

ISSUE 07 WINTER 22
Sunshine Coast

Place.  Advisory

Apartment.

FORECAST & INSIGHTS
FOR THE SUNSHINE COAST
PROPERTY MARKET



In this edition of **Apartment Sunshine Coast**, we analyse the figures behind the Sunshine Coast's **sustained price growth** and trends of its off the plan market. We also offer insight to the **Key Statistics** in relation to the **Project Pipeline & Approvals and Rental Market**.

WE WANT TO
KNOW HOW THE
SUNSHINE COAST
PROPERTY MARKET
IS PERFORMING,
WHAT IS HAPPENING
AND WHERE IT IS
HEADING.

At Place Advisory, we understand the importance of ongoing market research. We employ in-house full-time researchers, so we can retain and have easy access to all the information we gather.

By providing our clients with accurate, up-to-date research, it ensures they can make informed, financially sound business decisions. It enables us to identify opportunities for our clients, provide advice on choosing the best available site and create the optimal package for each project. We can then provide qualified recommendations on the product mix, positioning, design, finishes and price.

Access to such comprehensive buyer information also enables us to identify early market trends. Our in-depth local market knowledge can help you develop a product that will yield greater returns, experience faster sales and achieve the best financial result.

Our main aim of "Apartment Sunshine Coast" is to continue to provide meaningful insights into the new apartment market.



Market Overview.

The Sunshine Coast holds impressive price growth in the first quarter of 2022.

The Sunshine Coast has experienced yet another standout half-year, with both volumes and values showing healthy growth.

In the 1-year to March 2022, the Sunshine Coast Council house prices increased by 30.6% to achieve a median of \$960,000.

Impressively, the apartment market experienced a price growth of 31.3% in the same period with a new median of \$623,500.

With regards to the housing market, such price growth was achieved alongside sales volume in the last 6-months that surpassed the 5-year average by 13%. Research has shown that, on average, it takes just over 2-weeks to sell a house on the Sunshine Coast, which is one of Australia's fastest-selling regions.

There was a total of 1,658 apartment sales including off-the-plan sales within the last 6 months, which is 15% less than the 5-year average. This decline in sales volume was a direct result of reduced supply of new projects.

The Sunshine Coast rental market is remaining strong, with a vacancy rate of just 0.5% as of March 2022. It's a level of demand not experienced in over 15 years with more supply pressure than Brisbane, where vacancy rates are currently 0.7%.

The median rent for a 1-bedroom apartment in the Sunshine Coast is now \$360 per week while the 2-bedroom median is nearly \$500 per week.

This reflects a 24% and 32% increase in rents from three years prior for these apartment types respectively and reflects the region's remarkable growth throughout the pandemic.

In regards to the Sunshine Coast's rental housing market, the 3-bedroom median is \$600 per week, an 18% increase from March 2021, while the median rent for a 4-bedroom house increased by 17% during the same period to \$700 per week.

APARTMENTS

MEDIAN

\$623,500

10 YEAR ANNUAL
AVERAGE GROWTH

6.2%

1 YEAR
GROWTH

31.3%

HOUSES

MEDIAN

\$960,000

10 YEAR ANNUAL
AVERAGE GROWTH

8.3%

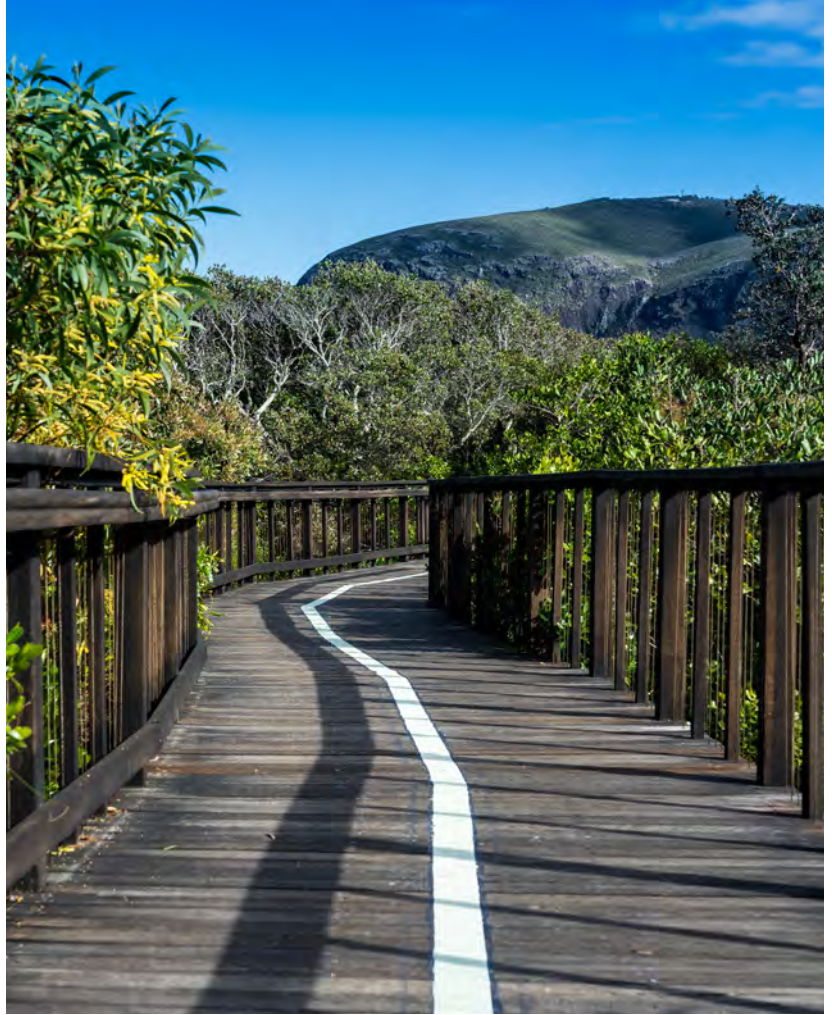
1 YEAR
GROWTH

30.6%

Median not including Noosa Region.

Sunshine Coast Regions.

The first quarter of 2022 saw the four major regions of the Sunshine Coast maintain incredible levels of growth. Throughout these regions, there has been a 39.25% growth increase over the last year for houses whereas apartments have incredibly surpassed this at 42.5%. This figure dramatically has been influenced by the Northern Beaches 1 year growth average.



Caloundra

Caloundra, Currimundi, Dicky Beach, Kings Beach, Moffat Beach, Shelly Beach.

OCT 2021 – MAR 2022	MEDIAN PRICE	1 YEAR GROWTH	10 YEAR GROWTH*
APARTMENTS	\$700,000	41%	7%
HOUSES	\$1,050,000	34%	9%

Kawana Waters

Birtinya, Bokarina, Buddina, Minyama, Parrearra, Warana, Wurtulla.

APARTMENTS	\$605,000	28%	7%
HOUSES	\$1,320,000	47%	11%

Maroochydore

Alexandra Headland, Maroochydore, Mooloolaba.

APARTMENTS	\$626,000	32%	6%
HOUSES	\$1,170,000	35%	9%

Northern Beaches

Coolum Beach, Mudjimba, Peregian Springs, Point Arkwright, Yaroomba.

APARTMENTS	\$787,000	69%	9%
HOUSES	\$1,300,000	41%	11%

Place Advisory have not recorded the Noosa Region.

*Annual average growth rate

SHUTE HARBOUR MARINA RESORT



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GATEWAY TO THE WHITSUNDAYS

**STAGE 1 WATERFRONT LAND WITH 25M BERTHS FROM \$1.75M
INDIVIDUAL BERTHS FROM \$165,000**

Soon to become Queensland's premier destination, Shute Harbour Marina Resort will become a world-class precinct destined to breathe new life into the region.

Set amongst National Park and the Great Barrier Reef Marine Park, you can live and play in Australia's top boating and lifestyle destination.

RESERVE YOUR SLICE OF PARADISE NOW

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Projector.

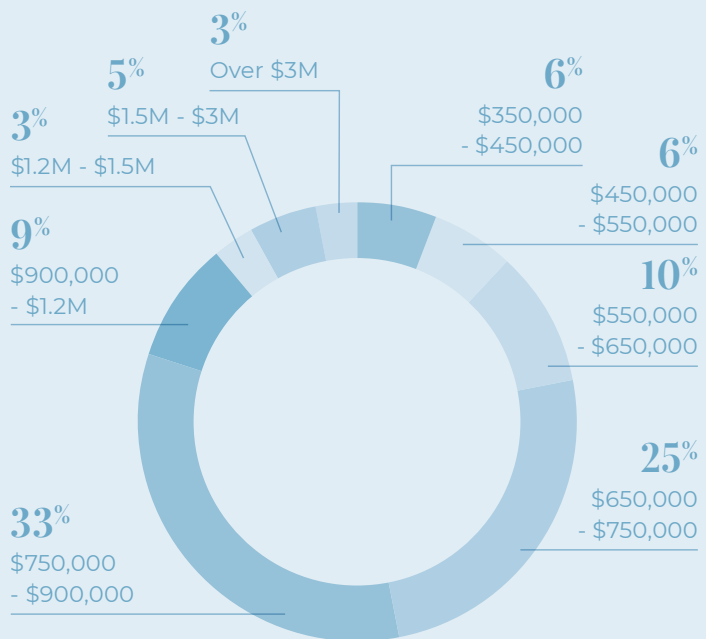
THE SUNSHINE COAST NEW APARTMENT MARKET OCTOBER – MARCH 2022

The Sunshine Coast off the plan and new apartment market extends growth of its weighted average sale price.

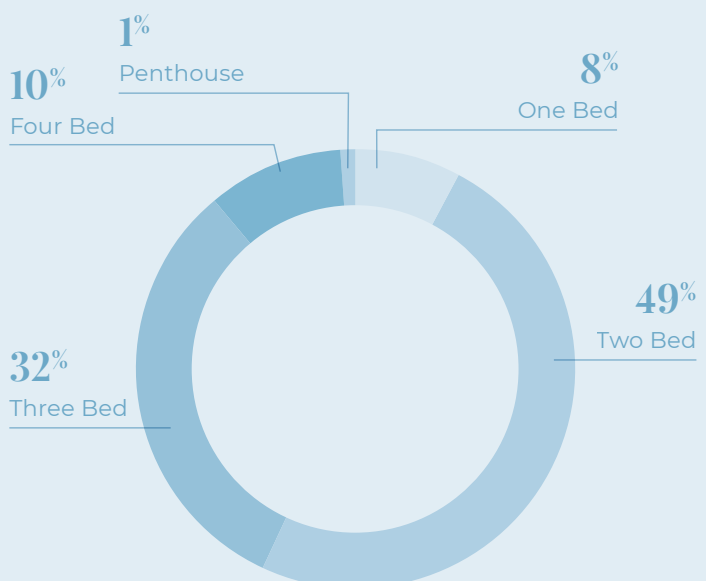
The last 6-months have seen the weighted average sale price increase by 29% to \$941,000. This was achieved despite a significant slowdown of volume with just 193 recorded sales. The record-breaking weighted average sale price for off-the-plan apartments saw a considerable jump in the \$750,000 to \$900,000 price bracket. This now accounts for 33% of sales while in the six months to September 2021, this bracket only amounted to 19% of sales. Comparatively, the price bracket in excess of \$900,000 now equates to 20% of overall sales, an increase of 6% from September 2021. Place Advisory anticipate this percentage to increase given the demand for large apartments.

The combination of limited new projects that have been released and the sell-out of many projects since the last report, has caused a net decrease of apartments on the market. Place Advisory suggests that this provides a unique opportunity for astute developers to utilise this decrease in available apartments for their advantage. Our research indicates the demand for larger apartments with three and four bedroom apartments now reaching a combined total of 43% of the market. Furthermore, Place Advisory has calculated that there is approximately 4.7 months of off-the-plan and new apartment supply which remains in the Sunshine Coast Market, provided no new projects are launched.

UNCONDITIONAL SALES BY PRICE POINT



UNCONDITIONAL SALES BY CONFIGURATION



SUMMARY

- In the six months to March 2022, there were 183 new apartment sales.
- Just 286 apartments remain on the market with 72% of off the plan stock absorbed.
- The \$750,000 - \$900,000 price bracket is now the most popular accounting for 33% of sales. This was followed by the \$650,000 to \$750,000 price bracket that now amounts to 25% of sales.
- 5 of 25 new projects achieved a sell-out during the period and there are currently 8 projects that are over 80% sold. In particular, The Whitely has launched and sold-out within 6 months.
- Seasons by Cube was the best performing project with 77 sales recorded.
- Two-bedroom apartments were most popular, accounting for 49% of transactions.
- This was followed by three-bedroom apartments which comprise 32% of OTP transactions, an increase from 27% in the 6-month period prior. The remaining 19% of sales came from four and one-bedroom apartments, followed by penthouses that accounted for 1% of sales.

APARTMENTS AS AT MARCH 2022

DEVELOPMENT	SUBURB	STATUS	TOTAL	SOLD	AVAILABLE	% SOLD	OCT - MAR SALES
Tallow Residences - Stage 1	Noosa	Awaiting Construction	8	4	4	50%	4
HaleLauHala	Noosaville	Awaiting Construction	6	5	1	83%	5
The Whitely	Noosaville	Awaiting Construction	15	15	0	100%	15
SOCO NOOSA	Noosaville	Awaiting Construction	4	3	1	75%	3
Silk on Coolum	Coolum	Awaiting Construction	7	4	3	57%	4
Pinnacle on Maud	Nambour	Under Construction	40	33	7	83%	0
Riverbend	Maroochydore	Awaiting Construction	30	16	14	53%	16
Noir	Maroochydore	Awaiting Construction	15	0	15	0%	0
Reflection Cove	Maroochydore	Awaiting Construction	94	88	6	94%	6
The Cosmopolitan	Cotton Tree	Construction Completed	143	143	0	100%	3
Nature	Cotton Tree	Awaiting Construction	12	12	0	100%	3
Eclipse	Picnic Point	Awaiting Construction	13	12	1	92%	2
RIVIERA Mooloolaba	Mooloolaba	Construction Completed	11	10	1	91%	0
Lowanna	Buddina	Awaiting Construction	109	85	24	78%	0
Haven Stage 2	Sippy Downs	Under Construction	37	10	0	100%	27
Azzure (Stage 1)	Bokarina	Awaiting Construction	44	36	8	82%	0
Azzure (Stage 2)	Bokarina	Awaiting Construction	68	32	36	47%	0
Zinc Stage 1	Bokarina	Under Construction	44	19	25	43%	0
Zinc Stage 2	Bokarina	Under Construction	40	5	35	13%	0
Seasons	Birtinya	Awaiting Construction	154	77	77	50%	39
Eclipse	Picnic Point	Awaiting Construction	13	13	0	100%	3
East 153	Kings Beach	Awaiting Construction	10	9	1	90%	0
Ocean Rise	Kings Beach	Under Construction	14	3	11	21%	3
Ocean Verge	Kings Beach	Under Construction	40	39	1	98%	35
Seashore by Karam	Kings Beach	Under Construction	4	3	1	75%	1
Oasis	Bokarina	Awaiting Construction	56	42	14	75%	14
OVERALL			1,031	755	286	72%	183

Investing in the future.

THE HIGHEST LEVEL OF INFRASTRUCTURE INVESTMENT, PER CAPITA, IN THE COUNTRY.

- | | | |
|----|---|---|
| 1 | SUNSHINE PLAZA | \$450m Expansion
<i>Complete</i> |
| 2 | KAWANA SHOPPINGWORLD | \$110m Expansion
<i>Complete</i> |
| 3 | THE SPORTS HUB | New state of the art complex
<i>Complete</i> |
| 4 | UNIVERSITY OF THE SUNSHINE COAST | \$81m expansion
<i>Complete</i> |
| 5 | SUBMARINE BROADBAND CABLE | Generate \$927 million in new investment
<i>Connected</i> |
| 6 | SUNSHINE COAST AIRPORT | \$500m Upgrade, Additional Runway
<i>Complete</i> |
| 7 | MAROOCHYDORE CBD | \$4bn Development
<i>Underway</i> |
| 8 | AURA COMMUNITY | \$7bn+ Development
<i>Underway</i> |
| 9 | OCEANSIDE DEVELOPMENT BIRTINYA | \$5.2bn Development
<i>Underway</i> |
| 10 | BRUCE HIGHWAY UPGRADE | \$2bn+ Development
<i>Underway</i> |
| 11 | PALMVIEW COMMUNITIES | \$7bn Developments
<i>Underway</i> |
| 12 | BIRTINYA TOWN CENTRE | \$850m Development
<i>Underway</i> |
| 13 | SIPPY DOWNS TOWN CENTRE | New town centre precinct
<i>Underway</i> |
| 14 | SEKISUI 5-STAR RESORT YAROOMBA | \$900m Development
<i>Proposed</i> |
| 15 | 5-STAR RESORT MOOLOOLABA | \$250m Development
<i>Proposed</i> |
| 16 | SUNSHINE COAST STADIUM | \$68m Expansion
<i>Proposed</i> |
| 17 | KELLY SLATER SURF RANCH COOLUM | \$100m Development
<i>Proposed</i> |
| 18 | AUSSIE WORLD | \$150m Expansion
<i>Proposed</i> |
| 19 | MASS TRANSIT PROJECT | \$2bn+ Development
<i>Proposed</i> |
| 20 | ACTVENTURE | \$130m Development
<i>Proposed</i> |
| 21 | BARNS LANE FARM | 6.8 hectares of rural oriented experiences
<i>Proposed</i> |



SUNSHINE COAST

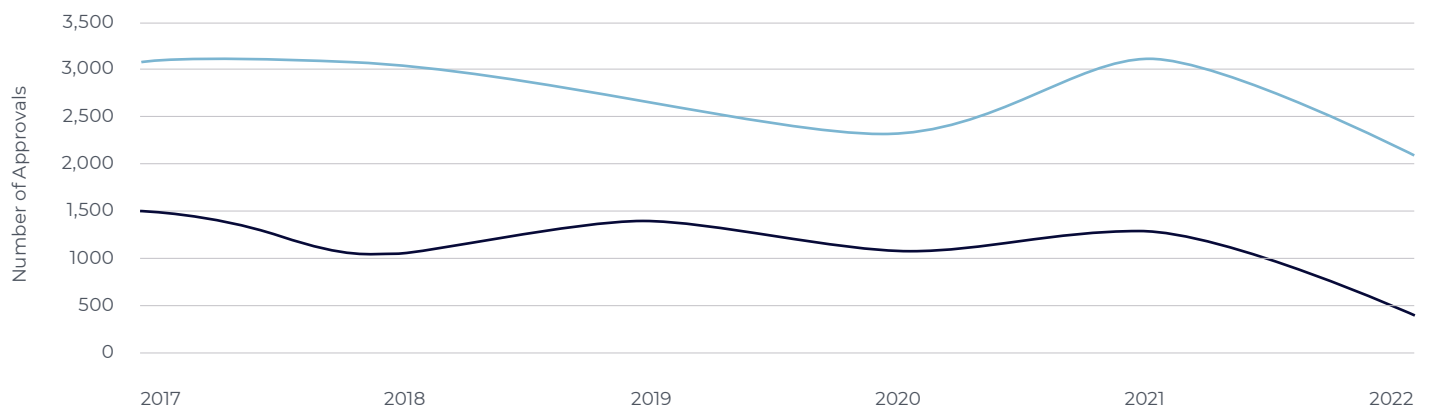
by the numbers.

APARTMENTS VS HOUSES MEDIAN PRICE & GROWTH

	2012	2017	2021	2022	10YR GROWTH	5YR GROWTH	1YR GROWTH
APARTMENTS	\$341,498	\$415,000	\$475,000	\$623,500	6.2%	8.5%	31.3%
HOUSES	\$432,050	\$558,000	\$735,000	\$960,000	8.3%	11.5%	30.6%

BUILDING APPROVALS

— Apartment — House



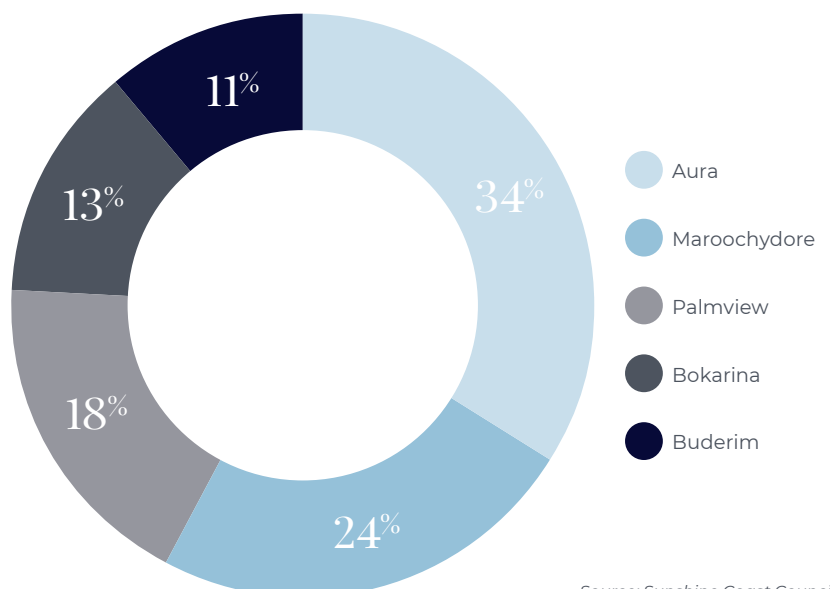
Source: Australian Bureau of Statistics

APARTMENT MEDIAN RENT BY CONFIGURATION

	1 BED	2 BED	3 BED	4 BED
2017	\$290	\$355	\$440	\$510
2018	\$290	\$370	\$450	\$525
2019	\$290	\$375	\$455	\$530
2020	\$300	\$400	\$470	\$540
2021	\$330	\$450	\$550	\$650
2022	\$360	\$495	\$600	\$700

Source: Residential Tenancies Authority

TOP 5 GROWTH SUBURBS FOR BUILDING ACTIVITY



Source: Sunshine Coast Council

Key Statistics.



Project Pipeline

Place Advisory has identified 82 possible apartment projects within the pipeline currently this year on the Sunshine Coast. There are 10 projects that are confidently progressing and according to available information, a total of 9 other possible projects have been either abandoned or deferred. A further 63 projects are merely deemed possibilities.

The new apartment market now reflects the much greater uncertainty amid soaring construction costs. Both developers and construction companies are grappling with escalating prices amid an unreliable supply chain of materials.

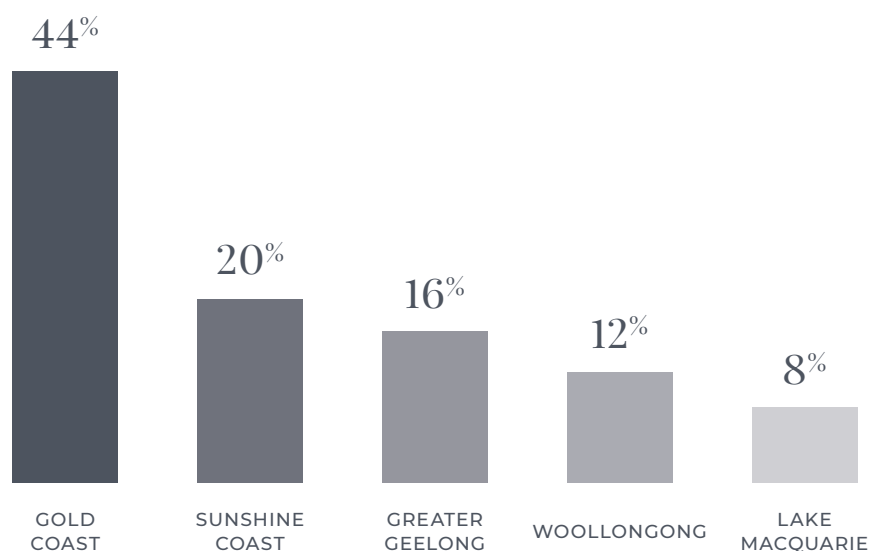
According to the ABS's latest figures, output prices for apartment construction in Queensland increased by 9.2% in the 1 year to March 2022.

Population Growth

Based on the State Government estimates, the Sunshine Coast population will reach 518,004 by 2041. It is estimated that 28% of this increase will be a result of net interstate migration, totalling approximately 2,926 people per year.

The Sunshine Coast already accounts for seeing the second greatest share of regional population growth in Australia.

TOP LGAS BY SHARE OF REGIONAL MIGRATION





WHY CHOOSE US? We are leaders in the creation and delivery of individually considered and specifically designed sales and marketing strategies for well-located Queensland residential projects.

We take pride in offering a full-service project marketing approach to your development. At Place Projects, we actively engage with our developers to provide advisory information in relation to site acquisition through to settlement. We provide tailor-made strategic marketing campaigns to promote your project's unique selling points and influence specific target markets.

This holistic approach, combined with our experience, local knowledge and research by Place Advisory means we can minimize the risk while maximizing the return on your development.

Place Projects has applied this formula with continued success with major developments, boutique projects, master planned communities, investment sales, residential sales as well as DHA mid-lease and surplus sales. We also have our property management team who provides rental appraisals, advice and oversees a boutique portfolio.

The Place Projects Team is led by some of the most experienced and high achieving sales and marketing professionals in the industry. If you are interested in discussing how Place Projects can work with you, and your next project, please contact our Team.



Bruce Goddard

Director

M 0418 185 209

E brucegoddard@eplace.com.au

in @brucegoddard



Syd Walker

Director

M 0418 710 888

E sydwalker@eplace.com.au

in @sydwalker

PRE-MARKETING

MARKET RESEARCH

MARKET ADVICE

SALES STRATEGY

SALES TRACKING

MARKETING IMPLEMENTATION

DELIVERING OF MARKETING & PR

MONITOR RESPONSE & GENERATION

LEAD CONVERSATION & SALES

CAMPAIGN REPORTING

ONGOING MANAGEMENT

REVIEW TARGET MARKET

REVIEW STRATEGY & FEEDBACK

CONTRACT MANAGEMENT

REVIEW MARKETING INITIATIVES

placeprojects.com.au



07 3107 9223

research@eplace.com.au

projects@eplace.com.au

 @placeprojects

 @placeprojects

 @placeprojectsptyltd

WeChat



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