

# Gold Coast Prime Residential Insight

Q3 2023

Knight Frank's quarterly analysis of the Gold Coast prime luxury residential sales and rental markets

[knightfrank.com.au/research](https://knightfrank.com.au/research)

## Limited prestige rental homes driving rent higher

◆ Australia's wealthy population to gain share in regional areas.

### WEALTH TRENDS

Australia's high-net-worth individual (HNWI) population, otherwise known as the millionaire population, grew by 4.8% in 2022, to 2,214,326 people with net wealth of more than US\$1 million according to the Knight Frank Wealth Sizing Model.

The population in the four major capital cities (Sydney, Melbourne, Brisbane and Perth) comprises 59.8% of the total Australian HNWI population, after being a similar proportion five years ago. This HNWI population is projected to grow by a further 71.1% in Australia by the end of 2027, higher than the global growth of 56.9%, when the population outside of the four major cities is expected to hold a 42.6% share of all Australian millionaires, up from the current 40.2%.

The ultra-high-net-worth (UHNW) population across Australia grew by 2.1% in 2022, to 17,456 individuals with net wealth of more than US\$30 million.

Australia's ultra-wealthy population has expanded by 31.1% since 2017.

This ultra-wealthy population is projected to grow by a further 40.9% over the next five years, stronger than the global UHNW population growth of 28.5%. Over this time, the share of ultra-wealthy population outside the four major capital cities is likely to grow from 32.7% to 37.2% in 2027.

### THE ECONOMY

Queensland recorded economic growth of 4.4% in 2022 while the Gold Coast unemployment rate stood at 4.0% in March 2023, trending 80 bps lower than the year earlier. Oxford Economics forecast economic growth to taper back to 1.5% at the end of 2023, 3.5% in 2024 and 3.3% in 2025.

Australia's stock market performance on the S&P/ASX 200 rose in the second quarter of 2023 by 0.4%, to arrive at total change of 9.7% over the past year. The stock market is forecast to record 2.8% by the end of 2023, and a further 2.8% in 2024 and by 4.8% in 2025.

Business conditions diminished 7.5 pts in the June 2023 quarter to +6.5 index points in the NAB business sentiment survey. This was trending close to half the +12.8 pts a year ago.

Company profits across Australia grew 19.3% in 2022, after recording 5.3% growth in 2021. Annual company profits are forecast to fall by 0.5% in 2023, before falling a further 5.8% in 2024, although company profits are expected to recover by 2.3% in 2025.

New private business investment grew by 8.0% in the year to June 2023. This was higher than 7.1% annual growth a quarter earlier, and higher than 2.2% annual growth recorded a year ago.

**2.1%**

Growth in Australia's ultra-high-net-worth individuals in 2022

**+6 pts**

Business conditions index points in June 2023

**8.0%**

Annual growth in June 2023 of new private business investment

### LENDING ENVIRONMENT

The official cash rate on 5 September 2023 continued to see no movement, with a target of 4.10% by the Reserve Bank of Australia. The Oxford Economics forecast for the official cash rate is to be reduced towards an average target of 4.07% by the end of 2024.

In the June 2023 quarter, average mortgage lending rates to owner occupiers increased by 5 bps to 6.32% for a 3-year fixed term loan and rose by 50 bps to 8.52% for a standard variable loan. For investors, a 3-year fixed term increased by 18 bps to 6.50%, and a standard variable loan rose by 50 bps to 9.10%.

# Gold Coast prime established residential

◆ Across Australia’s major cities, weekly rents for prime residential homes grew the fastest on the Gold Coast over the past year, as the city continues to hold the highest average gross rental yield.

**-22%**

Gold Coast prime residential sales volume in June 2023 compared to a year ago

**1.5%**

The change in the Gold Coast’s prime residential values in the year to June 2023

**18.4%**

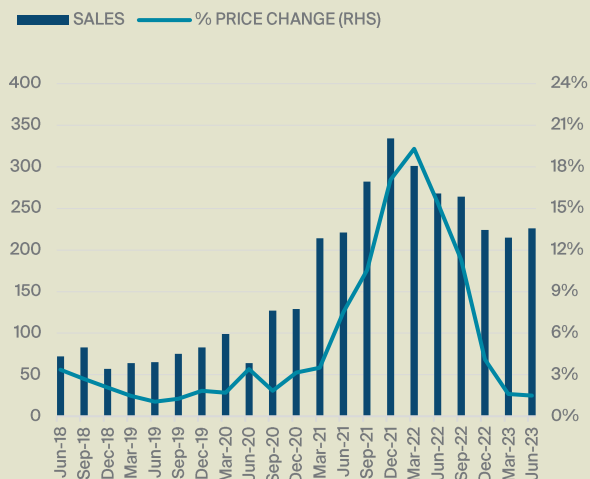
Annual Gold Coast prime residential rental growth in June 2023

## SALES & PRICE PERFORMANCE

- ◆ Sales volume trended 5.1% higher in the June 2023 quarter with 226 prime residential homes sold on the Gold Coast, while the 929 annual sales volume was 22% lower than a year ago.
- ◆ The average days on market for prime residential home stood at 73 days in the June 2023 quarter. One quarter ago, this was 66 days.
- ◆ Over the year ending June 2023, prime residential prices increased 1.5% and were up 1.6% in the past quarter.
- ◆ Prime prices are forecast to change by 3% at the end of 2023, 4% in 2024 and 5% in 2025 according to Knight Frank Research.

### Gold Coast Prime Residential Sales & Prices

No. prime sales per quarter & % annual prime price change



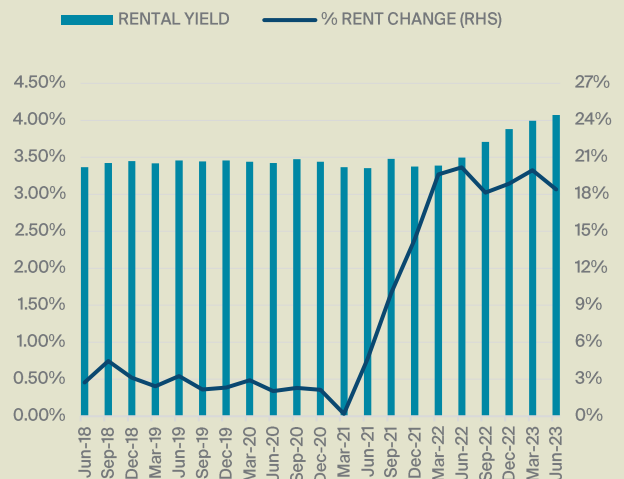
Source: Knight Frank Research

## RENTAL MARKET

- ◆ Gross rental yields for Gold Coast prime residential properties increased by 8 bps, to 4.07%, in the second quarter of 2023.
- ◆ Rents rose 3.7% for prime residential homes in the quarter to June 2023, and over the past year were up 18.4%.
- ◆ Looking forward, Knight Frank Research forecast prime rents to rise by 21% in 2023, with 14% growth likely in 2024 and 9% in 2025.

### Gold Coast Prime Residential Rents & Yields

Prime gross rental yield & % annual prime rental change



Source: Knight Frank Research

# Gold Coast prime residential forecast

## Key Drivers Forecast

	2021	2022	2023f	2024f	2025f	2023-2025f AVE
Economic Growth	6.1%	3.2%	1.5%	3.5%	3.3%	2.8%
Unemployment Rate	5.1%	3.7%	3.7%	4.3%	4.3%	4.1%
Cash Rate Target	0.1%	1.2%	3.8%	3.9%	2.9%	3.6%
Stock Market	17.5%	-1.7%	2.8%	2.8%	4.8%	3.5%
Company Profits	5.3%	19.3%	-0.5%	-5.8%	2.3%	-1.3%

Source: Oxford Economics

## Gold Coast Prime Residential Forecast

	2021	2022	2023f	2024f	2025f	2023-2025f AVE
Prime Price Performance	17%	4%	3%	4%	5%	4%
Prime Rental Market	14%	19%	21%	14%	9%	15%

Source: Knight Frank Research

All references made to dollars or \$ is Australian Dollars (AUD), unless stated.

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.

## Recent Research



Australian Prime Residential Review



Global Branded Residences Report



The Wealth Report 2023 Wealth Populations Edition



The Wealth Report 2023



**Residential Research**  
Michelle Ciesielski  
+61 2 9036 6659  
michelle.ciesielski@au.knightfrank.com



**Residential**  
Erin van Tuil  
+61 2 9036 6699  
erin.vantuil@au.knightfrank.com



**Residential, Gold Coast**  
Alison Hedger  
+61 420 788 471  
alison.hedger@au.knightfrank.com



**Residential Project Sales**  
Luke Hayes  
+61 2 9036 6700  
luke.hayes@au.knightfrank.com



**Franchise Partnerships**  
Sally Edvardsen  
+61 2 9036 6845  
sally.edvardsen@au.knightfrank.com



**Valuations**  
Alistair Carpenter  
+61 2 9036 6662  
al.carpenter@au.knightfrank.com