

South East Queensland Property Overview Breakfast

26 November 2020

Gavin Hulcombe



The Backdrop - Concerns

- **World virus numbers**
- **United States/China**
- **United States Presidential election**
- **Unemployment**
- **First recession in 30 years**

Image Source: Dreamstime



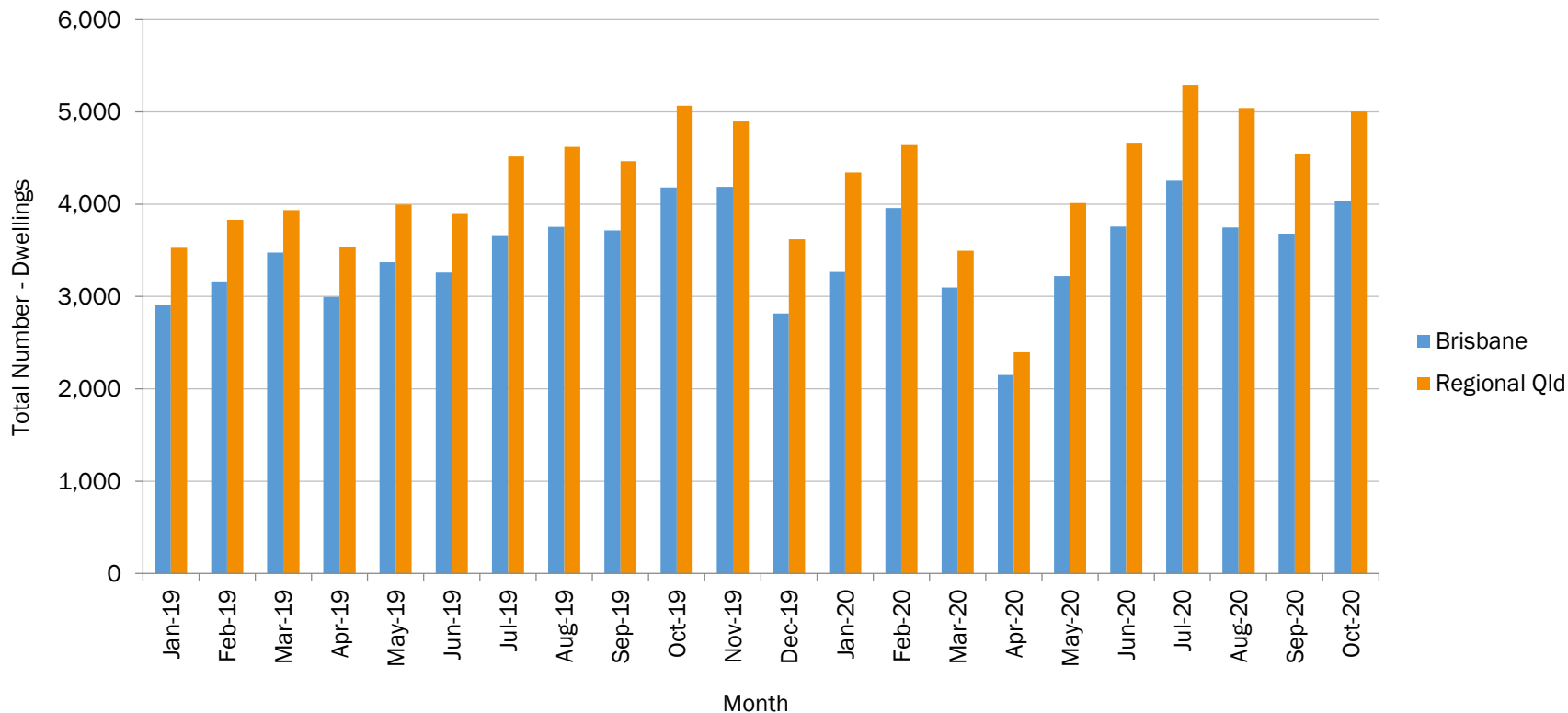
The Backdrop - Counter Measures

- **Interest rate reductions**
- **Government stimulus**
 - Jobkeeper
 - Jobseeker
 - Homebuilder
- **Tax cuts**
- **Change in spending and household savings.**

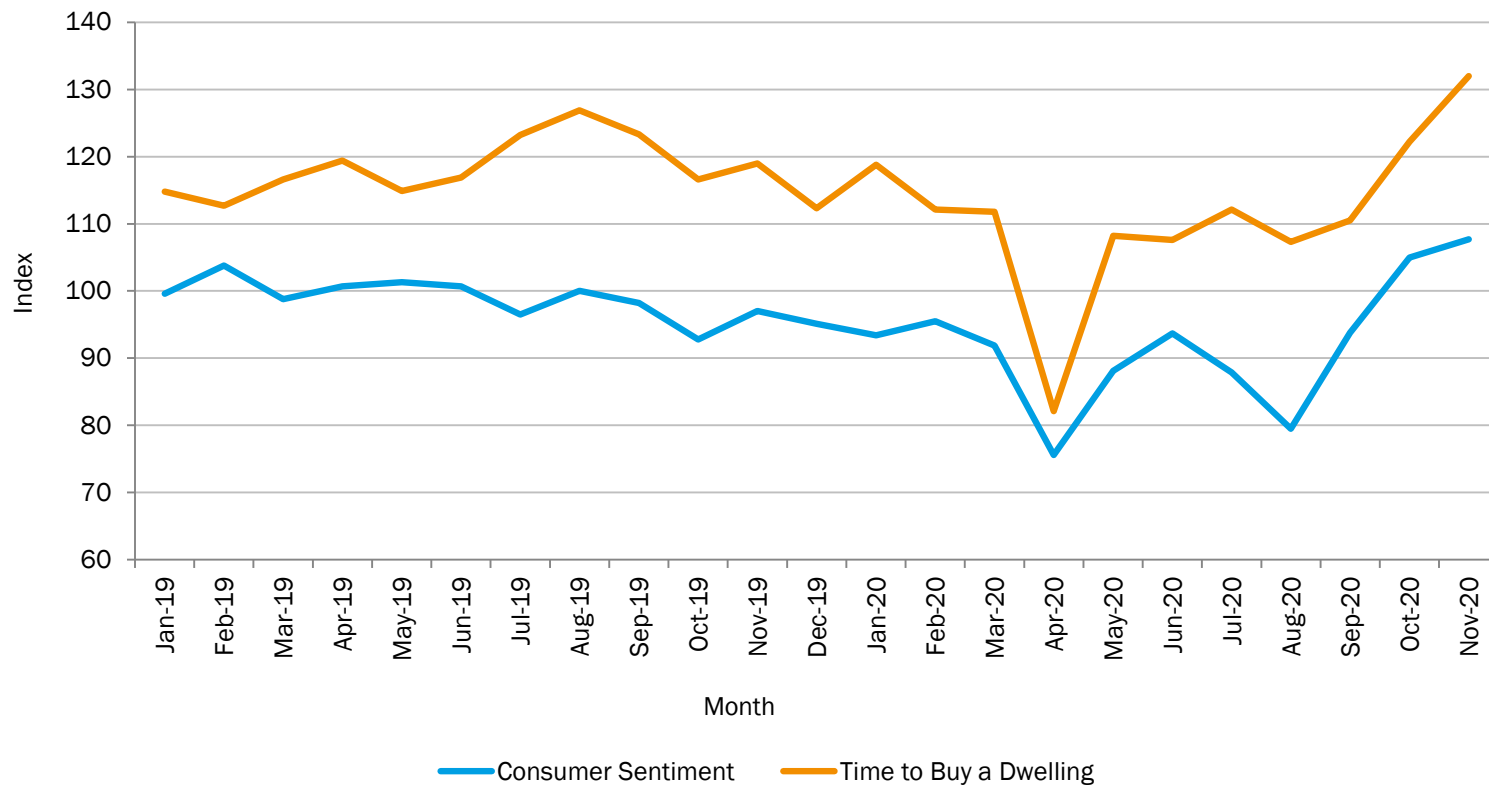
Image Source: Shutterstock



Dwelling Sales - Queensland

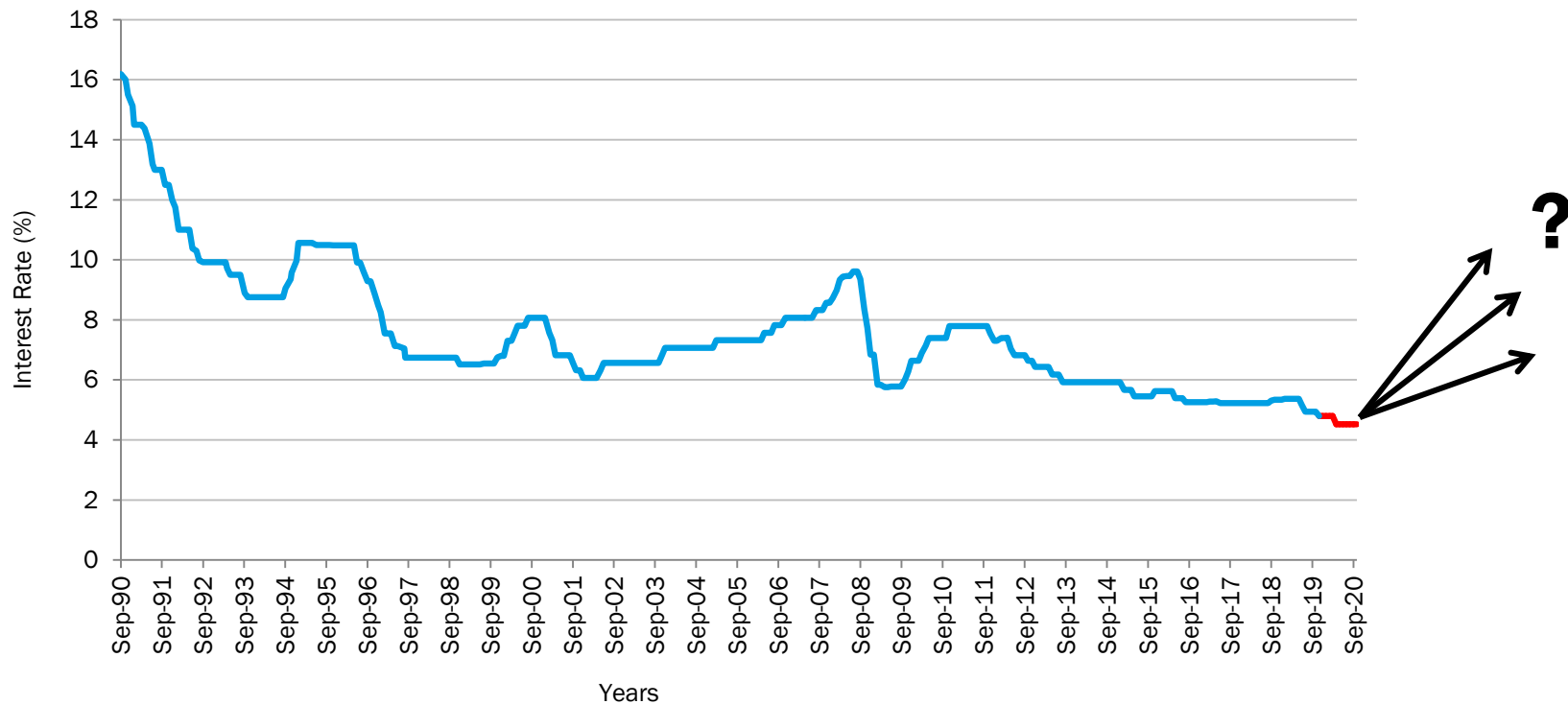


Consumer Sentiment - National



Source: Westpac Consumer Sentiment Survey – November 2020

The trend is your friend until the bend at the end!



Lending is Cheap

FINANCIAL REVIEW

Record low interest rates give house hunters a confidence boost

Duncan Hughes and Ingrid
Fuary-Wagner

Nov 6, 2020 - 5.18pm

What do the tax and interest rate cuts equate to?

0.92%

Interest rate saving
Compared with Oct 2019



Median dwelling price - Brisbane
\$504,902

\$42

Tax saving,
per household/week

\$3,716 interest saving and \$2,184 tax saving

Equates to \$282,000 additional borrowing or 56% increase
(fully funded)

Population Movement – March 2020

	Net Migration - Interstate	International	Total Excluding Natural (births/deaths)
New South Wales	-22,301	67,569	45,268
Victoria	7,721	73,484	81,205
Queensland	24,021	32,105	56,126

Interstate Buyers

- Coastal schools reporting increase in 2021 enrolments
- Removalist companies
- Agents feedback

Image Source: ABC.net.au

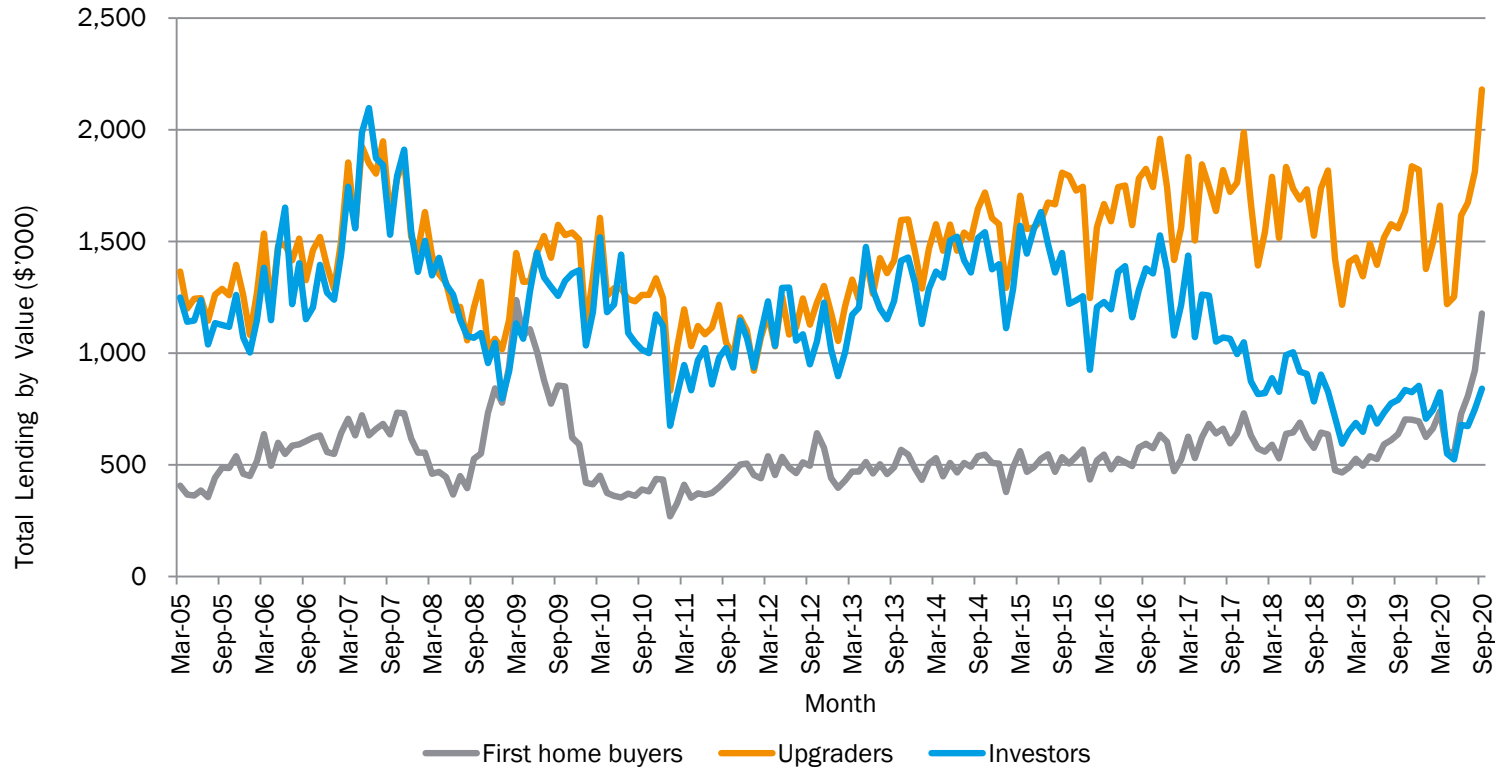


Emerging Trends

- Return of the first home buyer
- Tightening vacancy (most areas)
- New construction
- New phase in unit construction
- Local migration
- Sea change/tree change



Qld Total Lending – By Value (FHB, Upgrader, Investor)



First Home Buyer



5%

Guaranteed deposit

Eligible first home buyers



HomeBuilder grant

\$25,000 for building or renovation



Queensland grant

\$15,000



Stamp duty concessions

Up to \$15,925

Buy Versus Rent – Burpengary East

Buy



3  2  2 

New Home Price:
\$509,990

Rent



4  2  2 

Rent per week:
\$420

Loan Value: \$469,990

LVR: 92%

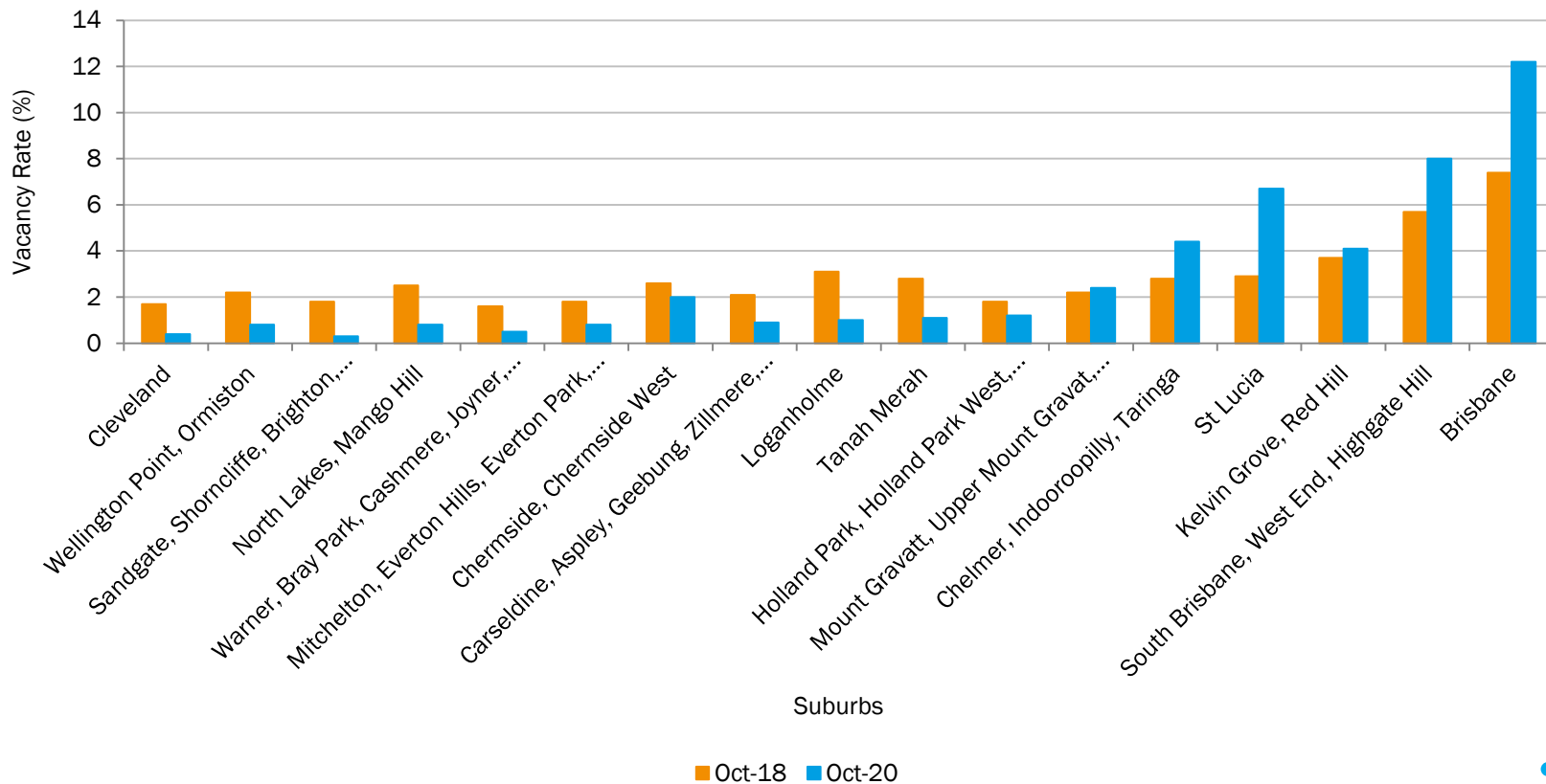
Term: 30 Years

Mortgage per week:

Interest Only: \$209
(Fixed 2.29%)

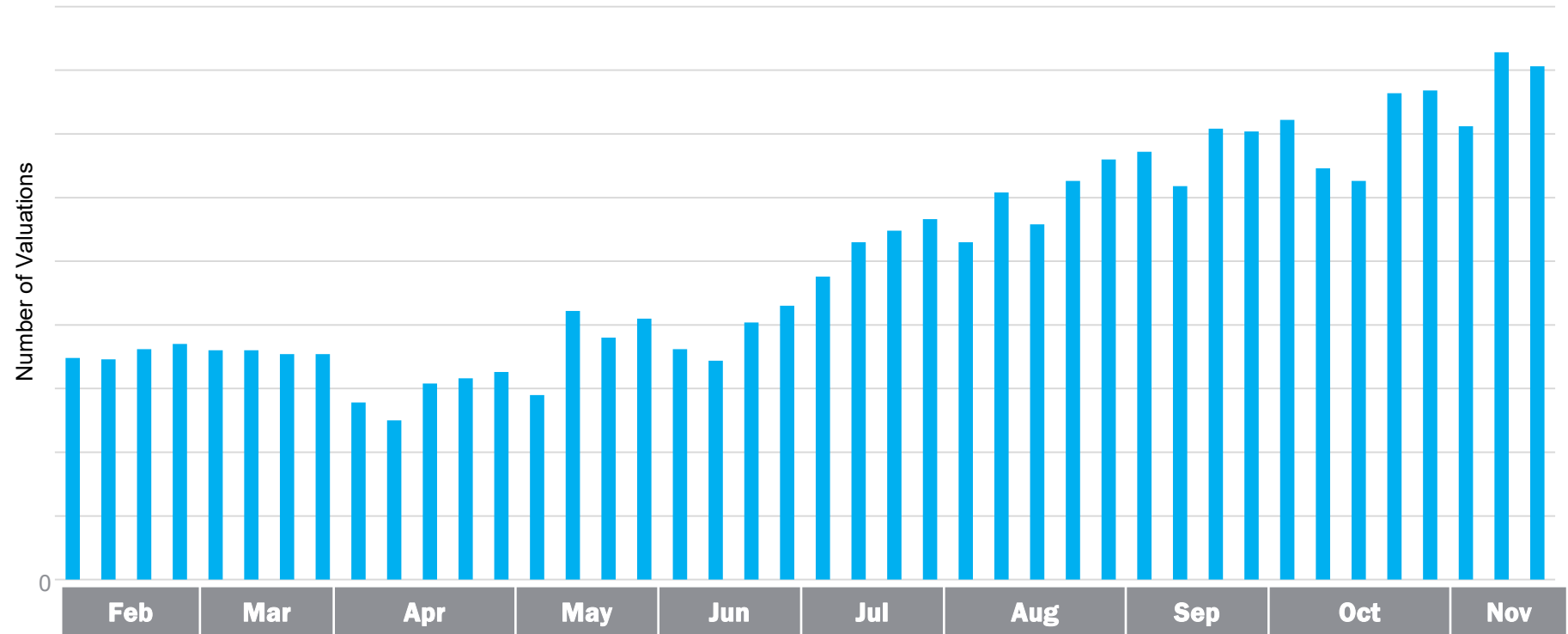
Principal & Interest: \$395
(Fixed 1.89%)

Rental Vacancy (dwellings)



Source: Herron Todd White, SQM Research

Impact of Home Builder Grant - Qld



Source: Herron Todd White



Housing Market

What is Fuelling the Upgrader?

- Lifestyle
- Work from home
- Extra space



Camp Hill

22 Wyena St



Living area: 245m² Land area: 405m²

Sale Price: \$1,435,000

Sale Date: June 2020

78 Clara St



Living area: 221m² Land area: 504m²

Sale Price: \$1,030,000

Sale Date: May 2020

Record Sales

20 Sturt St, Kedron



Sale Price: \$1,145,000

Sale Date: October 2020

Previous Suburb Record:
\$950,000

4 Culgoola St, Kedron



Sale Price: \$1,800,000

Sale Date: October 2020

Previous Suburb Record:
\$1,700,000

39 Pademelon Cct, North Lakes



Sale Price: \$1,000,000

Under Contract: October 2020

Previous Single Storey Suburb
Record: \$800,000

Strong Re-Sales

10 Bernhard St, Paddington

Sale Date	Sale Price	Increase
April 2019	\$1,900,000	21%
October 2020	\$2,300,000	



3 Gatsby Ct, Alexandra Hills

Sale Date	Sale Price	Increase
January 2019	\$500,000	10%
September 2020	\$550,000	



Re-sales

Region	Suburb	Property Type	Sale Price	Sale Date	Re-sale Price	Re-sale Date	% Change
Brisbane North	Wavell Heights	House	\$750,000	March 2019	\$915,000	October 2020	22%
Brisbane North	Cashmere	House	\$930,000	January 2019	\$1,060,000	July 2020	14%
Inner City	Paddington	House	\$1,300,000	March 2019	\$1,410,000	October 2020	8.5%
Brisbane South	Camp Hill	House	\$2,475,000	April 2020	\$2,675,000	October 2020	8%
Brisbane East	Bulimba	House	\$2,085,000	June 2019	\$2,085,000	July 2020	0%

Rural Residential Sales

24 Sunlight Ct, Highvale



Sale Price: \$1,950,000

Sale Date: October 2020

61 Lisk St, Pullenvale



Sale Price: \$4,000,000

Sale Date: October 2020

131 Pullenvale Rd, Pullenvale



Sale Price: \$4,400,000

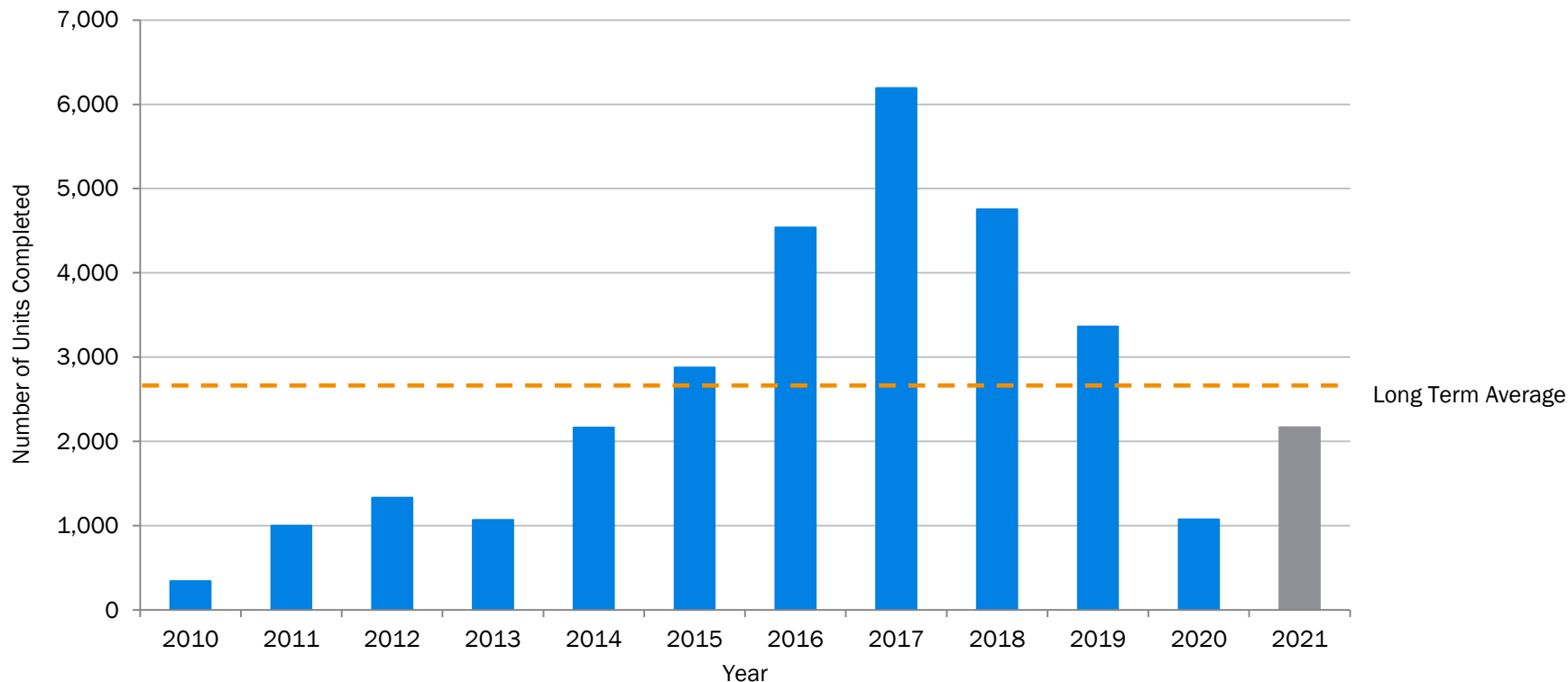
Sale Date: September 2020

Residential Unit Market

Source: HAL Architects



Inner Brisbane* Unit Completions



*Brisbane, South Brisbane, Fortitude Valley, Newstead/Teneriffe, West End, Bowen Hills, Hamilton, Woolloongabba, Kangaroo Point, Greenslopes, Milton

Source: Herron Todd White Research

Upcoming Supply



Source: TD Developments, Aria, Place Projects

Prestige Buyers

Source: Realestate.com.au



Prestige Sales

Aussie expatriate lays down \$10m on QLD mansion sight unseen



Elizabeth Tilley
23 Nov 2020

The Courier Mail



An Aussie expatriate has signed a \$10m deal for this black mega mansion.

Prestige Sales

14 Sutherland Ave, Ascot



Sale Price: \$13,140,000

Sale Date: March 2020

Previous Suburb Record:
\$11,000,000

32 Sentinel Ct, Cleveland



Under Contract: \$8,500,000

Sale Date: August 2020

Previous Suburb Record:
\$8,100,000

24 Glen Rd, Toowong



Under Contract: \$7,300,000

Sale Date: October 2020

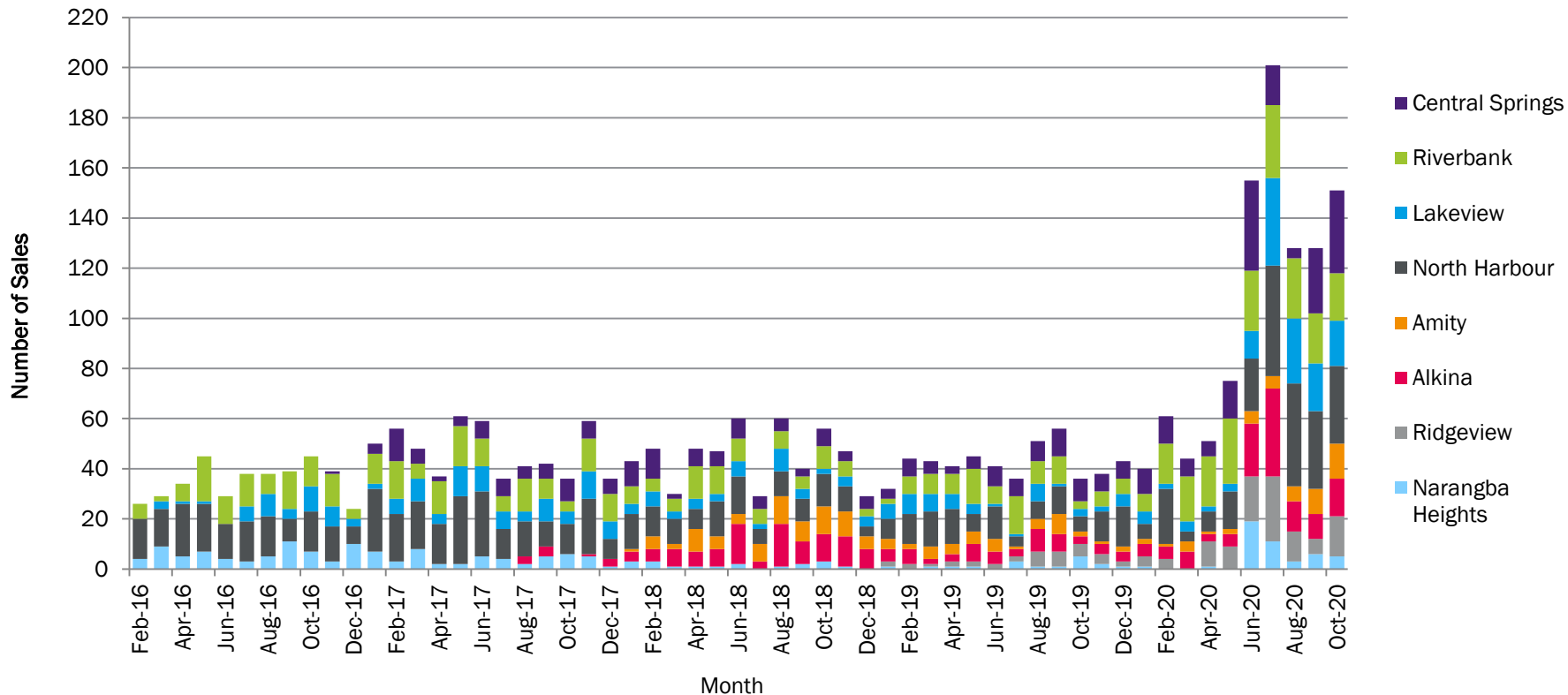
Biggest suburb sale since 2006
with most prestige transacting
at mid \$5,000,000

Land

Source: Okeland, Providence – South Ripley



SEQ Land Sales – Northern Corridor 2016-2020 (YTD)



Source: CoreLogic RP Data, Herron Todd White Research

Gold Coast

Source: Google Images



Residential Re-sales

Suburb	Property Type	Sale Price	Sale Date	Re-sale Price	Re-sale Date	% Change
Palm Beach	House	\$925,000	April 2017	\$1,220,000	November 2020	32%
Burleigh Waters	House	\$828,000	January 2018	\$1,080,000	November 2020	31%
Mudgeeraba	House	\$580,000	July 2019	\$673,000	October 2020	16%
Palm Beach	Unit	\$327,500	February 2020	\$422,000	October 2020	29%
Palm Beach	Unit	\$375,250	December 2018	\$420,000	July 2020	12%

Prestige Sales

Jabiru House, Mudgeeraba



Under Contract: \$4,600,000

Sale Date: August 2020

Previous Suburb Record:
\$4,150,000

Heron Ave, Mermaid Beach



Sale Price: \$25,000,000

Sale Date: May 2020

Previous Suburb Record:
\$25,000,000

The Promenade, Isle of Capri



Under Contract: \$27,000,000

Sale Date: June 2020

Previous Non Beachfront
Record:
\$15,500,000

Prestige Re-Sales

Suburb	Property Type	Sale Price	Sale Date	Re-sale Price	Re-sale Date	% Change
Palm Beach	House	\$3,700,000	February 2019	\$5,000,000	October 2020	35%
Mermaid Beach	House	\$16,500,000	August 2017	\$22,600,000	August 2020	37%
Main Beach	Unit	\$5,000,000	July 2019	\$5,350,000	June 2020	7%

Premium Unit Sales

“M3565” – Main Beach

Completion Date: *January 2020*

Floor Level	Sale Date	Sale Price	\$/sqm
2	January 2020	\$4,500,000	\$14,286
3	January 2020	\$4,750,000	\$15,032



Premium Unit Sales

Natura – Burleigh Heads



Image Source: Spyre Group



Development Site Sales

Address	Sale Price	Sale Date	Re-sale Price	Re-sale Date	% Change
2 First Ave, Broadbeach	\$6,000,000	March 2018	\$7,100,000	January 2020	18%
488-490 The Esplanade, Palm Beach	\$9,000,000	November 2017	circa \$11,000,000 (under contract)	Early 2020	22%
15-19 Peerless Ave, Mermaid Beach	\$7,650,000	October 2017	\$10,350,000	March 2020	35%
332 The Esplanade, Palm Beach	\$14,500,000	November 2016 and June 2017 (multi-sale)	\$23,210,000 (under contract)	August 2020	60%
64 Seaworld Dr, Main Beach	\$13,000,000	October 2011	\$28,000,000	July 2020	115%

Source: CoreLogic RP Data

Sunshine Coast

Source: Sunshine Coast Council



Market Overview

- Agents advice: last four months have been their biggest months on record for both volume of sales and value.
- Rental vacancies are at extremely low levels.

Image Source: VisitSunshineCoast_EmilyMinto



Rental Market

- *'We applied for about 40 houses, rejected from all'.*
- *'I know its unbelievably competitive at the moment, hoping someone has something private they would like to rent'.*
- *'We went to 10 inspections and maybe 8-15 people at each inspection'.*
- *'Seeing the [online rental] threads of people in just dire need of finding places and pleading with people'.*

Source: ABC Sunshine Coast, Facebook Sunshine Coast Rental Break Lease Group



Residential Re-sales

Suburb	Property Type	Sale Price	Sale Date	Re-sale Price	Re-sale Date	% Change
Coolum Beach	House	\$645,000	April 2018	\$808,000	August 2020	25%
Bokarina	Vacant Land	\$639,000	September 2018	\$800,000	August 2020	25%
Bli Bli	House	\$562,000	July 2018	\$685,000	September 2020	22%
Sunrise Beach	House	\$640,000	April 2019	\$760,000	September 2020	19%
Maroochydore	Unit	\$500,000	August 2019	\$545,000	August 2020	9%

Prestige House Sale

46 Seaview Tce, Sunshine Beach

7  5  3 

Contract Price: \$17,000,000

Settlement: May 2020

Land Area: 1,286m²

Previous Sale: \$15,200,000 (January 2018)



Prestige Sales

8/55 Hastings St, Noosa



Sale Price: \$14,000,000

Sale Date: February 2020

Internal Rate: \$57,851/m²

43 and 45 Witta Cir, Noosa



Sold: \$9,000,000

Sale Date: March 2020



Sold: \$8,000,000

Sale Date: October 2018

Total combined sale price \$17,000,000

Wrap Up – 2019

- Mid-year turning point
- Investors are still missing
- Impact of interest rate still to come
- Unit supply suppressed with values stabilised
- Housing momentum building – beachside/inner city strongest
- Infrastructure still coming
- Is now a good time to buy?

Wrap Up - 2020

- Emerging signs of strong upcycle
- Investors will return
- Lower rates driving demand/value
- Moving to new phase of delivery
- Strong upward pressure
- More than we thought
- Recovery uneven – but gathering momentum

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