

Gold Coast & Northern NSW Hot Spots 2010

Scope

The purpose of this Property Watch report is to assess suburbs on the Gold Coast and northern New South Wales that have the potential to perform positively over the coming year. Suburbs have been chosen based on current pricing levels, infrastructure, current property trends, access to amenities and other factors. In addition, our Hot Spot picks from 2009 have been analysed to check their performance.

How did our predictions perform?

The property market experienced a difficult year in the wake of the Global Financial Crisis. As confidence left the market, so too did demand for property. The lowering of interest rates were key to enticing potential buyers back into the market and when the Government introduced the First Home Owners Boost, demand returned in the lower segment of the market. Because the vast majority of transactions in the Gold Coast property market occurred in this strongly contested, affordable segment of the market, median price was swayed and did not reflect the true value of property. Instead, median price during 2009 reflects the stock that has transacted during this period.

The table opposite lists our ten Hot Spot picks for last year and shows how they performed. The suburbs we chose had varying degrees of growth ranging from a softening of median price for Mudgeeraba houses of 8.3% to 37.9% growth for Casuarina land. Out of the picks for 2009, the average median price growth experienced was 2.9%, with the biggest gains occurring in Casuarina land (37.9%), Reedy Creek units (14.5%) and Helensvale units (4.9%).

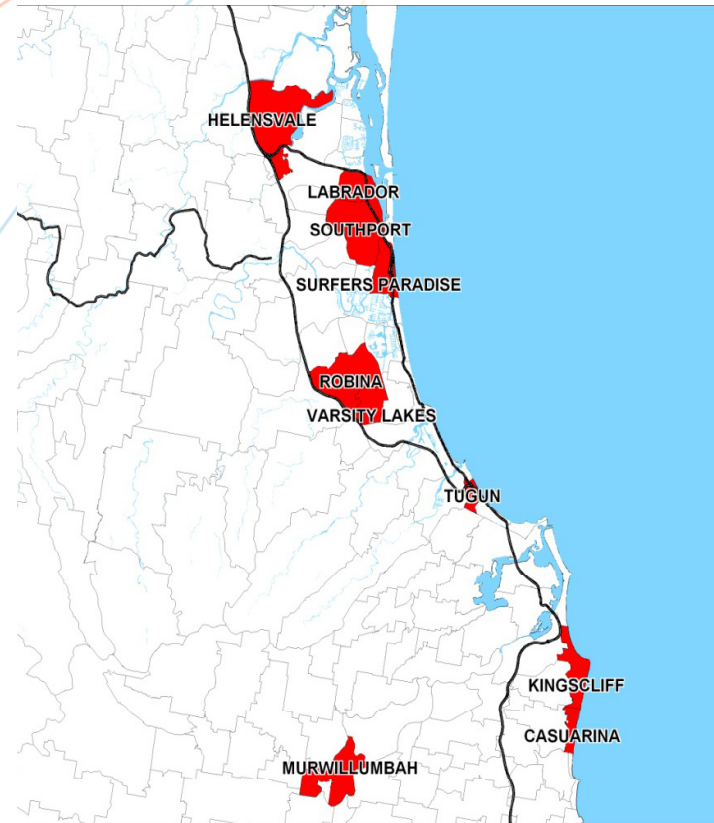
Hot Spots for 2010

The suburbs we have picked for our Hot Spots report for 2010 are highlighted on the map opposite and are listed from north to south in detail over the page together with our justification for their selection.

After the challenging year of 2009, when selection of hotspots were made difficult due to the global economic conditions impacting on the Gold Coast property market, hotspots for 2010 will focus on areas where recovery will most likely thrive. Areas that will see recovery to the market will concentrate where key fundamentals are located. Location to amenities, access to employment nodes and affordability will be important to ensure not only short term, but long term price growth.

The Gold Coast is a unique part of Australia with a great variety of living options ranging from absolute beachfront, river, canal, golf course and lakefront to hinterland acreage properties. These varied choices continue to make the Gold Coast a popular place to live. Many factors combine to create strong population growth and there are no indications that this will not continue. With population growth comes demand for residential accommodation and non residential development. This continued demand should hold the Gold Coast in good stead going forward.

Hot Spot picks for 2010



Performance of Hot Spot picks for 2009

Suburb	Property Type	Median Price Six Months Ending September 2008	Median Price Six Months Ending September 2009	% Growth
Oxenford	Houses	\$453,750	\$450,000	-0.8
Labrador	Houses	\$420,000	\$421,250	0.3
Merrimac	Houses	\$405,000	\$406,000	0.2
Mudgeeraba	Houses	\$518,000	\$475,000	-8.3
Robina	Houses	\$525,000	\$515,000	-1.9
Murwillumbah	Houses	\$370,000	\$348,500	-5.8
Casuarina	Land	\$350,000	\$482,500	37.9
Helensvale	Units	\$319,250	\$335,000	4.9
Labrador	Units	\$324,500	\$320,000	-1.4
Merrimac	Units	\$335,000	\$321,000	-4.2
Robina	Units	\$459,000	\$459,000	0.0
Reedy Creek	Units	\$275,000	\$315,000	14.5
Tw eed Heads	Units	\$371,250	\$382,000	2.9
Murwillumbah	Units	\$157,500	\$152,000	-3.5

Average growth 2.9

Gold Coast Hot Spots for 2010

Listed in geographical order north to south

<p>Helensvale (units) Median unit price: \$335,000</p>	<p>Located along the M1 we have included Helensvale units in this years picks as they are currently at an affordable price. Helensvale is home to a Westfield Shopping Centre and has easy access to the M1 and a railway station. Continued development of the suburb and the potential development of the Gold Coast Rapid Transit System will seek to include a connection to the Helensvale train station.</p>
<p>Labrador (houses & units) Median house price: \$421,250 Median unit price: \$320,000</p>	<p>Labrador is one of the more established suburbs of the Gold Coast and has The Broadwater and parks as its natural eastern boundary offering water views and leisure activities. Lot sizes in Labrador tend be larger offering value for money and older style homes offer re-development and renovation potential. If developed, Labrador would link up with the proposed Rapid Transit System.</p>
<p>Southport (houses) Median unit price: \$455,000</p>	<p>Southport is one of the main hubs for coastal shopping, cafes and business. The proposed Rapid Transit System will open one of its first stations in Southport. Southport has solid infrastructure in the form of the Griffith University, the Gold Coast Hospital, TAFE, major shopping centres, a new hospital under construction and the Broadwater Parklands which was recently completed.</p>
<p>Surfers Paradise (units) Median unit price: \$345,000</p>	<p>The heart of the Gold Coast for tourism, cafes and nightlife, Surfers Paradise is currently at very affordable levels for a beachside suburb. Once the new residential developments of Soul and Hilton towers are completed, with the rejuvenation of The Esplanade, the Surfers Paradise foreshore will be transformed and should attract locals back to the area.</p>
<p>Robina (houses) Median house price: \$515,000</p>	<p>Robina, is in a centrally located position with easy access to the M1 and major arterial roads connecting to the Gold Coast. The suburb boasts the Robina Town Centre which has an ongoing \$300million extension to make it the biggest shopping centre on the coast. The area has major infrastructure in the way of the train line, a hospital, schools and library.</p>
<p>Varsity Lakes (houses) Median house price: \$464,000</p>	<p>Only a short drive from the beach, Varsity Lakes caters for a range of residents, including students attending the neighboring Bond University. Varsity Lakes has recently welcomed the rail extension linking the suburb to Brisbane and is located next to key arterial roads, giving it a wide range of accessibility options. It is also located close to the largest shopping centre on the Gold Coast, the Robina Town Centre.</p>
<p>Tugun (units) Median unit price: \$410,500</p>	<p>Compared to its neighbouring suburbs, Tugun is an affordable beachside alternative, which is due to receive a revitalisation to the town centre through the Suburban Centre Improvement Program (SCIP). The Tugun Bypass has cleared the previously congested suburb, which now enjoys the tranquil beach lifestyle and is close to the Southern Cross University expansion at Coolangatta.</p>
<p>Kingscliff (units) Median unit price: \$385,000</p>	<p>Accessibility has been made easier to this trendy beachside suburb, with improvements to the M1, Tugun Bypass and Sextons Hill, which will all reduce travel times to this area. Kingscliff has already experienced substantial price growth for houses which has made it an exclusive suburb on the Tweed Coast. It is now anticipated that potential residents and investors who wish to enter the Kingscliff market will look to the currently affordable unit market.</p>
<p>Casuarina (units) Median unit price: \$270,000</p>	<p>The relatively new suburb of Casuarina has a very affordable median unit price which should attract attention, especially when there could be discounted new stock on the market. The upgrade of Sexton Hill will also benefit Casuarina along with the completion of the Tugun Bypass, which has cut travel times and improved access to the area. Expect prices to shift north within the year.</p>
<p>Murwillumbah (houses & units) Median house price: \$348,500 Median unit price: \$152,000</p>	<p>Murwillumbah sits on the picturesque Tweed River and under the world renown Mt Warning. Murwillumbah is one of our most affordable picks for 2010 with median prices well below the overall Tweed figures. The Tugun Bypass has cut travel times and now the Banora Point/Sexton Hill highway upgrade is underway, which will make the trip even quicker and easier.</p>

Prepared by Colliers International Research. Source: RP Data, Gold Coast City Council and PRDnationwide Research.

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