



Wealth trends



Prime sales, price and rental performance



Prime development pipeline



# Gold Coast Prime Residential Review

Q3 2021

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# GOLD COAST PRIME RESIDENTIAL

*Despite hard border closures to pent-up buyers from the southern states, the second quarter of 2021 saw all price performance indicators across the Gold Coast prestige market outperform the previous quarter, and compared to the same time a year ago.*

## 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 7.7% in the second quarter of 2021, taking annual growth to 25.2% (S&P Dow Jones Indices).

**Business conditions** strengthened, moving 21.9 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 10.5% annual growth in 2021 (Oxford Economics).

## Prime sales performance

Across the Gold Coast prime region, the **volume of sales** in Q2 2021 tallied at 176 prime properties (\$2m-\$7m); the highest quarter on record. This was 7% higher than Q1 2021, and up 142% in the year ending June 2021.

There were no super-prime (\$7m+) sales recorded on the Gold Coast in Q2 2021. This was lower than the previous quarter (7 sales) and lower than 3 sales

recorded in the quarter one year ago.

The **average days on market** for a prime property on the Gold Coast was 141 days in Q2 2021. This was 148 days one quarter ago.

## Prime price performance

Globally, the Gold Coast ranked 19th from 46 cities for annual price growth.

**Capital growth** for prime property rose 7.5% over the past year to June 2021, increasing 5.2% in the last quarter alone.

Knight Frank Research **forecast** Gold Coast prime prices to increase a total of 10% by the end of 2021 and a further 7% in 2022.

Over the year ending June 2021, those buying with Pound Sterling (at an additional 3%) were ranked most advantaged for major **currencies** when buying Gold Coast prime property.

In terms of **relative value** at this time, one could buy 121 sqm of internal luxury floorspace on the Gold Coast for US\$1 million, compared to 46 sqm in Sydney, 30 sqm in London or 22 sqm in Hong Kong SAR.

## Prime rental performance

**Gross rental yields** for Gold Coast prime property trended down 1 bp to

3.36% in Q2 2021. A year ago, this yield was recorded at 3.42%.

In Q2 2021, **rental growth** was up by 4.6% for prime properties on the Gold Coast. Over the past year, rental growth increased by 4.7%.

## 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.

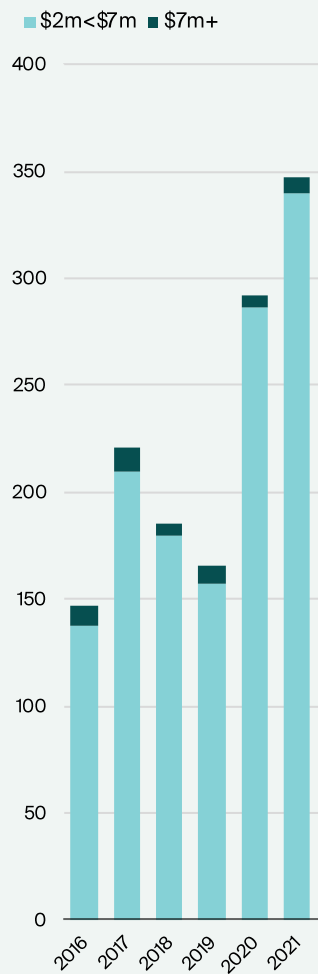
**GOLD COAST  
PRIME RESIDENTIAL**  
30 June 2021

Capital Growth - Annual	7.5%
Sales Volume - Annual	511
Sales Turnover - Annual	138%
Ave. Days on Market	141
Gross Rental Yield	3.36%
Rental Growth - Annual	4.7%

Source: Knight Frank Research

**Gold Coast prime sales**

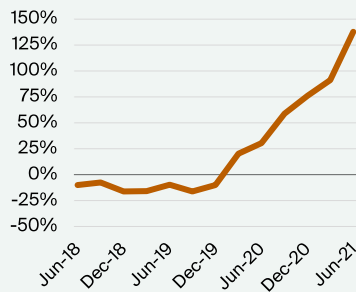
Number of sales, prime regions  
At end of Q2 2021



Source: Knight Frank Research

**141**  
Average days on market for prime residential properties on the Gold Coast in Q2 2021

**Gold Coast prime residential annual sales turnover**



Source: Knight Frank Research

**138%**

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

“Q2 2021 saw the highest number of Gold Coast prime sales on record”

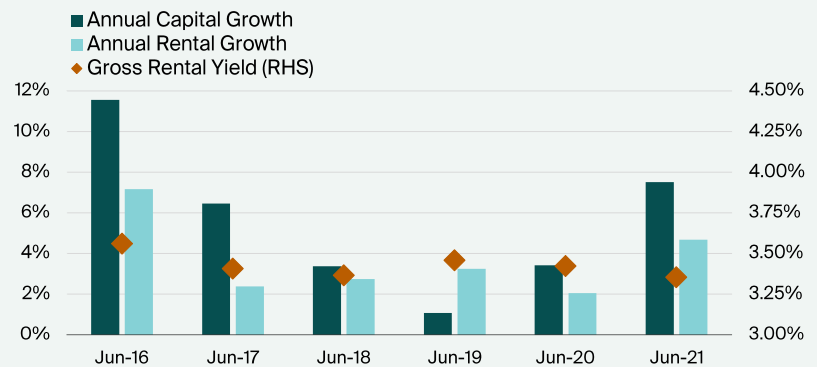
**10%**  
Growth in new prime apartments on the Gold Coast in 2020

US\$1m buys 121 sqm of prime residential internal floorspace on the Gold Coast

US\$1m buys 46 sqm of prime residential internal floorspace in Sydney

Q2 2021

**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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