

MARKET OUTLOOK BROADBEACH

Situated along a pristine coast line, Broadbeach is one of the Gold Coast's premier lifestyle destinations offering a host of accommodation options along with cosmopolitan dining, retail and entertainment.

- 02
**Walkability
& Accessibility**
- 04
**Demographics
& Tourism**
- 05
**Employment
& Infrastructure**
- 06
Apartment Market
- 07
**Capital City
Comparison
& Rental Analysis**

Prepared exclusively for
Philip Avenue
September 2017



Top: Gold Coast beach; Bottom left: Café culture; Bottom right: Dining

WALKABILITY & ACCESSIBILITY

Broadbeach is a vibrant 24/7 hub of activity offering the perfect work/life balance. The region is supported by strong established and future infrastructure, including one of Australia's largest shopping centres, the Gold Coast's only Casino, along with, significant commercial, dining and retail hubs.

Broadbeach is well-served by the recently completed and expanding Gold Coast Light Rail network, providing public transport connectivity to Surfers Paradise, Southport, the Health and Knowledge Precinct, and other key destinations. Stage 2 is under construction and will extend to Helensvale, giving an important connection to the heavy rail network to Brisbane CBD and Brisbane Airport. Plans are underway for a southern expansion from Broadbeach to Burleigh Heads.

Large numbers of visitors and locals are attracted to Broadbeach's dynamic mix of retail, restaurants and cafes, and the Gold Coast's only casino. The Gold Coast Convention & Exhibition Centre is located in Broadbeach and attracts numerous visitors to its many conferences and conventions, making Broadbeach accommodation options popular with delegates who often stay for extended periods.


Broadbeach is a popular location for coastal apartment living with strong infrastructure and lifestyle amenity aligning with apartment dwelling for residents and investors.



SIGNATURE


BROADBEACH

Broadbeach

 Light rail station

LEGEND

- 01 Broadbeach Bowls Club
- 02 Broadbeach Mall
- 03 Broadbeach State Primary School
- 04 Cascade Gardens
- 05 Gold Coast Convention and Exhibition Centre
- 06 Kurrawa Surf Life Saving Club
- 07 Oasis Shopping Centre
- 08 Oracle Retail and Dining Precinct
- 09 Pacific Fair
- 10 Pratten Park
- 11 Q1 Observation Deck
- 12 The Star Gold Coast

 Broadbeach South Lightrail Station

DEMOGRAPHICS & TOURISM

DEMOGRAPHICS

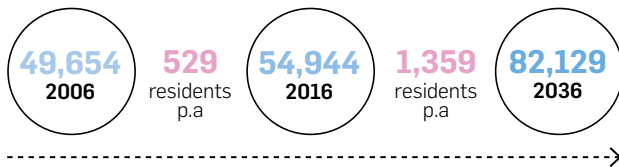
The Broadbeach Catchment is projected to grow by 1,359 residents per annum over the next 20 years.

The Broadbeach Catchment has recorded strong historical population growth of around 5,290 residents between 2006 and 2016. This equates to approximately 530 new residents per annum over the ten-year period. Moving forward, this figure is projected to more than double with 1,359 new residents predicted to move to the Catchment each year between now and 2036.

The key demographic that will primarily drive this population growth is young professional couples with no children. This demographic desires a high quality of amenity, infrastructure and low maintenance dwelling in order to minimise their cost of living, whilst maximising their work-life balance and leisure time.

POPULATION GROWTH

Broadbeach Catchment 2006-2036



Prepared by Urbis; Source: ABS Cat. 3218.0, QGSO 2015

WHO LIVES IN BROADBEACH?

	Broadbeach Catchment	Gold Coast LGA
Average age of residents	40	38
Proportion of Gen Y (aged 20-34 years)	28%	20%
Proportion of 60+ years	23%	21%
Couple family no children	51%	39%
Dwelling structure (flat, unit, apartment)	56%	19%
Owned dwellings	27%	27%
Rented dwellings	47%	37%
Average annual household income	\$83,773	\$90,342

Prepared by Urbis; Source: ABS Census 2016

Broadbeach Catchment includes: Broadbeach, Broadbeach Waters, Mermaid Beach, Mermaid Waters and Surfers Paradise

TOURISM

The Gold Coast is home to some of the most picturesque beaches in the world and is widely recognised as Australia's premier tourist destination.

The region contains an abundance of lifestyle, retail, entertainment and recreational amenity which attract local, interstate and international visitors all year round.

The performance of the Australian dollar has contributed to an increasing number of international visitors over the last five years, particularly from Asian and Pacific regions such as China and New Zealand. During 2016 approximately 13.3 million domestic and international visitors made their way to the Gold Coast.

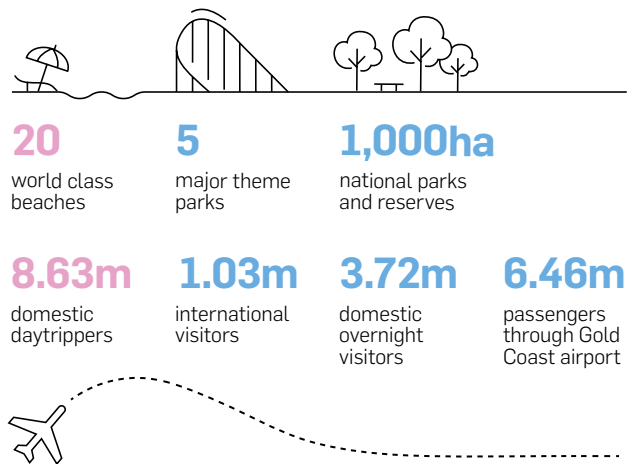
INTERNATIONAL TOURISM VS. AUSTRALIA DOLLAR



Prepared by Urbis; Source: Reserve Bank of Australia, Tourism Research Australia

GOLD COAST TOURISM

Year ending march 2017



Prepared by Urbis; Source: Reserve Bank of Australia, Tourism Research Australia

EMPLOYMENT & INFRASTRUCTURE

EMPLOYMENT

The Broadbeach Catchment is projected to record strong employment growth, with an increase of approximately 44 per cent over the next 25 years.

By 2041 the largest employment sector in the catchment is anticipated to be Accommodation and Food Services. This sector will account for 28 per cent of jobs, followed by Retail (9.6 per cent) and Rental, Hiring and Real Estate Services (8 per cent).



EMPLOYMENT IN BROADBEACH*
WILL GROW 44.3%
BY 2041

Prepared by Urbis; Source: Urbis

*Broadbeach includes: Broadbeach, Broadbeach Waters, Mermaid Beach, Mermaid Waters, Clear Island Waters and Surfers Paradise

TOP 5 MAJOR EMPLOYMENT SECTORS
Broadbeach Catchment at 2041



Accommodation & food services

28%



Rental, hiring, and real estate services

8%



Retail trade

9.6%



Professional, scientific and technical

7.1%



Healthcare and social assistance

7.7%

Prepared by Urbis; Source: Urbis

Broadbeach Catchment includes: Broadbeach, Broadbeach Waters, Mermaid Beach, Mermaid Waters, Clear Island Waters and Surfers Paradise

INFRASTRUCTURE

Major investment in transport infrastructure, along with retail, recreation, leisure and sport will drive residential demand in Broadbeach.

Strong public and private infrastructure spending across the Gold Coast totalling approximately \$12.7 billion is contained in projects under construction, in the planning stages, or recently completed. This will drive solid historic population growth and will provide residents with additional connectivity and amenity. Major infrastructure projects are highlighted below. These will have a flow-on effect with improvements to key areas of transport, retail, recreation, leisure and sport.



GOLD COAST LIGHT RAIL STAGE 1
\$1.8 billion (completed July 2014)

The light rail system provides frequent trams, stopping at 16 stations, along a 13-kilometer route. The route extends from the Health and Knowledge Precinct in the north (serving the

Parklands Precinct, the Gold Coast University Hospital and Griffith University Gold Coast campus) through the commercial, retail and recreational centres of Southport, Surfers Paradise and terminates at Broadbeach in the south.

GOLD COAST LIGHT RAIL STAGE 2 \$500 million (under construction)

Stage 2 extends the route to the north from the Health and Knowledge Precinct to Helensvale and connects to the heavy rail network. This will provide a major transport link to the Brisbane CBD and Brisbane Airport. Completion is due at the end of 2017.

GOLD COAST LIGHT RAIL STAGE 3 \$600 million (planned)

Stage 3 will extend the Gold Coast Light Rail network from Broadbeach south to Burleigh Heads.



COMMONWEALTH GAMES
\$935 million (under construction)

The Gold Coast will host the Commonwealth Games in April 2018. It will be the first regional city to host the Games in Australia. Almost \$935 million is being invested in the upgrade

and construction of sporting venues and facilities across the Gold Coast between now and the event.

STAR HOTEL & CASINO REDEVELOPMENT
\$850 million (under construction)

A major transformation of Star Hotel and Casino is underway, and includes a new six-star luxury hotel, along with restaurants, bars and outdoor areas being added to the existing facility. Plans also include a new sports theatre, retail and apartment towers.

PACIFIC FAIR EXPANSION
\$670 million

GOLD COAST AIRPORT REDEVELOPMENT \$300 million

OASIS SHOPPING CENTRE UPGRADE \$25 million

PACIFIC MOTORWAY (M1) UPGRADE \$920 million

EVANDALE CULTURAL & CIVIC CENTRE \$385 million

APARTMENT MARKET

There is a limited supply of new apartments available for sale in Broadbeach

GENERAL APARTMENT MARKET

The Gold Coast apartment market is one of the most diverse in Australia; ranging from prestigious beachfront high-rise locations to townhouse and duplex. Gold Coast City is showing increased positivity with improved sentiment leading to increasing median price and sales volumes. Preliminary figures for the six months to June 2017 are recording a median price of \$412,000, an increase of \$57,000 over five years. Investors are returning to the Gold Coast, viewing ongoing infrastructure investment, affordability and re-bounding tourism as key drivers.

Sales volumes in the Broadbeach general apartment market have followed a similar trend to the wider Gold Coast, while median price has been more volatile. Broadbeach had a peak selling period during 2001 and 2003 resulting in record levels of apartment sales and subsequent escalation in median price. The median price lifted to a peak of \$550,000 during the six months to June 2007, and again during 2012 to \$552,500. Following this period, prices stabilised with the last two years recording an average median price of around \$484,000 each six-month period. The peaks and troughs in the Broadbeach apartment market can be attributed to the release and subsequent settlement of new apartment buildings.

Preliminary figures for the six months to June 2017 have recorded a median price of \$530,000. This is based on 209 settled sales. This is well above the Gold Coast LGA figure of \$412,000 and the wider Broadbeach Catchment area of \$407,500 during the same period.

BROADBEACH NEW APARTMENT MARKET

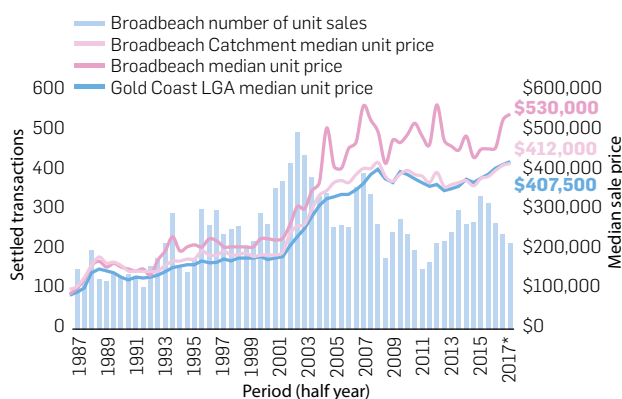
The GC Central Precinct (includes Broadbeach, Broadbeach Waters, Labrador, Main Beach, Southport and Surfers Paradise) has been the best performing precinct across the Gold Coast over almost four years, reaching the highest quarterly sales rate in nine of 15 quarters surveyed by Urbis. The quarter sales rate recorded a peak of 298 new apartment sales during the March 2016 quarter but has since recorded a lower sales rate as supply diminished.

At the end of June 2017, there was limited supply of new apartment product in Broadbeach. Four active apartment projects containing 488 apartments were being monitored. Of these four projects, 81 per cent of apartments contained in them are sold. The remaining 19 per cent equates to only 77 apartments.

New apartment product in Broadbeach achieved a weighted average sale price of \$771,667 for the June 2017 quarter, well above the overall Gold Coast figure and the GC Central Precinct.

30-YEAR APARTMENT SALES CYCLE

Broadbeach vs. Gold Coast LGA

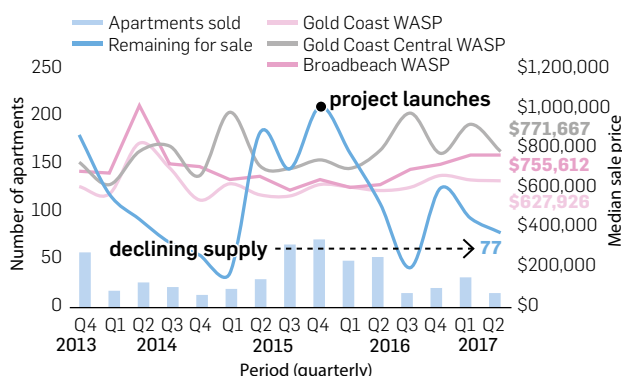


Prepared by Urbis; Source: APM Price Finder

*figures to June 2017 preliminary

Broadbeach Catchment includes Broadbeach, Broadbeach Waters, Mermaid Beach, Mermaid Waters and Surfers Paradise

NEW APARTMENT MARKET



Prepared by Urbis; Source: Urbis Gold Coast Apartment Essentials Report Q2 2017

WASP Weighted average sale price

NEW APARTMENT MARKET

Broadbeach

	Gold Coast	Gold Coast Central	Broadbeach
Active projects	57	26	4
Apartments contained in active projects	5295	2964	488
Apartments remaining for sale in active projects	1137	515	77

Prepared by Urbis; Source: Urbis Gold Coast Apartment Essentials Report Q2 2017

CAPITAL CITY COMPARISON & RENTAL ANALYSIS

CAPITAL CITIES COMPARISON

A quarterly analysis of major capital cities highlights the comparable affordability of the Gold Coast apartment market. The Gold Coast LGA had a median apartment price of \$413,500 at the end of March 2017 quarter, being \$21,500, \$61,500 and \$301,500 more affordable than Brisbane, Melbourne and Sydney respectively. The Gold Coast LGA also demonstrated a greater return on investment than Brisbane, Melbourne and Sydney with an indicative rental yield of 5.1 per cent, compared to 4.7 per cent, 4.1 per cent and 3.8 per cent respectively.

As prices in other cities escalate, the affordability of the Gold Coast is gaining attention, as growth and yield remain strong. This is promoting greater market interest and activity from local, interstate and international investors.

BROADBEACH CATCHMENT RENTAL MARKET

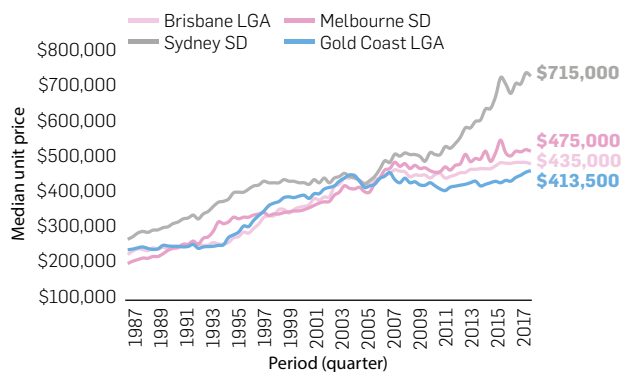
The Broadbeach postcode (comprised of Broadbeach/Mermaid Beach, Nobby Beach and Rialto) has exhibited strong long-term rental growth over the ten-year period ending June 2017. Median weekly rental prices within the catchment have increased by between 22.8 and 47.7 per cent across one, two and three-bedroom apartments. The catchment's rental market is further strengthened by the Gold Coast's low vacancy rate of 1.7 per cent (one of the lowest residential vacancy rates of any Local Government Area (LGA) in South East Queensland (SEQ).

On-the-market rental data, which records new and near-new apartment product, indicates that one, two and three-bedroom apartments are attracting a premium over existing stock within the catchment. New and near-new one-bedroom apartments within the Broadbeach Catchment are registering a median weekly rent of \$465 per week, approximately 33 per cent more than existing stock. Two-bedroom units are achieving a median rent of \$580 per week, representing a premium of approximately 41 per cent over the existing market. The limited number of new and near-new three-bedroom apartments currently offered for rent within the catchment is recording the most significant premium of more than 54 per cent and a median weekly rent of \$1,000 per week.

As a prime beachside suburb, potential capital growth offered by current and future infrastructure investment, paired with the Gold Coast's strong gross rental yield are likely to be key drivers of the potential investment opportunity offered within Broadbeach.

20-YEAR APARTMENT SALES CYCLE

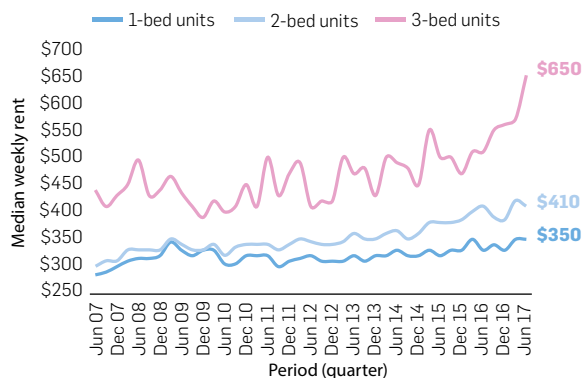
Capital cities



Prepared by Urbis; Source: APM Price Finder Q1 2017

MEDIAN WEEKLY RENTAL CYCLE

Broadbeach Catchment 2007–2017

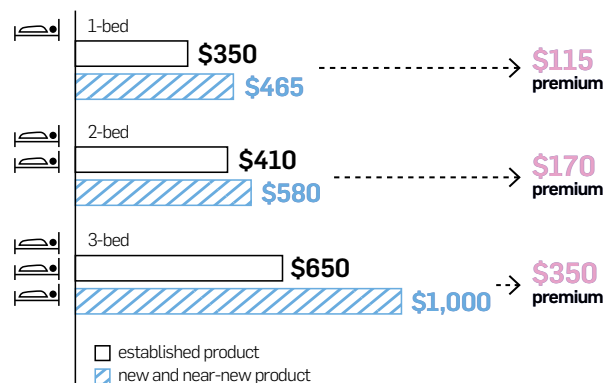


Prepared by Urbis; Source: Residential Tenancies Authority (RTA) Q2 2018

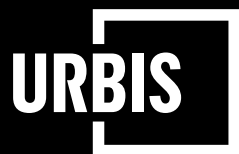
Broadbeach Postcode (4218) includes Broadbeach/Mermaid Beach, Nobby Beach and Rialto

BROADBEACH CATCHMENT MEDIAN WEEKLY RENTS

Established vs. new / near-new product



Prepared by Urbis; Source: RTA Q2 2017, realestate.com.au



BRISBANE

GOLD COAST

MELBOURNE

PERTH

SYDNEY

CISTRI — SINGAPORE

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