

# Gold Coast Review

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# Gold Coast Overview

The Gold Coast is Australia's seventh most populous major region with an estimated population of 527,828 persons as at June 2010. The population of the region has swelled markedly over the past decade as retirees and 'sea changers' have flocked to the region seeking a better lifestyle. A large part of the population growth is also due to new land releases and development as well as the improvement in infrastructure linking the Gold Coast to Brisbane and the industrial estates in between.

Since the Global Financial Crisis (GFC) the Gold Coast region has had its struggles. The flow of people moving to the region has slowed markedly, the unemployment rate has increased, property values have fallen and the tourism market has slowed. The impact on the Gold Coast has been severe however, this phenomenon is not unique to just the Gold Coast. Many Australian coastal markets have felt the brunt of the downturn as prospective residents have shunned these regions choosing to stay within capital cities where job prospects are stronger.

Across the region, median house prices are currently -5.4 percent below their historic peak and unit prices are -8.3 percent below their peak. Although the market is soft and prices have fallen it is important to highlight that the Gold Coast is comprised of a wide variety of sub-markets; certain regions have fared quite well while others have recorded dramatic price falls.

The higher priced luxury housing markets, particularly those located along the 'glitter strip' (Main Beach, Suffers Paradise, Broadbeach and Mermaid Beach) have recorded some of the largest price falls. Meanwhile, other regions (typically located away from the beachfront) have recorded much more modest declines in home prices. The underperformance of the luxury housing market is very much inline with broader housing trends which indicate values amongst premium suburbs are falling much more sharply than the broader market.

Another impact of the soft market conditions has been weakness in the rental market. With fewer new residents across the region and heightened vacancy rates, rental growth has been minimal for more than two years. Indicative gross rental yields have subsequently resulted in lower returns for investors and with poor capital growth, investor activity within the market has declined considerably.

In 2007, prior to the GFC, sales volumes were at levels well above average as vendors were trying to cash in on strong price growth. As the GFC swept through the property market, properties listed for sale remained at heightened levels however, buyers were reluctant to enter the market in its current state. Since this time, listings have continued to climb even further, meaning the fewer buyers have a lot of choice and the market is well and truly in the buyers favour.

Vendors across the region are having to discount their asking prices by approximately -9 percent and the level of discounting shows no signs of improvement. Across the national market, houses are taking an average of 55 days to sell while units are taking 51 days however, properties within the Gold Coast typically take longer to sell. The average time on market for houses and units across the region is currently more than three months. Both of these indicators show a considerable disconnect between vendor expectations and what buyers are prepared to pay.

With sales volumes tracking well below average levels and listings at their highest levels, price growth is expected to be minimal until the high volume of stock on the market can be absorbed.

Overall, the first quarter of 2011 has been characterised by a continuing decline in market conditions. Queensland's tourism market remains subdued, while the Gold Coast's employment rate is relatively weak putting further strain on the local economy. The prospects of capital gains returning to the market in the short-term do not look strong. Any recovery is likely to be encouraged through improving equities market, a global economic recovery and rebounding tourism numbers.

<b>Property Market Overview</b>	<b>4</b>
Median price performance, Queensland houses and units	4
<b>Gold Coast Property Market Overview</b>	<b>4</b>
Rolling annual change in median prices	4
Key Statistics March 2011	4
Historic median house and prices	5
Historic quarterly sales volumes	5
Sales by price point	5
Rents and yields	6
Listings	6
Vendor discounting	7
Time on market	7
<b>Gold Coast Economic Overview</b>	<b>8</b>
Demographics	8
Unemployment	8
Building Approvals	8
Vacancy rates	8
<b>Tourism</b>	<b>9</b>
Holiday arrivals	9
Short-term departures	9
Queensland tourist accommodation guests	9
Queensland tourist accommodation occupancy rates	9
<b>Employment</b>	<b>10</b>
Annual change in employment by industry	10
<b>Conclusions</b>	<b>11</b>
<b>Key Statistics</b>	<b>12</b>
Gold Coast houses	12
Gold Coast units	13
Methodology	14
<b>About RP Data</b>	<b>15</b>
<b>Disclaimers</b>	<b>16</b>

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# Property Market Overview

## Annual capital growth is now in the red within most markets

- The residential property market has continued to slow during the past year, with only the region of Fitzroy and Mackay recording an increase in the median house price over the last 12 months.
- Across the state, house prices have fallen by an average of -3.5 percent over the year, while Gold Coast houses have been the worst performers, with the median price falling by -5.4 percent.
- The Fitzroy Statistical Division, which includes Rockhampton and Gladstone, achieved median price growth of 10.0 percent over the year; this is likely due to strong housing demand flowing from new resource projects occurring within the area.

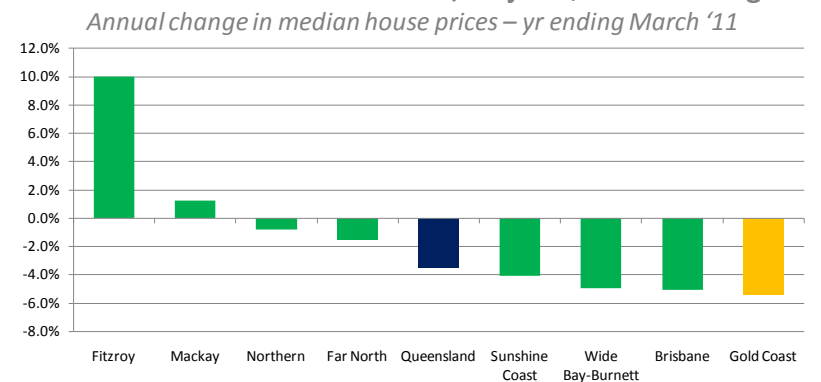
## Units have been the clear underperformers

- During the last 12 months, all regions have recorded a fall in unit prices.
- On average, unit prices across Queensland have fallen by -4.1 percent over the year, while unit prices within the Gold Coast fell by -7.7 percent during the same period.
- Mackay was the worst performer over the year, with median unit prices falling more than -12 percent.
- Brisbane was the best performer with unit prices falling by -1.3 percent over the year.
- The unit market is intrinsically linked to investor activity and investors remain extremely inactive across many of Queensland's property markets.

## Long-term price growth shows strong results, while recent months record poor performance

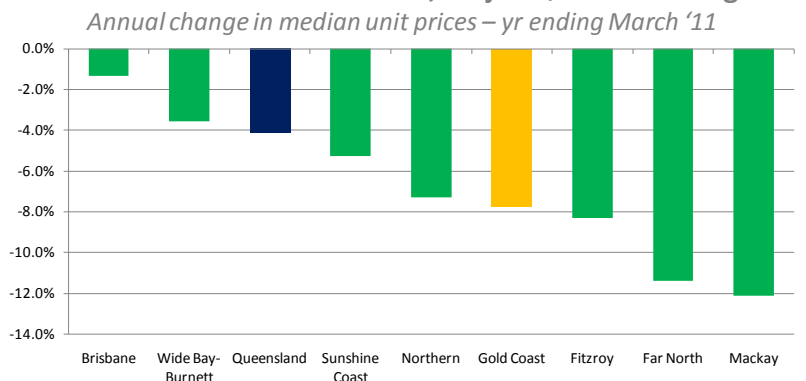
- Over the last decade, house prices have increased at an average of 9.4 percent annually.
- Unit prices have increased by an average of 8.3 percent annually over the last ten years.
- Median price growth within the Gold Coast was exceptionally strong during 2002-04, when growth was consistently recorded above average.
- Over the last two decades, annual growth for house prices peaked during December 2003 when the median house price increased by almost 40 percent over the year.
- During the last 20 years, unit price growth peaked during February 2004 when prices increased by 33.3 percent over the year.
- Immediately prior to the Global Financial Crisis (GFC) price growth recorded a peak during 2007-08 when house prices increased by 19.0 percent for the 12 months to November 2007 and unit prices increased by 14.6 percent for the year to March 2008.
- As the GFC took hold of the property market, prices fell by more than -10 percent during 2008-09, effectively removing any capital growth over the previous two years.

## Median House Price Performance, major Queensland regions



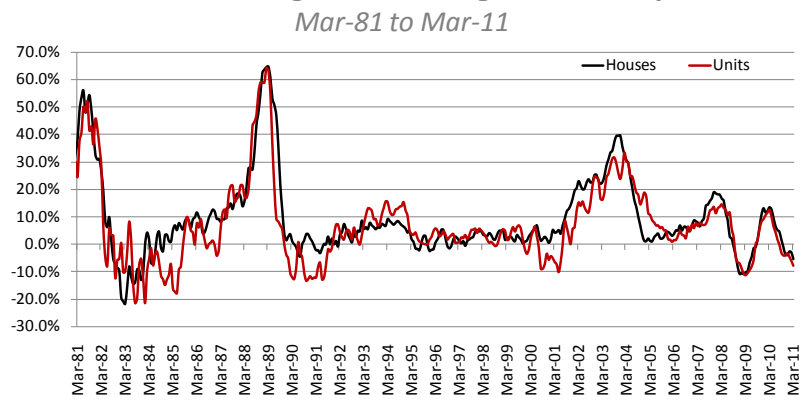
Source: rpdata.com

## Median Unit Price Performance, major Queensland regions



Source: rpdata.com

## Gold Coast rolling annual change in median prices



Source: rpdata.com

## Gold Coast Key Statistics March 2011

	Houses	Units
Median price	\$492,000	\$355,250
12 month change in median price	-5.4%	-7.7%
5 yr average annual growth	4.0%	2.4%
10 yr average annual growth	9.4%	8.3%
Average time on market (days)	104	113
Average vendor discount	-8.9%	-9.2%
Median rental rate	\$430	\$350
Indicative gross rental yield	4.5%	5.1%
Average hold period (years)	8.1	6.9
Estimated population June 2010	527,828	
Population change 2009 to 2010	2.5%	
Household projections 2011	245,300	

## Key Statistics

- In comparison to the last five years and the last decade, price growth has greatly underperformed over the last year across the Gold Coast.
- Average vendor discount levels currently sit at -8.9 percent for houses and -9.2 percent for units, while at the same time in 2010 discounting levels were recorded at -6.9 percent for houses and -7.4 percent for units.
- Gold Coast properties were selling faster during March 2010 than they were at the same time this year. Houses are taking 104 days to sell compared to 87 days the previous year, while units are taking 113 days to sell during March 2011 and a year beforehand they took an average of 100 days to sell.
- Across properties sold during the last year, vendors had owned their houses for an average of 8.1 years and unit vendors had owned their properties for 6.9 years.
- Gold Coast's population sits at almost 530,000 persons and has grown by 2.5 percent over the last year.
- Over the last 14 years, the Gold Coast's population has increased at an average rate of 2.7 percent annually.

### Property prices slump as market conditions worsen

- The median house price for the three months to March 2011 was \$492,000, while units recorded a median price of \$355,250 for the same period.
- House prices across the Gold Coast peaked during the March 2010 quarter at \$520,000.
- Unit prices peaked earlier during the three months to January 2010, when the median price was recorded at \$387,000.
- Post-GFC, house prices fell -11.4 percent between January 2008 and December 2008, when the median price recorded a low of \$455,000 from its previous high of \$513,750.
- Unit prices also fell by -11.4 percent however, it occurred between May 2008 and March 2009, when the median price fell from \$386,000 to \$342,000.
- House prices are currently -5.4 percent below their historic high, while unit prices are -8.3 percent below their highest historic price.
- Property prices have been falling during the last 12 months and there is no indication of a recovery as yet.

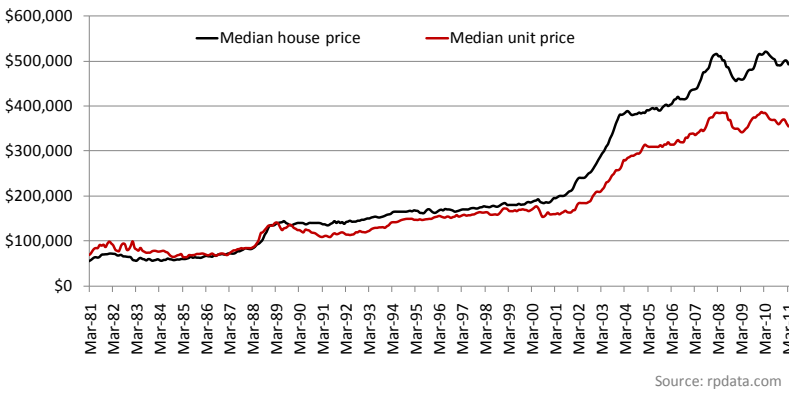
### Volumes fall to their lowest levels since 1989

- Sales volumes were the highest ever during September 2003 when almost 9,000 properties were sold during the preceding three months.
- Volumes peaked again more recently during May 2007 when more than 7,700 sales took place across the Gold Coast.
- As can be seen in the adjacent graph, the highest volumes have occurred as a result of significantly increased unit sales.
- During the 1990's, units accounted for approximately 50 percent of sales across the Gold Coast however, over the last decade, the unit market has expanded and on average, has accounted for 55 percent of all sales.
- During the peak periods, units typically account for approximately 60 percent of all sales, further highlighting the large unit market across the Gold Coast.
- Over the last decade, combined sales volumes have averaged approximately 5,820 quarterly.
- Sales volumes have not been above average since December 2007.
- The current volumes sit at 2,439 for the three months to March 2011, which is almost -60 percent below average and is the lowest volumes recorded since July 1989.

### Premium market continues to weaken

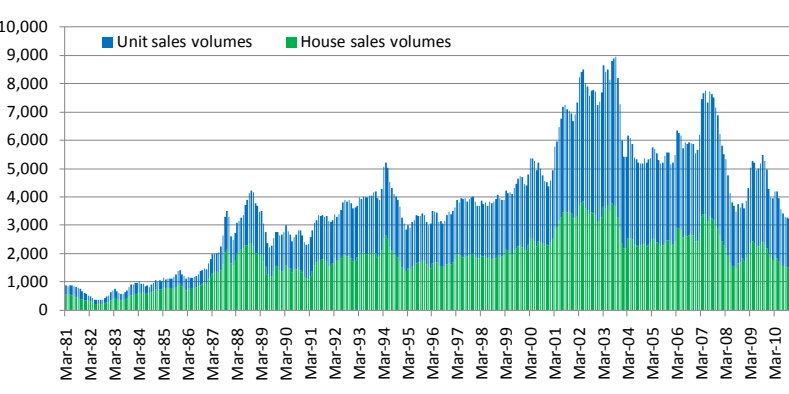
- During the first quarter of 2011, 63.5 percent of dwelling sales were at prices below \$500,000. In comparison, during the first quarter of 2007, 68.9 percent of all sales were at prices below \$500,000 and during the first quarter of 2010 58.1 percent of sales were below \$500,000.
- The proportion of sales under \$300,000 has declined considerably since 2007, highlighting affordability issues, the affect of bracket creep and fewer first time buyers in the market.
- Dwellings priced between \$300,000 and \$500,000 have continued to increase in demand.
- Properties sold above \$700,000 accounted for approximately 15 percent of sales during the first quarter of 2007, while the first quarter of 2010 saw this proportion increase to almost 19 percent. During the first quarter of 2011, property sales priced over \$700,000 had fallen to 13.7 percent of all sales.
- The slowdown in the \$1 million plus market reflects broader trends and also represents the marked slowdown in demand for housing in lifestyle markets such as the Gold Coast.

Gold Coast median house and unit prices  
Mar-81 to Mar-11



Source: rpdata.com

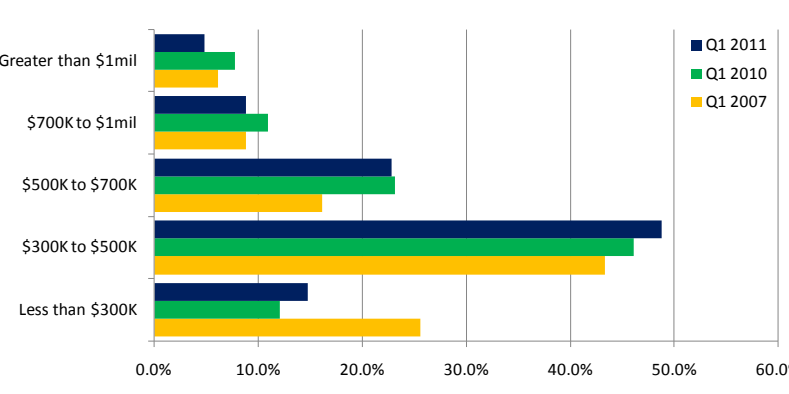
Gold Coast quarterly sales volumes\*  
Mar-81 to Mar-11



\* Note sales volumes are based only on settled sales and are subject to revision

Source: rpdata.com

Dwelling sales by price point  
Q1 2007 vs. Q1 2010 vs. Q1 2011



Source: rpdata.com

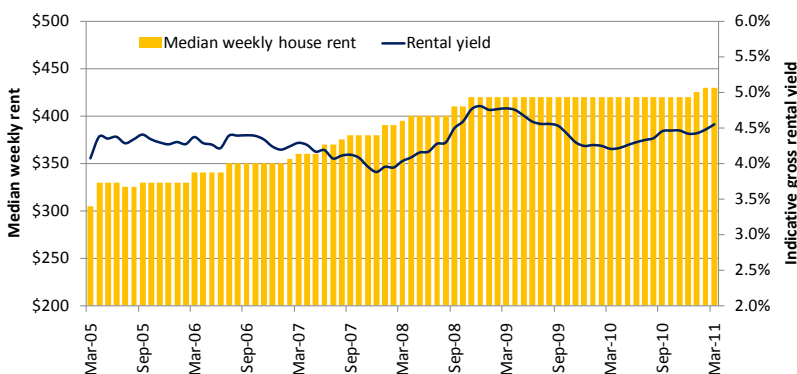
### House rents finally increase after two years

- House rents had recorded no increase between December 2008 and December 2010.
- Rental yields were being slowly eroded between April 2009 and April 2010 as capital growth outpaced rental growth.
- Houses currently have a median rent of \$430/week and rents have increased by \$10/week (2.4 percent) over the last 12 months, while over the last five years, house rents have increased by an average of 4.8 percent annually.
- The indicative gross rental yield for houses within the Gold Coast is currently 4.5 percent based on the median price of \$492,000 and weekly rents of \$430. Indicative yields have been improving since March 2010 due to value declines rather than rental improvements.
- Yields peaked at 4.8 percent during the three months to November 2008.

### Unit rents hold steady for more than two years, while yields show slight signs of improvement

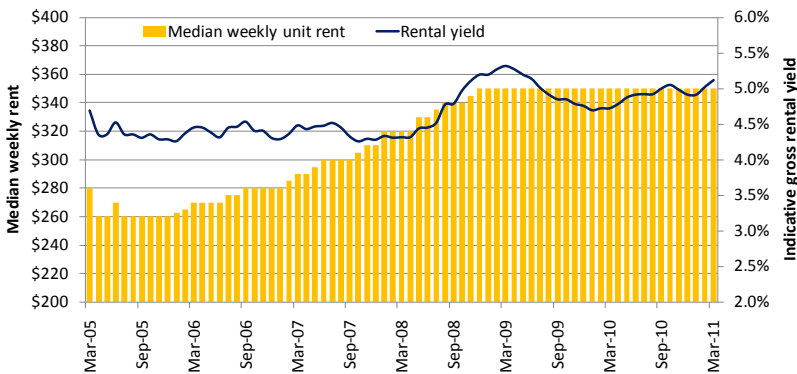
- Unit rents have been holding steady at \$350/week since December 2008, while over the last five years, unit rents have increased by an average of 5.3 percent annually.
- The indicative gross rental yield for units peaked at 5.3 percent during March 2009, when the median unit price bottomed after the GFC.
- Yields have started to show signs of improvement however, this is only a result of a slide in the median unit price over recent months.
- The rental yield for units is currently 5.1 percent based on the median price of \$355,250 and weekly rents of \$350.
- With median prices falling and minimal rental growth expected, yields may improve further but they will not likely extend much beyond their peak.
- Note that the calculation of rental yields is based on long-term rentals only.

Gold Coast weekly rents and gross rental yield, houses  
Mar-05 to Mar-11



Source: rpdata.com

Gold Coast weekly rents and gross rental yield, units  
Mar-05 to Mar-11



Source: rpdata.com

Gold Coast monthly listings, indexed at 100, January 2006  
Mar-06 to Mar-11

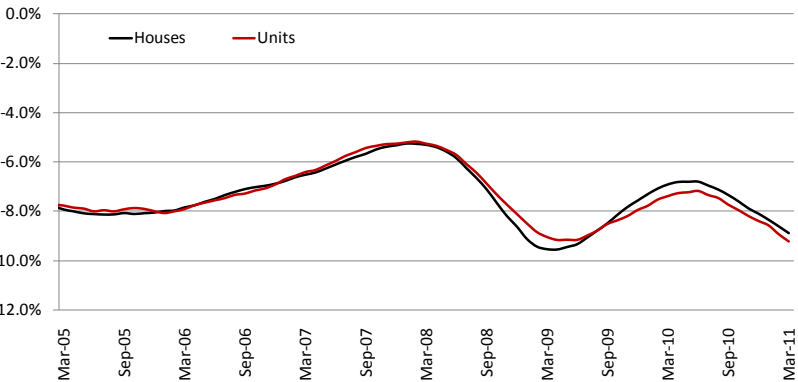


Source: rpdata.com

### Listings are at their highest level ever

- Listings increased by almost 40 percent during 2007 with the rise of sales volumes and strong price growth.
- Listings increased significantly during 2008 by more than 50 percent.
- As demand dried up between 2008-09, sales volumes shrank considerably and were unable to absorb the heightened level of stock on the market, which contributed to price falls.
- The listings for the month of March 2011 are at the highest levels ever however, listings have increased by marginally less than previous years.
- Listings increased by 17.5 percent over the year to March 2011, suggesting some vendors maybe choosing to wait for better market conditions before listing their properties.
- The high level of stock in the market is contributing to the downwards pressure on median prices as the few active buyers have a wide variety of stock to choose from.

**Gold Coast average vendor discounting**  
Mar-05 to Mar-11



Source: rpdata.com

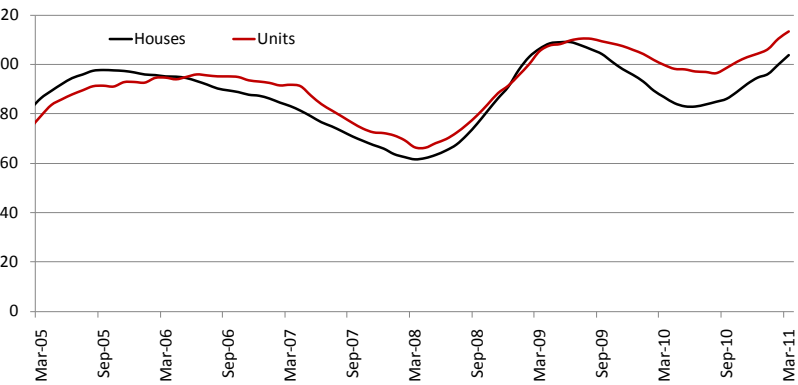
**What is Vendor Discounting?**

Vendor discounting measures the average percentage difference between the original listing price and the ultimate contract price. It is the best indicator for understanding how much negotiating power buyers hold over vendors.

**Vendor discounting shows a clear disconnect between vendors and buyers**

- On a national basis, over the last year vendors have had to become more flexible in their price expectations.
- Across the capitals, vendor discounting is recorded at -6.0 percent for houses and -5.8 percent for units. At the same time last year, vendor discounting was recorded at -5.2 percent for houses and -4.9 percent for units, well below the current levels.
- Dwellings within the Gold Coast have generally recorded much higher levels of discounting than the capital averages.
- Houses across the Gold Coast are currently seeing average discounting of -8.9 percent, while vendors are having to discount their units slightly more at -9.2 percent to sell.
- Discounting peaked during April 2009 for houses, at that time vendors were having to discount by -9.5 percent, while unit discounting recently surpassed its previous peak of -9.1 percent which also occurred during April 2009.
- Discounting has continued to increase steadily over the last 12 months, suggesting there is a considerable disconnect between vendor expectations and what buyers are prepared to pay.
- Over the past five years the average vendor discount has been recorded at -7.2 percent for houses and units which indicates that currently discounting is well above average levels.

**Gold Coast average time on market**  
Mar-05 to Mar-11



Source: rpdata.com

**What is Time on Market?**

The average time on market indication simply measures the average number of days between when a property is first advertised for sale and the date of which a contract is signed. Longer selling times generally suggest that buyer demand may be low or that vendors are unrealistic in their price expectations.

**Time on market has continued to increase with properties taking more than three months to sell on average**

- Across the capital cities houses are taking an average of 58 days to sell and 53 days is the average selling time for a unit during March 2011. During March 2010, it took an average of 45 days to sell a house and 39 days for units. The results show that the average time it takes to sell a property is increasing significantly.
- Dwellings across the Gold Coast are taking considerably longer to sell than the average across the capital cities.
- Houses within the Gold Coast are currently taking an average of 104 days to sell, while units take 113 days for March 2011.
- During March 2010, houses across the Gold Coast were taking, on average, 87 days to sell and units were taking 100 days to sell.
- On average, houses have taken 86 days and units 93 days to sell over the last five years, highlighting that both measures are currently at levels well above average. This also highlights that time on market is quite long suggesting buyers have more time on their hands to select a property, do their due diligence and negotiate on price.
- The average time on market has been steadily increasing over recent months, further highlighting the disconnect between vendor expectations and what buyers are prepared to pay.

## Demographics

- Over the last 14 years, the Gold Coast has recorded relatively strong growth in population of 2.7 percent annually on average.
- In 1996 it was estimated that 363,943 persons lived within the region, by 2010 the population had increased to 527,828 persons, an increase of 163,885 persons.
- During the last year, the estimated residential population has increased by 12,943 persons, or 2.5 percent, which is slightly below the long-term average however, the growth rate is still relatively strong when compared to the rest of Australia where population growth has been 1.7 percent over the same period.
- The slowdown in population growth is reflective of the slower rate of interstate migration in to Queensland and a slowing in overseas migrant numbers.

## Unemployment

- Gold Coast's unemployment rate has been steadily increasing over the last three years, although there were signs of improvement during 2010.
- The unemployment rate peaked during February 2010 at 8.1 percent however, fell to 5.3 percent during October 2010.
- As the Global Financial Crisis started to unfold the tourism sector began to show signs of considerable stress, the unemployment rate has been trending upwards once more.
- Given the Gold Coast's strong reliance on tourism, the unemployment rate has weakened considerably and now sits at 7.2 percent for April 2011.

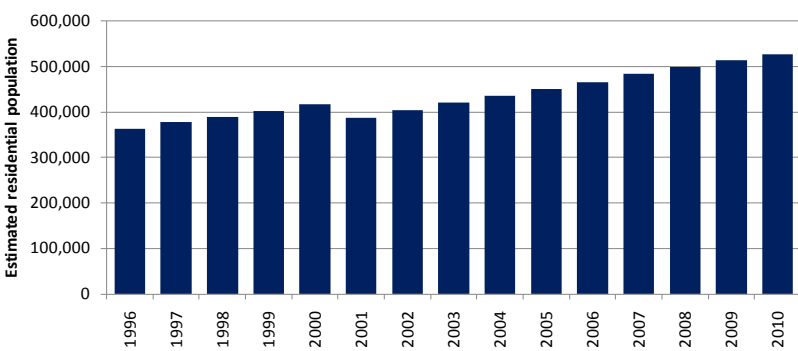
## Building Approvals

- Building approvals for the Gold Coast peaked during the 2007/08 financial year according to the ABS, when 7,625 approvals were reported.
- The graph clearly shows building approvals have been trending lower in recent years and are currently well below their highs from five years ago.
- This result suggests there is likely to be limited new housing stock entering the market over the coming year.
- Over time this will be good news (particularly for the unit market) as a large over-hang of stock remains. A slowdown in new unit construction would be ideal, allowing the market time to absorb the excess stock constructed in recent years.

## Vacancy rates

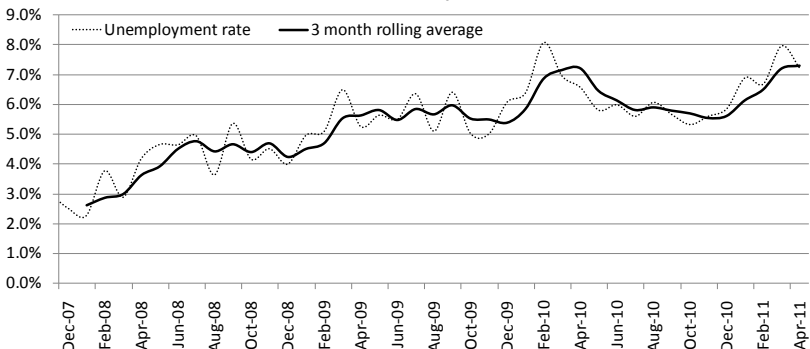
- The adjacent graph details quarterly estimates for vacancy rates for residential rental accommodation across the Gold Coast for all types of dwellings (*note: survey was not conducted for September 2007 quarter*).
- Over the last eight years, the vacancy rate has averaged 3.6 percent each quarter.
- Vacancy rates peaked at 5.5 percent during the June 2010 quarter.
- Since this time, vacancy rates have shown signs of improvement and were recorded at 4.2 percent for the March 2011 quarter.
- Despite the improvement it is unlikely a vacancy rate of 4.2 percent will create much upwards pressures on rental rates.

Gold Coast population  
1996 to 2010



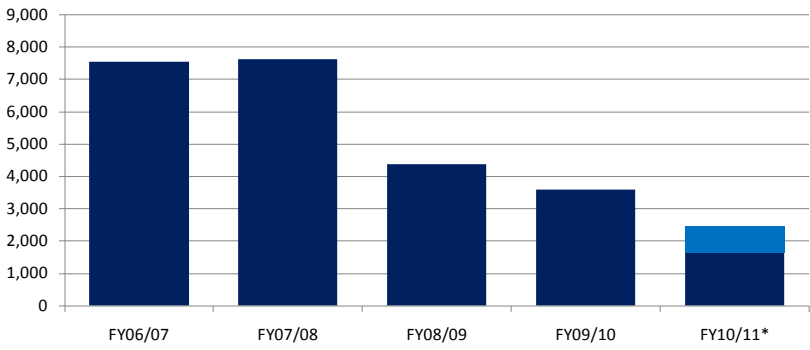
Source: rpdata.com, ABS

Gold Coast unemployment rate  
Dec-07 to Apr-11



Source: rpdata.com, ABS

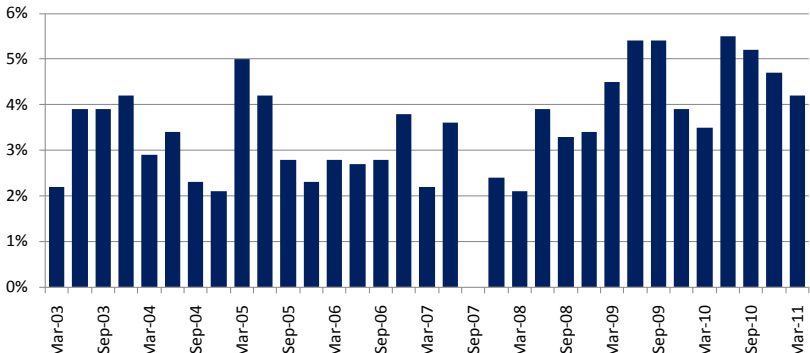
Gold Coast Building Approvals  
Jun-06 to Jun-11\*



Source: rpdata.com, ABS

\*For the FY2010/11, the data is current to February, while the graph displays an estimate for this period.

Gold Coast vacancy rates  
Mar-03 to Mar-11

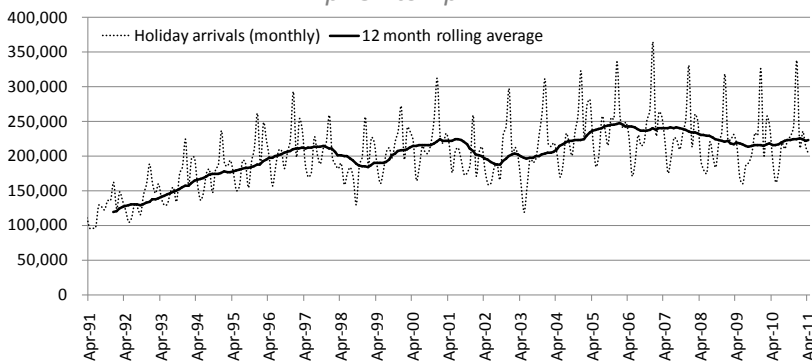


Source: OESR

### International visitors numbers at average levels

- Over the last 20 years, almost 50 million visitors have come to Australia for the purpose of holidays.
- Holiday arrivals peaked during the month of December 2006, when 364,600 visitors came to Australia.
- On average, over the last decade, more than 220,000 international visitors have come to Australia each month for holidays.
- On a monthly basis, December is the busiest month for overseas holidayers with more than 320,000 people on average entering the country during December over the last decade.
- Although arrivals had been trending lower since the GFC, current holidaying visitors are sitting around the historic average.

**Holiday arrivals, national**  
Apr-91 to Apr-11

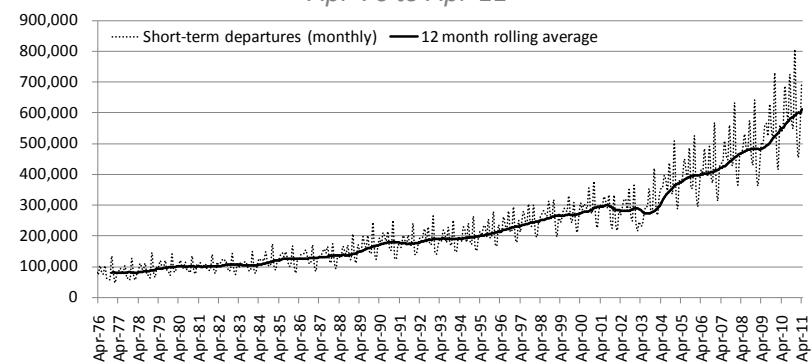


Source: rpdata.com, ABS

### Resident short-term departures – more Australians holidaying overseas

- The adjacent graph highlights monthly short-term (less than one year) departures for Australian residents.
- The average number of short-term departures has increased by 6.4 percent annually on average over the last 20 years.
- It is clear from the graph that the number of short-term departures has increased considerably during the last two years.
- The average number of departures for the 12 months to April 2011 is 611,600 which is 26.4 percent higher than the short-term departures two years earlier for April 2009 (483,783).
- The highest number of departures occurred during December 2010 when 806,700 residents departed Australia.
- The strong Australian dollar certainly appears to be encouraging more and more Australian's to holiday overseas, further impacting popular tourist destinations such as the Gold Coast.

**Short-term departures, national**  
Apr-76 to Apr-11

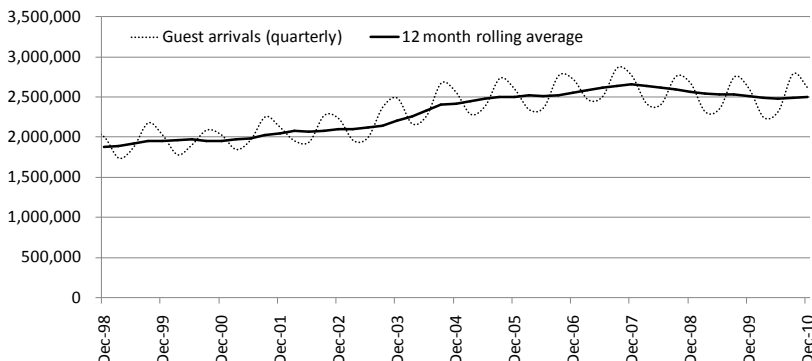


Source: rpdata.com, ABS

### Queensland tourist accommodation guests

- The adjacent graph highlights quarterly guest arrivals for tourist accommodation which includes: hotels, motels and serviced apartments (with at least 15 rooms).
- Queensland tourist accommodation guest arrivals have generally followed trends for the international holiday arrivals across the Australia.
- On a quarterly basis, the September quarter typically has the highest guest arrivals. This is likely due to two school holiday periods falling within the three months; July and September school holidays.
- The highest number of guest arrivals occurred during the September 2007 quarter, when more than 2.8 million tourists checked into accommodation across Queensland.
- Guest arrivals have been increasing at an average of 2.4 percent annually over the last 12 years.

**Queensland guest arrivals, tourist accommodation**  
Dec-98 to Dec-10

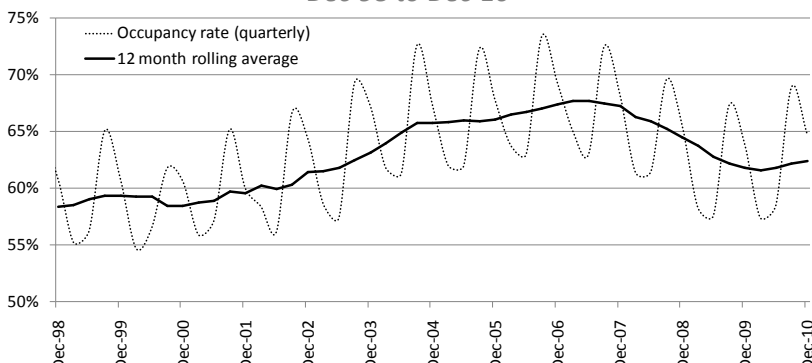


Source: rpdata.com, ABS

### Queensland tourist accommodation occupancy rates

- The adjacent graph highlights the quarterly occupancy rates for tourist accommodation across Queensland.
- Similar to guest arrivals, the September quarter occupancy rates show the strongest results, with the highest average occupancy rate of 68.3 percent occurring within the three month period. December has the second highest occupancy rate of 64.7 percent, then March (59.0 percent) followed closely by the June quarter (58.8 percent).
- The highest tourist accommodation occupancy rate was recorded during September 2006 when more than 73 percent of accommodation was reported as occupied.
- Between 2003-08 occupancy rates were recorded above average, while 2009 saw rates fall below average levels.
- During 2010, occupancy rates were sitting around the historic averages.

**Queensland tourist accommodation occupancy rates**  
Dec-98 to Dec-10



Source: rpdata.com, ABS

## Labour force shows little employment growth over the year

- Labour force data for the three months to May 2011 shows that total employment on the Gold Coast has increased by 0.8 percent during the last year.
- Full-time employment across the region has fallen by -0.7 percent during the last year.
- Meanwhile, there has been an uplift in part-time employment, with an increase of 3.9 percent during the year. This result is reflective of employers dropping workers back to part-time employment rather than shedding jobs completely.
- Across individual industries, job losses have been greatest within Agriculture, Forestry and Fishing, down -76.9 percent over the year.
- Other industries which have shed a significant number of jobs include: Electricity, Gas, Water and Waste Services (-26.5 percent), Health Care and Social Assistance (-23.5 percent), Retail Trade (-20.0 percent) and Information Media and Telecommunications (-20.0 percent).
- The greatest increase in employment over the year has been recorded in Mining which have climbed 72.7 percent.
- Other industries to have recorded a significant increase in employment during the year include: Construction (50.0 percent), Administrative and Support Services (49.6 percent), Other Services (24.0 percent) and Rental, Hiring and Real Estate Services (18.9 percent).

## Retail and health care the largest employers in the region

- The Gold Coast's largest sectors of employment during the three months to May 2011 were: Construction (15.5 percent), Retail Trade (11.2 percent), Health Care and Social Assistance (10.1 percent) and Accommodation and Food Services (9.4 percent)
- In a nut shell, the biggest employers in the region are either reliant on: population growth, the ageing retirees that have been moving en masse to the Gold Coast in recent years or tourists that come to the region to spend money on retail items, food and activities.
- At the other end of the spectrum the smallest proportion of overall employment is in the following fields: Agriculture, Forestry and Fishing (0.1 percent), Mining (0.6 percent), Electricity, Gas, Water and Waste Services (0.8 percent) and Information Media and Telecommunications (1.1 percent).
- You will note that the two of the sectors which shed the greatest number of jobs over the past years are two sectors that employ the most people. On the other hand, the industries in which a greater number of jobs were created are sectors which employ comparatively fewer people (except for construction).
- Overall, the Gold Coast is heavily reliant on employment within the services sector with most of the major industries of employment sitting within that sector.
- The slowdown in tourism, population growth and retail sectors does not bode well for the employment outlook on the Gold Coast.

## Annual change in employed persons by industry, Gold Coast Three months to May-11 vs three months to May-10

Industry	Annual change		
	Full-time employment	Part-time employment	Total employment
Agriculture, Forestry and Fishing	0.0%	n.a	-76.9%
Mining	72.7%	n.a	72.7%
Manufacturing	-1.0%	79.3%	9.3%
Electricity, Gas, Water and Waste Services	-33.3%	25.0%	-26.5%
Construction	63.6%	-3.3%	50.0%
Wholesale Trade	-15.5%	-12.5%	-14.8%
Retail Trade	-31.4%	-4.0%	-20.0%
Accommodation and Food Services	-25.4%	16.0%	-7.0%
Transport, Postal and Warehousing	2.3%	-38.2%	-9.0%
Information Media and Telecommunications	-48.6%	333.3%	-20.0%
Financial and Insurance Services	-36.2%	200.0%	-14.5%
Rental, Hiring and Real Estate Services	10.0%	40.0%	18.9%
Professional, Scientific and Technical Services	0.0%	6.3%	2.9%
Administrative and Support Services	27.5%	112.5%	49.6%
Public Administration and Safety	10.8%	-11.1%	7.5%
Education and Training	7.2%	-26.4%	-9.2%
Health Care and Social Assistance	-30.1%	-13.1%	-23.5%
Arts and Recreation Services	19.0%	-7.9%	7.6%
Other Services	39.1%	0.0%	24.0%

Source: rpdata.com, ABS

## Proportion of overall employment by industry, Gold Coast Three months to May-11

Industry	Full-time employment	Part-time employment	Total employment
Agriculture, Forestry and Fishing	0.1%	n.a	0.1%
Mining	0.9%	n.a	0.6%
Manufacturing	10.3%	5.3%	8.7%
Electricity, Gas, Water and Waste Services	1.0%	0.5%	0.8%
Construction	20.2%	6.0%	15.5%
Wholesale Trade	4.3%	2.9%	3.9%
Retail Trade	8.4%	17.1%	11.2%
Accommodation and Food Services	6.3%	15.5%	9.4%
Transport, Postal and Warehousing	4.5%	2.1%	3.7%
Information Media and Telecommunications	0.9%	1.3%	1.1%
Financial and Insurance Services	2.2%	2.1%	2.2%
Rental, Hiring and Real Estate Services	3.3%	4.3%	3.6%
Professional, Scientific and Technical Services	5.4%	6.9%	6.0%
Administrative and Support Services	5.8%	6.9%	6.2%
Public Administration and Safety	5.6%	1.6%	4.3%
Education and Training	5.2%	6.5%	5.6%
Health Care and Social Assistance	8.3%	13.6%	10.1%
Arts and Recreation Services	2.5%	3.6%	2.9%
Other Services	4.4%	3.6%	4.2%

Source: rpdata.com, ABS

- The Gold Coast market's performance is being weighed down by a number of factors namely:
  - The strong appreciation in property values prior to the onset of the Global Financial Crisis (GFC).
  - The continuing economic weakness both locally and worldwide resulting in fewer tourists coming to the region.
  - A slowdown in the 'sea change' phenomenon as residents decide to stay where they are and pay down debt rather than more to coastal markets
  - The high Australian dollar which is resulting in fewer international tourists and more Australian tourists heading overseas because it is relatively more affordable
  - The oversupply of recently constructed units on the 'glitter strip' which includes: Main Beach, Surfers Paradise, Broadbeach and Mermaid Beach (refer to Key Statistics for data).
- Since the onset of the GFC, capital gains on the Gold Coast have been well below average in fact, since the end of 2007, median house prices across the market have fallen by a total of -3.5 percent and median unit prices are down -5.5 percent.
- Achieving property sales appears to be quite difficult within the current market with volumes at extremely low levels, vendors typically having to discount their prices significantly and properties taking a long length of time to sell.
- The vast majority of properties continue to sell at prices below \$500,000. Developers should take heed of this trend and look to deliver more affordable stock where possible.
- Rental growth has been virtually non-existent in the region since late 2008. With property prices also falling, there appears to be little incentive, whether it be price growth or yield improvement, to attract significant investor activity in the market at this point in time. Rental vacancy rates remain at high levels, suggesting that there will continue to be limited scope for rental growth in the short-term.
- Property listings are at historic high levels, this further hampers prospects for capital gains in the market. The market needs time to remove the overhang of stock.
- Population growth into the region has been very strong in recent years however, it has slowed over the last couple of years. Population growth remains strong but the slowdown is having an impact on demand for housing.
- Building approvals have eased markedly in the years since the GFC however, the ongoing stock overhang in key markets, notably unit markets in Surfers Paradise and Broadbeach, still needs to be consumed before it would be advantageous for the overall market to see a ramping up in approvals. In saying this, if there are areas where more relatively affordable (sub \$500,000) stock can be delivered in an area in which people want to live this would be of benefit for the market.
- The tourism market nationwide is slowing and the affects are acutely felt in markets such as the Gold Coast which is heavily reliant on national and international tourists coming to the region and spending money.
- The total number of employed persons in the region has increased by 0.8 percent during the 12 months to May 2011 with full-time employment falling by -0.7 percent and part-time employment increasing by 3.9 percent. As a result there has also been a spike in the unemployment rate, with the most recent data indicating that it sits at 7.2 percent in comparison to a 4.9 percent unemployment rate nationally.
- The Gold Coast is heavily reliant on the services sector with construction, retail, health care and accommodation and food services the largest employers across the region. With fewer tourists coming to the region and population growth slowing, service sector jobs are likely to come under the most pressure.
- Overall the Gold Coast market is underperforming however, once you delve deeper into the data you find that the lacklustre performance is largely the result of the unit market along the 'glitter strip' and the premium housing market.
  - The more affordable housing markets have typically recorded growth in median sale prices over the past year. These suburbs tend to be located at the northern or southern end of the Coast or in locations away from the water. The median house price in these regions is typically below \$750,000.
  - It is a similar story across the unit market with suburbs at the southern or northern end of the region and those away from the waterfront being most likely to see some improvement in median selling prices over the year.

# Key Statistics - Gold Coast houses

Suburb	Number sold (12 mnths)	Median sale price	Change in median price (12 mnths)	Change in median price (3 yrs)	Change in median price (5 yrs)	Annual change in median price (10 yrs)	Median asking rent	Indicative gross rental yield	Time on Market (days)
Benowa	79	\$750,000	4.9%	1.6%	27.1%	10.7%	\$595	4.1%	100
Biggera Waters	39	\$450,000	-18.6%	-4.8%	7.4%	9.8%	\$385	4.4%	91
Broadbeach Waters	163	\$760,000	-11.0%	-11.0%	16.9%	11.0%	\$550	3.8%	97
Bundall	81	\$950,000	9.5%	4.7%	46.2%	11.9%	\$650	3.6%	133
Burleigh Heads	77	\$560,000	-3.4%	1.8%	15.8%	10.9%	\$450	4.2%	120
Burleigh Waters	170	\$546,250	-3.3%	-1.1%	22.1%	9.6%	\$470	4.5%	96
Coolangatta	22	\$602,500	-10.7%	-10.7%	12.1%	11.9%	\$320	2.8%	n.a.
Coombabah	83	\$425,000	-1.2%	1.3%	26.9%	10.6%	\$390	4.8%	117
Elanora	139	\$530,000	1.9%	3.9%	27.1%	10.3%	\$460	4.5%	78
Hollywell	43	\$560,000	-2.9%	-2.6%	28.3%	10.5%	\$470	4.4%	116
Labrador	81	\$425,000	-1.2%	-4.5%	19.4%	11.6%	\$380	4.6%	96
Mermaid Beach	27	\$1,165,000	-5.7%	-14.3%	17.7%	10.4%	\$410	1.8%	183
Mermaid Waters	131	\$617,000	-5.1%	-5.1%	12.7%	10.8%	\$550	4.6%	109
Miami	59	\$535,000	-2.7%	0.9%	24.4%	12.1%	\$405	3.9%	108
Palm Beach	146	\$545,500	1.0%	-3.5%	28.4%	11.7%	\$430	4.1%	98
Paradise Point	91	\$825,000	-10.8%	-15.8%	5.8%	12.6%	\$465	2.9%	97
Runaway Bay	86	\$750,000	6.0%	-10.4%	-7.4%	8.2%	\$513	3.6%	123
Southport	149	\$475,000	2.2%	5.6%	26.7%	12.2%	\$400	4.4%	82
Surfers Paradise	58	\$1,050,000	-19.2%	-30.0%	-12.9%	9.5%	\$470	2.3%	150
Tugun	80	\$446,500	-3.4%	-6.0%	4.0%	10.2%	\$395	4.6%	98
Jacobs Well	23	\$424,000	2.4%	8.7%	41.3%	12.5%	\$370	4.5%	123
Ormeau	181	\$455,000	1.4%	6.6%	15.2%	9.3%	\$410	4.7%	103
Ormeau Hills	10	\$468,000	-7.0%	-6.4%	17.3%	8.9%	\$425	4.7%	n.a.
Arundel	113	\$465,000	-1.9%	-0.1%	16.3%	8.3%	\$440	4.9%	90
Ashmore	122	\$458,000	-4.6%	-1.5%	18.8%	10.6%	\$428	4.9%	77
Beechmont	10	\$424,500	-13.4%	17.9%	41.1%	n.a.	n.a.	n.a.	n.a.
Bonogin	54	\$627,500	-0.4%	4.1%	27.5%	10.0%	\$583	4.8%	121
Carrara	114	\$430,000	-5.2%	-5.5%	18.3%	10.5%	\$430	5.2%	95
Clear Island Waters	49	\$752,000	-14.5%	-2.3%	0.8%	7.4%	\$723	5.0%	88
Coomera	31	\$406,000	0.0%	-15.4%	13.4%	11.2%	\$375	4.8%	146
Currumbin	23	\$560,000	-4.4%	-17.0%	-15.7%	12.1%	\$440	4.1%	96
Currumbin Valley	24	\$788,500	5.1%	3.1%	40.8%	10.6%	\$550	3.6%	118
Currumbin Waters	88	\$500,000	0.0%	3.3%	30.3%	10.5%	\$450	4.7%	75
Gaven	17	\$550,000	-12.7%	-0.5%	22.8%	10.7%	\$550	5.2%	110
Gilston	26	\$542,750	6.4%	11.3%	22.1%	n.a.	n.a.	n.a.	121
Guanaba	11	\$750,000	-3.4%	9.9%	46.5%	12.7%	n.a.	n.a.	n.a.
Helensvale	210	\$502,000	-1.1%	4.2%	21.0%	10.3%	\$465	4.8%	109
Highland Park	77	\$448,000	6.7%	3.0%	33.7%	11.4%	\$430	5.0%	98
Hope Island	21	\$555,000	5.0%	10.7%	21.3%	11.7%	\$460	4.3%	146
Lower Beechmont	29	\$410,000	8.6%	3.8%	28.1%	13.1%	\$385	4.9%	153
Maudsland	47	\$470,000	0.8%	4.7%	27.0%	8.0%	\$440	4.9%	123
Merrimac	55	\$416,000	-0.1%	-0.2%	24.2%	8.4%	\$400	5.0%	104
Molendinar	66	\$503,495	-0.3%	3.8%	20.5%	10.6%	\$500	5.2%	104
Mount Nathan	14	\$593,750	-8.7%	-6.5%	14.2%	9.3%	n.a.	n.a.	n.a.
Mudgeeraba	184	\$474,750	-3.1%	1.4%	21.4%	9.3%	\$440	4.8%	96
Nerang	146	\$386,000	-1.5%	-0.2%	24.5%	11.1%	\$385	5.2%	108
Oxenford	152	\$452,500	-0.5%	2.8%	25.9%	10.6%	\$430	4.9%	97
Pacific Pines	212	\$459,500	-0.5%	1.0%	23.9%	10.0%	\$430	4.9%	96
Parkwood	89	\$485,000	1.7%	4.3%	24.6%	9.8%	\$450	4.8%	89
Pimpama	33	\$415,000	-10.3%	-4.2%	-1.2%	6.6%	\$405	5.1%	126
Reedy Creek	73	\$642,500	0.4%	8.7%	27.7%	10.6%	\$560	4.5%	141
Robina	247	\$541,000	-0.7%	1.0%	15.6%	8.9%	\$480	4.6%	106
Springbrook	15	\$350,000	5.3%	-9.1%	11.6%	12.8%	\$290	4.3%	165
Tallai	37	\$700,000	6.1%	2.9%	34.6%	11.1%	\$613	4.6%	129
Tallebudgera	36	\$725,000	3.6%	5.2%	38.1%	10.9%	\$575	4.1%	130
Tallebudgera Valley	16	\$730,000	3.5%	-6.4%	15.9%	9.8%	\$500	3.6%	186
Upper Coomera	282	\$415,000	-2.4%	-1.0%	23.0%	7.5%	\$400	5.0%	99
Varsity Lakes	131	\$485,000	1.3%	0.0%	21.3%	11.4%	\$440	4.7%	91
Willow Vale	14	\$787,500	-8.7%	-17.2%	9.4%	n.a.	n.a.	n.a.	n.a.
Worongary	82	\$492,500	-4.6%	7.8%	29.6%	11.2%	\$430	4.5%	82

# Key Statistics - Gold Coast units

Suburb	Number sold (12 mnths)	Median sale price	Change in median price (12 mnths)	Change in median price (3 yrs)	Change in median price (5 yrs)	Annual change in median price (10 yrs)	Median asking rent	Indicative gross rental yield	Time on Market (days)
Benowa	93	\$474,000	-0.2%	-3.8%	35.4%	6.6%	\$448	4.9%	111
Biggera Waters	138	\$338,250	-10.8%	6.0%	20.8%	10.9%	\$335	5.2%	103
Bilinga	28	\$532,500	10.9%	26.0%	27.5%	11.6%	\$330	3.2%	114
Broadbeach	330	\$453,500	-3.5%	-11.6%	7.3%	7.1%	\$350	4.0%	133
Broadbeach Waters	32	\$415,750	-9.5%	-4.4%	10.1%	11.6%	\$350	4.4%	n.a.
Bundall	23	\$299,000	-13.3%	-23.3%	15.8%	3.2%	\$400	7.0%	n.a.
Burleigh Heads	197	\$387,500	-4.3%	-5.9%	11.5%	8.7%	\$360	4.8%	119
Burleigh Waters	94	\$351,500	-2.4%	-9.4%	20.5%	10.0%	\$360	5.3%	102
Coolangatta	189	\$440,000	-7.4%	-3.0%	10.0%	9.1%	\$320	3.8%	115
Coombabah	104	\$320,000	-5.9%	4.9%	25.5%	9.9%	\$320	5.2%	123
Elanora	43	\$337,000	2.7%	10.1%	24.8%	10.0%	\$360	5.6%	110
Hollywell	12	\$1,237,500	40.6%	33.8%	70.7%	18.5%	\$650	2.7%	n.a.
Labrador	293	\$315,500	-1.4%	5.2%	23.7%	11.1%	\$320	5.3%	104
Main Beach	149	\$605,000	-5.5%	-5.8%	3.9%	7.1%	\$420	3.6%	139
Mermaid Beach	143	\$370,000	0.0%	-2.9%	17.5%	6.7%	\$340	4.8%	103
Mermaid Waters	81	\$320,000	-3.9%	4.1%	19.6%	9.9%	\$323	5.2%	92
Miami	115	\$367,000	-5.9%	1.9%	15.5%	9.8%	\$360	5.1%	101
Palm Beach	208	\$370,000	1.4%	8.8%	27.6%	10.3%	\$310	4.4%	101
Paradise Point	62	\$495,000	-4.8%	-13.9%	34.7%	14.8%	\$330	3.5%	81
Runaway Bay	128	\$353,500	-30.7%	-21.4%	-21.4%	4.1%	\$350	5.1%	92
South Stradbroke	11	\$210,000	-13.4%	-20.8%	-10.6%	-0.4%	n.a.	n.a.	n.a.
Southport	589	\$337,500	-8.8%	-11.8%	12.5%	8.4%	\$340	5.2%	116
Surfers Paradise	892	\$375,000	5.6%	-3.8%	0.0%	7.0%	\$360	5.0%	129
Tugun	94	\$413,500	-3.5%	12.8%	30.1%	9.3%	\$340	4.3%	115
Jacobs Well	12	\$630,000	n.a.	-1.6%	15.6%	n.a.	n.a.	n.a.	n.a.
Ormeau	45	\$358,000	1.7%	3.8%	23.9%	n.a.	\$350	5.1%	76
Arundel	69	\$325,000	1.2%	4.8%	27.5%	6.4%	\$350	5.6%	102
Ashmore	67	\$310,000	0.0%	4.4%	24.0%	11.6%	\$323	5.4%	103
Carrara	140	\$421,500	2.8%	1.6%	9.5%	6.7%	\$360	4.4%	113
Clear Island Waters	35	\$510,000	14.3%	25.2%	54.5%	7.2%	\$355	3.6%	n.a.
Coomera	194	\$310,450	-13.3%	-1.4%	31.0%	7.5%	\$390	6.5%	154
Currumbin	42	\$386,250	-8.0%	-11.2%	-3.4%	9.8%	\$375	5.0%	103
Currumbin Valley	15	\$375,000	2.9%	3.4%	47.1%	n.a.	n.a.	n.a.	n.a.
Currumbin Waters	58	\$321,000	-8.3%	-2.7%	25.9%	8.7%	\$340	5.5%	115
Helensvale	106	\$417,500	-9.2%	-6.4%	-2.7%	12.1%	\$360	4.5%	134
Highland Park	16	\$294,250	6.3%	-45.3%	36.1%	12.1%	\$340	6.0%	97
Hope Island	370	\$419,500	-23.7%	-40.5%	-35.4%	2.2%	\$550	6.8%	146
Merrimac	68	\$410,000	14.5%	30.0%	72.0%	12.8%	\$350	4.4%	101
Molendinar	45	\$288,000	-12.1%	-7.7%	1.1%	11.7%	\$370	6.7%	102
Mudgeeraba	82	\$326,750	-4.5%	-8.2%	30.7%	8.5%	\$380	6.0%	123
Nerang	103	\$305,000	5.2%	4.1%	22.0%	13.0%	\$330	5.6%	106
Oxenford	65	\$290,000	0.0%	4.9%	30.2%	13.6%	\$313	5.6%	68
Pacific Pines	77	\$370,000	-1.9%	20.1%	44.8%	7.6%	\$370	5.2%	95
Parkwood	17	\$315,000	-6.0%	-3.0%	14.5%	10.2%	\$350	5.8%	135
Reedy Creek	49	\$325,000	7.4%	16.1%	44.4%	11.5%	\$343	5.5%	94
Robina	188	\$450,000	-1.0%	1.1%	28.6%	7.9%	\$410	4.7%	113
Upper Coomera	106	\$330,000	2.5%	-3.8%	6.5%	6.9%	\$360	5.7%	122
Varsity Lakes	238	\$396,500	1.7%	5.7%	14.4%	11.8%	\$420	5.5%	100

# Key Statistics - Methodology

Number sold - a count of all transactions within the specified region over the last 12 months.

Median sale price - the middle sale price of all transactions recorded during the 12 month period. Note that sale prices lower than \$10,000 and higher than \$80,000,000 are excluded from the analysis.

Change in median price (12 mths) - the difference between the median sale price in the current period compared to the same period 12 months ago. The result is expressed as a percentage.

Change in median price (3 yrs) - the difference between the median sale price in the current period compared to the same period three years ago. The result is expressed as a percentage.

Change in median price (5 yrs) - the difference between the median sale price in the current period compared to the same period five years ago. The result is expressed as a percentage.

Annual change in median price (10 yrs) - the compounding annual change in median price based on the current period compared with the same period 10 years ago. The calculation indicates the average annual growth rate and is expressed as a percentage.

Median asking rent - the middle value of advertised rents captured by RP Data during the last 12 months.

Indicative gross rental yield - is calculated based on the annualised rent (median weekly rent x 52 (weeks)) divided by the median sale price. The indicative gross rental yield provides an indicative guide about the gross rental return achieved within the suburb during the past 12 months.

Average time on market (days) - the average number of days it has taken to sell those properties sold by private treaty sale during the last 12 months. The calculation excludes auction listings and listings where an asking price is not advertised. The days on market calculation uses the contract date on the property compared with the first advertised date.

Established in 1991, RP Data is the leading supplier of commercial and residential property information services throughout Australia and New Zealand. Subscription clients to RP Data's property information service include over 10,000 real estate agents, valuers, property developers, financial institutions and government departments. RP Data is also the largest supplier of electronic valuations and consumer property reports in Australia generating over 30 million electronic valuations every month.

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Our key value to our clients lies in the delivery of vast and accurate property information and analytics. Whether our clients need to increase listings to sell more, manage their risk portfolio effectively, market to current and future clients who are transacting in property, or simply streamline the way they do business, RP Data has the solution.

***It's not just data, it's RP Data.***

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### **Queensland Data**

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