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# Gold Coast Prime Residential Review

Q1 2021

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# GOLD COAST PRIME RESIDENTIAL

*The pandemic forced many to retreat in the safety of their own home for the best part of 2020. So it's not surprising luxury property is becoming increasingly more attractive in destinations known for their lifestyle, including the Gold Coast, where both prestige price and rental growth remains resilient.*

## 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.

By the end of 2020, the Australian **stock market** was in recovery mode and saw gains of 13.3% in the fourth quarter of 2020, rounding annual growth at -1.5% (S&P Dow Jones Indices).

**Business conditions** strengthened, moving 12.4 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 6.3% annual growth in 2021 (Oxford Economics).

## Prime sales performance

Across the Gold Coast prime region, the **volume of sales** in Q4 2020 tallied at 81 prime properties (\$2m-\$7m); the highest quarter on record.

This was 1% higher than Q3 2020, and up 82% in the year ending December 2020.

There were no super-prime (\$7m+) sales recorded on the Gold Coast in Q4 2020. This was down 100% over the

past quarter, and 33% lower than one year ago.

The **average days on market** for a prime property on the Gold Coast was 155 days in Q4 2020. This was 170 days one quarter ago.

## Prime price performance

Globally, the Gold Coast ranked 20th from 45 cities for annual price growth.

**Capital growth** for prime property rose 3.2% over the past year to December 2020, increasing 1.8% in the last quarter.

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

At the end of December 2020, those buying with the euro 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, 31 sqm in London or 23 sqm in Hong Kong SAR.

## Prime rental performance

**Gross rental yields** for Gold Coast prime property trended down 3 bps to

3.44% in Q4 2020. A year ago, this yield was recorded at 3.46%.

In Q4 2020, **rental growth** was up 0.7% for prime properties on the Gold Coast. Over the past year, rental growth increased by 2.1%.

## 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** 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 3.1% in 2020 to an indicative \$16,500/sqm; to range between an average of \$12,500/sqm and \$19,000/sqm.

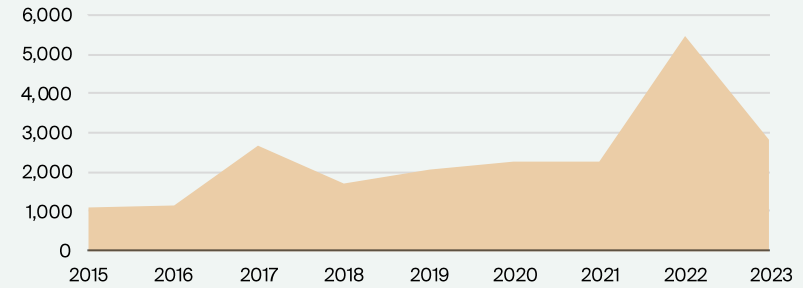
**GOLD COAST  
PRIME RESIDENTIAL**  
31 December 2020

Capital Growth - Annual	3.2%
Sales Volume - Annual	292
Sales Turnover - Annual	76%
Ave. Days on Market	155
Gross Rental Yield	3.44%
Rental Growth - Annual	2.1%

Source: Knight Frank Research

**Gold Coast prime pipeline**

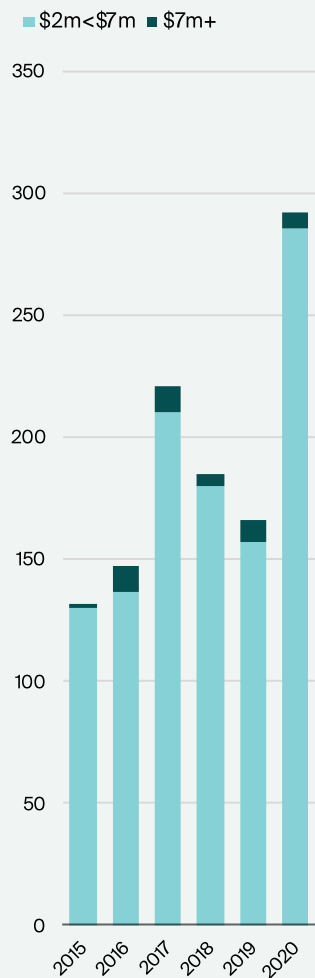
Number of new medium- and high-density apartments in prime regions



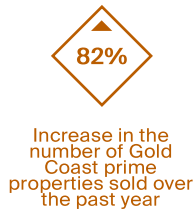
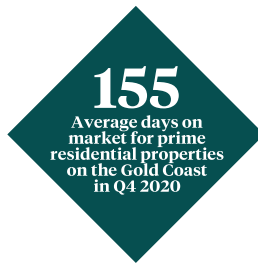
Source: Knight Frank Research

**Gold Coast prime sales**

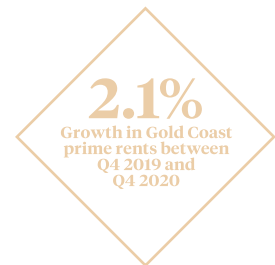
Number of sales, prime regions



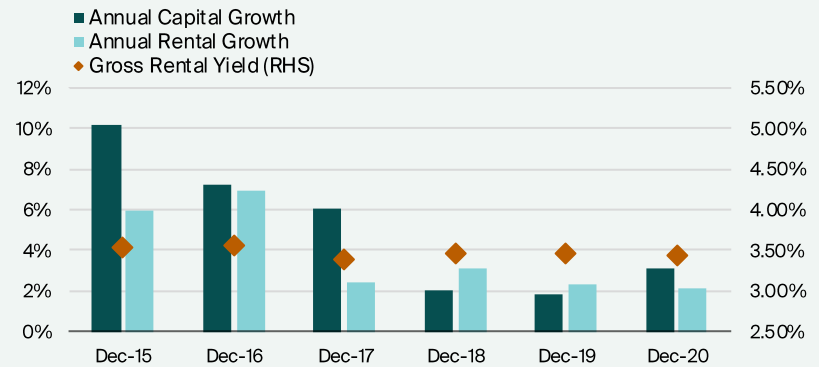
Source: Knight Frank Research



“Q4 2020 saw the highest number of Gold Coast prime sales on record”



**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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