as a way of thanks, use this coupon **SAVE20** to save 20% on buying your next Matusik Ready Reckoner.

Go here: <https://matusik.com.au/reports/>

Thanks again for your purchase.

Cheers for now,



Michael Matusik

0411 793 535

michael@matusik.com.au

www.matusik.com.au

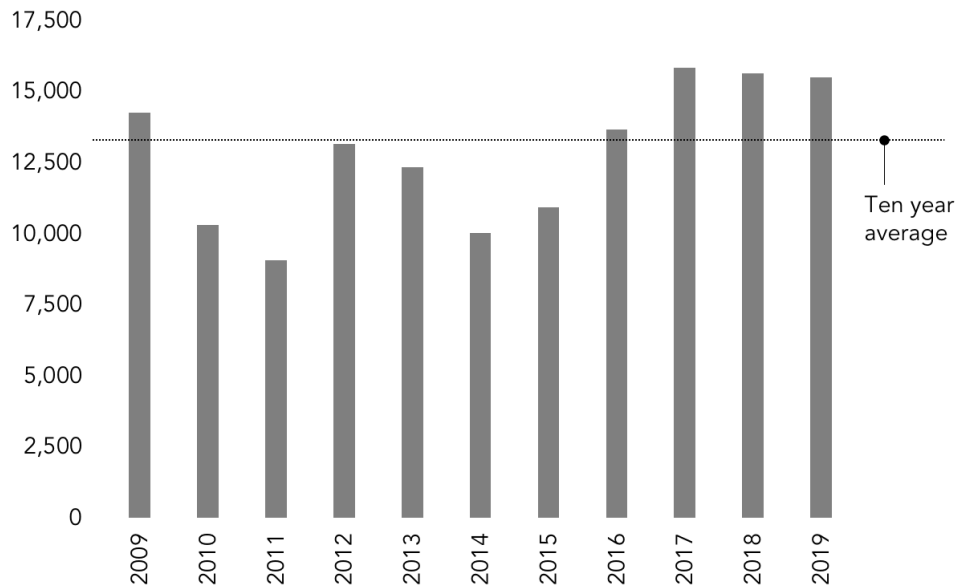
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My summary

- The Gold Coast is growing at its projected rate. The population is expected to reach 800,000 residents within the next decade. If this happens this will mean a 23% lift in the current population.
- Yet new housing supply has dropped, and the market is now heading towards undersupply.
- This has resulted in a decline in sales volumes.
- Whilst price growth remains subdued, weekly rents continue to increase and faster than the longer-term trend.
- I believe that if the current population growth rate continues and new housing supply remains constrained then Gold Coast housing values are likely to rise over the next 12 to 24 months. This growth rate might surprise on the upside.
- Another positive is that the city is creating new jobs and that job growth rate is increasing. The unemployment rate remains low which is also good news as a high rate of unemployment has been a problem for the Gold Coast in the past.
- An important point is that the Gold Coast market is much larger than many realise. It is the 6th largest urban area (in terms of resident population) in Australia. It is also the country's 5th biggest tourist market and 8th largest economic zone, with a local GDP of \$31.5 billion.
- In summary, the Gold Coast is growing at an accelerating rate and the city's housing market - with close to 650,000 permanent residents and some five million overnight visitors each year - is far less cyclical than it was in the past.

Dashboard

1. Annual population growth
 Gold Coast City Council

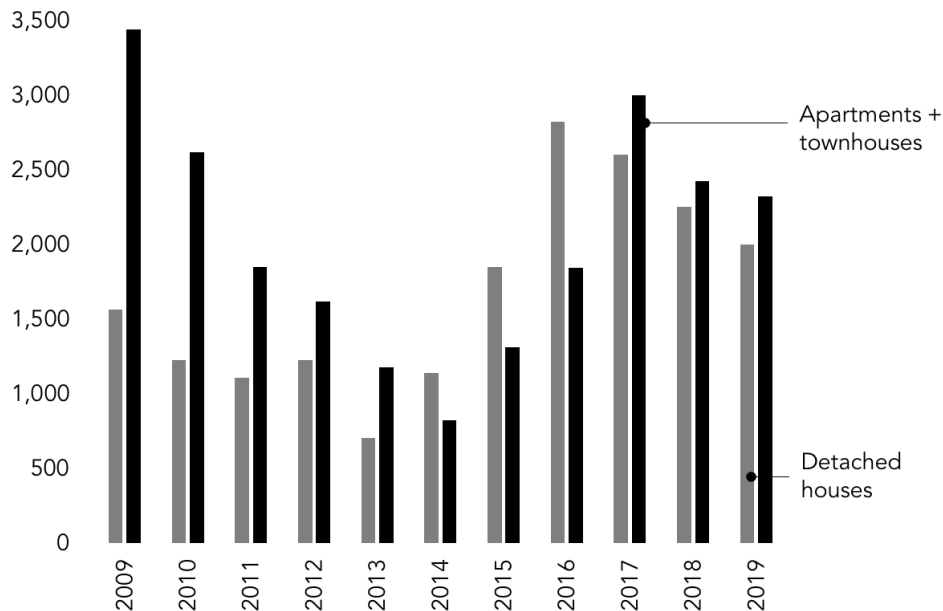


- The Gold Coast’s resident population is currently expanding by 15,500 new residents per year. This current growth rate is above trend. See the chart above.
- There is a need to build about 6,000 new dwellings at present to meet this demand. Again, this is above trend. See the table below.

Time frame	Annual population growth	Annual housing demand
Last decade	12,650	4,850
Last five years	14,300	5,500
Last year	15,500	6,000

- The current employment growth rate is also above trend, with 15,600 new jobs created last year, compared to the 12,000 annual average over the last five years. The unemployment rate is steady and is currently 4.7%.
- See excel **tables 1 and 2.**

2. New dwelling registrations
 Gold Coast City Council

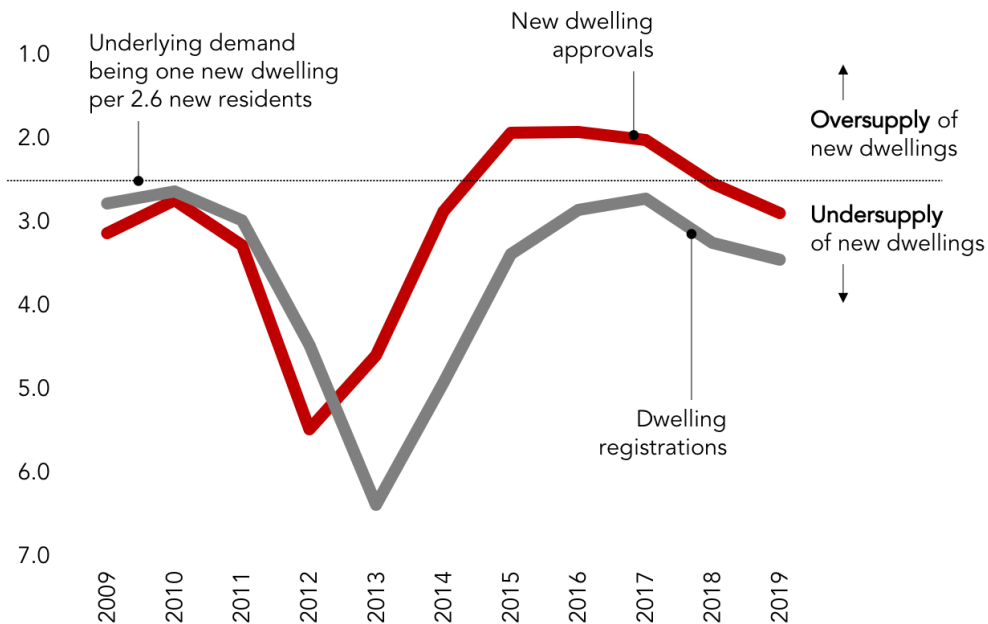


- The chart shows a strong increase in new housing registrations (starts) between 2014 and 2017, due to a lift in annual population growth at the time and also partly due to the 2018 Commonwealth Games. New housing starts – for both apartments and houses – however, are now in decline.
- New dwelling approvals were also trending upwards but also have now slipped back a gear or to. See the table below.

Time frame	Dwelling approvals		
	Houses	Attached	Total
Last decade	2,318	2,390	4,721
Last five years	2,988	3,416	6,426
Last year	2,433	2,914	5,357

- See excel **table 3**.

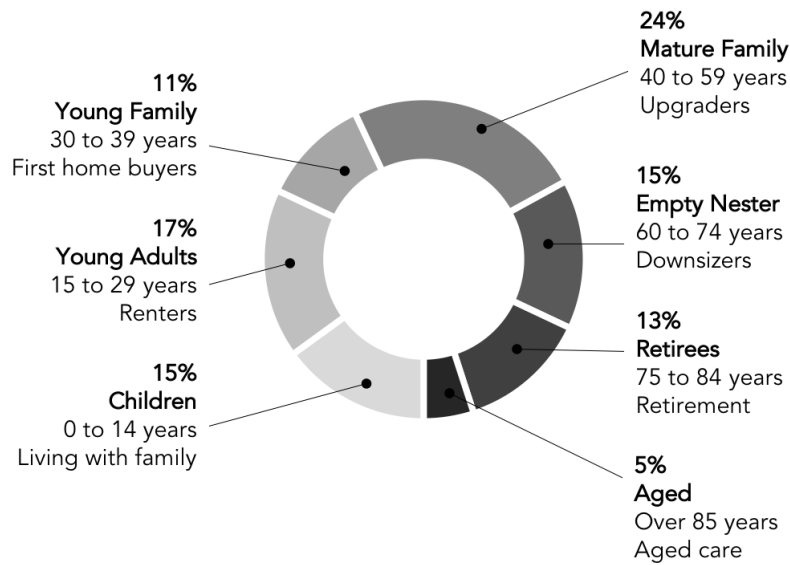
3. New dwelling supply v demand status Gold Coast City Council



- Our chart here shows the interplay between housing demand and two measures of new dwelling supply – dwelling approvals and dwelling registrations.
- Dwelling approvals (the red line) is the beginning of the supply process. Many new dwellings that are approved - and particularly in apartment projects – are not commenced as originally planned.
- A more accurate measure of actual new housing supply is a dwelling registration. This happens when the property title is transferred from the developer to the buyer and takes place at settlement. See the grey line in our chart.
- Despite the increase in new housing supply, the Gold Coast is struggling to keep up with demand. The steady increase in local population growth has now tipped the new housing market on the Gold Coast into undersupply.

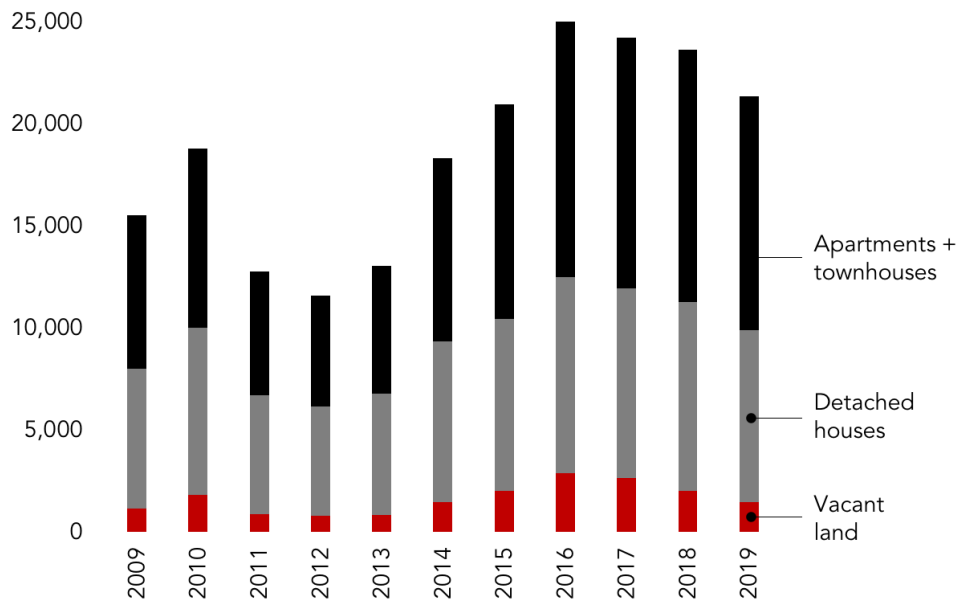
4. Age group forecasts
Gold Coast City Council

Distribution by total growth
between 2021 and 2031



- The Gold Coast’s future population is expected to expand by about 15,000 new residents per annum between 2021 and 2031. The local population is expected to increase from 650,000 to 800,000 residents over this ten-year period. This is a 23% increase. This rate of growth is in line with current trends. Revisit chart 1.
- Our chart above shows that most of this future population growth is likely to take place across these demographic segments:
 - Mature families looking to upgrade their housing
 - Young adults who mostly rent
 - Empty nesters looking to downsize
 - Retirees looking for low maintenance living solutions
- See excel **table 4**.

5. Residential sales
 Gold Coast City Council

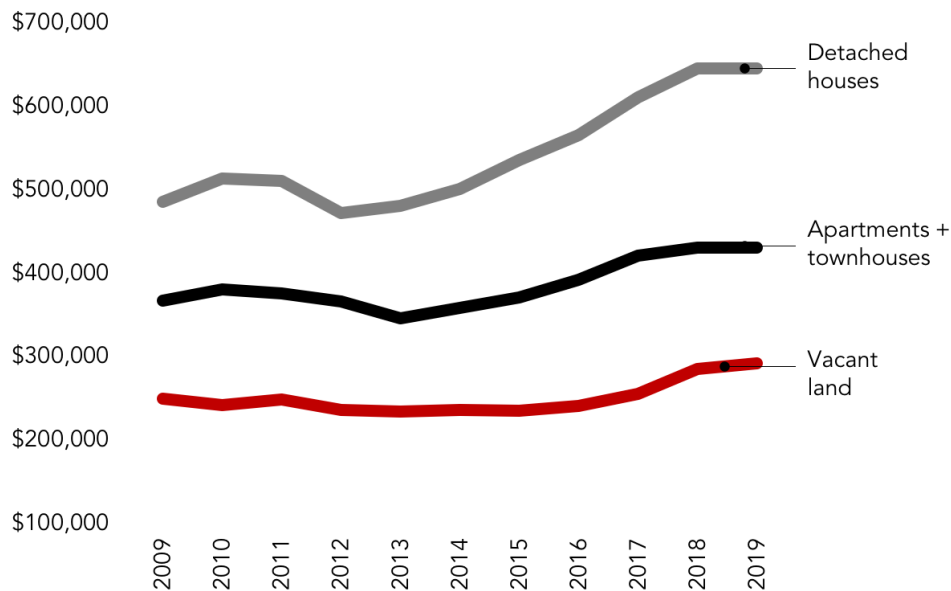


- Residential sale volumes are past their peak for this cycle on the Gold Coast. See the chart above.
- This trend is evident across all product types. See the table below.

Time frame	Annual sale volumes			
	Houses	Attached	Vacant land	Total
Last decade	7,820	9,500	1,670	18,990
Last five years	9,000	11,875	2,200	23,075
Last year	8,400	11,500	1,470	21,370

- See excel **table 5**.

6. Median residential prices
 Gold Coast City Council

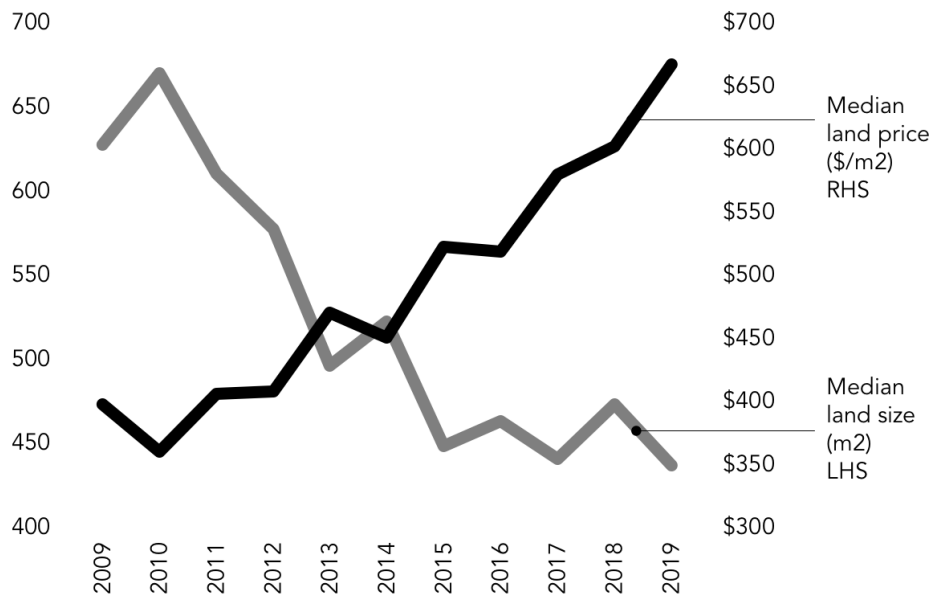


- The chart above shows that Gold Coast property values have now plateaued.
- Overall the current rate of price growth is behind the medium and longer-term trends. See the table below.

Time frame	Annual change in values		
	Houses	Attached	Vacant land
Last decade	3.0%	1.7%	1.7%
Last five years	5.3%	3.8%	4.4%
Last year	0.0%	0.0%	2.3%

- See excel **tables 5 and 6**.
- **Table 6** holds sales data by product type and price group for the year ending March 2019.

7. Vacant land
 Gold Coast City Council

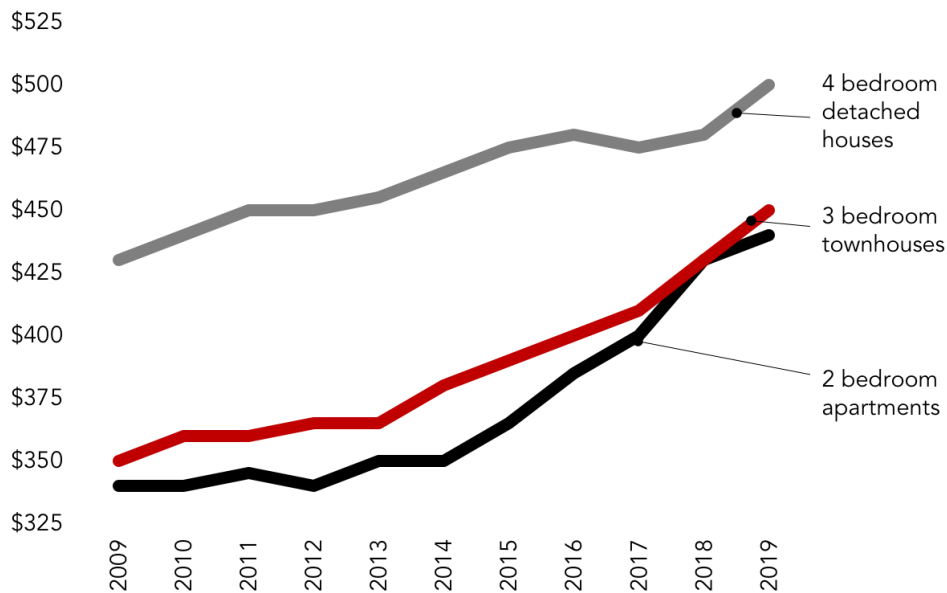


- There has been a substantial drop in the median size of a new vacant allotment sold on the Gold Coast over the last decade. However, in recent years lot sizes have increased a bit. Yet the median price per square metre of the vacant land sold has risen significantly. See the chart.
- Last year, 75% of the new allotments registered on the Gold Coast were sized as follows:

Lot size	No registered	% total
350m ² to 450m ²	927	43%
450m ² to 600m ²	457	21%
600m ² to 800m ²	266	12%

- See excel **table 7**.

8. Median weekly rents
 Gold Coast City Council



- Median weekly rents across the Gold Coast continue to improve. See the chart above.
- The current rate of weekly rental increase is above trend for detached houses and townhouses. Apartment rents are also rising. See the table below.

Time frame	Annual change in weekly rents		
	2 bed apartments	4 bed houses	3 bed townhouses
Last decade	\$10	\$7	\$10
Last five years	\$18	\$7	\$14
Last year	\$10	\$20	\$20

- See excel **table 8**.

Background stuff

Report date

- This Ready Reckoner was released in late June 2019. It remains valid for the next six (6) months.
- The next update is planned for December 2019.

Geographic areas

- One geographic area has been used in this report being local government area for Gold Coast City Council.

Supporting information

- Reference has been made to eight excel tables. These include:
 1. Population, annual growth and underlying housing demand
 2. Recent employment trends
 3. Housing approvals and registrations by product type
 4. Age group population forecasts
 5. Housing cycle by product type
 6. Current price points by product type
 7. Land market trends
 8. Rental trends by product type

Typical data sources

- Price Finder
- Queensland Government, various
- Qld Rental Tenancy Authority
- ABS Census
- ABS Publications, various
- Matusik Database

Matusik Property Insights

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- Matusik prides itself as a trusted source of property analysis. Michael is seen by many as a 'voice of reason amongst the distortion'.
- For more general information www.matusik.com.au

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