

# APARTMENT

S U N S H I N E C O A S T

ISSUE 02  
SUMMER 19/20


In this edition of "**Apartment Sunshine Coast**", we provide an update of the Sunshine Coast property market and see **how the rental market is trending**. We delve once more into the Sunshine Coast's new apartment market to see what developments are on the market and what sales are occurring. To conclude we take a look at what the **development pipeline** for the Sunshine Coast looks like over the coming years.

FORECAST & INSIGHTS  
FOR THE SUNSHINE COAST  
PROPERTY MARKET



place  
projects





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

As South East Queensland's leading off the plan apartment marketing company, we are constantly monitoring the property market, analysing fundamentals trends, new property developments and almost everything property related.

We have our own dedicated research team "Place Advisory". Place Advisory has substantial property market data that has been developed over time and analysed in complex manners to provide the best insights into the property market on both a micro and macro level.

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.





# SUNSHINE COAST MARKET OVERVIEW

The Sunshine Coast property market was not immune to the difficult start to 2019 for the majority of Australian property markets. Despite the Sunshine Coast appearing resilient to begin 2019, it is now apparent that the market did not escape unscathed. Nonetheless, the softening of prices during 2019 have been comparatively minor to other property markets such as Sydney and Melbourne. With the future looking bright for Australian property in the short to medium term, it is expected that prices will soon begin to gradually rise again on the Sunshine Coast.

For the six-month period ending September 2019, houses on the Sunshine Coast recorded a median price of \$620,000 over 1,606 sales. This is only slightly down (-1.6%) on the \$630,000 recorded in the same period in 2018 and indicates resilience in the market.

Apartments throughout the Sunshine Coast also recorded only minimal price falls over the past year to September 2019 at a rate of -2.9%. However, compared to six months prior, the median price of apartments is only 0.7% lower at \$442,000, the best result of any property type, as they look likely to be the first property type to return to positive growth.

In contrast, Sunshine Coast townhouses appear to have been the most affected by the market wide slowdown, softening by 5% over the last six months ending September 2019 to a median price of \$380,000 over 138 sales. This result suggests that they are lagging both houses and apartments in the recovery.

## SIX MONTHS ENDING SEPTEMBER 2019

### NUMBER OF SALES

APARTMENTS	TOWNHOUSES	HOUSES
497	138	1,606

### MEDIAN PRICE

APARTMENTS	\$442,000
TOWNHOUSES	\$380,000
HOUSES	\$620,000

### GROWTH

	6 MONTHS	1 YEAR
APARTMENTS	-0.7%	-2.9%
TOWNHOUSES	-5.0%	-6.2%
HOUSES	-1.6%	-1.6%

While the Sunshine Coast property market has softened overall in 2019, some regions have continued to record solid growth and outperform. Below is a summary of property performance for each Sunshine Coast area ending September 2019.

# SUNSHINE COAST AREAS

## MAROOCHYDORE

The Maroochydore area has recorded negative growth over all property types in the 12 months ending September 2019. However, apartments were much more resilient softening by only 2.2% to \$439,000. Townhouses (\$372,500) and houses (\$660,000) in the area fared worse, softening by 4.4% and 5.7%.

	Median Price	1 Year Growth
Apartments	<b>\$439,000</b>	<b>-2.2%</b>
Townhouses	<b>\$372,500</b>	<b>-4.4%</b>
Houses	<b>\$660,000</b>	<b>-5.7%</b>



## KAWANA WATERS

Prices remained fairly steady for townhouses (-1.6%) and houses (-0.6%) in the 12 months ending September 2019 and signifies the resilience of these properties in the Kawana Waters area. However, there was some weakness in the apartment market throughout the area which declined by 5% during the same period. Townhouses here are now the most affordable in the Sunshine Coast.

	Median Price	1 Year Growth
Apartments	<b>\$430,000</b>	<b>-5.0%</b>
Townhouses	<b>\$369,000</b>	<b>-1.6%</b>
Houses	<b>\$600,000</b>	<b>-0.6%</b>

## NORTH SHORE MAROOCHY NORTH SHORE

	Median Price	1 Year Growth
Apartments	<b>\$422,000</b>	<b>4.2%</b>
Townhouses	<b>\$435,000</b>	<b>2.6%</b>
Houses	<b>\$664,000</b>	<b>0.6%</b>

The best performing area in the Sunshine Coast. Property in the Maroochy North Shore area continues to record impressive positive growth for all property types, albeit at a lower rate to recent years. Apartments here were the strongest performers in the Sunshine Coast, increasing in median price by 4.2% over the past 12 months to \$422,000. Townhouses followed by increasing in median price by 2.4% to \$435,000 while houses increased by 0.6% to \$664,000. Houses and townhouses here are now the most expensive on the Sunshine Coast while apartments remain the most affordable.



## CALOUNDRA

	Median Price	1 Year Growth
Apartments	<b>\$455,000</b>	<b>-4.2%</b>
Townhouses	<b>\$378,000</b>	<b>-5.5%</b>
Houses	<b>\$577,500</b>	<b>-4.5%</b>

The Caloundra area was one of the most affected areas in the Sunshine Coast throughout the 12 months to September 2019. Home of the most expensive apartments on the Sunshine Coast at a median price of \$455,000, these properties have become more affordable after softening by 4.2% over the 12 months ending September 2019. Similarly, townhouses and houses softened by 5.5% and 4.5% respectively over the same period.





# RENTAL MARKET

## VACANCY RATE

The Sunshine Coast's rental market continues to tighten throughout 2019 with the region's vacancy rate declining from 1.9% in September 2018 to just 1.5% in 2019.

This has occurred on the back of almost 200 less properties advertised for rent. While not all areas of the Sunshine Coast have experienced a tightening of the rental market in 2019, an overwhelming 17 of 23 post code areas recorded an average 0.6% tightening of their respective vacancy rates.

The consistently tight rental market over recent years has been good news for investors but continues to indicate that renters may be doing it tough. The low levels of new residential development over the same period, at a time when population growth rates are one of the strongest in Australia, is a strong contributor to the tight market.

A pickup in residential construction at present should help balance the rental market and boost the local economy and amenity for the community. The tight vacancy rate will help underwrite the continuing development of new houses and apartments.

## TIGHTEST RENTAL MARKETS BY POSTCODE SEPTEMBER 2019

Postcode	Vacancy Rate Sep 2019	Vacancies Sep 2019	Trend
4550	0.4%	2	Tighter
4519	0.5%	5	Tighter
4572	0.6%	5	Tighter
4564	0.8%	14	Worse
4557	0.9%	35	Tighter
SUNSHINE COAST	1.5%	964	Tighter

## STRONGEST TIGHTENING IN VACANCY RATE 12 MONTHS TO SEPTEMBER 2019

Postcode	Vacancy Rate Sep 2019	Vacancy Rate Sep 2018	Difference Vacancy Rate
4562	3.0%	4.9%	-1.9%
4552	1.0%	2.2%	-1.2%
4575	1.7%	2.8%	-1.1%
4568	2.3%	3.2%	-0.9%
4563	2.5%	3.0%	-0.5%
SUNSHINE COAST	1.5%	1.9%	-0.4%

## RENTAL PRICES

On the back of tight vacancy rates throughout the majority of the Sunshine Coast, most property types have recorded year on year growth in rental prices.

Larger units outperformed in a clear sign of demand for this product throughout the Sunshine Coast. The largest increase was in the median weekly rent for three bedroom apartments which increased to \$450 in the September quarter 2019 compared to \$430 12 months prior. This was followed by three bedroom townhouses which increased by \$10 a week to \$440 over the same period. In contrast smaller units, one bedroom apartments and two bedroom townhouses, were the only property types to record no growth in rental prices over the year.

## RENTAL PRICE CHANGE 12 MONTHS TO SEPTEMBER 2019

Property Type	Sep Qtr 18	Sep Qtr 19	1 year change
1 Bed Apartment	\$290	\$290	0.0%
2 Bed Apartment	\$370	\$375	1.4%
3 Bed Apartment	\$430	\$450	4.7%
2 bed Townhouse	\$380	\$380	0.0%
3 Bed Townhouse	\$430	\$440	2.3%
2 Bed House	\$370	\$378	2.0%
3 Bed House	\$450	\$455	1.1%
4 Bed House	\$525	\$530	1.0%
AVERAGE	\$406	\$412	1.6%

# PROJECTOR

## THE SUNSHINE COAST NEW APARTMENT MARKET APRIL TO SEPTEMBER 2019

The Sunshine Coast's new apartment market continues to record strong sales numbers despite a difficult start to 2019. During the six months ending September 2019 there were 189 new and off the plan apartments sold throughout the Sunshine Coast. The demand for new apartments appears to be in balance with supply as the sold proportion of this market remains steady despite five new apartment developments (266 apartments) coming to market during the period. With the short to medium term looking more optimistic for the Sunshine Coast property market, sales are expected to gradually increase which should in turn see the proportion of available new apartments contract.



### As at September 2019

Development	Suburb	Status	Total Apartments	Apartments Remaining	Apartments Sold Sept 2019 Half Year	Period Sold Proportion of Total	Proportion of Total Apartments Sold
Beachlife Alex	Alexandra Headland	Awaiting Construction	58	19	13	22%	67%
Curve Birtinya	Birtinya	Awaiting Construction	55	32	9	16%	42%
Southbank at Oceanside	Birtinya	Awaiting Construction	70	52	5	7%	26%
Seanna Residences	Bokarina	Awaiting Construction	63	44	19	30%	30%
Oceanus Bokarina Beach	Bokarina	Awaiting Construction	100	96	4	4%	4%
The Beachfront Buddina	Buddina	Awaiting Construction	73	66	7	10%	10%
Latitude Coolum Beach	Coolum Beach	Awaiting Construction	7	4	0	0%	43%
Oceane Coolum Beach	Coolum Beach	Awaiting Construction	21	14	4	19%	33%
Essence Cotton Tree	Cotton Tree	Awaiting Construction	19	9	4	21%	53%
Driftwood	Cotton Tree	Awaiting Construction	10	8	2	20%	20%
Botanica Riverside Residences	Maroochydore	Awaiting Construction	16	6	8	50%	63%
Plaza Central Maroochydore (Stage 1)	Maroochydore	Awaiting Construction	42	24	8	19%	43%
Banksia	Maroochydore	Awaiting Construction	15	10	5	33%	33%
Reflections on Bradman	Maroochydore	Awaiting Construction	15	11	4	27%	27%
Revive Oceanside (Stage 1)	Birtinya	Under Construction	60	46	2	3%	23%
The Cosmopolitan	Cotton Tree	Under Construction	143	84	10	7%	41%
Alpha Luxury Apartments	Maroochydore	Under Construction	14	1	3	21%	93%
Rise Maroochydore Beach	Maroochydore	Under Construction	48	5	20	42%	90%
The Ivy Picnic Point	Maroochydore	Under Construction	37	8	2	5%	78%
The Rhythm on the Beach	Maroochydore	Under Construction	72	20	1	1%	72%
Avalon	Maroochydore	Under Construction	89	29	28	31%	67%
116 Alex	Alexandra Headland	Construction Completed	6	1	0	0%	83%
Affinity Place	Birtinya	Construction Completed	30	13	6	20%	57%
The Hedge Lifestyle Apartments	Buddina	Construction Completed	97	22	11	11%	77%
Pinnacle Picnic Point	Maroochydore	Construction Completed	30	1	1	3%	97%
Vue on Bradman	Maroochydore	Construction Completed	14	1	12	86%	93%
Allure Mooloolaba	Mooloolaba	Construction Completed	31	2	1	3%	94%
OVERALL			1235	628	189	15%	49%

## SUMMARY

- At the end of September 2019, there were 27 new apartment developments on the market in the Sunshine Coast.
- Of the 1,235 total new apartment supply, only 628 (51%) remain available for sale
- During the six months ending September 2019, there were 189 new apartments sales accounting for 15% of the total new apartment supply.
- Mosaic's "Avalon" in Maroochydore, a new addition to the market, was the best performing apartment development for the period recording an impressive 28 apartment sales or 31% of its total stock. This development is located at the waterfront in Maroochydore and offers the perfect coastal lifestyle to residents.
- Despite total new apartment supply being only 49% sold at the end of September 2019, 11 of the 27 developments were at least two thirds sold with five developments having sold at least 90% of their total stock.
- At the end of September 2019, 208 apartments (17%) had already been physically delivered to the market. A further 463 (37%) were under construction.
- The majority of new apartment development is concentrated in Maroochydore, which contains 392 (32%) of the Sunshine Coast's total current new apartment supply. Birtinya is next with a further 17% of new apartment supply followed by Buddina and Cotton Tree both with 14% of total new apartment supply.

## NEW APARTMENTS



THE MAJORITY OF NEW APARTMENT DEVELOPMENT IS CONCENTRATED IN MAROOCHYDORE, WHICH CONTAINS 392 (32%) OF THE SUNSHINE COAST'S TOTAL CURRENT NEW APARTMENT SUPPLY.



## NEW APARTMENT PRICES

As three and four bedroom apartments continue to be designed for the luxurious upper end, the difference in the average prices for a two and three bedroom apartments remains wide.

The average price of one bedroom apartments on the Sunshine Coast was recorded at approximately \$399,000 for the Six month period ending September 2019.

Two bedroom apartments appear to currently offer the best value on the Sunshine Coast with the lowest prices/m<sup>2</sup> of \$6,962 (internal) and \$5,330 (total) and an average price of approximately \$586,000.

Three and four bedroom apartments will cost a premium as many are designed to a luxurious standard and considered penthouses on the Sunshine Coast. For the six months ending September 2019, the average price of new three bedroom apartments was more than double that of two bedrooms at an average price of approximately \$1,189,000.

Four bedroom apartments were almost double again due to their scarcity and prestige at \$2,344,000.

NUMBER OF BEDROOMS	AVERAGE PRICE	AVG PRICE INTERNAL M <sup>2</sup>	AVG PRICE TOTAL M <sup>2</sup>
1	\$399,038	\$7,121	\$5,558
2	\$586,839	\$6,962	\$5,330
3	\$1,189,696	\$8,607	\$6,913
4	\$2,344,167	\$10,003	\$7,431
OVERALL	\$956,898	\$8,025	\$6,299



# HOW MUCH DOES IT COST TO BE BY THE COAST?



It is common knowledge that proximity to the waterfront attracts premium prices for properties. But how much influence does this actually have on property prices? We have broken down house, townhouse and apartment sales for the six month period ending September 2019, calculated the shortest distance of each property to the coast line and summarised the results for properties within a distance of 2.5km. Beyond this distance, there is little impact on property prices in the Sunshine Coast.

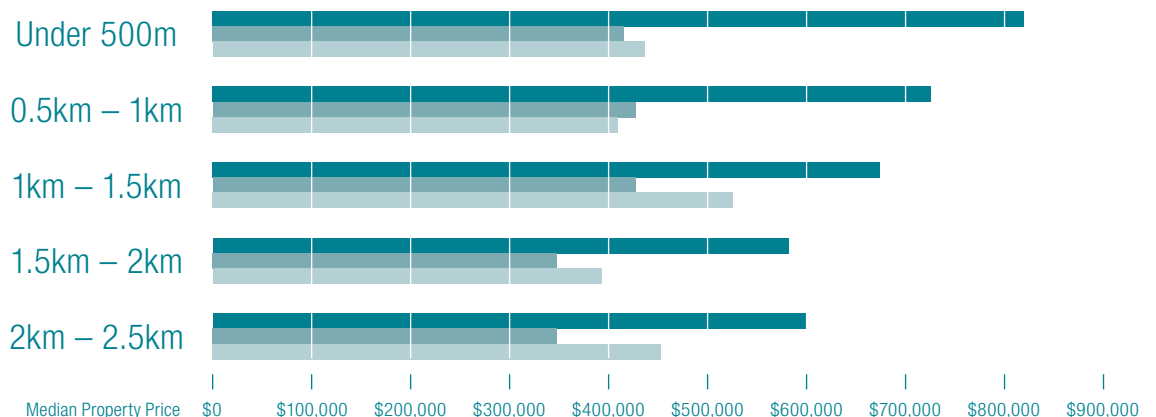
**House** prices are the most affected by proximity to the coast line. Houses within 500m of the coast have a median price of \$834,000 which falls by approximately \$250,000 (30%) for houses that are 1.5km to 2km from the coast line.

**Townhouse** prices revealed that within 1.5km of the coast line that there is little difference in pricing with each distance bracket recording a median price of approximately \$420,000. However, there is a significant decline in price of around \$70,000 (17%) for townhouses located 1.5km to 2.5km from the coast.

**Apartments** recorded their highest median price for those located between 1km and 1.5km from the coast. However, of all the apartments sold within 2.5km of the coast, 53% were actually located within a distance of 500m. The lower median prices closer to the coast is a result of a lack of new development in recent years and thus many of these apartments are of older constructions.

## MEDIAN PRICE BY DISTANCE TO THE COASTLINE FROM WATERFRONT TO 2.5KM

— Houses  
— Townhouses  
— Apartments





# Jewel

BIRTINYA ISLAND



At the heart of the Sunshine Coast, in the most select area of highly-prized Birtinya Island, is Jewel Residences.

Presenting 2 and 3 bedroom premium residences and magnificent penthouses – all graced with spectacular views to the north or east, over the lake and signature parkland next door.

Combining architectural style with inspired design, four elegantly symmetrical buildings accommodate these luxurious living environments – and each enjoys its own lift access, maximising the blissfully private lakeside life you've longed for.

#### Project at a Glance

- 106 residences and penthouses, all with lake and park views
- 2 car parks for 90% of residences
- North or east orientation
- Flowing open plan living
- Impressively large living spaces, generous balconies
- Beautifully appointed kitchens
- Ducted air conditioning
- Wide-ranging views over the lake and adjacent parkland
- Exclusive residents' pool, sun deck and barbecue

**BOOK AN APPOINTMENT TODAY | Syd Walker 0418 710 888 | Brett Jewry 0403 044 432**





# SUNSHINE COAST DEVELOPMENT PIPELINE

## EXPECTED COMPLETION DATES

Dated End of October 2019

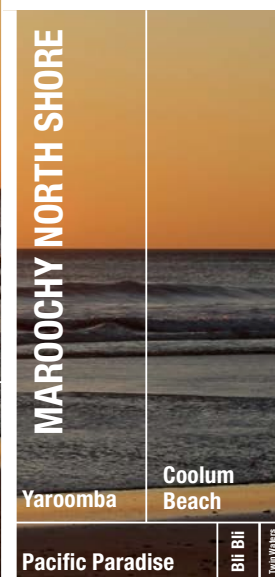
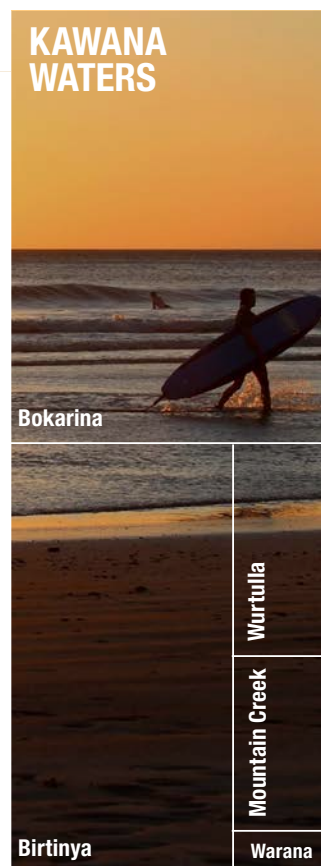


The four regions of the Sunshine Coast, Maroochy North Shore, Maroochydhore, Kawana Waters and Caloundra, currently have a healthy level of units sitting in the development pipeline with a combination of approximately 3,200 apartments or townhouses.

This pipeline is also fairly evenly spread out timewise with expected completions set to average 235 units per six months out until the end 2023.

Although deferred or abandoned developments currently account for around 28% of units in the pipeline, construction delays appear minimal with 79% of all units expected to complete construction by the middle of 2020 already under construction.





62%  
MAROOCHY  
-DORE

19%  
KAWANA  
WATERS

10% NORTH  
SHORE

9% CAL -  
OUNDRRA

## PIPELINE BY REGION

The number of units in the pipeline are heavily concentrated in the Maroochy Dore Region which accounts for 62% of the entire pipeline.

Kawana waters (from Minyama to Birtinya) follows with 19% of the pipeline while Maroochy North Shore and Caloundra account for 10% and 9% each.

The steady rate of new unit supply being physically added to the marketplace will help to cater for the rising demand from by both renters and buyers for larger and better-quality housing options.

With a current population growth rate of over 2% per annum, and low levels of new unit development over the past 10 years, this new unit supply is expected to be absorbed in an orderly fashion.



Place Projects is one of Brisbane's and the Sunshine Coast's premier project marketing companies. Specialising in marketing off-the-plan apartment developments, we provide a full-service sales organisation to the South East Queensland market.

Our passion for innovation and exceptional results ensures interaction with quality people, quality properties and quality marketing.

If you are interested in personalised property data analysis for the Sunshine Coast or Brisbane markets, please get in touch.



**Syd Walker** Director  
0418 710 888  
[sydwalker@eplace.com.au](mailto:sydwalker@eplace.com.au)



**Bruce Goddard** Director  
0418 185 209  
[brucegoddard@eplace.com.au](mailto:brucegoddard@eplace.com.au)

DISCLAIMER © PLACE ADVISORY PTY LTD 2008 All rights reserved. No part of this publication may be reproduced, stored in or introduced into a retrieval system, transmitted or copied in any form, or by any means (graphic, electronic or mechanical, including photocopying or scanning), without prior written permission from Place Advisory Pty Ltd. As this publication involves data that has been supplied externally through surveys, Place Advisory accepts no responsibility for the accuracy or completeness of any such material. The information is subject to change without notice and Place Advisory is under no obligation to update the information or correct any assumptions or inaccuracies which may prove to be incorrect at a later date. This study has been prepared for the sole purpose use of Place Advisory and is not to be relied upon by any third party for the purposes of financial investment without specific approval. This publication is subject to copyright under the Copyright Act 1968. Enquiries should be addressed to the publishers.

Publications are for subscriber's use only. A subscription entitles employees of the same organisation to the use of its contents for internal reporting purposes only. Only employees of your organisation may have access to the Publication. Place Advisory publications must not be uploaded to an internet or intranet facility, nor should they be used for inter-library loans, without written authorisation to do so.



place  
projects