

Hotspotting

by Ryder



Finding tomorrow's hot property, **TODAY**

National Top 5 Supercharged Infrastructure Hotspots 2017

January to April 2017



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In a nutshell

SUNSHINE COAST, South East Queensland 6

The Sunshine Coast is a national market leader boosted by projects totalling over \$20 billion, as it transitions from tourist resort to major regional city.

PENRITH CITY, Far western Sydney, NSW 19

Penrith is a key hub of the Western Sydney growth economy and well-situated to benefit from the Badgerys Creek airport, billions in new roads and a new LEP.

GOLD COAST CITY, South East Queensland 27

Gold Coast market recovery has been inspired by infrastructure spending which will continue as it heads to the 2018 Commonwealth Games.

CITY OF GEELONG, Regional Victoria 42

Geelong has the strongest market in Victoria at present, boosted by lifestyle, affordability, expanding business and major spending on infrastructure.

DISTRICT of GUNGAHLIN, Canberra, ACT 57

Gungahlin is the No.1 growth precinct in Canberra, with new suburbs being developed and soon to benefit from an \$800 million light rail link.

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Terry Ryder,
Founder,
Hotspotting.com.au



Introduction

Infrastructure: The Most Powerful Wealth Creator in Real Estate

Infrastructure development is the most powerful creator of capital growth in real estate. Whether it be transport, medical or educational infrastructure, the development of such factors is a potent economic driver. It generates business activity and jobs, which creates demand for real estate.

Arguably the most powerful is transport infrastructure. The three R's of real estate – roads, rail links and river crossings (including bridges and tunnels) – can transform the appeal of a location by improving accessibility.

Areas previously unattractive to buyers because of the distance (in terms of travel times) to key destinations like CBDs or shopping precincts can be revolutionized by a new motorway connection, upgraded train services or a new bridge.

Transport infrastructure projects are massive generators of economic activity. These projects are usually measured in the billions of dollars and jobs created usually number in the thousands.

Industrial real estate probably benefits the most from new transport infrastructure because road and rail links are critical to the warehousing and logistics industries. But residential property is a big winner too.

It's no coincidence that the rise of Frankston in the far south-east of the Melbourne metropolitan area came with the development of the EastLink tollway.

The spectacular ascent of the Mandurah market was created by the improvement of both road and rail links from central Perth.

Many of the leading growth areas of our major cities have a standout feature in common: they have hospital and university facilities at the centre of the precinct.

In Adelaide a stand-out precinct is a cluster of suburbs near the Flinders University and Flinders medical precinct. In Melbourne, the Brimbank local government area in the western suburbs has several locations with strong growth rates. This precinct has the Sunshine Hospital and two campuses of Victoria University as well as a new \$800 million transport interchange hub.

It's common for major medical and educational facilities to be located in the same area of our biggest cities. The presence of these complexes draws many thousands of teachers, students, doctors, nurses and other professional staff into the area each day – and that translates into demand for housing, both for purchase and for rental.

This report has been compiled to highlight locations around Australia which have good prospects for future capital growth through the presence of some combination of medical, educational and transport infrastructure facilities (or plans for them)

SUNSHINE COAST

South East Queensland

Highlights

- Strong population growth
- Nation's 10th largest city
- \$2 billion University Hospital
- \$2 billion light rail proposal
- \$5 billion Oceanside Kawana
- Caloundra South development
- \$150 million private hospital
- \$350 million Sunshine Plaza upgrade
- \$450 million airport upgrade
- Economy based on tourism, retail, healthcare, construction and education.

Suburb - houses	Typical prices	Suburb - houses	Typical prices	Suburb - units	Typical prices
Buderim	\$575,000	Noosa Hds	\$795,000	Buderim	\$393,000
Kawana	\$315,000	Pacific Pdse	\$438,000	Marcoola	\$330,000
Little Mountain	\$530,000	Pelican Wtrs	\$674,000	Maroochydore	\$378,000
Mooloolaba	\$668,000	Sippy Downs	\$470,000	Mooloolaba	\$363,000
Nambour	\$352,000	Warana	\$515,000	Nambour	\$277,000

The Sunshine Coast market in 2014 returned to growth for the first time in six years. Having previously been hampered by a struggling tourism economy, an over-supply of dwellings and poor affordability, the coast moved into a strong growth phase, which continued in 2015 and 2016.

The market is being helped by multiple factors.

The tourism industry is stronger; the market is more balanced in terms of supply-demand; previous price decline has made property more affordable; apartments are increasing in popularity with both home-buyers and investors; and some serious infrastructure is being built in the area.

This last factor is important. Nothing supports property price growth like major new infrastructure, which generates jobs, economic activity and improved amenity for residents.

The big-ticket item is the \$2 billion Sunshine Coast University Hospital due for completion in 2017. There is also the \$150 million private hospital being built in association with it, as well as the Oceanside Kawana Health Hub.



Infrastructure and property developments under way or in planning for the Sunshine Coast total around \$20 billion.

This represents a major boost to economic activity, jobs and real estate demand.

Economy and Amenities

The economy is dominated by three sectors:

- tourism
- retail
- construction.

This is why the area has struggled as an economy and as a property market – locations that are essentially based on tourism and speculative property development often fail to produce consistent growth.

But the Sunshine Coast economy is diversifying and strengthening – and this is reflected in improvements in the jobless rate. Historically, the local figure has been higher than the Queensland average. The 2011 Census showed the Coast rate at 7.1% (Queensland 6.1%). At October 2015, the jobless rate was 5.6%, below the national average of 5.9% and by August 2016, the Sunshine Coast unemployment rate had fallen to 5.0% against the state average of 6.2%.

Ongoing efforts are being made by the Regional Council to diversify the economy, with an emphasis on knowledge-based businesses such as information technology, cleantech, creative industries, aviation and education. The creation of major health facilities and the ongoing expansion of the university are also important.

The university's Innovation Centre encourages innovative businesses, hosting 80 start-up businesses – mainly in the ICT, cleantech and creative industry sectors. The Sippy Downs site is designated as a "Knowledge Hub" in the State Government's South East Queensland Regional Infrastructure Plan and is master planned as Australia's first university town based on UK models - with the potential for 6,000 workers in knowledge based businesses.

- Tourism

Tourism remains important. Large stretches of the coast are lined with unbroken beaches: a 17km stretch from Sunshine Beach near Noosa to Coolum Beach; 11km from Point Arkwright to Mudjimba; 5.6km in the Maroochydore-Mooloolaba stretch; and 22km from Buddina-Caloundra.

Notable beaches include Noosa Main Beach, Coolum, Maroochydore, Alexandra Headland, Kawana Waters and Kings Beach.



Location

100km north of Brisbane
Stretches 55km from Caloundra to Noosa

Includes Kawana, Mooloolaba, Maroochydore, Buderim and Coolum
Hinterland towns include: Beerwah, Landsborough, Montville, Maleny and Mapleton

LGAs: Sunshine Coast Regional Council and Noosa Council



Population & Demographics:

- 10th largest metropolis in Australia
- Population 2011: 307,000 (Census)
- Projected population 2036: 470,000
- Popular retirement destination.



Employment

- Healthcare & social assistance: **13.3%**
- Retail: **12.7%**
- Construction: **11.6%**
- Accommodation & food services: **9.1%**
- Education & training: **8.1%**
- Manufacturing: **6.5%**

Source: Census 2011

Australia Zoo, Underwater World, Aussie World, the Buderim Ginger Factory and the Majestic Theatre at Pomona are popular attractions. There are also the Mapleton Falls, Kondalilla National Park, Glasshouse Mountains, Noosa and Great Sandy national parks.

The Sunshine Coast attracted 10 cruise ships with an average 1,500 passengers during 2014-15. In the 12 months to May 2017, 20 cruise ships are scheduled to stop at Mooloolaba.

Jetstar introduced an extra 40,000 seats in and out of the Sunshine Coast Airport during the 2015-2016 summer season to capture growing tourist demand. Over 900,000 passengers passed through the airport in 2015, a 4% increase on the previous year.

- Education

Facilities include the University of the Sunshine Coast at Sippy Downs, a campus of Central Queensland University and TAFE campuses at Noosa, Nambour, Maroochydore and Mooloolaba.

- Retail

The region has major shopping precincts including Sunshine Plaza, anchored by Myer, Coles, Woolworths, Target and Kmart. Roy Morgan Research found Sunshine Plaza to be the seventh busiest shopping centre in Queensland in 2016.

Sunshine Plaza has received approval for the region's first David Jones store while Kawana Shopping World has recently undergone a \$73 million upgrade and is now home to Aldi, Big W, Woolworths and JB Hi Fi. Woolworths supermarket in Maroochydore's Big Top also underwent a \$10 million upgrade in 2015.

- Health and medical facilities

Nambour Hospital is the region's major hospital at present, but that will change when the Sunshine Coast University Hospital is completed. There are also smaller hospitals at Caloundra and Maleny, plus private hospitals at Buderim, Caloundra, Nambour, Kawana and Noosa.

Located in the emerging Kawana health precinct, the \$100 million Sunshine Coast Private Hospital is Ramsay Health's newest facility.

- Access and transport

Sunshine Coast Airport lies 10km north of Maroochydore, with direct flights to Sydney and Melbourne through Qantas, Jetstar, Tiger Airways and Virgin. There are also direct flights to Auckland, New Zealand. Planning is under way to expand the airport.

Tourism - Fast Facts

- 2.8 million visitors each year
- \$2.5 billion in tourist expenditure (2014)
- 16% growth in international visitors (2015)

Commuter train links south to Brisbane run through the Sunshine Coast Hinterland towns such as Nambour, Landsborough and Beerwah. Buses connect to the coastal strip. Bus services on the coast are operated by Sunbus which operates under the Translink public transport system.

Property Profile

The Sunshine Coast was one of the worst performers on capital growth in Queensland over the six years to 2014, but has now moved into a solid growth phase.

- Sales and price history

Over 10 years, growth in house prices in many Sunshine Coast suburbs has averaged less than 4% per year. Most of the growth that contributes to these averages was in the strong period from 2003 to 2007. Between 2008 and 2013, prices generally went backwards.

There was a general return to growth in 2014 and the growth pattern spread in 2015. In the last 12 months, some markets have delivered double-digit annual growth in median house prices: Eumundi rose 23%, Mount Coolum and Sunrise Beach both up 15%, Alexandra Headland 14%, Woombye 12%, Golden Beach, Peregrin Springs and Wurtulla all increased by 11%, and Noosa Heads and Pacific Paradise both rose 10%.

Price statistics in the unit sector are a little erratic, as is often the case with median unit prices, but many suburbs have recorded median price growth in the past year, including a 14% rise in Mount Coolum and 13% in Sunrise Beach.

Longer-term, unit markets have delivered little or no growth in median prices over the last 10 years; the best performers being Mount Coolum, Nambour and Sippy Downs with a 4% average; Sunrise Beach with 3% per year and Buderim and Noosaville with 2% each. Caloundra, Coolum Beach, Marcoola and Sunshine Beach are in negative territory – i.e. values are lower than 10 years ago.

HOME OWNERSHIP

- 33.5% own their homes
- 31.3% have mortgages
- 28.7% rent their homes
- 73% live in houses
- 25% live in units

Two core issues have hurt the Sunshine Coast market in the past: an economy over-reliant on tourism (hampered by bad weather in 2011-2013) and an over-supply of new dwellings.

From FY2003 to FY2007 inclusive, the Regional Council approved almost 20,000 dwellings. That included 6,650 apartments/townhouses, which led to over-supply that took years to absorb.

Dwelling approvals fell away sharply after FY2007 as the market grappled with surplus and only 1,783 new dwellings were approved in FY2012 and 1,693 in FY2013.

In the subsequent two years, that number crept up again to 2,806 (including 860 units) in FY2014 and 3,104 (including 699 units) in FY2015. Total approvals in FY2016 were 2,890 houses and 1,002 units.

For two consecutive years, the value of building approvals exceeded \$1 billion. In FY2016, building approval values included \$701 million in new dwellings (up 15% compared to 2014/15), \$203 million for multiple unit dwellings (up 19%) and \$156 million in additions and alterations (up 141%).

Residential approvals 2013: 1,693

Residential approvals 2014: 2,806

Residential approvals 2015: 3,104

Residential approvals 2016: 3,892

Commenting on the Sunshine Coast unit market, Rick Williams, co-owner of PRD Project Marketing South-East Queensland said:

“The population projection on the Coast is outstripping the approval pipeline of roofs so we really don’t have enough units or houses yet to accommodate all the people moving here. We are some 3,000 dwellings short which will be interesting early next year when all of those people arrive to work in the hospital and other infrastructure projects.”

Meanwhile, Herron Todd White’s August 2016 snapshot showed the largest Coast growth, previously in the sub-\$500,000 residential market, had transitioned into the \$600,000-\$700,000 market, as owner-occupiers upgraded to more expensive properties.

Sunshine Coast Vacancy Rates

Postcode	Suburbs	Vacancy rate
4558	Maroochydore, Kuluin	1.2%
4573	Coolum, Peregian	1.7%
4567	Noosa Heads, Sunshine Beach	2.0%
4556	Buderim, Sippy Downs	2.0%
4575	Kawana, Buddina, Wurtulla, Minyama	2.1%
4551	Caloundra, Moffat Beach, Golden Beach, Pelican Waters	1.6%
4557	Mooloolaba	2.9%

Source: sqmresearch.com.au

MASTER PLANNED COMMUNITIES

– Approved or under construction

Aura (Caloundra South):

\$5 billion
50,000 residents
20,000 dwellings
25 schools
20,000 jobs

Palmview:

\$3 billion
12,000 residents
4,800 dwellings
3 schools
9,000 jobs

Oceanside Kawana:

\$5.3 billion residential & town centre
45,000 construction jobs
21,000 ongoing jobs

Sunshine Cove:

6,000 residents

Sippy Downs Town Centre:

78 units
250 construction jobs
190 retail jobs.

Pelican Waters:

2,000 dwellings
town centre, golf club, marine precinct

The Sunshine Coast unit market can be summarised as follows:-

Location: Units	No. of sales	Median Price	1yr Growth	10yr average	Median yield
Alexandra Head.	167	375,000	9 %	1 %	5.8 %
Buderim	148	393,000	5 %	2 %	5.4 %
Caloundra	151	365,000	-8 %	-1 %	5.3 %
Coolum Beach	114	370,000	4 %	-1 %	5.3 %
Golden Beach	115	390,000	3 %	0 %	5.4 %
Marcoola	84	330,000	-5 %	-1 %	5.8 %
Maroochydore	376	378,000	5 %	1 %	5.7 %
Mooloolaba	284	363,000	2 %	0 %	5.6 %
Mount Coolum	49	400,000	14 %	4 %	5.9 %
Nambour	94	277,000	12 %	4 %	7.1 %
Noosa Heads	189	635,000	31 %	1 %	5.4 %
Noosaville	217	415,000	-4 %	2 %	5.2 %
Pelican Waters	55	430,000	-8 %	0 %	5.8 %
Peregian Beach	39	410,000	-1 %	0 %	4.6 %
Sippy Downs	44	310,000	-13 %	4 %	Snr
Sunrise Beach	35	400,000	13 %	3 %	5.1 %
Sunshine Beach	53	580,000	-1 %	-2 %	4.4 %
Twin Waters	37	558,000	9 %	0 %	5.7%

Source: Australian Property Monitors – “growth average” is the average annual growth in median house prices over the past 10 years. Snr: “statistically not reliable”

The Sunshine Coast house market can be summarised as follows:-

Location: Houses	No. of sales	Median Price	1yr Growth	10yr average	Median yield
Alexandra Head.	40	933,000	14 %	5 %	4.3 %
Bli Bli	143	478,000	6 %	4 %	5.2 %
Bokarina	22	594,000	5 %	3 %	4.2 %
Buddina	65	640,000	7 %	2 %	3.9 %
Buderim	581	575,000	3 %	3 %	4.8%
Caloundra	27	439,000	8 %	1 %	4.4 %
Caloundra West	212	453,000	4 %	3 %	5.3 %
Coolum Beach	137	560,000	8 %	3 %	4.7 %
Currimundi	117	490,000	7 %	3 %	5.0 %
Dicky Beach	40	664,000	2 %	6 %	3.8 %
Doonan	79	690,000	3 %	2 %	4.3 %
Eumundi	42	670,000	23 %	3 %	4.8 %
Golden Beach	94	508,000	11 %	3 %	4.6 %
Kawana	49	315,000	9 %	3 %	5.5 %
Little Mountain	187	530,000	4 %	3 %	5.2 %
Marcoola	45	575,000	9 %	3 %	4.4 %
Maroochydore	183	525,000	7 %	3 %	4.8 %
Minyama	64	636,000	2 %	5 %	4.4 %
Moffat Beach	42	650,000	3 %	4 %	3.8 %
Mooloolaba	96	668,000	7 %	4 %	4.5 %
Mount Coolum	75	590,000	15 %	5 %	4.8 %
Nambour	217	352,000	1 %	3 %	5.6 %
Noosa Heads	129	795,000	10 %	1 %	4.3 %
Noosaville	237	740,000	6 %	2 %	4.7 %
Pacific Paradise	29	438,000	10 %	4 %	5.2 %
Palmwoods	130	479,000	4 %	2 %	5.0 %
Parrearra	96	590,000	1 %	3 %	4.8 %
Pelican Waters	198	674,000	4 %	3 %	4.6 %
Peregian Beach	91	680,000	6 %	2 %	3.9 %
Peregian Springs	200	585,000	11 %	1 %	5.2 %
Sippy Downs	196	470,000	5 %	3 %	5.2 %
Sunrise Beach	63	675,000	15 %	3 %	4.1 %
Sunshine Beach	64	858,000	-9 %	-1 %	3.4 %
Tewantin	265	469,000	3 %	2 %	5.1 %
Twin Waters	79	730,000	3 %	2 %	4.9 %
Warana	95	515,000	5 %	3 %	4.4 %
Woombye	61	485,000	12 %	4 %	5.2 %
Wurtulla	120	528,000	11 %	4 %	4.7 %

Source: Australian Property Monitors – “growth average” is the average annual growth in median house prices over the past 10 years. Snr: “statistically not reliable”

Future Prospects

The Sunshine Coast's fortunes improved markedly in 2014 and 2015. It now looks to have strong prospects for capital growth, boosted by infrastructure developments such as the University Hospital, the Maroochydore CBD project and the airport expansion.

A new city centre is being established in Maroochydore and the \$2.3 billion tertiary teaching hospital will open in 2017. The Sunshine Coast Airport is to be expanded to deliver Australia's next international airport and an \$81 million expansion of the University of the Sunshine Coast is nearing completion. Several billions of dollars have been committed across these four major projects, in addition to significant private investment fueling growth in a number of high-value industries across the region, according to the Sunshine Coast Regional Council.

Master Builders Association regional manager Will Wilson agrees. He says the FY2016 Sunshine Coast Council's Development Indicators Annual Highlights report suggests that the economic outlook for the Sunshine Coast economy and building industry is very stable.

"A recent Master Builders Survey of Industry Conditions, which reports on the current conditions and business sentiment in the Queensland building and construction industry, provided similar positive feedback.

"The survey showed the Sunshine Coast is one of only two areas in Queensland that are maintaining a strong building performance and achieving better than the state averages for planning approvals, infrastructure charges and development availability."

- Sunshine Coast University Hospital

The Sunshine Coast University Hospital project has been described as "the Sunshine Coast's coal mine"; the economic benefit in the construction phase alone is estimated at \$2.3 billion.

The Sunshine Coast University Hospital forms part of the Oceanside Health Hub, a \$5 billion health district estimated to create 3,000 jobs every year for 15 years and 12,000 ongoing jobs. The health hub comprises 19 precincts covering commercial, community and residential development.

The hospital is scheduled to be completed in April 2017 with 450 beds and 5,000 staff. This number is expected to reach 750 beds and 7,500 staff by 2021.



Coupled with the employment generated by the private hospital and forecast employment demand from the wider Oceanside Kawana Health Precinct, it is estimated the health industry will add \$250 million annually to gross regional product.

- Maroochydore Activity Centre

The core of the Regional Council's plan is the Principal Activity Centre (PAC) at Maroochydore on the Horton Park Golf Club site. The PAC was approved by the State Government in July 2014.

"This major development, which will be delivered over the next 25 years, will provide a mix of residential, commercial, retail, civic and community uses to create a thriving and vibrant business district and city centre," Mayor Mark Jamieson said. "The master planning process has also identified entertainment and convention facilities, community facilities and meeting spaces, parklands, walkways, recreation areas, waterways and an enhanced public transport network."

Construction on the first phase, consisting of civil works and roads, began in 2016. The development is expected to create 10,000 jobs over 20 years.

- Caloundra

Work on Caloundra South (now known as Aura), a master planned city destined to eventually house 50,000, has begun. The first residents of Aura, Stockland's \$5 billion development, are likely to move in some time in 2017. The State Government has also committed to building a primary school in Baringa, with construction due to start in late 2016.

Construction of the road network in Caloundra South has also begun, with the first stage of the \$115 million Bells Creek Arterial Road on schedule in August 2016.

Caloundra South is not the only part of the southern end of the Sunshine Coast to be receiving attention - the Caloundra CBD is also set for a serious makeover.

Street-scaping of Bulcock Street, the main street, is under way while the CBD is to be rebuilt to accommodate about 14,500 people, an increase of around 11,000 since the 2011 Census.

- Proposed Light Rail

The Sunshine Coast Regional Council began a feasibility study for a light rail in early 2016. The council hopes the first stage of the light rail, between Maroochydore and Kawana, could start by 2025.

Ultimately it could run from Beerwah to the Sunshine Coast Airport, taking in some of the Caboolture to Maroochydore rail corridor route before coming in closer to the Nicklin Way.

About 100,000 to 200,000 extra people could be accommodated along a major transport route.

- South East Queensland Regional Plan - Shaping SEQ

The latest update of the South East Queensland Regional Plan is allowing for an additional 197,000 people on the Sunshine Coast by 2031. That translates to an extra 64,200 homes from infill by 2041 and an extra 35,100 from greenfield sites.

Noosa will have an extra 4,600 homes from infill and 3,500 dwellings from greenfield sites.

The draft document shows “Fonzie flats” - a small flat on top of the roof of a garage - plus small multiple dwellings such as townhouses and triplexes and medium-rise apartments will form part of the future.

House lot sizes would also continue to decrease.

Only one new site, Beerwah East, has been earmarked to accommodate an extra 15,000 homes on the Sunshine Coast.

Halls Creek, the Stockland-owned area near Caloundra South, has been identified as “potential future growth” in case housing supply runs out.

Recommended Areas

We believe the best part of the Sunshine Coast for investors to consider is the southern precinct, from Maroochydore south to Caloundra.

This is the area where most of the key new infrastructure is being built, including new commercial precincts, the University Hospital, the associated private hospital and major residential developments. This is where the new jobs are being generated.

This is also the precinct that offers the best affordability on the Sunshine Coast.

Other parts of the Sunshine Coast will show growth also, but the Kawana precinct offers the best combination of affordability and growth drivers of anywhere on the coast.

Current projects in the Sunshine Coast region are outlined as follows:-

INFRASTRUCTURE - HEALTH AND MEDICAL FACILITIES

Project	Value	Status	Impact
Sunshine Coast University Hospital Kawana State Govt	\$2.3 billion Hospital of 450 beds initially growing to 750 beds by 2021	Under construction Scheduled to be completed in 2017	Jobs 3,500
Oceanside Kawana Health Hub Stockland	\$5 billion A major health and residential precinct	Under construction Completion expected around 2021	Jobs 3,000 per year for 15 years

INFRASTRUCTURE – GENERAL

Project	Value	Status	Impact
Maroochydore City Centre (Principal Activity Centre or PAC) Regional Council & State Govt.	TBA Education services, retail, dining, 5-star hotel, offices, apartments and a convention centre.	Under construction Approved by the State Govt in July 2014, infrastructure work began in February 2016	Jobs 10,000

RESOURCES AND ENERGY

Project	Value	Status	Impact
Sunshine Coast Solar Farm, Valdora Regional Council	\$49 million Solar farm near Coolum will power 5,000 homes.	Under construction Expected to be operational in 2017	Jobs 60 Economic benefit \$22 million.

INFRASTRUCTURE – SPORT AND ENTERTAINMENT

Project	Value	Status	Impact
Mt Coolum Golf Club redevelopment	\$15 million Includes a redesigned course, new clubhouse and 100 residences	Proposed	
Active sports theme park, Steve Irwin Way, Glenview Sanad Capital	\$400 million	Proposed Has preliminary approval from SSCRC. Work could commence in 2017	Jobs 2,000 Economic benefits \$60 million per year

INFRASTRUCTURE – TRANSPORT

Project	Value	Status	Impact
Sunshine Coast Airport upgrade Regional Council	\$347 million New runway and control tower	Proposed EIS approved July 2016. Federal govt has agreed to a \$181mil concessional loan	Jobs 2,230 Economic benefit \$4.1 billion
Sunshine Coast light rail State Govt	\$2 billion Stage 1: \$1.3 bil Stage 2: \$710 mil	Proposed Feasibility study underway in 2016. May be delivered by 2025	Jobs 9,000 Economic benefit \$3.6 billion
Bruce Hwy upgrade, Sunshine Coast	\$384 million 10km of highway from Cooroy to Curra will be widened to four lanes.	Under construction Work began in March 2016	Jobs 684
Mooloolah River Interchange State Govt	TBA The upgrades will better connect Caloundra, Kawana, Mooloolaba and Maroochydore	Proposed Planning for the project was finalised in late 2015. Waiting for funding.	
Bruce Highway - Caloundra Rd to Sunshine Coast Mwy State Govt	\$1 billion 7km to be widened to 6 lanes and major upgrades at both intersections	Approved Work to begin in late 2016 and be finished in 2021	Jobs 700
Beerburrum to Nambour rail upgrade Dept of Transport	TBA Upgrade and duplicate 40km of train line	Approved The business case and final decision are expected to be completed in 2017	

COMMERCIAL DEVELOPMENT – GENERAL

Project	Value	Status	Impact
Expansion, Sunshine Plaza, Maroochydore Lend Lease and the GPT Group	\$350 million New David Jones, expanded Myer, 120 specialty stores	Under construction Completion expected in late 2018	Jobs 6,900 construction 1,350 retail
Mooloolaba Wharf redevelopment Evans Long	\$100 million The old site to be demolished and transformed into residential/commercial	Proposed Evans Long bought the site in early 2016	
Youi insurance office HQ, Sippy Downs	\$80 million	Under construction Completion of stage 1 is expected in late 2017	Jobs 700 Economic benefit \$1.2 billion
Marcoola Sands development	\$8 million Mixed use: residential, caravan park, aged care, motel and retail	Proposed	Jobs 300-400 construction 200 operational
5-Star Beachfront Resort, Yaroomba Sekisui House	\$900 million 5-star hotel with with 220-rooms	Proposed DA expected to be lodged in 2017	Jobs 3,400 construction 1,400 operational

COMMERCIAL DEVELOPMENT – GENERAL

Project	Value	Status	Impact
Bli Bli commercial and retail project Michael & Roz White	\$20 million A 3-level retail and commercial precinct	Approved Approved by SSCRC in March 2016	Jobs 70 construction 150 retail
Kawana Shoppingworld extension Mirvac	TBA 10 cinemas will be added	Approved	Jobs 200 retail
Auto and General Insurance Company expansion, Kawana	TBA A second office will be built	Approved	Jobs 250 operational
Woolworths, Corner Jones Rd & Maroochydore Rd, Buderim	\$30 million	Proposed DA submitted September 2015	Jobs 160 construction 140 operational
Luxury resort & spa, Buderim Carroll & Meyer	\$60 million	Proposed 125 hotel rooms, restaurants, conference facility	Jobs 2,000



RESIDENTIAL DEVELOPMENTS

Project	Value	Status	Impact
Buderim Forest residential project Michael Cullen	\$90 million 221 apartments to house 800 people	Approved Approved by Council in April 2015	Jobs 6,900 construction 1,350 retail
Parklakes Estate, Bli Bli (Stages 1 & 2)	TBA 700 homes, school and golf course	Under construction	Jobs 859 construction 271 operational
Birtinya residential development Stockland	TBA 325 houses and 426 units near the new University Hospital	Approved Approved in July 2015	
The Cosmpolitan, Cotton Tree	TBA 143-units and commercial property in two towers	Approved	
Sundale aged care village expansion, Nambour	\$80 million 218 additional units	Approved	
New Sundale aged care village, Tewantin	\$50 million 180 units	Under construction	
Buddina Urban Village Park Avenue Group	\$55 million 94 units next to Kawana Shopping World	Proposed	

PENRITH CITY

Far western Sydney, NSW

Highlights

- \$3 billion capital investment
- New suburbs
- \$3.6 billion in road upgrades
- Master plan for 12,000 jobs
- Proximity to Sydney's new airport
- New LEP to encourage development
- Proximity to gazetted growth centres
- Strong median price growth

Suburb - houses	Typical prices	Suburb - houses	Typical prices	Suburb- units	Typical prices
Cranebrook	\$597,000	Sth Penrith	\$610,000	Penrith	\$378,000
Kingswood	\$550,000	St Clair	\$639,000	Kingswood	\$346,000
Penrith	\$585,000	St Marys	\$530,000	Jamisonton	\$415,000

Now that Sydney's second airport at Badgerys Creek is finally going ahead, Penrith is set to be one of the key beneficiaries.

The North West Growth Centre and South West Growth Centre also shoulder up to Penrith while the State Government is spending extensively on improving road links to the west.

Penrith City Council and business organisations have seized the moment and are implementing ambitious plans to create 12,000 jobs by 2036. At the same time, the city's new Local Environment Plan has been approved by the State Government, providing opportunities for investors.

With all of this activity, Penrith is set to prosper. In the past two years, Penrith's property market received a "ripple effect" from the growth in Sydney, with most suburbs experiencing double-digit growth in median. Penrith remains one of the most active markets in metropolitan Sydney.

Economy and Amenities

The industries of dairying, poultry farming, hobby farming, orcharding, market gardening and horse breeding dominate the rural parts of the City of Penrith. Major commercial centres are located at Penrith and St Marys, while there is an industrial estate at Erskine.

At the Erskine Business Park, about 35 companies employ 2,700 people in manufacturing, transport, postal and warehousing, wholesale trade, retail trade and finance and insurance services.

In 2015, the \$30 million Werrington Park Corporate Centre opened, creating 400 jobs.

Penrith has an economic catchment of 500,000 and it is estimated that this will extend to 900,000 people over the next two decades.

Penrith has been identified as a Regional River City in the Sydney Metropolitan Strategy and is expected to create 40,000 new jobs by 2036. The Penrith Health and Education Precinct aims to create 12,000 of them.

Penrith is one of the major commercial centres in Greater Western Sydney. It is home to a number of shopping complexes, the largest being Westfield Penrith Plaza which features over 300 stores ranging from department stores to specialty shops.

Transport and connectivity

Penrith City is served by the Great Western Highway, The Northern Road, the Western Motorway and the main western railway line, with stations at St Marys, Werrington, Kingswood, Penrith and Emu Plains.

Penrith Railway Station has frequent services to and from central Sydney and is also a stop on the intercity Blue Mountains Line. Penrith railway station has a bus interchange and is currently being revamped.

The M4 Western Motorway connects Penrith to the Sydney CBD while Penrith can also be accessed from St. Marys, Mt. Drutt or the Blue Mountains via the Great Western Highway.

Education and medical

Penrith offers around 120 childcare and education centres. There are 51 primary and 19 high schools. The University of Western Sydney and TAFE NSW Western Sydney Institute both have campuses at Penrith.



Location

- 50km west of Sydney CBD
- LGA: City of Penrith
- Borders Hawkesbury City, Blacktown City, Fairfield City, Liverpool City, Wollondilly Shire and Blue Mountains City
- Has a land area of 407km², of which around 80% is rural and rural-residential
- Suburbs included: Berkshire Park, Cambridge Gardens, Cambridge Park, Castlereagh, Claremont Meadows, Colyton, Cranebrook, Emu Heights, Emu Plains, Erskine Park, Glenmore Park, Jamisontown, Kingswood, Leonay, Llandilo, Londonderry, Mount Vernon, Mulgoa, North St Marys, Orchard Hills, Oxley Park, Penrith, Regentville, South Penrith, St Clair, St Marys, Werrington, Werrington County and Werrington Downs.



Population & Demographics:

Population 2011:	185,000
Population 2015:	198,000
Median age:	34
*Unemployment - Penrith	4.13%
*Unemployment - national	5.7%

Source: ABS, * Unemployment rate as at June 2016

The Nepean College of TAFE can be found in Penrith while the Penrith campus of the University of Western Sydney is located in nearby Werrington. The University of Sydney also has a campus near Nepean Hospital in Kingswood, researching the basic biomedical sciences and educating medical students at the hospital.

The Nepean Hospital, a 520-bed teaching hospital, has recently undergone a major redevelopment. Other Healthcare services include the Nepean Private Hospital.

Sports and entertainment facilities

The Joan Sutherland Performing Arts Complex opened in 1990. It incorporates the Penrith Conservatorium of Music and the Q Theatre (Penrith).

Sports fans may be familiar with Penrith because of Penrith Stadium, a 22,500-seat rugby league and soccer stadium which is home to the Penrith Panthers who play in the NRL. The Panthers contribute around \$60 million to the local economy each year.

There is also the Sydney International Regatta Centre, which was the location for the rowing competitions during the 2000 Olympic Games. For adrenalin junkies, there is Australia's only indoor skydiving facility and a white-water facility.

Tourism

The food and wine trail includes Vicarys Winery, billed as the oldest fully-operational winery in Sydney and the Penrith Sake Brewery.

The picturesque Blue Mountains region is within easy reach and several nature reserves are dotted throughout the precinct and along the Nepean River. And there's the Nepean Belle, an old paddle wheeler which cruises the Nepean River.

Residential Building Approvals

Year	Houses	Units	Total
FY2016	856	1,240	2,096
FY2015	1,395	2,655	4,050
FY2014	1,250	2,153	3,403
FY2013	1,101	2,241	3,342

Source: ABS

HOME OWNERSHIP

26% own their homes

42% have mortgages

26% rent their homes

Source: 2011 Census

Property Profile

The Penrith precinct offers a range of housing choices from central CBD living to acreage properties in rural areas of the LGA.

After languishing as an outpost for years, with poor capital growth rates, Penrith moved into a phase of double-digit price growth in 2015. That strong growth has continued with Erskine Park, Jamisontown, St Marys and Thornton all recording median house growth between 10% and 17% in the last 12 months.

But house prices remain affordable – for Sydney standards. It's possible to find houses priced below \$550,000 in Kingswood, North St Marys, Oxley Park, St Marys, Thornton and Werrington. New suburbs such as Caddens, Glenmore Park and Jordan Springs, along with Erskine Park – the location of a large industrial precinct – are more expensive.

The unit market is cheaper, with median prices ranging from around \$350,000 to \$420,000 in Penrith, Jamisontown and Kingswood.

Prior to 2015, growth averages over 10 years were poor by national standards but broadly in line with Sydney averages, around 3-4% for most suburbs. The growth spurt experienced in the last 12-18 months has boosted these to 6-7% and is expected to continue to impact the precinct while proposed property and infrastructure developments drive employment and housing opportunities.

There has been recent growth in building approvals. Between FY2012 and FY2013, residential approvals almost quadrupled from 885 to 3,342 with the high number of approvals being sustained in the following three years.

Until early 2015, vacancy rates across the precinct were generally low (the one exception being postcode 2748 based on Orchard Hills). As new stock has come on line, they have crept up in some suburbs and Orchard Hills remains uncomfortably high. A comprehensive break-down is listed on the following page:

Penrith vacancies - Suburb	Postcode	Vacancy rate
St Clair	2759	1.5%
Castlereagh, Cranebrook	2749	1.6%
Emu Hts, Emu Plains, Jamisontown, Leonay, Penrith, South Penrith	2750	1.9%
Berkshire Park	2765	3.2%
Mount Vernon	2178	3.3%
Glenmore Park, Mulgoa, Regentville	2745	1.5%
Cambridge Gdns, Cambridge Prk, Claremont, Claremont Mdws, Jordan Springs, Kingswood, Llandilo, Werrington, Werrington County and Werrington Downs	2747	2.3%
Colyton, North St Marys, Oxley Park, St Marys	2760	2.9%
Londonderry	2753	3.0%
Orchard Hills	2748	5.2%

Source: SQM research

The Penrith unit market can be summarised as follows:-

Suburb	Sales Houses	Median Houses	1-year Growth	Growth Average	Median Yield
Jamisontown	51	\$415,000	11 %	4 %	4.8%
Kingswood	50	\$346,000	0 %	6 %	4.5%
Penrith	116	\$378,000	6 %	6 %	4.2 %

Source: APM. "No. of sales" is the number of house sales in the past 12mths "Growth average" is the average annual growth in median house prices over the past 10yrs. "Snr": statistically not reliable.



The Penrith house market can be summarised as:

Suburb	Sales Units	Median Units	1-year Growth	Growth Average	Median Yield
Cambridge Park	121	\$555,000	8 %	7 %	3.8%
Claremont Mdws	73	\$620,000	6 %	7 %	3.9%
Colyton	121	\$558,000	8 %	7 %	3.9 %
Cranebrook	218	\$597,000	9 %	6 %	4.1%
Erskine Park	60	\$690,000	13 %	7 %	3.9%
Glenmore Park	360	\$690,000	6 %	6 %	3.9%
Jamisontown	63	\$620,000	11 %	7 %	3.9%
Jordan Springs	113	\$720,000	3 %	0 %	4.9%
Kingswood	163	\$550,000	8 %	7 %	3.7%
North St Marys	50	\$517,000	6 %	8 %	3.8%
Oxley Park	64	\$505,000	3 %	5 %	3.7%
Penrith	185	\$585,000	6 %	7 %	3.8%
South Penrith	182	\$610,000	9 %	7 %	3.9%
St Clair	236	\$639,000	6 %	7 %	4.0%
St Marys	245	\$530,000	10 %	7 %	3.6%
Thornton	181	\$485,000	17 %	4 %	4.9%
Werrington	62	\$483,000	4 %	6 %	3.9%

Source: APM. "No. of sales" is the number of house sales in the past 12mths "Growth average" is the average annual growth in median house prices over the past 10yrs. "Snr": statistically not reliable.

Future Prospects

Situated halfway between Sydney's proposed North West Growth Centre and the South West Growth Centre, Penrith is well-positioned for development. The decision to build Sydney's second airport at Badgerys Creek adds to the strategic appeal of Penrith.

The proposal for Badgerys Creek airport includes two runways and capacity for 54 million passengers each year by 2060.

The NSW Department of Planning forecasts employment in western Sydney to grow 47%, compared to 36% in rest of Sydney, over the next 20 years.

Around \$3 billion in investment capital is mobilised in current and upcoming projects around the city. Penrith Progression, an initiative of Penrith City Council and the Penrith Business Alliance (PBA), is opening the door to new projects, capital investment and partnerships to revitalise the city centre.

CORE INFLUENCES

Government Policy

Transport Infrastructure

Cheapies with Prospects

Urban Renewal

Ripple Effect

Penrith Health and Education Precinct

The main focus is an economic master plan that hopes to create 12,000 new jobs in Penrith by 2036, mostly in sectors related to health, education and research infrastructure. This is being co-ordinated by the Council, in conjunction with PBA.

To be known as the Penrith Health and Education Precinct (PHEP), it is now listed in the State Government's Metropolitan Strategy for Sydney to 2036 as a 'Potential Specialised Precinct'. Complementing the scheme will be 4,500 new dwellings.

The Werrington Park Corporate Centre, which opened in April 2015, is the first stage of a 58ha business park located on the campus of the University of Western Sydney where 6,000 jobs will be created during the next 20 years.

Road infrastructure

The Penrith precinct will become more accessible as road upgrades to western Sydney are completed.

The Australian and NSW governments are funding a 10 year, \$3.6 billion road investment program for western Sydney. The Western Sydney Infrastructure Plan will deliver major road infrastructure upgrades including:

- An upgrade of The Northern Road to a minimum of four lanes from Narellan to Jamison Road, Penrith;
- Construction of a new east-west motorway to the airport between the M7 Motorway and The Northern Road (to be known as the M12 Motorway);
- An upgrade of Bringelly Road to a minimum of four lanes between The Northern Road and Camden Valley Way;
- Construction of the Werrington Arterial Road by upgrading Kent Road and Gipps Street to four lanes between the Great Western Highway and the M4 Motorway;
- An upgrade of the intersection of Ross Street and the Great Western Highway; and
- A \$200 million package for local roads upgrades, to be delivered across five rounds over ten years.

Residential development

Significant residential projects listed in the tables at the end of this report will result in 6,500 new dwellings, reflecting investments totalling in excess of \$1.3 billion. Included in the mix is the new suburb of Caddens.

New planning laws

The entire Penrith LGA has been rezoned under a new Local Environmental Plan (LEP), replacing 35 previous planning laws. It was approved by the State Government in January 2015.

The new plans will allow 18-storey buildings in town centres and cafes, restaurants and businesses in the strip fronting the Nepean River.

Prior to the local government elections in September 2016, there was about \$150 million worth of development applications waiting for the new LEP to take effect.

Chairman of the PBA Paul Brennan said such developments might help reduce the 50,000 people who have to leave the area every day for work.

Another planning proposal tabled in mid-2016 would see landowners allowed to develop larger buildings with more dwellings or floor space, if they provided an additional public benefit.

National Disability Insurance Agency

Rollout of the \$22 billion National Disability Insurance Scheme will reach into Sydney's western suburbs. By the time the scheme is fully implemented in 2019, 17,000 participants in western Sydney are expected to sign up, creating 3,300 jobs.

Events

Penrith hosts numerous events throughout the year, utilising the Nepean River as an attractive backdrop. The wide array includes music festivals, sporting events – such as triathlons – and a food and wine festival.

The events attract around 48,000 people who spend an estimated \$4.9 million, generating a total impact of \$7.8 million. The Penrith City Council estimates this leads to an increase in employment equivalent to 55 annual fulltime jobs.

Other projects currently impacting the Penrith region are listed on the following page:-

Major projects currently impacting the region are:

INFRASTRUCTURE – HEALTH AND MEDICAL FACILITIES

Project	Value	Status	Impact
Nepean Hospital upgrade, Kingswood NSW Health	\$370 million	Proposed	

INFRASTRUCTURE – SPORT AND ENTERTAINMENT

Project	Value	Status	Impact
St Marys Rugby League Club expansion	\$40 million Includes a 123-room hotel	Proposed To be built in 2 stages and finished by late 2018	

INFRASTRUCTURE – TRANSPORT

Project	Value	Status	Impact
Western Sydney Rail Upgrade Program State Govt	\$1 billion Will provide additional and faster services for the T1 Western Line including Penrith and Parramatta	Proposed	
Werrington Arterial road Penrith City Council	\$70 million Will connect western Sydney road networks to the Penrith region	Under construction Due to be open to traffic in late 2016	
Mulgoa Road upgrade Federal & State Govts	\$100 million To be increased from 4 to 6 lanes	Proposed Construction could begin in 2018 and be finished by 2021	

RESIDENTIAL DEVELOPMENTS

Project	Value	Status	Impact
Jordan Springs residential community Lend Lease	\$600 million 2,450 dwellings to house 6,000 people	Under construction Due for completion in 2018	Jobs 5,300
Caddens residential development Landcom	\$75 million 1,250 dwellings	Completed	
Residential project, 46-66 O'Connell Street, Caddens Chiwayland	TBA 697 units with retail	Proposed Chiwayland bought the site for \$40mil in mid-2016	
Caddens Hill residential project, Caddens Legacy Property	TBA A master planned community with 500 homes	Proposed To be built in 5 stages and finished by 2020	
Thornton residential development	\$420 million 1,000 homes	Under construction	Jobs 770
Waterside residential devt Stockland	\$173 million 600 housing lots and sporting facilities	Under construction	

COMMERCIAL DEVELOPMENT – GENERAL

Project	Value	Status	Impact
Panthers Penrith concept master plan Panthers Group	\$850 million Hotel, 750 serviced apartments, cinemas, restaurants and sports fields	Proposed Rezoning approved by Council and the State Government. To be staged over 10 years	Jobs 5,000 in construction 2,100 in operations
Nepean Medical Research Institute Bldg PBA	\$55 million A building to support Penrith's Medical Research Institute.	Proposed To be planned and developed between 2014 and 2019	Jobs 250

GOLD COAST CITY

South East Queensland

Highlights

- Spending on infrastructure
- Strong population growth
- \$345 million casino project
- No.1 LGA in Australia for sales growth
- \$3 billion resort and casino
- Low vacancy rates
- \$670 million Pacific Fair project
- \$2 billion Ruby residential project
- \$500 million athletes village
- \$1 billion Jewel residential project
- \$1 billion Iluka Resort project
- \$1.2 billion cruise ship terminal
- \$300 million airport expansion
- \$1 billion Coomera Town Centre

Suburb - houses	Typical prices	Suburb - houses	Typical prices	Suburb- units	Typical prices
Broadbeach Wtr	\$1,055,000	Ormeau	\$460,000	Broadbeach	\$450,000
Burleigh Waters	\$640,000	Pimpama	\$450,000	Coombabah	\$377,000
Carrara	\$485,000	Southport	\$510,000	Coomera	\$351,000
Coomera	\$509,000	Surfers P'dise	\$1,220,000	Labrador	\$350,000
Nerang	\$405,000	Varsity Lakes	\$535,000	Surfers P'dise	\$365,000

For a long time, Hotspotting has avoided recommending the Gold Coast because of its poor track record on capital growth and its boom-bust history.

But the Gold Coast cannot be ignored. It has been the No.1 LGA in Australia in The Price Predictor Index (in terms of growth momentum), billions are being spent on infrastructure and major developments, and vacancy rates are low. There will be price growth, especially in the genuine residential suburbs.

Investors, however, should avoid the high-rise apartment markets. The Gold Coast has just finished absorbing the previous oversupply, which took five years, and another is looming, with multiple mega projects being built or planned.

Median unit prices for some of the high-rise suburbs are the same as, or lower than, 10 years ago - including Surfers Paradise, Broadbeach, Coolangatta and Runaway Bay. Many others have experienced negligible growth. The new crop of high-rise is being built for sale to Asian investors, not for local consumption - and oversupply is inevitable.

We recommend that investors on the Gold Coast concentrate on the genuine residential suburbs inland, including the growth corridor heading north towards Brisbane and the canal residential suburbs south of Surfers Paradise, including Burleigh Waters and Mermaid Waters.



The population as at the 2011 Census was 495,000. The estimated population at 30 June 2014 was 546,000.

Based on Census data, the main nationalities living on the Gold Coast are: English 30%, Australian 24%, Irish 8%, Scottish 7% and German 4%. Those born in China and Japan represented less than 1% each.

According to the Queensland Government, the Gold Coast and Brisbane are projected to record the largest amounts of population growth in Queensland over the decade to 2021.

The Gold Coast population is projected to grow by 133,800 people in the decade, an average annual rate of 2.2%. Much of this growth is expected to occur in suburbs along the northern corridor between Helensvale and Brisbane.

Suburbs which experienced significant growth from 2009 to 2014 include Coomera, where the population increased 8.7%, Pimpama 14.8% and Upper Coomera 6.0%, according to the ABS.



Location

- The Gold Coast covers 414km², stretching as far as Coomera and South Stradbroke Island to the north, Coolangatta and the NSW border in the south, and taking in Mt Tamborine and Canungra to the west.
- The distance between the most northern and southern points (Coomera and Coolangatta) is approximately 50km, along the Pacific Motorway; while Surfers Paradise is mid-way between the two.
- The following distances provide further perspective:

Brisbane CBD to:

- Coomera: 54km
- Southport: 74km
- Surfers Paradise: 78km
- Coolangatta: 104km



Population & Demographics:

- Population 2011 Census: 495,000
- Projected population by 2021: 628,000
- Median age: 37

Source: ABS and Qld Treasury – Office of Economics and Statistical Research

Economy and Amenities

Renowned for its beaches, glitzy nightlife and perpetual party atmosphere, the Gold Coast economy revolves around tourism, retail, healthcare, education and manufacturing.

- Tourism

The theme parks of Dreamworld, Sea World, Movie World and Wet 'n Wild are feature attractions in the Gold Coast landscape. In 2014, 3.8 million people visited the theme parks, contributing \$198,000 million to the economy.

Besides some of the world's best surfing beaches, natural attractions like Natural Bridge glow worm cave, waterfalls and picturesque Tamborine Mountain can be found in the hinterland.

But the Gold Coast is best known for its night life. Night clubs, bars and restaurants litter the glitter strip, becoming inundated during major events such as schoolies week, when around 40,000 students from all over Australia finishing year 12 descend on the party precinct.

Other night life includes Jupiters Hotel and Casino, currently undergoing a \$345 million redevelopment to transform it into a 6-star establishment.

The Magic Millions annual horse sale and races is another glamorous event which attracts international racehorse buyers. Zara Phillips, grand-daughter of Britain's Queen Elizabeth, is the Patron of Magic Millions Racing Women for 2014-2018 and attends the events.

Offering \$11.29 million in prize money annually, the Magic Millions is the world's richest sales-based incentive Race Series.

- Education

The Gold Coast was named in the top 100 cities in the world for students to live by the 2016 QS Best Student Cities. The ranking was based on attributes such as institutional quality, lifestyle and public transport access.

Griffith University ranked 37th in the top 50 universities aged under 50 years list, and Bond University came in at number 81.

Griffith University at Southport has 18,200 students from all over Australia and the world. It is Griffith University's largest campus.

Employment by Industry

Retail:	15%
Healthcare & social assistance:	13%
Construction:	10%
Accommodation & food services:	10%
Education:	8%
Manufacturing:	7%

Source: National Institute of Economic and Industry Research, 2014

The campus has seen significant growth and development over the last few years, with the opening of the \$150 million Griffith Health Centre in 2013 and the launch of the \$38 million Griffith Business School building in 2014. The Gold Coast light rail service has two stops on the campus.

Bond University, Australia's first private not-for-profit university, was an initiative of infamous Alan Bond. It has undergone several upgrades since its inception in 1989 and work is currently under way for a \$16 million building to house architect students. Bond University has 6,000 local and international students.

Meanwhile, Southern Cross University has built a campus within the Gold Coast Airport precinct where 5,000 students are expected to take up residence in 2017.

TAFE Colleges are located at Coomera, Southport and Ashmore.

- Retail

Exclusive boutiques are the hallmark of Surfers Paradise, Broadbeach and Main Beach.

Pacific Fair, Broadbeach, which held the crown as Queensland's largest regional shopping centre until 2006, has regained the title now its \$670 million redevelopment is completed. It competes with Robina Town Centre, the largest shopping centre on the Gold Coast.

Another major shopping centre is Australia Fair at Southport while Harbour Town at Biggera Waters is the location of many popular factory outlets. Harbour Town has recently completed a \$20 million expansion, delivering 25 new retail stores.

The four main shopping centres are complete with cinemas and dining precincts.

- Health and medical facilities

Numerous hospitals service the Gold Coast region, the most noteworthy being the Gold Coast University Hospital, which opened in 2013. The 750-bed facility cost \$1.8 billion to build and is affiliated with both Griffith and Bond Universities.

Another public hospital can be found at Robina, next to a new \$25 million private hospital. As with the Gold Coast University Hospital, the 364-bed public Robina hospital serves as a teaching hospital for Bond and Griffith University medical students.

Private hospitals include Pindara Private Hospital, Benowa; Allamanda Private Hospital, Southport; and John Flynn Private Hospital, Tugun. The latter includes the John Flynn Cancer Centre.

- Access and transport

The Gold Coast Airport, formerly known as Coolangatta Airport, services nine domestic and 10 overseas destinations. In 2014, 5.8 million passengers passed through Gold Coast Airport. Numbers exceeded 6 million in 2015 and are forecast to grow to 16.6 million by 2037.

Australia's sixth busiest airport has regular international flights to Kuala Lumpur, Hong Kong, Singapore, Tokyo, Auckland and Christchurch.

The airport has recently spent \$15 million on acquiring 14ha as part of a \$300 million expansion program.

Tourism Fast Facts

- 4.3 million overnight visitors per year.
- China and New Zealand are key source markets.
- Forecast FY2017: 8 million visitors spending \$113 bil.
- Forecast FY2025: 11 million visitors spending \$145 bil.

Source: Gold Coast Tourism Report

Property Profile

The Gold Coast is a national leader in terms of growth suburbs within the municipalities of Australia. The Gold Coast surged throughout 2015 and this has continued in 2016. Much of the growth is being seen in inland housing markets, including some of the canal residential suburbs.

Some of the residential suburbs have delivered double-digit growth in median house prices, but growth around 5-9% in the past year is more common.

Urbis senior consultant Lynda Campbell said the Gold Coast apartment market in 2015 experienced its highest level of activity in eight years, after a lag in residential construction following the global financial crisis.

Some reports indicate there are 30,000 units in the pipeline on the Gold Coast, with 11,000 of those expected to enter the market within the next few years in the lead up to the 2018 Commonwealth Games. Residential building approvals in FY2016 totalled 8,039, the highest number in 15 years, with 55% comprising apartments (a warning signal for those considering the high-rise market).

Southport in particular is making headlines as old houses near the light rail line are knocked down and replaced with high-rise buildings. The Southport CBD was declared a Priority Development Area by the Gold Coast City Council in 2013, enabling it to attract around \$5 billion in infrastructure and development.

Investors should remain aware that houses in the Southport precinct may have sold to developers for inflated prices in a one-off transaction and therefore median houses prices in Southport could be skewed to the higher end.

This may also apply to Broadbeach Waters and Palm Beach where it is reported that older homes are being knocked down to build duplexes or larger homes.

Some suburbs have been listed as "high risk" by lenders. Recently, the NAB listed Southport and Labrador as high risk areas because of market performance, rental returns, vacancy rates and time on the market to sell.

REIQ chairman John Newlands said he didn't believe Southport or Labrador were risky areas to buy but a potential oversupply of apartments on the Gold Coast in years to come, due to over-development, could be cause for concern.

The previous oversupply of units was created by high building levels in 2007 and 2008. Dwelling approvals in FY2007 and FY2008 totalled nearly 7,000 in each year, dominated by high-rise units, creating an oversupply which took five years to absorb.

The previous five-year downturn has meant that few Gold Coast suburbs have long-term capital growth rates above 3% per year, i.e. the average annual growth in median house prices for the past 10 years. The few that have delivered 4% per year or higher – Ashmore, Biggera Waters, Broadbeach Waters, Burleigh Heads, Burleigh Waters, Coolangatta, Currumbin Waters, Palm Beach and Worongary – are generally away from the high-rise precinct of Southport, Surfers Paradise, Main Beach and Broadbeach.

The capital growth record of the high-rise unit suburbs is among the worst in Australia. In terms of growth rates over the past 10 years, Surfers Paradise has had a zero growth rate, i.e. unit prices are unchanged from 10 years ago. The same applies to Main Beach, Runaway Bay and Coolangatta, while unit prices in Broadbeach are lower than they were 10 years ago.

In November 2015, Urbis reported a 150% increase in property sales compared to the same time in the previous year.

Most of this activity was concentrated around Gold Coast Central, i.e. the suburbs of Labrador, Southport, Main Beach, Surfers Paradise and Broadbeach.

But Stephen McGee, Queensland state manager of National Property Buyers, warns against new apartment stock for investors looking for sustainability.

"In the Gold Coast, the first sector of the market that softens is your beachside high-rises and your apartments – that's where the transient population is," McGee said.

For investors who are looking for a cashflow strategy, the yields on units are good. Generally, yields of 5.3% to 6.4% can be found across the Coast with Nerang delivering the highest at 7.0%.

But, again, the published yield figures assume high occupancy levels, which will be affected in future years when the market has a surplus of apartments.

Currently, much of the demand is being fuelled by tradesmen moving to the Gold Coast to work in the construction industry. This has forced rental prices up. In November 2016, CoreLogic said the Gold Coast median rent was \$500 for houses and \$395 for units.

The following table provides a snapshot of home ownership and dwelling structures of select Gold Coast suburbs compared to the Gold Coast LGA average.

Suburb	Home Ownership			Dwelling Structures	
	Own their home	Pay a mortgage	Rent	% Houses	% Units
Broadbeach	24%	16%	56%	1%	99%
Burleigh Heads	32%	28%	36%	40%	59%
Coolangatta	31%	14%	51%	16%	81%
Coomera	8%	35%	56%	72%	28%
Labrador	21%	25%	50%	23%	77%
Nerang	23%	37%	33%	65%	32%
Ormeau	18%	45%	35%	93%	6%
Pimpama	13%	30%	55%	76%	23%
Robina	30%	34%	33%	73%	26%
Runaway Bay	39%	26%	29%	48%	52%
Southport	21%	21%	54%	33%	67%
Surfers Paradise	23%	19%	54%	15%	85%
Gold Coast LGA	26%	35%	36%	60%	38%

Source: 2011 Census

Vacancy Rates

Because the Gold Coast covers such a broad area, it isn't wise to generalise about vacancy rates, as there are some pockets of rental stability and others which are erratic.

For example, suburbs in postcode 4217 and 4218 (Benowa, Bundall, Surfers Paradise, Main Beach, Broadbeach, Mermaid Beach) have shown a clear pattern of vacancy spikes of 6–8% during winter months since 2009, but are currently below 2%.

Properties in postcodes 4226 and 4227 (Merrimac, Robina, Varsity Lakes) had vacancy rates from 3–6% during 2008–2013, but have been below 2% since.

Coolangatta experienced vacancy rates of 3–4% in 2010–2012, but has enjoyed rates of less than 2% since, whereas the rates at Palm Beach have been below 2% since 2009.

Ormeau and Coomera offer more stability where rates have generally been below 3% for the last five years.

According to local agents, the low vacancies and recent shortage of rentals can be attributed to the influx of construction workers in the lead-up to the Commonwealth Games, as well as properties being sold to owner-occupiers rather than investors.

For this reason, we continue to urge caution about the Gold Coast because of its alarming history of boom-bust scenarios and its poor capital growth record, largely dragged down by the high-rise unit markets.

With the exception of Pimpama, vacancy rates across most Gold Coast suburbs are now below 2%, giving the appearance that all is well for now. But in the lead-up to the 2018 Commonwealth Games, there is much construction activity occurring, so investors would be wise to monitor the vacancy rates closely.

Once the Commonwealth Games and associated construction boom are over, there is a danger that the vacancies will rise.

Gold Coast Vacancy Rates

Suburb	Post code	Vacancy Rate
Arundel, Parkwood	4214	0.7 %
Benowa, Bundall, Surfers Paradise, Main Beach	4217	1.1 %
Biggera Waters, Coombabah, Paradise Point, Runaway Bay	4216	1.6 %
Broadbeach, Mermaid Beach	4218	0.8 %
Burleigh Heads	4220	0.3 %
Carrara, Nerang, Pacific Pines	4211	0.8 %
Coolangatta	4225	0.3 %
Coomera, Oxenford, Upper Coomera	4210	1.4 %
Currumbin Waters	4223	0.8 %
Labrador, Southport	4215	1.2 %
Merrimac, Robina	4226	0.8 %
Ormeau	4208	2.0 %
Palm Beach	4221	0.6 %
Pimpama	4209	4.6 %
Varsity Lakes	4227	0.7 %

Source: SQM research

The Gold Coast unit market can be summarised as follows:-

Location: units	No. of sales	Median Price	1yr Growth	10yr average	Median yield
Biggera Waters	359	\$440,000	2 %	3 %	5.8 %
Broadbeach	496	\$450,000	5 %	-1 %	5.6 %
Burleigh Heads	280	\$483,000	9 %	3 %	5.4 %
Carrara	153	\$445,000	-1 %	1 %	5.7 %
Coolangatta	309	\$480,000	8 %	1 %	5.3 %
Coombabah	77	\$377,000	-2 %	3 %	5.5 %
Coomera	133	\$351,000	3 %	4 %	6.2 %
Labrador	451	\$350,000	3 %	2 %	6.1 %
Main Beach	173	\$670,000	13 %	1 %	5.3 %
Mermaid Beach	290	\$360,000	0 %	1 %	5.5 %
Nerang	96	\$314,000	4 %	2 %	7.0 %
Pacific Pines	80	\$320,000	-9 %	2 %	5.4 %
Palm Beach	281	\$360,000	1 %	2 %	5.7 %
Paradise Point	133	\$615,000	-8 %	1 %	4.7 %
Pimpama	49	\$395,000	8 %	0 %	5.4 %
Robina	298	\$450,000	5 %	2 %	5.3 %
Runaway Bay	151	\$515,000	18 %	0 %	5.4 %
Southport	716	\$377,000	7 %	2 %	6.2 %
Surfers Paradise	1,597	\$365,000	2 %	0 %	6.4 %
Upper Coomera	97	\$335,000	3 %	0 %	5.7 %
Varsity Lakes	258	\$409,000	3 %	1 %	6.1 %

Source: Australian Property Monitors – “growth average” is the average annual growth in median house prices over the past 10 years. Snr: “statistically not reliable”



The Gold Coast house market can be summarised as follows:-

Location: houses	No. of sales	Median Price	1yr Growth	10yr average	Median yield
Ashmore	226	\$545,000	11 %	4 %	5.4 %
Benowa	221	\$750,000	7 %	3 %	4.7 %
Biggera Waters	113	\$523,000	15 %	4 %	4.3 %
Broadbeach Waters	203	\$1,055,000	28 %	5 %	4.0 %
Burleigh Heads	113	\$702,000	15 %	4 %	4.7 %
Burleigh Waters	277	\$640,000	-1 %	4 %	4.8 %
Carrara	245	\$485,000	5 %	3 %	5.5 %
Coolangatta	36	\$778,000	18 %	4 %	3.9 %
Coombabah	206	\$404,000	6 %	3 %	5.4 %
Coomera	294	\$509,000	8 %	3 %	5.4 %
Currumbin Waters	165	\$545,000	2 %	4 %	5.0 %
Elanora	255	\$585,000	9 %	3 %	5.0 %
Helensvale	441	\$595,000	6 %	3 %	5.3 %
Highland Park	139	\$465,000	6 %	3 %	5.6 %
Labrador	195	\$435,000	23 %	3 %	5.2 %
Mermaid Beach	67	\$1,325,000	20 %	3 %	3.6 %
Merrimac	110	\$445,000	2 %	3 %	5.2 %
Mudgeeraba	254	\$521,000	4 %	3 %	5.3 %
Nerang	359	\$405,000	3 %	3 %	5.6 %
Ormeau	293	\$460,000	2 %	2 %	5.2 %
Oxenford	258	\$435,000	4 %	3 %	5.6 %
Pacific Pines	310	\$500,000	7 %	3 %	5.2 %
Palm Beach	235	\$687,000	8 %	4 %	4.6 %
Paradise Point	124	\$940,000	6 %	1 %	3.8 %
Parkwood	146	\$544,000	3 %	3 %	5.2 %
Pimpama	136	\$450,000	0 %	0 %	4.9 %
Robina	394	\$600,000	6 %	3 %	4.9 %
Runaway Bay	197	\$735,000	3 %	3 %	4.7 %
Southport	335	\$510,000	6 %	3 %	4.9 %
Surfers Paradise	152	\$1,220,000	15 %	-1 %	3.6 %
Tallai	61	\$709,000	7 %	3 %	5.1 %
Upper Coomera	566	\$452,000	7 %	3 %	5.2 %
Varsity Lakes	209	\$535,000	6 %	3 %	5.2 %
Worongary	118	\$590,000	4 %	4 %	5.3 %

Source: Australian Property Monitors – “growth average” is the average annual growth in median house prices over the past 10 years. Snr: “statistically not reliable”

Future Prospects

In the lead up to the Commonwealth Games, the Gold Coast CBD is undergoing a transformation with \$5 billion worth of public or private investment planned, under way or recently completed.

One of the key projects includes the development of the light rail network. The first section of the system, running from Griffith University, Parkwood, to Broadbeach, opened in 2014. The contract for the second stage, which will run from Griffith University to Helensvale, has been awarded to CPB Contractors with construction starting in April 2016. Newlands said mid-range properties on the northern corridor would be in high demand when the light rail's extension is finished.

Meanwhile, the Gold Coast City Council is working on future stages of the light rail which would connect Broadbeach to Coolangatta Airport. A feasibility study for the \$1.54 billion link will begin in FY2017.

Another project is the Gold Coast Aquatic Centre, a world-class swimming facility located in Southport's Broadwater Parklands. Costing \$42 million and opening in 2014, it will be the swimming and diving facility for the 2018 Commonwealth Games.

Elsewhere, three of the four major shopping centres (Pacific Fair, Australia Fair and Harbour Town), Oasis at Broadbeach and Jupiters Casino are spending serious money on upgrading their premises. *(More detail about these can be found in the tables at the end of this report.)*

While Jupiter's Casino aims to have a redevelopment completed before the 2018 Commonwealth Games, it also has long term plans to house permanent residents. An \$850 million master plan allows for up to five hotel or apartment buildings, more recreational space and a connection to Pacific Fair.

Residential developers are keen to cash in on the action too, so high-rise construction is becoming prolific. Numerous residential developments are under construction at Surfers Paradise, Budd's Beach and Southport.

In the past 12 months, 15,000 jobs have been created on the Gold Coast, according to the State Government.

Around 690,000 visitors are expected to arrive on the Gold Coast in April 2018 for the Commonwealth Games, according to council documents, with around 1.5 million people attending ticketed events.

CORE INFLUENCES

Transport infrastructure

Education-Medical infrastructure

Lifestyle Features

Jobs Nodes

Regardless of the economic activity that the Commonwealth Games will generate, strong population growth will independently spur on development.

In February 2015, demographer Bernard Salt said Robina-Varsity Lakes was the Gold Coast's next key office precinct and would increase to 100,000 people, provide 50,000 jobs and contribute \$5.4 million to the Gold Coast economy by 2050.

With the population of the entire Gold Coast expected to double in the next 35 years, Salt said: "There is no great western corridor that is going to create a new version of the Gold Coast — what you see now is largely what you will see into the future," he said. Housing density, jobs and the number of businesses will all be doubled.

Coomera is recognised in the South East Queensland Regional Plan 2009-2031 as a regional development area for residential and employment growth. The area is expected to provide 25,000 new dwellings to house 50,000 residents.

Another area to the north of the Gold Coast – Norwell, located between Pimpama and Jacobs Well – has also been named as a master planned community. The 6,000ha Norwell Valley site is destined to become Australia's biggest master planned city.

Norwell Valley would include residential housing, retail and educational facilities, and could home a Disneyland theme park.

For the project to proceed around 40 landowners, most of whom are cane farmers, would need to sell their properties. The project is a long-term plan with approvals and zoning amendments expected to take 10 years to negotiate.

A FINAL WORD OF WARNING: While the Gold Coast is poised for a real estate boom and generally looks attractive, oversupply looms on the apartment skyline. There are reports that banks are reluctant to lend for off-the-plan purchases of high-rise units and some have included the Gold Coast high-rise suburbs on "black lists" of locations to avoid.

RECOMMENDED AREAS

The genuine residential markets of the Gold Coast – i.e. the inland housing markets – are the best options for long-term growth. Two precincts stand out as having strong momentum – the canal residential suburbs south of Surfers Paradise and the northern growth corridor centred on Coomera and Upper Coomera (but be careful to check on vacancy rates, as new housing construction may create periods of oversupply).



Projects in the Gold Coast region are outlined below and on the following pages:-

INFRASTRUCTURE – EDUCATIONAL AND CULTURAL

Project	Value	Status	Impact
Cultural Precinct, Evandale City Council	\$37 million The performing arts precinct is to be redeveloped over 15 years	Under construction Stage 1 to be completed by 2018	

INFRASTRUCTURE – SPORT AND ENTERTAINMENT

Project	Value	Status	Impact
Australian Legendary Kingdom theme park, Nerang Songcheng Performance Development	\$800 million	Proposed Has FIRB approval	

INFRASTRUCTURE - TRANSPORT

Project	Value	Status	Impact
Gold Coast Airport expansion	\$300 million New terminal and air bridges to deal with larger planes	Approved To be completed by 2019	Jobs 230 construction 180 operational To improve capacity before 2018 Games
Light rail system – stage 2, Southport–Helensvale State Govt & GCCC	\$420 million The Federal Govt will chip in \$95 mil; includes three new stations	Under construction Contract awarded to CPB Contractors; work to be finished in 2017	Jobs 1,000 construction

COMMERCIAL DEVELOPMENTS – GENERAL

Project	Value	Status	Impact
Jupiters Casino redevelopment Echo Entertainment	\$345 million An upgrade to six-star status and 80 extra rooms	Under construction Completion expected late 2017	Jobs 500
ASF Resort and Casino, Main Beach ASF Consortium	\$3 billion	Proposed	
Pacific Fair shopping centre redevelopment AMP Capital	\$670 million David Jones, 120 specialty stores and a food market to be added	Completed	Jobs 1,115 construction 1,540 operational
Robina Town Centre expansion	\$160 million 55 food outlets to be known as “The Kitchens”	Completed	
Couran Cove Resort redevelopment Eureka Group	\$100 million 190 new cabins and a tavern	Proposed	Jobs 30 construction
Lake Serenity, mixed use project, Hope Island Sime Darby and Brunfield International	\$650 million 465 homes and retail precinct	Proposed	
The Lanes retail precinct, Mermaid Waters Sunland Group	\$100 million Part of The Lakes \$850 mil master plan	Proposed	
Homeworld Helensvale upgrade Macro Properties	\$20 million 16 new tenants	Proposed	

COMMERCIAL DEVELOPMENTS – GENERAL

Project	Value	Status	Impact
Australia Fair shopping centre redevelopment	\$25 million Coles and the cinemas will be expanded	Under construction Completion expected in 2017	
Oasis, Broadbeach upgrade Abacus Property Grp	\$25 million Includes a bank, restaurants and a call centre	Under construction	
Cruise Ship Terminal Breakwater Group	\$1.2 billion Cruise terminal, hotels, resorts, bridge and tunnel	Proposed Previous proposals by ASF consortium were declined by the State Govt	
Gold Coast Marine Precinct, Coomera River GCCC	\$120 million A precinct for manufacturing and maintaining recreational boats	Under construction 60ha of 250ha has been developed	Jobs 2,500 to date 5,000 upon completion
New hotel, Gold Coast Airport JLL Hotels & Hospitality Group	TBA 150 rooms	Proposed	



RESIDENTIAL DEVELOPMENTS

Project	Value	Status	Impact
<p>"Spirit", Iluka Resort redevelopment, Surfers Paradise</p> <p>Forise Holdings</p>	<p>\$1 billion</p> <p>479 apartments, shops, restaurants</p>	<p>Approved</p> <p>Approval overturned in June 2016. Revised plans submitted in July 2016 and approved in Sept 2016</p>	
<p>Oxford on Queen, Cnr Queen & Scarborough Sts, Southport</p> <p>PSR Southport MP Investment Pty Ltd</p>	<p>TBA</p> <p>240 units, offices and retail</p>	<p>Proposed</p> <p>DA lodged December 2015</p>	
<p>Jewel development, Surfers Paradise</p> <p>Wanda Group</p>	<p>\$1 billion</p> <p>500 apartments, 171 hotel rooms</p>	<p>Under construction</p> <p>Completion expected in 2018</p>	
<p>Coomera Town Centre</p>	<p>\$1 billion</p> <p>Master planned community for 25,000 residents</p>	<p>Under construction</p> <p>Work began in December 2015</p>	
<p>Residential towers, Dreamworld, Coomera</p> <p>Gordon Group</p>	<p>\$500 million</p> <p>Two residential towers, a hotel and retail complex</p>	<p>Proposed</p> <p>DA lodged February 2016</p>	
<p>The Surrounds, Helensvale</p> <p>Villaworld</p>	<p>\$500 million</p> <p>A master planned community to house 7,000 in 2,000 dwellings</p>	<p>Under construction</p> <p>A 10 year project</p>	<p>Jobs 1,500</p>
<p>Inspire & Broadwater Central, Labrador</p> <p>Richard Cavill</p>	<p>TBA</p> <p>79 units, medical and retail to be built on the site of Cav's Steakhouse</p>	<p>Proposed</p> <p>DA lodged December 2015</p>	
<p>Residential development, Wavebreak Island</p> <p>ASF Consortium</p>	<p>\$250 million</p> <p>694 apartments</p>	<p>Proposed</p> <p>DA lodged March 2016</p>	

RESIDENTIAL DEVELOPMENTS

Project	Value	Status	Impact
One Marine Parade, Southport Sunland Group	\$200 million 217 units on the former KFC site	Proposed	Jobs 300 construction
Residential devt, Coomera Stockland	\$350 million 747 homes	Proposed	
Eden Court, near Nerang train station Nifsan	\$600 million 1,600 homes	Proposed DA submitted August 2015	
Residential project, Arundel Villaworld	\$200 million 500 dwellings	Proposed Villa World purchased 25ha in Sept 2015	
Apartment towers, Harbour Town Shopping Centre Lewis Land	TBA 500 apartments	Proposed DA lodged in early 2016	
Sundale Towers, Southport Meriton	\$400 million 133 units & retail on the Sundale Motel site	Under construction	
Marina Concourse devt, Royal Pines Sunland Group	\$85 million Mixed use, 110 apartments	Proposed	
The Lakes project, Mermaid Waters Sunland Group	\$850 million The first stage includes 67 homes	Proposed	
Elegance residential development, Mermaid Beach Sunshine Invests	\$160 million 409 apartments, shops, restaurants, offices	Proposed	

RESIDENTIAL DEVELOPMENTS cont.

Project	Value	Status	Impact
Mariners Cove residential devt, The Spit Sunland Group	\$600 million 370 apartments and a 69-room hotel	Proposed DA lodged in June 2015	
Commonwealth Games Athletes' Village, Parklands	\$500 million Will house 6,500 athletes for the Games	Under construction Completion expected in March 2018	Jobs 1,500 construction
Unit development, Acacia & Oak Aves, Surfers Paradise	\$75 million 211 apartments	Approved	
Development, Gooding Drv & Robina Parkway, Merrimac Orient Central Development Corp	TBA 1,500 dwellings	Proposed Preliminary approval, subject to amendments, given for 970 units by GCCC in 2013	
Ruby Devt and Sapphire Devt, Budd's Beach Ralan Group	\$2.0 billion 2,600 units, retail, restaurants and an ice-rink in adjoining projects	Under construction	
Au development, Park Lane and Scarborough St, Southport ASF Group	\$500 million 474 units	Proposed	
Residential devt, cnr Stanhill Dr and Anembo St, Chevron Island Harry Habul	\$70 million 237 units	Proposed	
Northcliffe Residences, Northcliffe Tce, Surfers Paradise	\$111 million Former Pacific Towers building is being demolished and replaced with 75 new units	Under construction	
Orion Towers, Surfers Paradise Orion International Group	\$1.2 billion 1,127 units	Proposed	Jobs 1,300 construction 450 operational

CITY OF GEELONG

Regional Victoria

Highlights

- Population growth
- Hospital upgrades
- Economic diversification
- \$5 billion Regional Rail Link
- Growth of Deakin University
- \$2 billion Armstrong Creek project
- \$4 billion Point Henry redevt
- Upgrade of Avalon Airport

Suburb - houses	Typical prices	Suburb - houses	Typical prices	Suburb - units	Typical prices
Barwon Heads	\$845,000	Newtown	\$664,000	Belmont	\$285,000
Belmont	\$410,000	Portarlington	\$465,000	Geelong	\$475,000
Geelong West	\$524,000	Waurm Ponds	\$490,000	GeelongWest	\$298,000
Leopold	\$386,000	Whittington	\$261,000	Ocean Grove	\$412,000

Geelong is being seen increasingly as an affordable alternative to Melbourne. It offers a water-based lifestyle at a considerable price discount to Melbourne, with good transport links to the capital city.

This factor is likely to be enhanced now that the \$5 billion Regional Rail Link is completed.

Negative events such as the impending closure by Ford have been counter-balanced by positive announcements that give confidence in Geelong's future, including business expansion and government infrastructure spending.

Key transport infrastructure, including the road networks and rail links, is being upgraded. Of particular promise is the G21 Regional Growth Plan which has 15 priority projects of strategic importance in the making.

The City of Greater Geelong currently ranks as the leading property market in Victoria, in terms of the number of suburbs with growing sales activity.

Economy and Amenities

Once well known for its manufacturing and processing industries, Geelong is evolving from its industrial roots into a diversified city, capable of handling the overflow of an ever-growing Melbourne.

The manufacturing and processing industries, once major employers for the people of Geelong, are shrinking. Ford Motor Company closed its Geelong plant in October 2016, forcing around 500 people out of work.

The Shell oil refinery at Coria was sold to Swiss energy group Vitol in mid-2014. According to the Sydney Morning Herald, around 10% of the workforce was cut, leaving 450 staff on the payroll.

Target, which had its headquarters in Geelong, has also announced it will move to closer to Melbourne, near the West Gate Bridge. The 900 staff have the option of taking a redundancy, transferring to the new premises or re-deploying to other Wesfarmers' businesses such as Kmart and Bunnings.

But there are numerous compensating factors, with other industries emerging strongly. The biggest employer in Geelong today is Barwon Health, which employs almost 4,000 people.

Deakin University is another of the region's largest employers, employing over 1,500 at the Waterfront and Waurn Ponds campuses. Ranked in the top 400 universities in the world, the Geelong campuses are worth \$425 million annually to the region's economy, according to Deloitte Access Economics.

Around 9,530 students study at Deakin's two campuses in Geelong – with 4,900 living in the region during their studies.

The City of Greater Geelong Council says: **“Geelong’s economy has experienced considerable diversification over the past decade. Traditional industries will continue to be key economic and employment drivers in the region, however there is a focus on the following strategic growth sectors: knowledge, innovation and research; advanced manufacturing; health; tourism; education; transport and logistics; information, communications and technology; food, horticulture and aquaculture; and small, micro and home-based business”.**

Another diversification is events, for which the region has developed a reputation. In January 2015, the Festival of Sails, which is considered the largest annual keel boat regatta in the Southern Hemisphere, attracted a crowd of 100,000.



Location

- On the Bellarine Peninsula, 75km south-west of central Melbourne
- Connected to Melbourne by the Princes Freeway and commuter train links
- LGA: City of Greater Geelong



Population & Demographics:

Victoria's fastest growing region

- Population (ERP 2014): 225,000
- Projected population by 2026: 290,000
- Projected population by 2036: 320,000

Source: ABS

The Australian International Airshow, which features military aircraft, is hosted by Geelong biennially. The 2015 show brought \$20 million to the local economy through associated conferences and seminars which were attended by around 2,000 delegates.

Geelong Port is the largest regional port in Victoria with a total throughput of 12.2 million tonnes. Crude oil and petroleum products account for the majority of trade while grain, woodchips and fertiliser also make a significant contribution. The port contributes an estimated value of \$7.6 billion annually to the local economy while providing around 700 direct jobs and another 500 indirect jobs.

Avalon airport, which lies 15km north-east of Geelong, is the second busiest of the four airports serving Melbourne (in passenger traffic) – according to Wikipedia.

In recent years, large-scale redevelopment of the city centre and gentrification of inner suburbs has heralded much change. Geelong has a number of shopping precincts and major shopping centres located in the CBD with outer suburbs serviced by smaller centres.

Geelong has been earmarked as a future regional growth centre by the State Government to take some of the overflow from Melbourne's population growth.

One outcome of that policy is greater government spending on infrastructure in the region and a redirection of resources to Geelong.

The State Government FY2017 Budget is testimony to this, providing funding for road, rail and educational projects, while government agencies are already begun to relocate to Geelong.

Geelong has a number of land and employment precincts which can accommodate a diverse range of needs. They include ...

-Northern Gateway

A National Transport and Logistics Hub offering land for development and potential for business and employment growth. Key assets include Avalon Airport; Port of Geelong; Geelong Ring Road; rail for freight; and land for development.

- Waterfront and Central Geelong

The cosmopolitan heart offering lifestyle and cultural, tourism, residential and commercial development opportunities.

Key assets include the commercial hub; cultural and entertainment centre; recreation and tourism focus; health services; and education facilities.

- Southern Corridor

Set to be a centre of growth in knowledge, innovation and research, as well as residential and commercial development. Key assets include land for growth; knowledge and research capability; and niche businesses.

Affordability remains a driving force, with many Geelong suburbs having median house prices below \$400,000. This high level of affordability, in conjunction with the region's water-based lifestyle, is part of Geelong's appeal as an alternative to Melbourne.

Several suburbs in Geelong have proven to be popular with first-home buyers.

Property Profile

Building Approvals

FY2016	2,642
FY2015	2,613
FY2014	2,459

Source: ABS

Statistics from the State Revenue Office of Victoria show that suburbs in postcode 3216 (Belmont, Grovedale, Highton, Marshall and Waurn Ponds) and 3217 (Charlemont, Armstrong Creek, Mount Dundeed and Freshwater Creek) have consistently been listed in the top 10 places for first-home buyer grant applications in Victoria since 2000.

Two other suburbs which are gaining popularity are Norlane and Corio - both identified in our September 2016 research as being in our national top 30 suburbs and towns with rising property markets. Sales numbers have risen for nine consecutive quarters in Corio and seven in Norlane.

Many different types of buyers see suburbs like these as cheap alternatives to Melbourne, according to local real estate agents.

According to the REIV, Deakin University, the health industry and being within commuting distance of Melbourne are also reasons people buy property in Geelong.

The dwelling makeup of the City of Greater Geelong includes 86% houses and 14% units, with the unit content gradually rising. In recent years, developers have driven a trend of property transitioning from industrial to residential uses, buying older buildings on large blocks and demolishing them to build townhouses. In FY2013 and FY2014, around 270 units were approved in each year. That number rose to 478 in FY2015, moderating to 256 in FY2016.

Meanwhile, new residential settlements are also occurring in planned corridors at Armstrong Creek, Lara West, Ocean Grove and Jetty Road, Clifton Springs.

The City has approved at least 1,300 new dwellings every year since 1997 and this trend is expected to continue with the Australian Bureau of Statistics forecasting that 52,000 new homes will be built from 2011 to 2036. An average of 2,300 new dwellings per year has been built from FY2012 to FY2016.

Areas identified for the biggest growth are listed in the table below:

Suburb	No of new dwellings by 2036	Suburb	No of new dwellings by 2036
Armstrong Creek	8,897	Leopold	3,442
Curlewis	2,501	Marshall - Charlemont	2,871
Highton - Wandana Heights - Ceres	2,740	Mount Duneed	3,815
Lara	4,395	Ocean Grove	2,715

Source: ABS

Vacancy rates

Vacancy rates are below 2% in many parts of the Geelong market. In other sectors they are higher, according to SQM research, but they are improving.

In January 2014 and mid-2015, the vacancy rate for postcode 3220 was nudging 6%, but it has been falling for the last 18 months and is currently 3.3%.

VACANCY RATES		
Postcode	Suburb	Vacancy rate
3218	Geelong West, Herne Hill, Manifold Heights	1.6 %
3219	East Geelong, Breakwater, Thomson, Newcomb, St Albans Park, Whittington	1.7 %
3220	Geelong, Newtown, South Geelong.	3.3 %

Source: SQM Research

The current state of the housing market in this precinct is summarised in the following table:

Suburb	No. of sales	Median price	1yr growth	Growth ave.	Median yield
Barwon Heads	108	\$845,000	10 %	8 %	3.1 %
Belmont	316	\$410,000	8 %	6 %	4.6 %
Clifton Springs	183	\$360,000	4 %	4 %	4.8 %
Drysdale	77	\$399,000	2 %	4 %	4.9 %
Geelong	94	\$615,000	7 %	7 %	3.9 %
Geelong West	140	\$524,000	11 %	7 %	4.0 %
Herne Hill	67	\$375,000	9 %	5 %	4.6 %
Indented Head	49	\$380,000	-11 %	4 %	3.9 %
Jan Juc	69	\$655,000	6 %	6 %	3.7 %
Leopold	266	\$386,000	6 %	4 %	5.3 %
Manifold Hts	40	\$528,000	12 %	5 %	3.8 %
Newtown	226	\$664,000	14 %	7 %	3.7 %
Ocean Grove	391	\$560,000	6 %	5 %	4.1 %
Portarlington	123	\$465,000	19 %	5 %	4.0 %
Queenscliff	40	\$708,000	0 %	4 %	3.0 %
St Albans Park	83	\$321,000	-2 %	3 %	5.3 %
St Leonards	114	\$413,000	12 %	5 %	4.0 %
Thomson	31	\$308,000	5 %	5 %	5.1 %
Waurm Ponds	77	\$490,000	2 %	4 %	4.5 %
Whittington	38	\$261,000	-8 %	4 %	5.7 %

Source: APM – “no. of sales” is house sales in past 12mths. “Growth ave.” is average annual growth in median house prices over 10yrs. “snr” is statistically not reliable.

The current state of the unit market in this precinct can be summarised as follows:-

Suburb	No. of sales	Median price	1yr growth	Growth ave.	Median yield
Belmont	51	\$285,000	-2 %	3 %	5.1 %
Geelong	38	\$475,000	2 %	4 %	4.2 %
Geelong West	17	\$298,000	snr	3 %	5.0 %
Newtown	32	\$321,000	3 %	4 %	4.7 %
Ocean Grove	47	\$412,000	11 %	4 %	4.2 %

Source: APM – “no. of sales” is unit sales in past 12mths. “Growth ave.” is average annual growth in median unit prices over 10yrs. “snr” is statistically not reliable.

Future Prospects

Geelong has two main factors in its favour: it offers a relaxed water-based lifestyle within commuting distance of central Melbourne and it is the focus of significant government spending – both on transport infrastructure and on the relocation of government agencies to the Geelong region.

Population projections by the State Government indicate that Geelong is set to become a larger city than Hobart and Darwin. It has projected that in 20 years Geelong would have a population well over 300,000.

In July 2016, The Department of Environment, Land, Water and Planning's Victoria in Future report said Greater Geelong, Greater Bendigo and Ballarat combined are expected to be responsible for half of all regional growth to 2031, with Greater Geelong having the largest growth.

The G21 Regional Growth Plan, a 40-year blueprint for Geelong, was released in April 2013. G21 is the formal alliance of government, business and community organisations working within the Geelong region across five member municipalities – Colac Otway, Golden Plains, Greater Geelong, Queenscliffe and Surf Coast.

The G21 Regional Growth Plan includes 15 priority projects, though much of the funding will need to be sourced from the Federal and State Governments. Some of these projects are listed in the tables at the end of this report.

Deakin University real estate professor Richard Reed said Geelong's key attributes in the eyes of international, and particularly Asian investors, included its airport links, with direct flights now between Shanghai and Avalon, and affordability.

- Government policy

Geelong is expected to play a key role in the State Government's push to boost Victoria's population, as live-ability issues start to bite in Melbourne. The State Government's \$11 million Geelong Advancement Fund and \$4 million Geelong Industry Fund have been designed to help businesses and organisations make the city a better and more attractive place.

Other support can also be expected from both the State and Federal Governments which plan to shore up employment gaps by bringing five government agencies to Geelong.

The Transport Accident Commission (TAC) and Australian Bureau of Statistics have already moved

CORE INFLUENCES

Transport Infrastructure
Government Policy
Cheapies with Prospects
Urban Renewal.

to the city while the National Disability Insurance Agency and the headquarters of WorkSafe Victoria will be based in Geelong. The Department of Human Resources also plans to open an office.

Combined, the five agencies will boost Geelong's employment by 5,685 direct and indirect jobs. That, in turn, would inject nearly \$2 billion annually into the local economy, says Enterprise Geelong, the council's business development arm.

The Australian Bureau of Statistics moved into a new office at Deakin University in March 2016. The alliance between the ABS and the university is intended to create partnerships in teaching, research and internships as well as job opportunities for Deakin students and graduates. The office will eventually employ 300.

WorkSafe will move into the old Dalgety & Co site, at 1 Malop Street. The site will be turned into a 14-storey building following a \$120 redevelopment and house 700 WorkSafe staff when it opens in 2018.

WorkSafe will begin the move from its current headquarters in Melbourne's CBD later in 2016, with 150 staff to work from the TAC building until the new office is completed in 2018. When finished, about 640 WorkSafe employees and up to 100 contractors will be based in the Dalgety building.

Another new building will be constructed to house the National Disability Insurance Agency and the Department of Human Resources.

According to Economic Benefits of the NDIS in Victoria, a report prepared by Charles Sturt University economist Dr Brendan Long, 10,800 people with a disability would be able to seek work with help from an NDIS package. It also shows 8,300 people, who are currently carers, may be able to return to the workforce. Overall, the package could generate \$5 billion in activity for Victoria's economy each year.

At a local level, NDIS modelling indicates 350 jobs will be created at the NDIS headquarters in Geelong and 1,200 jobs generated in the next three years.

A defence procurement office opened in Geelong in March 2015. The office is expected to support Geelong's bid for the Land 400 armoured vehicle contract to be manufactured in Geelong. If the bid is successful, the \$10 billion project would deliver 700 vehicles over 30 years.

- Ocean Grove – Barwon Heads

The Ocean Grove/Barwon Heads area is the focus of substantial development. A \$6 million sporting facility has recently opened and a shopping centre is to be built between Grubb Road and the Bellarine Highway. Woolworths, Aldi, Dan Murphy's and McDonalds are some of the tenants to occupy the neighbourhood centre of Kingston Village, which is expected to be opened by early 2018.

Around 3,500 new homes are planned for this area, which will also feature Ocean Grove's first major retirement village covering 7.5ha. There will be a new light industrial precinct established which will further enhance the employment opportunities in Ocean Grove.

- Transport infrastructure: rail

The completion of the \$5 billion Regional Rail Link in June 2015 has made commuting from Geelong to Melbourne much easier. Regional trains have been separated from metro trains, giving Geelong trains their own dedicated tracks and alleviating bottlenecks.

The rail link follows the opening of a new train station at Waurin Ponds, an area that has the focus of the local council because of increased road traffic.

Geelong rail links are likely to further benefit when the lease on the Port of Melbourne proceeds. It is expected \$700 million will be set aside from the expected \$7 billion sale price, for investment in regional transport infrastructure. Extra rail services to Geelong and Warrnambool are just some of the projects to be implemented with the sale funds.

In the meantime, rail patronage between Geelong and Melbourne has increased, according to State Transport Minister Jacinta Allan in April 2016. This has prompted the State Government to allocate \$130 million in the FY2017 Budget to accommodate 50 additional rail services to the Geelong line. The new services will take effect from January 2017.

In addition, a further \$3 million will be spent examining the potential of rail duplication between South Geelong and Waurin Ponds.

- Transport infrastructure: airport

Avalon Airport has plans to expand its domestic operations and to begin international passenger operations, which will provide a range of significant economic advantages to the Geelong region.

The Linfox Group – owner of Avalon Airport – together with HNA Group Hainan Airlines, plan to begin flights between Australia and China within 18 months. Once an overseas carrier is confirmed, Australian Customs Service and Australian Quarantine and Inspection Service facilities will need to be established. This will require federal support.

The Federal Government has committed \$15 million towards getting the project off the ground and will assist with attracting an international carrier. The State Government will chip in \$53 million and will deliver a rail link to Avalon Airport.

- Transport infrastructure: roads

A key beneficiary in the FY2017 State Budget is the Drysdale Bypass, which will be developed with \$109 million contribution from the Government. Acquisition of land is due to be carried out in 2017 with construction expected to begin in 2018.

The FY2017 also covers \$3 million in funding to investigate further transport options for Armstrong Creek. Stage one of the east-west link to the Armstrong Creek Urban Growth Area opened in May 2015. The \$90 million upgrade to Baanip Boulevard connects the Geelong Ring Road, Princes Freeway, and Surf Coast Highway.

The development of the \$695 million Geelong ring road has also had a major impact on the Geelong community. It provides a 23km freeway link between Corio and Waurin Ponds, along Geelong's western outskirts. VicRoads says: "By using the Ring Road you can avoid up to 31 sets of traffic lights and reduce your travel times."

Since the Geelong Ring Road opened, traffic volumes through central Geelong have almost halved, while freight on the main routes is down by up to 75 %, according to VicRoads.

Another project in the pipeline is the Western Distributor, a new toll road linking Geelong and Melbourne. It is forecast to save commuters 20 minutes. Funding of \$1.46 billion for the project was committed by the State Government in the FY2017 Budget.

- Transport infrastructure: port

Geelong Port is the largest regional port in Victoria and is expected to show strong growth.

Trade through the port is set to triple by 2030, according to a report by the Victorian Regional Channels Authority. The Port of Geelong Economic Impact Study highlights the Port as a gateway to the world for local industries, businesses and farmers from across the region. It reportedly is the state's most important bulk cargo port, handling over 11.2 million tonnes of imports and exports annually with an estimated value of \$6.6 billion.

The Study forecasts that imports and exports would rise to 35 million tonnes and generate 4,320 direct and indirect jobs. Gross regional product was estimated to jump from \$180 million to \$550 million, and Geelong, with its deep-water berths, industry-best cargo handling facilities, and strategic road and rail links, would handle a larger share of the car import industry.

- Other infrastructure

Geelong's public education system is another area to receive a cash injection from the FY2017 State Government. Funds of \$35 million will be spent on refurbishing 10 of Geelong's primary and secondary schools. Geelong High School also plans to carry out a \$20 million refurbishment to replace portable classrooms with a new building from a separate source of funding.

The Catholic Education Office announced in 2011 that 13 new Catholic schools would be built in the Geelong region by 2023. They included 10 primary and three secondary schools.

At the same time, Westbourne Grammar announced it had bought 28ha at Lovely Banks to establish a new school.

Geelong Christian College said in October 2012 it would build a new "kinder to year 9" school in the Spring Creek area. The 15ha site would house a campus for about 600 students.

- Agriculture

A new agri-business sector - based on a \$12 million pipeline which will water 4,000ha of agricultural land at Lethbridge - is under construction with the first stage being opened in May 2016. The investment of \$160 million is expected to create 775 jobs, with another 45 during the pipeline's construction, and \$516 million in revenue over 10 years.

- Manufacturing and other struggles

The City of Geelong has had its share of industry turmoil and unsettling governance.

Ford ceased its manufacturing operations at its Broadmeadow and Geelong plants in October 2016, after making an after-tax loss of \$141 million in FY2013 and a \$600 million loss over the past five years.

Alcoa's Point Henry aluminium smelter in Geelong, which contributed \$100 million a year into the Geelong region and employed 700, closed its operation in December 2014. With the aluminium industry contracting and being impacted by the Asian market, the company said the operation was no longer viable.

Power for Alcoa's Point Henry operation was generated by a plant at Anglesea which operated for 46 years. This plant closed in August 2015.

On the positive side, the Shell oil refinery at Corio survived when Swiss energy trader Vitol bought it for \$2.9 billion in February 2014. Vitol subsequently announced a \$150 million upgrade to the Geelong plant, thus extending its life by five years.

But in another event, the State Government sacked the Mayor and all the Geelong Councillors in April 2016. The dismissals followed a Commission of Inquiry that found the Council generally failed to provide good governance and was riddled with conflict, dysfunction and bullying.

A temporary Administrator has been appointed and will run the Council until the Local Government elections in late 2017.



Projects which are likely to impact the Geelong Region in the near future are listed below:

INFRASTRUCTURE – EDUCATION

Project	Value	Status	Impact
New school, Anakie	\$25 million	Proposed	
Bacchus Marsh Grammar	A 1,300-student campus to be built over 15 years	DA lodged August 2015	
Gordon Institute expansion	\$10 million	Proposed	
State Government	A new tech school will be added	Work is expected to begin in late 2016 and be finished in 2018	
Geelong High School refurbishment	\$20 million	Proposed	
	Portable classrooms will be replaced by a new building	Construction is expected to begin in early 2017	

INFRASTRUCTURE - TRANSPORT

Project	Value	Status	Impact
Port of Geelong upgrade	\$9 million	Under construction	
	Dredging will allow larger ships easier access to the port		
Duplication of the Princes Hwy - Waurin Ponds to Winchelsea	\$371 million	Under construction	
	Funded by State and Federal Governments.	Work began in May 2015; completion expected in 2019	
Facilities to improve train services, Waurin Ponds	\$257 million	Proposed	Jobs 200
State Government	21 V/Line carriages; new maintenance and stabling yard		The new carriages will allow V/Line to carry an extra 1,500 passengers each day
Drysdale Bypass	\$109 million	Proposed	
State Government	6km from Jetty Rd to north of Whitcombe Rd will bypass the township	Construction is expected to begin in 2018 and be completed in 2020	

INFRASTRUCTURE - HEALTH AND MEDICAL FACILITIES

Project	Value	Status	Impact
Geelong Hospital expansion	\$93 million 64 new beds for cancer patients	Under construction Completion expected in 2017	
Epworth Geelong Private Hospital Waurin Ponds Deakin University and Epworth Healthcare	\$227 million	Completed Opened in July 2016	Jobs 900 construction 700 ongoing
Barwon Health North health hub Norlane	\$33 million Emergency centre, chemotherapy, dialysis and other services	Approved Construction expected to begin in 2016 and be finished in 2017	
Mineral spa, Corio Bay	\$20 million Spa and wellness centre	Proposed	Jobs 84 Economic Benefit \$13 million
St John of God Hospital Geelong expansion Barwon Health	\$21 million A new intensive care unit	Under construction	
Queenscliff Health Centre masterplan Bellarine Community Health	\$47 million Health centre and independent living for 66 residents	Proposed	

INFRASTRUCTURE – COMMUNITY

Project	Value	Status	Impact
Old Waterworld site redevelopment Norlane	\$80 million A new Waterworld, library and community hall	Proposed Funding yet to be sourced	

INFRASTRUCTURE – SPORT & ENTERTAINMENT

Project	Value	Status	Impact
Geelong Cats: Simonds Stadium upgrade	\$90 million Seating capacity would be increased from 2,500 to 36,000. State Govt contributed \$75 mil	Under construction Expected to be completed in 2017	Jobs 90 construction 320 operational
Convention and Exhibition Centre A G21 priority project	\$164 million To include a 4-star hotel and a 1,000-seat theatre	Proposed	Jobs 650 construction 434 operational Economic benefits \$107mil p.a.
Royal Geelong Yacht Club revamp	\$31 million The clubhouse and marina to undergo a major upgrade	Proposed Would be developed in two stages	Jobs 42 construction 21 operational 100 casual
Armstrong Creek Community Centre and Sports Pavilion	\$8 million The centre will provide a wide variety of community services	Approved	
G21 Regional Trails Network A G21 priority project	\$35 million The devt of existing and proposed regional trails	Proposed To be carried out in stages. State Govt has chipped in \$7mil.	Jobs 344 direct 104 indirect Economic benefits \$28mil.

COMMERCIAL DEVELOPMENT – GENERAL

Project	Value	Status	Impact
Woolworths, Armstrong Creek	\$100 million The centre will include retail, commercial, dining, offices and gym	Approved Completion due 2017	Jobs 120
Coles expansion in Geelong area Corio, Lara, Drysdale and Torquay	\$100 million	Under construction Coles Lara opened in Dec 2014, creating 120 jobs	Jobs 800

COMMERCIAL DEVELOPMENT – GENERAL

Project	Value	Status	Impact
Leopold's Gateway Plaza expansion Vicinity Centres	\$72 million Includes Bunnings, Kmart and 40 specialty stores	Under construction	Jobs 200
Redevelopment of Carlton Hotel site Techne Development	\$120 million A 9-level office block	Approved Approved Dec 2014	
Office complex, Myers St Michael King	\$40 million An 11-storey office building	Approved Approved Dec 2014	Jobs 344 direct 104 indirect Economic benefits \$28mil.
Federal Woollen Mills project, North Geelong Cameron Hamilton	TBA Building to be converted into office space	Approved Exemption from Heritage Victoria approved	
Rippleside Quay project A consortium led by BMA Property	\$100 million To be rebranded as Balmoral Quay; 90 townhouses and 200 marina berths	Under construction Work began in Feb 2016; the first stage is to be completed by Easter 2017	Jobs 1,360 over four years
Chemical storage facility expansion, North Geelong Terminals P/L	\$150 million 9 tanks will be built adjacent to the Wharf Rd site	Proposed DA submitted in September 2013. May take five years to complete	Jobs 300 construction

COMMERCIAL DEVELOPMENT – GENERAL

Project	Value	Status	Impact
Portarlington Safe Harbour A G21 priority project	\$58 million Commercial aquaculture and recreational fishing, boating, recreation and tourism activities	Approved Approved by the State Govt in 2009. The State Govt will chip in \$15mil.	
Geelong Ring Road Employment Precinct (GREP) A G21 priority project	\$38 million Set on 500ha, the GREP is the largest industrial precinct in the G21 region	Under construction State Govt has committed \$2.5mil; funding of \$36mil still needed	Jobs 10,000
Apollo Bay Harbour development A G21 priority project	\$11 million A Fisherman's CoOp Centre, tourist centre, marina, sailing club facilities, commercial space	Under construction The marina upgrade was completed in early 2015	
Disability Care Headquarters, Geelong Techne Devt Group	\$110 million National Disability Insurance Scheme established in 2012	Proposed Full roll-out expected by 2019/2020	Jobs 350
Dept of Human Resources Commonwealth Govt	TBA To be co-located with DisabilityCare	Proposed	Jobs 400
Barwon Water office revamp	\$29 million 100 employees will be relocated to the upgraded head office	Under construction Completion expected in mid-2017	Jobs 100
Yarra Street Pier Reconstruction A G21 priority project	\$34 million A purpose built cruise liner facility for cruise ships, naval vessels, tall ships	Proposed	Jobs 234 construction 400 operational Economic benefits \$61 million

COMMERCIAL DEVELOPMENT – GENERAL

Project	Value	Status	Impact
Golden Plains Food Production and Employment Precinct, Lethbridge	\$160 million 20 intensive agri-businesses on 4,000ha	Under construction	Jobs 45 construction 775 operational
Point Henry Smelter redevt (to be known as Point Henry 575) Alcoa	\$4 billion 3,000 homes, marina, multi-sports stadium, retail and commercial	Proposed	
Dalgety site redevelopment, 1 Malop St Quintessential Equity	\$120 million Will become the HQ for WorkSafe Victoria and house 700 staff	Under construction Completion expected in 2018	Jobs 300 construction
Second-hand furniture store redevelopment, 44 Ryrie St Quintessential Equity	\$130 million 11-storey office tower	Proposed	
Kingston Village shopping centre Lascorp Devt Group	\$50 million Woolworths, 20 retail shops, service station, medical centre and offices	Proposed Expected to be opened by early 2018.	Jobs 500 construction 400 operational



RESIDENTIAL DEVELOPMENT

Project	Value	Status	Impact
Armstrong Creek Precinct Development A G21 priority project	\$2 billion The devt of 2,580ha, will eventually provide 22,000 homes, 9 schools, retail space	Approved State Planning issued approval for 5,800 homes in March 2013	Jobs 22,000
Nexus apartments, Highton Glengarry Devts	\$20 million 64 apartments	Approved	Jobs (Nexus & Urban Edge conjointly) 156
Urban Edge apartments, Highton Glengarry Devts	\$12 million 22 apartments	Approved	Jobs (Nexus & Urban Edge conjointly) 156
Lonsdale Golf Club housing devt	TBA 100 residential lots and an 18-hole golf course	Approved Re-zoning approved by City of Greater Geelong in Aug 2013	
Healthy Living Centre, Norlane Diversitat	\$15 million An aged care facility for culturally and linguistically diverse communities	Proposed	Jobs 24 construction 16 ongoing
Charlemont Rise, Charlemont Lillrose Developments	TBA 1,400 lots	Under construction	
CSIRO site redevelopment, Belmont Up Property	TBA 87 dwellings	Proposed	

DISTRICT of GUNGAHLIN

Canberra, ACT

Highlights

- Strong population growth
- \$800mil light rail link from CBD
- Affordability, low vacancies
- Relocation of 650 public servants to Gungahlin District in 2015
- \$67mil in road upgrades
- \$60mil Marketplace expansion
- \$250mil Central Park development

Suburb - houses	Typical prices	Suburb- units	Typical prices
Amaroo	\$585,000	Casey	\$443,000
Casey	\$611,000	Franklin	\$353,000
Gungahlin	\$620,000	Gungahlin	\$345,000
Ngunnawal	\$455,000	Ngunnawal	\$360,000

Canberra differs from other Australian cities for one simple reason – proactive designing 100 years ago. This level of planning for population growth means infrastructure is budgeted for and accommodated in advance - and the District of Gungahlin is about to reap the rewards.

Settlement of the suburb began in the 1990s with population growth gaining momentum from 2006, when the district was home to around 31,000, to 2011, when the population reached 47,000.

Population growth will continue, with five suburbs still to be released - and construction of an \$800 million light rail system connecting to the Canberra CBD is under way. This, combined with upgrades to several key roads, will provide faster access to the city and work nodes.

Strong capital growth has been experienced in the Gungahlin house market in the last 12 months with three suburbs delivering double-digit growth in median house prices and several others achieving 7-9%. Low vacancies and good rental yields add to the area's appeal for investors, at a time when the Canberra market overall is showing signs of growth.

Economy and Amenities

Canberra is the national capital and seat of Australian government, so the city has a high proportion of public servants.

When compared to the national averages, Canberra's unemployment rate is lower, the average income higher, tertiary education levels are higher and the population is younger.

Unlike other cities in Australia, Canberra is a planned city which is made up of seven satellite districts, those being Canberra Central, Woden, Tuggeranong, Weston Creek, Belconnen, Molonglo Valley and Gungahlin.

The District of Gungahlin is the northern-most satellite and comprises 13 suburbs, many of which are still emerging, having been built since the 1990s. There are five more in planning (according to Wikipedia).

The Australian Capital Territory has no separate local governments. Functions in Canberra normally performed by state and local governments are performed by the territorial government of the Australian Capital Territory. (There is the Gungahlin Community Council which is a voluntary, not-for-profit, community-based association.)

The Gungahlin District is serviced by Calvary Hospital and the Canberra Hospital while the ACT Government Health Directorate also operates a Community Health Centre.

Emergency services have a strong presence in the district. The Australian Capital Territory Emergency Services Agency operates ambulance, police, ACT Fire and Rescue and the Rural Fire Service.

In 2015, 650 public servants relocated to Gungahlin's first public service office – Winyu House. The building is home to the Access Canberra Service Centre, Shared Services and an early childhood centre.

Gungahlin Village and the Gungahlin Marketplace are the two major shopping centres, while the Gungahlin Leisure Centre, which has an Olympic-sized pool, opened in 2014.



Location

- 15km north of the Canberra CBD
- Access via the Barton and Federal Highways
- Suburbs of the Gungahlin District include: Gungahlin, Casey, Ngunnawal, Amaroo, Franklin, Bonner, Crace and Nicholls.



Population & Demographics:

- Population 2011: 47,000
- Projected population 2021: 73,000
- Median age: 31
- Ethnic mix: English, Chinese, Irish and Scottish

Source: 2011 Census



Occupations: National Comparison

	Gungahlin	Australia
Professional	28%	21%
Clerks/Admin	20%	15%
Managers	16%	13%
Technical/Trades	11%	14%
Community Workers	10%	10%

Source: 2011 Census

Property Profile

The District of Gungahlin is consistently one of the standout markets in Canberra. Many of the leading growth suburbs are often found in this precinct.

In the Summer 2017 edition of The Price Predictor Index, the strongest precincts for sales activity across Canberra were found the northern suburbs of the city, including the District of Gungahlin and the nearby District of Belconnen.

Properties across the District of Gungahlin comprise 72% separate houses and 28% units. Of these, 49% have four or more bedrooms – compared to the national average of 30%, according to the ABS.

The District of Gungahlin is currently one of the sections of the Canberra market experiencing good activity.

While Canberra prices generally have not grown much in the past 12 months, some suburbs in the Gungahlin area have delivered good increases in median house prices.

They include Amaroo, Franklin and Harrison (all up 10%); Ngunnawal (up 9%); Casey (up 8%); Bonner and Palmerston (both up 7%).

Yields on houses in the Gungahlin precinct are good with five suburbs producing results of 5% or higher.

Units are slightly higher and median rental yields around 6% can be found in Franklin, Harrison and Casey.

A key strength of the Gungahlin property market is low vacancy rates, which have been below 3% for the last five years and are currently well below 1%, according to SQM Research.

HOME OWNERSHIP

Own their homes: 17%

Have mortgages: 51%

Rent their homes: 30%

Source: 2011 Census



Gungahlin vacancy rates

Postcode	Suburbs	Vacancy rate
2914	Amaroo, Bonner, Forde, Harrison	0.8 %
2913	Casey, Franklin, Ngunnawal, Nicholls, Palmerston	0.7 %
2912	Gungahlin	0.6 %

Source: sqmresearch.com.au

The Gungahlin house market can be summarised as follows:-

Location: houses	No. of sales	Median Price	1yr Growth	10yr average	Median yield
Amaroo	635	\$585,000	10 %	4 %	4.4 %
Bonner	120	\$580,000	7 %	Snr	5.1 %
Casey	146	\$611,000	8 %	Snr	5.2 %
Crace	73	\$696,000	-1 %	Snr	5.6 %
Forde	88	\$703,000	4 %	Snr	4.9 %
Franklin	54	\$655,000	10 %	Snr	5.0 %
Gungahlin	61	\$620,000	2 %	5 %	4.5 %
Harrison	91	\$655,000	10 %	5 %	4.7 %
Ngunnawal	167	\$455,000	9 %	4 %	5.0 %
Nicholls	85	\$735,000	5 %	3 %	4.2 %
Palmerston	58	\$527,000	7 %	4 %	4.7 %

Source: Australian Property Monitors – “growth average” is the average annual growth in median house prices over the past 10 years. Snr: “statistically not reliable”

The Gungahlin unit market can be summarised as follows:-

Location: units	No. of sales	Median Price	1yr Growth	10yr average	Median yield
Casey	20	\$443,000	2 %	Snr	6.0 %
Franklin	48	\$353,000	-3 %	Snr	6.0 %
Gungahlin	43	\$345,000	12 %	2 %	5.7 %
Harrison	58	\$304,000	-19 %	-1 %	6.2 %
Ngunnawal	31	\$360,000	6 %	3 %	Snr
Nicholls	29	\$510,000	6 %	4 %	Snr
Palmerston	36	\$370,000	6 %	3 %	Snr

Source: Australian Property Monitors – “growth average” is the average annual growth in median house prices over the past 10 years. Snr: “statistically not reliable”

Future Prospects

Development in Canberra has been closely regulated by government, both through planning processes and the use of crown lease terms that have tightly limited the supply and use of parcels of land.

This careful orchestration has naturally lent itself to the ripple effect, whereby the population growth of inner city suburbs overflows into middle ring then outer ring suburbs.

That effect is now impacting Gungahlin, as planned suburbs are transformed into tangible town centres, supported by new and upgraded infrastructure.

The new suburb of Crace was the fastest growing suburb in Australia in 2014, according to the ABS. During the same time period, Harrison, Bonner and Casey also experienced significant growth, each attracting between 700 and 1,000 new residents annually.

In December 2016, it was announced that the Gungahlin Town Centre would expand towards Franklin, as plans to develop more apartment complexes, community facilities, office and retail were released.

Around 1,100 units will be built between the town centre's eastern fringe, Anthony Rolfe Avenue, Manning Clark Crescent and Mulanggari Grasslands, if an estate development plan lodged with the Environment, Planning and Sustainable Development Directorate is approved.

The ACT Land Development Agency expects early works to begin in the middle of 2017. The proposal includes 11 multi-unit sites, six community facility

CORE INFLUENCES

Government decisions

Transport infrastructure

Ripple effect

sites, six office precinct sites and a retail site.

The Canberra Times reported in September 2015: "Gungahlin continues to drive Canberra's population growth." According to ABS figures, the bulk of new gains of children and young adults (both the 15-24 and 25-44 age groups) in the ACT are occurring in the Gungahlin area.

Gungahlin is a key beneficiary of the upcoming \$800 million light rail line, which will be a 12km link from Gungahlin to central Canberra. The route includes 13 stops and bus interchanges at Dickson and Gungahlin.

The ACT government has already spent \$3 million on upgrades to the city to Gungahlin corridor, including on 11 projects preparing the way for construction of the light rail line.

Other data indicates that large amounts are being spent by the Government on improving road infrastructure in this area.

Details on specific projects can be found in the tables on the following page.



Projects currently impacting the District of Gungahlin include these:

TRANSPORT INFRASTRUCTURE

Project	Value	Status	Impact
Light rail project, CBD to Gungahlin	\$800 million 14 trams will run 12km between the CBD & Gungahlin	Under construction Completion expected by 2019	Jobs 3,500 in construction Economic benefits \$198 million
Horse Park Drive upgrade	\$22 million	Under construction	
Gundaroo Drive duplication	\$31 million	Under construction Completion is expected in late 2017	
Gungahlin Town Centre traffic network upgrade	\$14 million	Under construction	

COMMERCIAL DEVELOPMENT - GENERAL

Project	Value	Status	Impact
Gungahlin Marketplace expansion	\$60 million The existing centre will double in size; Kmart and 25 specialty stores will be added	Completed Opened in November 2016	
Gungahlin Cinema Krcn Group	\$50 million 7 cinemas	Under construction	

RESIDENTIAL DEVELOPMENT

Project	Value	Status	Impact
Uptown apartments Glav Corp	\$50 million 138 apartments	Under construction	
Mezzo development POD Projects Group	\$45 million 126 apartments	Under construction	
Infinity Towers, Central Park Complex, Gungahlin Geocon	\$250 million 550 apartments	Under construction Completion expected by 2019	
CSIRO's Ginninderra Field Station redevelopment	TBA 701ha has been rezoned as residential	Proposed	
Lumi Collection KDN Group	TBA 145 units	Proposed	
Residential devt, Gozzard Street and Gundaroo Drive Empire Global	TBA 300 apartments, restaurants and commercial space	Proposed If approved, construction would be in 2018	
Mixed-use devt, Gribble Street and Anthony Rolfe Ave POD Projects Group	TBA 170 units and commercial space	Proposed DA lodged in November 2016	