

Gold Coast Residential Insight

Q4 2023

Knight Frank's quarterly analysis of mainstream residential sales and rental markets across the Gold Coast Local Government Area (LGA)

knightfrank.com.au/research

Rental growth pauses as prices climb in the last quarter

▲ After considerable rental growth, and vacancy remaining low in the past year for the Gold Coast residential market, the last quarter has seen a pause in the change for both established houses and apartments weekly rents.

SALES PERFORMANCE

Across the Gold Coast Local Government Area (LGA), mainstream sales volume trended down 16.2% in the year ending September 2023 with 15,419 residential homes (houses and apartments) sold.

On average, the days on market for a home was 54 days in September 2023. This was 60 days three months earlier, and 47 days one year ago.

The Australian auction clearance rate at the end of the September 2023 quarter was 66.1% from 2,648 scheduled actions (CoreLogic). This was lower than the prior quarter at 68.6% (from 1,791 auctions held). By comparison, the same quarter last year was 60.0% (out of 1,316 auctions) sold.

PRICE PERFORMANCE

Residential property prices increased 5.9% in the year to September 2023, while rising 2.7% in the last quarter to stand at a median value of \$841,500.

Looking forward, average prices are forecast to rise 7% at the end of 2023, with 5% in 2024 and 4% in 2025, according to Knight Frank Research.

RENTAL PERFORMANCE

The total residential rental vacancy was recorded at 1.2% in September 2023, rising 60 bps over the past year across Gold Coast LGA (REIA). Generally, 3% vacancy is considered a balanced rental market between supply and demand.

Gross rental yields rose 14 bps in the year ending September 2023, as residential property averaged 4.83%.

Residential rents saw no change in the September 2023 quarter, while increasing by 6.6% annually, to stand at \$730 per week.

Knight Frank Research forecast rents to rise 6% at the end of 2023, with 4% likely in 2024, and 3% in 2025.

NEW BUILDS

Annual building approvals in September 2023 fell by 28.2% to total 1,892 additional dwellings in the Gold Coast LGA, compared to a rise of 28.3% a year ago. In this time, 1,091 houses and 3,436 apartments were approved. This was trending 22.0% lower for house approvals, and 28.8% lower for apartment approvals, compared to the year earlier.

3.3%

Queensland annual economic growth in 2022 with forecast of 3.2% in 2025

4.0%

Gold Coast LGA unemployment rate in September 2023

4.35%

Official cash rate target in December 2023 with forecast of 3.9% in 2025

-20.1%

The annual change in Queensland new household loan commitments in September 2023

-17.3%

Yearly change in number of lending commitments to owner occupier first home buyers in Q3 2023

2.2%

Gold Coast LGA annual population change in 2022 to an estimated 647,750 persons, with 2.1% forecast in 2025

\$841,500

Gold Coast LGA residential median value at the end of September 2023

5.9%

The change in Gold Coast LGA's median residential values recorded between September 2022 and September 2023

1.2%

Total residential rental vacancy in September 2023 across Gold Coast LGA

Gold Coast Established Houses

- From an investment perspective for Gold Coast established houses, gross rental yields increased, as rental growth outstripped capital growth over the past twelve months.

\$972,000

Gold Coast LGA median house value at end of September 2023

4.1%

The change in Gold Coast LGA's median house values in the year to September 2023

5.3%

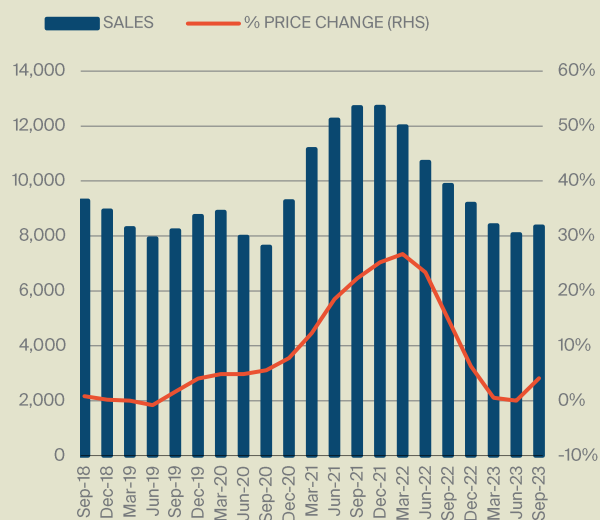
Annual median weekly rental growth in September 2023 across Gold Coast LGA houses

SALES & PRICE PERFORMANCE

- In the year ending September 2023, Gold Coast LGA annual house sales volume decreased by 15.3% with 8,343 houses sold.
- The average days on market for a house was 54 days in September 2023. This was 60 days three months earlier, and 44 days one year ago.
- Median house values rose 4.1% in the year to September 2023, while rising by 2.3% over the last quarter to \$972,000 (APM).

Gold Coast Houses Sales Market

No. annual sales & % annual price growth



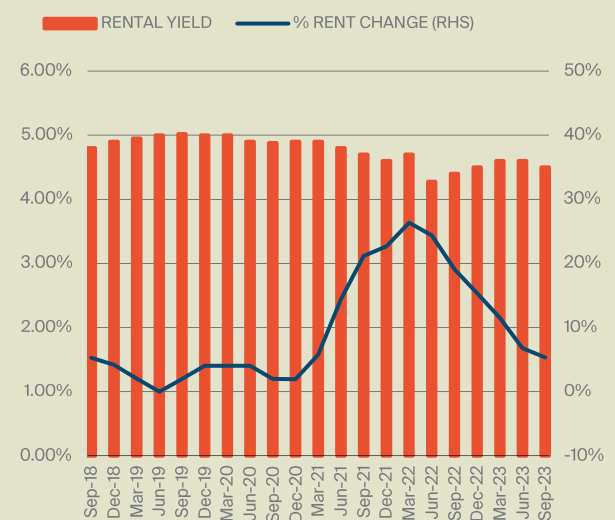
Source: Knight Frank Research, APM

RENTAL MARKET

- Gross rental yields increased 10 bps in the past year, with Gold Coast LGA houses averaging 4.50% in September 2023.
- House rents saw no change in the September 2023 quarter, while being up 5.3% annually, to stand at \$790 per week (APM).

Gold Coast Houses Rental Market

Gross rental yield & % annual rental change



Source: Knight Frank Research, APM

Gold Coast Established Apartments

- Although established apartment sales volume is down across the Gold Coast, this is resulting from a lower number of listings given average time on market remains short and prices continue to climb.

\$660,000

Gold Coast LGA median apartment value at the end of September 2023

10.0%

The change in Gold Coast LGA median apartment values in the year to September 2023

9.2%

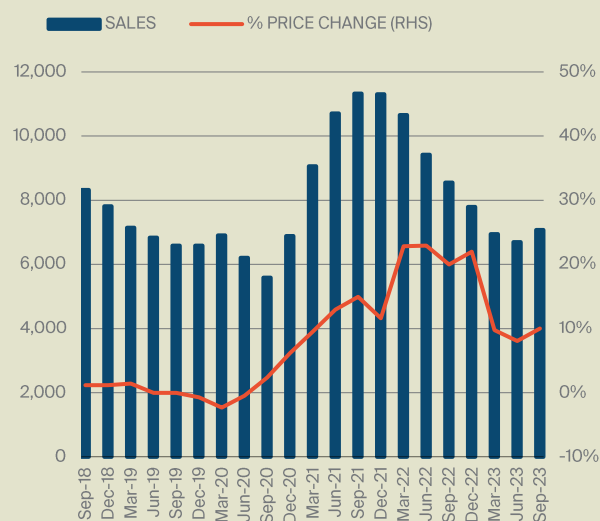
Annual median weekly rental growth in September 2023 across Gold Coast LGA apartments

SALES & PRICE PERFORMANCE

- Gold Coast LGA apartment sales volume decreased by 17.2% in the year ending September 2023, with 7,076 apartments sold.
- The average time on market for an apartment was 53 days in September 2023. This was 60 days one quarter earlier, and 51 days one year ago.
- Median apartment values grew by 10.0% in the year to September 2023, while rising 3.5% in the last quarter to stand at \$660,000 (APM).

Gold Coast Apartments Sales Market

No. annual sales & % annual price change



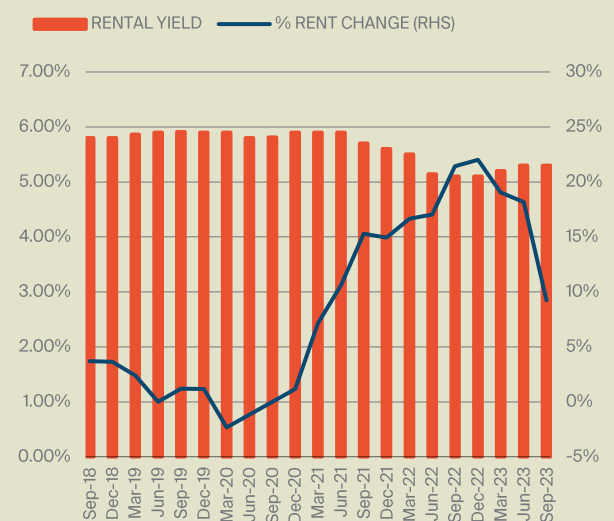
Source: Knight Frank Research, APM

RENTAL MARKET

- In the year to September 2023, Gold Coast LGA apartment gross rental yields increased 20 bps to 5.30%.
- Apartment rents saw no change in the September 2023 quarter, while rising 9.2% annually to \$650 per week (APM).

Gold Coast Apartments Rental Market

Gross rental yield & % annual rental change



Source: Knight Frank Research, APM

Gold Coast Residential Forecast

Key Drivers Forecast

	2021	2022	2023f	2024f	2025f	Average 2023f-2025f
QLD Economic Growth	6.1%	3.3%	3.0%	2.6%	3.2%	2.9%
Unemployment Rate	5.1%	3.7%	3.7%	4.3%	4.3%	4.1%
Cash Rate Target	0.1%	1.2%	3.9%	4.6%	3.9%	4.1%

Source: Oxford Economics

Gold Coast Residential Forecast

	2021	2022	2023f	2024f	2025f	Average 2023f-2025f
Price Performance	21%	11%	7%	5%	4%	5%
Rental Market	19%	18%	6%	4%	3%	4%

Source: Knight Frank Research

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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