

ISSUE 04 SUMMER 20/21
Sunshine Coast

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Apartment.



FORECAST & INSIGHTS
FOR THE SUNSHINE COAST
PROPERTY MARKET

In this edition of Apartment Sunshine Coast, we **review the impacts of COVID-19** on the Sunshine Coast property market. We give **insight into the most in-demand** suburbs throughout the six months to September and explore the reasons why the Sunshine Coast has proven itself as the **strongest property market in Queensland** for the past two years.

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 throughout other regions of South East Queensland, of which little is often known or reported.



Market Overview.



After experiencing national uncertainty surrounding the economy and property market in early the stages of 2020, we can now retrospectively look at the dire early predictions of experts and be pleased with the degree of impact that COVID-19 has had on the Sunshine Coast property market.

The consequential benefits of Queensland's ability to contain the virus has further boosted the Sunshine Coast's desirability from interstate and we are now seeing demand for the region at an all-time high, with dwelling prices surging as thousands relocate to the Sunshine State.

Recent figures released by the ABS suggest that 10,500 residents left the capital cities for regional locations during the June quarter alone, more than doubling the figure from the previous year. The trend may have longevity as opportunities to work remotely continue to rise, allowing the regional shift to occur.

Buyers are seeking out what are often cheaper price points, lower housing

densities and lifestyle upgrades outside of the capital cities, which has put pressure on the Sunshine Coast housing market.

The increased demand has seen Sunshine Coast rental vacancies drop to their lowest level in years with SQM reporting that the rental vacancy rate is now just 0.5 per cent, the lowest since January 2005. A major squeeze from the 2.4 per cent vacancy rate in April this year.

Aside from the spike in interstate interest spurred on by COVID-19 restrictions, the considerable rebirth of confidence in the Sunshine Coast market can be attributed to all-time low interest rates, considerable economic stimulus packages, and the pipeline of major region shaping infrastructure projects that are set to promote capital growth.

We expect the positive market sentiment to continue as the Sunshine Coast trends towards a shortage of new dwellings and inability to keep up with the increasing demand.

SIX MONTHS ENDING SEPTEMBER 2020

Number of Sales

APARTMENTS HOUSES

848 692

Median Price

APARTMENTS

HOUSES

\$475,000 \$760,000

Growth

1 YEAR

5 YEARS

1 YEAR

5 YEARS

APARTMENTS

5.6%

4.0%

HOUSES

9.9%

6.7%

Sunshine Coast Regions.

What's happening with private and public infrastructure as well as the property market on Queensland's Sunshine Coast, is significant and dramatic. It is changing the region forever. We are now seeing the impact that COVID-19 has had on the market and it seems to have fast tracked the growth of this region in population and prices.



Mooloolaba

Alexandra Headland, Maroochydore, Mooloolaba.

APR - SEPT 2020	NUMBER OF SALES	MEDIAN PRICE	1 YEAR GROWTH	5 YEAR GROWTH
APARTMENTS	459	\$462,500	2.7%	4.6%
HOUSES	178	\$770,000	17.1%	6.9%

Northern Beaches

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

APARTMENTS	113	\$494,000	8.9%	2.8%
HOUSES	188	\$747,500	9.9%	6.7%

Caloundra

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

APARTMENTS	169	\$457,000	6.3%	3.1%
HOUSES	108	\$619,000	2.2%	4.8%

Kawana Waters

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

APARTMENTS	107	\$510,000	8.5%	3.5%
HOUSES	218	\$800,000	6.7%	5.9%

Beachside



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VACANT LAND – ONLY 5 REMAINING

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Projector.

THE SUNSHINE COAST NEW APARTMENT MARKET APRIL – SEPTEMBER 2020

The Sunshine Coast off the plan and new apartment market has continued to perform strongly and now sits on the precipice of an imminent boom.

Despite the pandemic, sales statistics for the six months to September outperformed the previous six-month period, as the region is now struggling to keep up with increased demand.

During the six-months ending September 2020, there were a total of 281 unconditional new apartments sold throughout the Sunshine Coast.

In stark contrast to the predictions of turbulence echoed in the previous Sunshine Coast Apartment report and by the majority of leading industry professionals, we have seen strong demand, positive capital growth and increasing sales for the period within the east coast's latest property 'hotspot'.

We expect the positive sentiment to continue within the Sunshine Coast market as migration research suggests a record increase of interstate arrivals and the trend of regional relocation to continue.

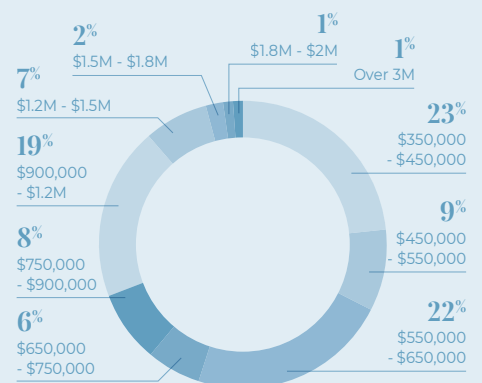
SUMMARY

- During the six months ending September 2020, there were 281 new apartment sales, accounting for 18% of the total new apartment supply.
- At the end of September 2020, there were 28 new apartment developments on the market in the Sunshine Coast.
- Of the 1,530 total new apartment supply, only 480 (31%) remain available for sale.
- The weighted average sale price for the six month period ending September 2020 was \$782,705, showing that there is a demand for mid-range apartments.
- Scott Property Group's "The Beachfront Buddina" was the top performing apartment development for the period, recording an impressive 48 apartment sales or 66% of its total stock. The development offers an extremely rare, direct beachfront location with 73 residences.
- During the six month period ending September 2020, the majority of apartments sold unconditionally were three-bedroom configurations, accounting for 50% of all sales for the period. Two-bedroom apartments accounted for 42% of sales followed by one-bedroom apartments, accounting for a further 3%. The remaining 4% are sub-penthouse and penthouse configurations.
- The \$350,000 to \$450,000 price bracket was the most common for new apartment sales during the six months ending September 2020, accounting for 23% of sales. This was followed by the \$550,000 to \$650,000 price bracket, which accounted for a further 22% of sales.
- Four out of the 28 new apartment developments completely sold out during the six months ending September 2020, with another seven of these developments recording at least 90% sold out.
- With few new developments entering the marketplace, the proportion of new apartments that have now completed construction continues to increase.

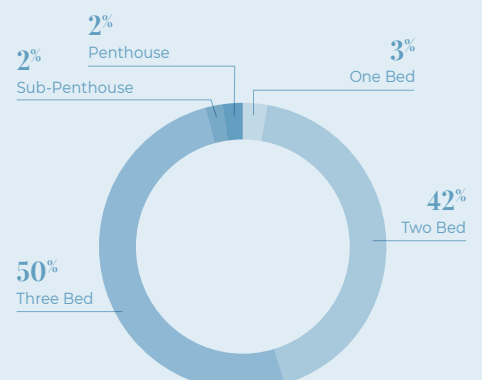
At the end of September 2020, 675 apartments (44%) have been physically delivered to the market. A further 792 apartments (52%) were under construction. The remaining 63 apartments (4%) were still awaiting construction.

- The majority of new supply is located in the central hub of Maroochydore (489 apartments) with Birtinya (195 apartments), Sippy Downs (176 apartments), Buddina (170 apartments) and Bokarina (162 apartments) following close behind. The remaining apartment supply is spread out between Alexandra Headland, Picnic Point, Coolool Beach, and Cotton Tree.

UNCONDITIONAL SALES BY PRICE POINT



UNCONDITIONAL SALES BY CONFIGURATION



A 12 MONTH COMPARISON

Looking at the previous six month period from October 2019 to March 2020, there were a total of 230 unconditional new apartment sales. During the April to September 2020 period there were a total of 281 unconditional new apartment sales, which is an increase of 22% in sales.

There are currently 480 new apartments available for sale throughout the Sunshine Coast, which is 19% less when comparing to the six months prior.

During the six month period ending March 2020, 35% of the new apartment stock was remaining available for purchase. Whereas, during the six months ending September 2020, only 31% of the total stock remains available for sale.

There are currently 480 new apartments available for sale throughout the Sunshine Coast, which is 19% less when comparing to the six-months prior.

This further suggests that if additional supply is added to the Sunshine Coast market, it will continue to sell.

Developments such as Oceanus, The Beachfront Buddina, Market Lane, and Forrest Edge & Botanica have been the top performing apartment developments during the last 12 months on the Sunshine Coast.

Apartment supply over the last 12 months remains consistent with majority of the new supply being located within Maroochydore (33%) and Birtinya (12%). However, Sippy Downs has had an increase in supply and now accounts for 12% of the Sunshine Coast new supply.

APARTMENTS AS AT SEPTEMBER 2020

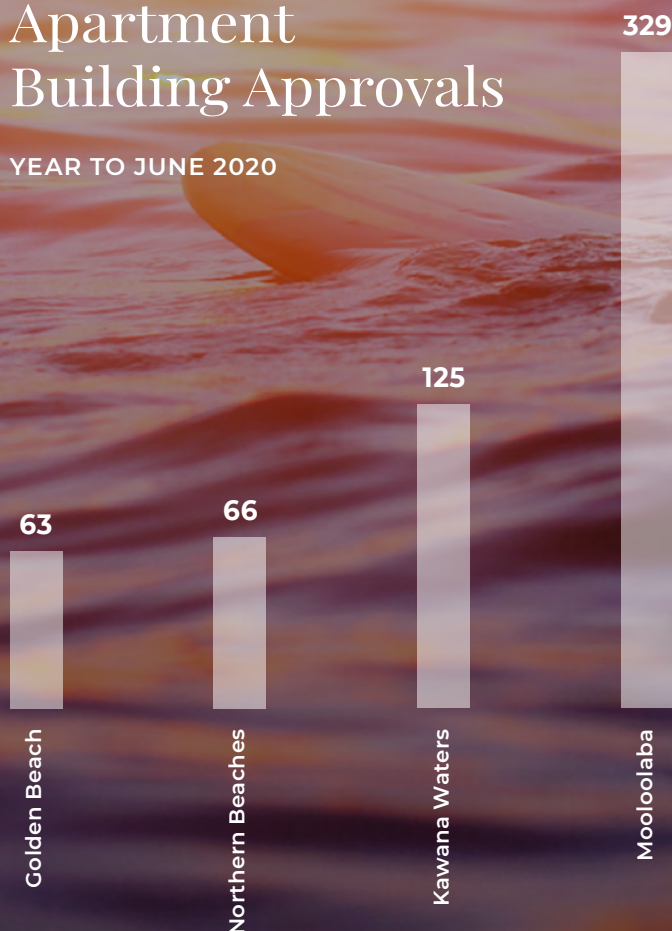
DEVELOPMENT	SUBURB	STATUS	TOTAL	REMAINING	SOLD	PERIOD SOLD PROPORTION	TOTAL SOLD
Beachlife Alex	Alexandra Headland	Under Construction	58	3	6	10%	95%
Curve Birtinya	Birtinya	Under Construction	55	22	9	16%	60%
Seanna Residences	Bokarina	Under Construction	63	18	15	24%	71%
Latitude Coolum Beach	Coolum Beach	Under Construction	7	0	4	57%	100%
Avalon	Maroochydore	Under Construction	93	6	7	8%	94%
First Bay	Coolum Beach	Under Construction	38	0	3	8%	100%
One Tree Apartments	Sippy Downs	Construction Completed	72	0	3	4%	100%
Forest Edge & Botanica	Sippy Downs	Construction Completed	104	67	37	36%	36%
Market Lane - Tower 1	Maroochydore	Under Construction	146	113	33	23%	23%
Oceanus Bokarina Beach	Bokarina	Under Construction	99	14	36	36%	86%
The Beachfront Buddina	Buddina	Under Construction	73	7	48	66%	90%
Essence Cotton Tree	Cotton Tree	Under Construction	19	3	0	0%	84%
Alpha Luxury Apartments	Maroochydore	Under Construction	14	1	0	0%	93%
Rise Maroochydore Beach	Maroochydore	Under Construction	48	3	0	0%	94%
Oceane Coolum Beach	Coolum Beach	Under Construction	21	6	4	19%	71%
Botanica Riverside Residences	Maroochydore	Under Construction	16	6	0	0%	63%
Plaza Central Maroochydore (Stage 1)	Maroochydore	Under Construction	42	11	10	24%	74%
Banksia	Maroochydore	Construction Completed	15	2	5	33%	87%
Reflections on Bradman	Maroochydore	Construction Completed	15	5	4	27%	67%
Revive Oceanside (Stage 1)	Birtinya	Construction Completed	60	35	3	5%	42%
The Cosmopolitan	Cotton Tree	Construction Completed	143	55	15	10%	62%
The Ivy Picnic Point	Maroochydore	Construction Completed	37	0	8	22%	100%
The Rhythm on the Beach	Maroochydore	Construction Completed	72	5	5	7%	93%
Affinity Place	Birtinya	Construction Completed	30	7	1	3%	77%
Pinnacle	Picnic Point	Construction Completed	30	2	4	13%	93%
Eclipse	Picnic Point	Awaiting Construction	13	9	4	31%	31%
One Prosperity	Birtinya	Awaiting Construction	50	38	12	24%	24%
The Hedge Lifestyle Apartments	Buddina	Construction Completed	97	42	5	5%	57%
OVERALL			1530	480	281	18%	69%

The Sunshine Coast has a \$17.7 billion economy.

It is expected to expand to \$33 billion by 2033 and is the top 10 leading regions in the country for employment generation.

Apartment Building Approvals

YEAR TO JUNE 2020



Population

- 9th largest LGA in Australia
- Population 2016 Census: 347,000
- Projected population 2041: 580,000

Tourism

- \$3.9 million domestic visitors
- 311,000 international visitors (pre COVID-19)
- \$2.75 billion in total tourist spending

Industry sector of employment

- Healthcare/social assistance 15%
- Construction 12.2%
- Retail 10.9%
- Education & training 9%
- Accommodation/food services 8.4%

Reasons to invest on the Sunshine Coast.

Over the past decade the Sunshine Coast has transitioned from what was once perceived as a home for retirees and holiday-makers to a major growth area with a \$17.7 billion economy and compelling investment potential. On the back of increased demand, excessive infrastructure spending and a pipeline of region shaping developments, the Sunshine Coast market has begun its boom, proving to be the strongest property market in Queensland for the past two years, outperforming other high-profile markets like Brisbane and the Gold Coast in both market activity and price growth.

HERE ARE THREE MAIN REASONS WHY YOU SHOULD CONSIDER ENTERING THE SUNSHINE COAST PROPERTY MARKET:



GROWTH AND PERFORMANCE

Over the past 15 years, the Sunshine Coast has achieved an average growth rate of more than 4% per year, well above national averages. The strong performance is touted to continue for years to come on the back of increasing demand, interstate migration, new infrastructure, and government spending.

- In the year to June 2020, the Sunshine Coast median unit price recorded 2.4% growth to \$420,000. Outperforming Brisbane and Gold Coast apartment markets which both grew 1.7%, respectively.
- Despite the pandemic, the Sunshine Coast has experienced an uplift in transaction activity and price growth. Over the second quarter of 2020 unit prices increased by 1.2%.



SUPPLY AND DEMAND

The Sunshine Coast is now tending towards a shortage of new dwellings and is at risk of not keeping up with demand. This shortage partnered with the increases seen in revised population forecasts and the imminent boom in interstate migration following border openings is set to inflate property prices coinciding with increased demand.

- 10,500 residents left the capital cities for regional locations during the June quarter, with a net 3,000 Sydneysiders moving to regional Queensland.
- Realestate.com.au have reported a 39% increase in buyer searches for Queensland compared with this time last year.



MAJOR INFRASTRUCTURE SPENDING

Major infrastructure spending generates jobs, boosts economic activity, and improves amenity for residents.

Excessive spending on infrastructure throughout the Sunshine Coast has recently stimulated the local property market as investors look to cash in on expected capital growth.

From airport upgrades to a 20-year CBD masterplan, the Sunshine Coast's major infrastructure spend is set to transform the city and become the backbone of the property boom.

DESPITE THE PANDEMIC, THE SUNSHINE COAST HAS CONTINUED TO ATTRACT INVESTORS
LOOKING TO CASH IN ON THE EXPECTED CAPITAL GROWTH INFRASTRUCTURE CREATES.

Sunshine Coast Infrastructure Boom.



\$81m
University
Expansion

20,000 ADDITIONAL STUDENTS

Sunshine Plaza

EXPANSION CREATING 5,200
CONSTRUCTION & RETAIL JOBS

TAKE A LOOK AT THE
MAJOR REGION-SHAPING
INFRASTRUCTURE
PROJECTS THAT ARE
SET TO BOLSTER THE
LOCAL MARKET.

International
Broadband
Submarine Cable
\$453m

TO THE SUNSHINE
COAST ECONOMY

Sunshine Coast Airport Upgrade

Australia's newest
international airport

COMPLETED

International Broadband Submarine Cable

Fastest data speeds to
Asia nationally

COMPLETED

Bruce Highway Upgrade

\$1.6 billion expansion

WORKS UNDERWAY

Maroochydore CBD Development

Delivering Australia's
first greenfield CBD

CURRENT - 2040

Mass Transit Network

9,000 jobs and \$3.6 billion
economic contribution

STAGE 1 BY 2025

Health Infrastructure Precinct

17-hectare Health Precinct
adjacent to a new \$1.8 billion
tertiary teaching hospital campus

WORKS UNDERWAY

Sunshine Plaza Expansion

\$440 million worth of expansion
and upgrades. 34,000sqm of
additional retail space

COMPLETED

Sunshine Coast University Expansion

\$81 million expansion set to
cater for 20,000 additional
students by 2020.

COMPLETED



Place.



Projects

About Place Projects.

Place Projects is South East Queensland's premier project marketing agency with the experience and resources to bring success to your next residential development.

Our people are 'hands on' operators who specialise in marketing off-the-plan apartment developments and master-planned communities in the South East of Queensland market. Our clients range from small local builders to large publicly listed companies; our buyers range from first home buyers, luxury downsizers, to professional national and international investors.

Place Projects is a high-quality organisation with a proven track record of customer satisfaction and outstanding sales results, which has helped us achieve record residential sales. The secret to this success is managing our growth and hand-picking the very best sales professionals in the business. Our unique set of systems and processes helps our staff grow professionally. It also allows us to offer a comprehensive sales and marketing service that minimises costs to our clients.

Using our proven formula, we empower developers and investors with information to make informed decisions on areas including site selection, development creation and planning, and buying opportunities. It also assists in the development of tailor-made strategic marketing campaigns that actively engage a project's most suitable target markets. This holistic approach, combined with our experience and local knowledge, means we can minimise the risk, while maximising the return on your development.

The detail of our reporting systems to developers is second to none. The reporting system available supports rational discussion in marketing spends, and minimises lost sales opportunities.

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



07 3107 9223

research@eplace.com.au

projects@eplace.com.au

 [@placeprojects](#)

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