



Wealth trends



Prime sales, price and rental performance



Prime development pipeline



Gold Coast Prime Residential Review

Q2 2021

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GOLD COAST PRIME RESIDENTIAL

The Gold Coast saw the highest annual sales turnover for prime residential property across Australia, whilst for investors, continues to record the highest prime rental yields. Will buyers seeking a lifestyle property, with an emphasis on wellbeing, soon see any relief in the solid price performance of Gold Coast homes?

Wealth trends

Australian **ultra-high-net-worth individuals** (UHNWIs) grew by 10.9% in 2020, to 3,124 people with net wealth of US\$30m+.

This UHNW population is forecast to grow annually by 3.8% over the next five years.

Australia's **stock market** has continued a stellar run and saw gains of 3.1% in the first quarter of 2021, taking annual growth to 33.8% (S&P Dow Jones Indices).

Business conditions strengthened, moving 23.3 percentage points above the average (NAB).

Total **new private investment** was down 3.6% at the end of 2020, but is forecast to rebound to 12.3% annual growth in 2021 (Oxford Economics).

Prime sales performance

Across the Gold Coast prime region, the **volume of sales** in Q1 2021 tallied at 164 prime properties (\$2m-\$7m); the highest quarter on record. This was 102% higher than Q4 2020, and up 90% in the year ending March 2021.

There were 7 super-prime (\$7m+) sales recorded on the Gold Coast in Q1 2021. This was an increase from zero sales over the past quarter, and 117% higher

than one year ago.

The **average days on market** for a prime property on the Gold Coast was 148 days in Q1 2021. This was 155 days one quarter ago.

Prime price performance

Globally, the Gold Coast ranked 22nd from 46 cities for annual price growth.

Capital growth for prime property rose 3.5% over the past year to March 2021, increasing 1.3% in the last quarter alone.

Knight Frank Research forecast Gold Coast prime prices to further increase by a minimum of 3% by the end of 2021.

Over the year ending March 2021, those buying with the Indonesian Rupiah (at an additional 14%) were ranked most advantaged for major **currencies** when buying Gold Coast prime property.

In terms of **relative value** at this time, one could buy 126 sqm of internal luxury floorspace on the Gold Coast for US\$1 million, compared to 45 sqm in Sydney, 30 sqm in London or 23 sqm in Hong Kong SAR.

Prime rental performance

Gross rental yields for Gold Coast prime property trended down 7 bps to

3.37% in Q1 2021. A year ago, this yield was recorded at 3.44%.

In Q1 2021, **rental growth** compressed by 1.3% for prime properties on the Gold Coast. Over the past year, rental growth increased by 0.2%.

New prime development pipeline

A total of 2,250 medium- and high-density **new apartments and townhouses** were completed in the Gold Coast prime region in 2020.

This was 11% above the number built in 2019 however below the 3-year average of 2,000 new apartments and townhouses.

Compared to 2020, there is a similar number of apartments and townhouses forecast to be completed in 2021, with 2,250 currently under construction.

Across the Gold Coast prime region 3-year pipeline, the **distribution of bedrooms** being built have been weighted towards 2-bed configured apartments with 47% of the total share, followed evenly by studio & 1-bed (27%) and 3-bed+ (27%).

Gold Coast **new prime apartment prices** have increased 10% in 2020 to an indicative \$19,250/sqm; to range between an average of \$16,500/sqm and \$22,000/sqm.

**GOLD COAST
PRIME RESIDENTIAL**
31 March 2021

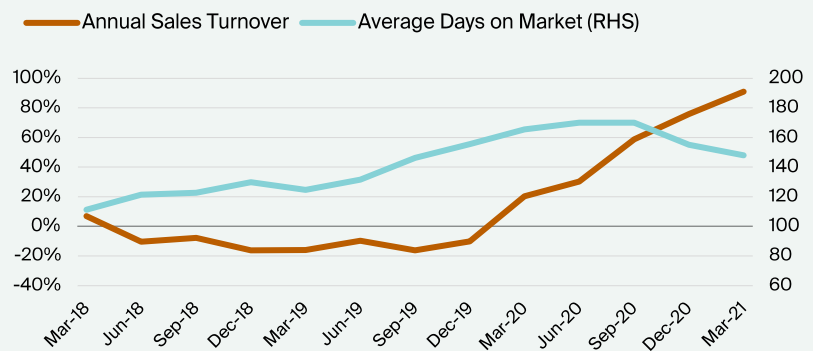
Capital Growth - Annual	3.5%
Sales Volume - Annual	386
Sales Turnover - Annual	91%
Ave. Days on Market	148
Gross Rental Yield	3.37%
Rental Growth - Annual	0.2%

Source: Knight Frank Research

148
Average days on market for prime residential properties on the Gold Coast in Q1 2021

◆ ◆
“Q1 2021 saw the highest number of Gold Coast prime sales on record”
◆ ◆

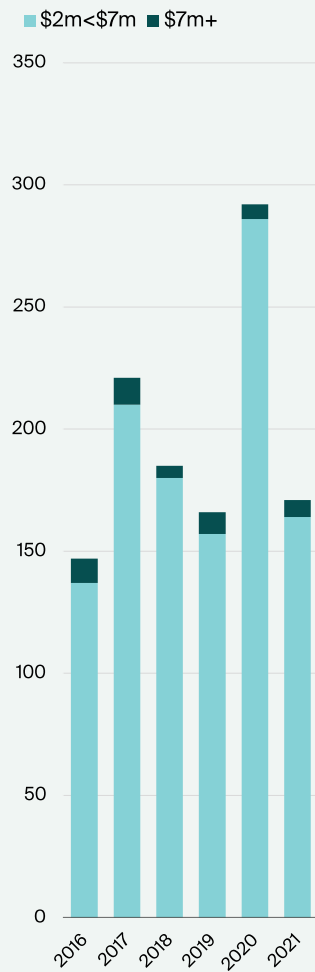
Gold Coast prime residential annual sales turnover and average days on market



Source: Knight Frank Research

Gold Coast prime sales

Number of sales, prime regions
At end of Q1 2021

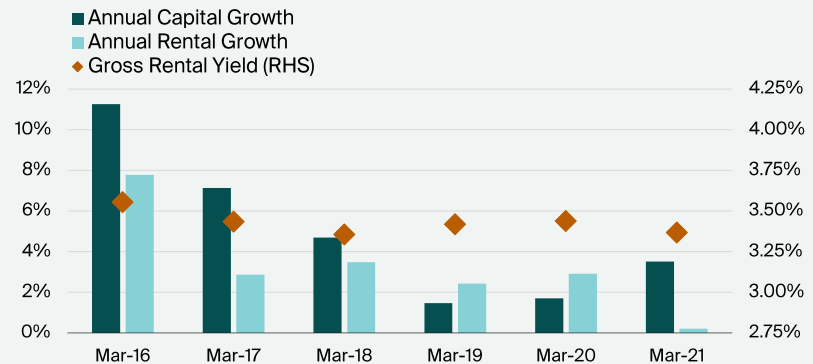


Source: Knight Frank Research

▲
90%
Increase in the number of Gold Coast prime properties sold over the past year

10%
Growth in new prime apartments on the Gold Coast in 2020

Gold Coast prime residential price and rental performance



Source: Knight Frank Research

DATA DIGEST

Prime (luxury) residential property is the most desirable and most expensive property in a given location, generally defined as the top 5% of each market by value. Prime markets often have a significant international bias in terms of buyer profile.

Prime residential sales hold a threshold of AU\$2 million in Gold Coast prime regions.

Ultra-high-net-worth individual (UHNWI) is someone with a net worth of over US\$30 million including their primary residence. Otherwise known as ultra-wealthy.

Prime regions cover postcodes on the Gold Coast: 4212, 4215-4221, 4226.

Currency reference to dollars or \$ refers to 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.



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