



Gold Coast Beachfront Riverfront Housing Snapshot

Research Scope

This report is based on a study of absolute beachfront and absolute main river house sales which have settled between the calendar years of 1997 and 2007 and preliminary figures for 2008.

Absolute **beachfront** includes properties from Hedges and Albatross Avenue's, Mermaid Beach and Jefferson Lane and The Esplanade at Palm Beach.

Absolute **main river** properties include streets from the suburbs of Ashmore, Benowa, Broadbeach Waters, Carrara, Chevron Island, Cronin Island, Cypress Gardens, Isle of Capri, Paradise Waters, Sorrento, Southport and Surfers Paradise. Only absolute main river properties in each street have been included.

Beachfront

The Gold Coast's premier beachfront suburb of Mermaid Beach has seen average prices increase by 576% over the last ten years. During 2007 there were 14 sales of absolute beachfront homes with an average price of \$8.41 million. As can be seen in the top graph opposite, the volume of sales peaked at 16 during 2001 while the average price continues to climb. Preliminary figures for 2008 are showing four sales with an average price of \$11 million.

Further south at Palm Beach the average price of beachfront homes has also had a substantial increase over the last ten years, rising from \$603,875 in 1997 to \$3.77 million during 2007, an increase of 525%. Beachfront prices at Palm Beach are still well under Mermaid Beach but we would expect to see this gap start to close as developers turn their attention to the suburb and urban renewal starts to take place over the next few years. At the time of writing, there had been no recorded beachfront sales at Palm Beach during 2008, although there has been an unconfirmed transaction at \$6.1 million.

The upward price movement of beachfront properties is going against general market trends which are seeing prices in other areas level out and volumes dropping substantially.

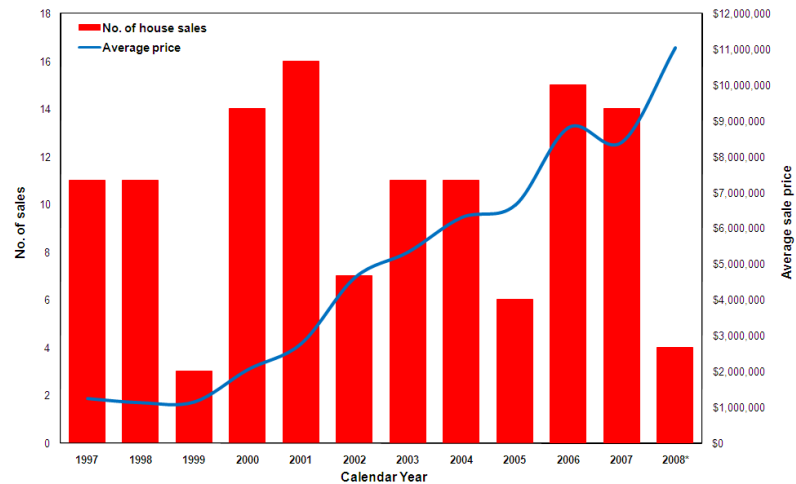
Riverfront

Gold Coast main river homes are continuing to perform well with 85 sales occurring during 2007 with an average price of \$2.59 million. This figure is up from the previous year which was \$2.1 million and is a 252% increase from the 1997 figure of \$737,992.

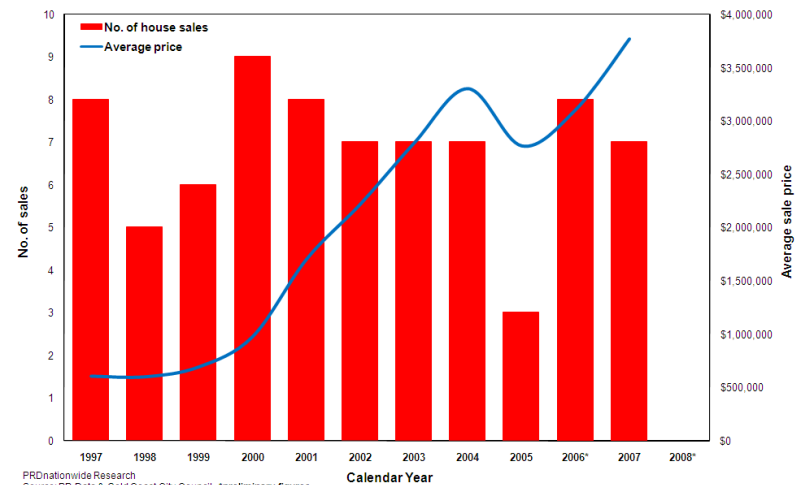
Price growth is also strong on riverfront homes with sales during 2006 achieving average capital growth per annum of 13.7% and increasing to 14.6% during 2007. The suburb which achieved the highest average capital growth was Carrara with 20.5%, just in front of Southport with 20.3%. Carrara has been the most overlooked riverfront suburb in the past with average prices being among the lowest for Gold Coast riverfront, hence the strong capital growth figures. Both Carrara and Southport have a small group of homes with river frontage and these properties are tightly held.

The riverfront suburbs which are achieving the highest prices are the suburbs that are the closest to The Broadwater and therefore less travel time by boat to open water.

Mermaid Beach beachfront house sales



Palm Beach beachfront house sales



PRDnationwide Research
Source: RP Data & Gold Coast City Council *preliminary figures

Preliminary figures for 2008 are showing 18 riverfront home sales with an average price of \$2.6 million and capital growth of 13.8%.

We have mentioned in previous reports that a great attraction of owning a riverfront property is being able to moor your boat and other marine craft at your doorstep and with over 25,000 boats registered on the Gold Coast, riverfront properties definitely have an advantage for boat owners. Boat ownership on the Gold Coast rose 118% in the 12 years between June 1996 and June 2008. Boats ranging in size from 6-8 metre have seen the largest growth with a 164% increase. The largest number of boats registered on the Gold Coast are in the 3-4 metre size (8,037).

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Riverfront continued ...

The map on the right shows the path the Nerang River takes and the suburbs included in this report which have homes fronting the main river.

The graph below the map shows the average prices and volume of main river house sales which have occurred since 1997. As you can see the average price dropped back in 2006 to \$2.13 million but rose to a peak of \$2.59 million during 2007. The volume of sales occurring has fallen dramatically from the peaks of 2001 and 2002 to record 91 sales during 2006 and 85 during 2007. Falling sales volumes is happening across the Gold Coast in all sectors of the market, but the continued rise in prices of riverfront homes shows the strength of this market. The 85 recorded sales for 2007 had average capital growth per annum of 14.6%.

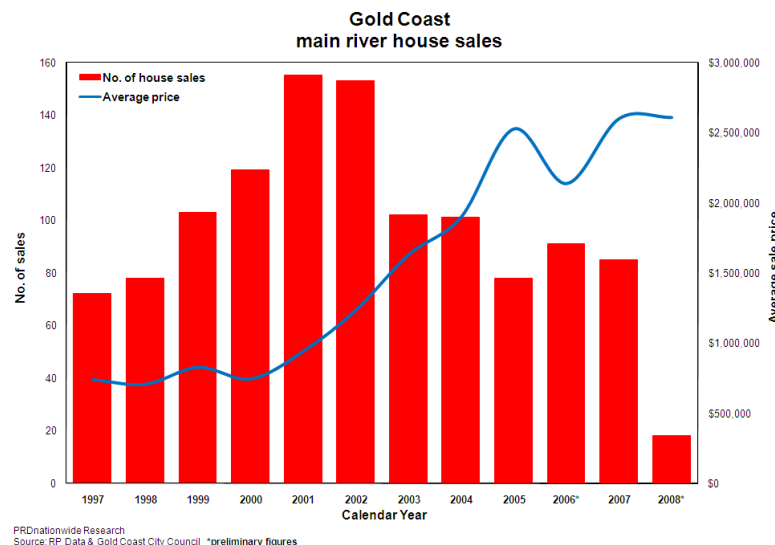
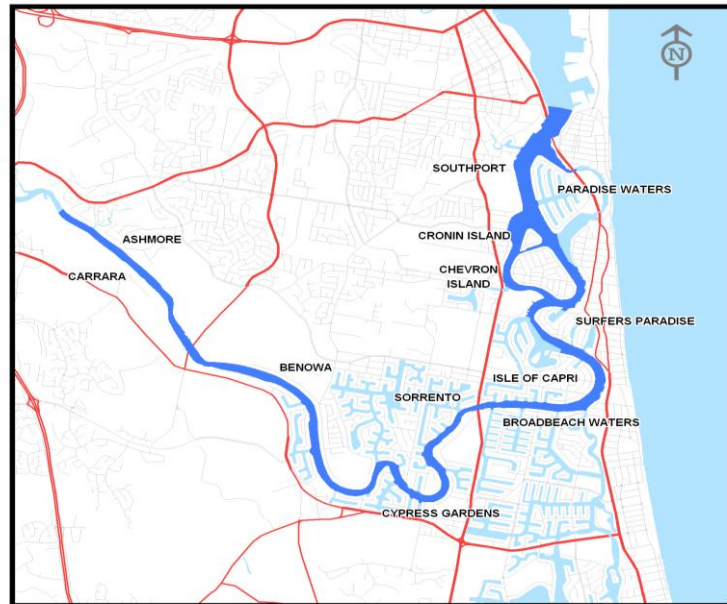
To date the most expensive main river home sold was at Sorrento for \$11 million in 2003. This home was later demolished and the land was subdivided and sold for residential homes. The most expensive riverfront home sold during 2007 was in Monaco Street, Broadbeach Waters for \$7.675 million. This was followed closely by a home in Admiralty Drive, Paradise Waters for \$7.535 million.

Paradise Waters was the riverfront suburb which experienced the highest average price during 2007. Five riverfront sales occurred with an average price of \$5.78 million and average capital growth of 11.8% per annum. This is an increase of 398% from the 1997 figure of \$1.16 million. With it's central Gold Coast location and direct access to The Broadwater and ocean for boaties, Paradise Waters is achieving prices that are higher than beachfront property at Palm Beach.

Cronin Island follows Paradise Waters with the next highest average price for riverfront homes. Only two sales were recorded during 2007 with an average price of \$4.65 million. The table below shows negative house price growth between 1997 and 2007 due to the sale of a home built over three blocks in 1997 for \$6.55 million. This same home was sold again in 2004 for \$8 million and is the most expensive house sale on Cronin Island. Cronin Island is located just south of Paradise Waters and also enjoys direct ocean access. Cronin Island is an exclusive island enclave which lies off Chevron Island and all properties have water frontages.

Southport was next with an average price of \$4.1 million based on five sales with average capital growth per annum of 20.3%.

The table below gives a full list of all the suburbs and how they performed during 2007.



Gold Coast Absolute Beachfront & Riverfront House Sales

Suburb	Location	Homes sold in 1997		Homes sold in 2007		Price Growth 1997-2007
		No. of Sales	Average Sale Price	No. of Sales	Average Sale Price	
Mermaid Beach	Beachfront	11	\$1,244,545	14	\$8,410,786	576%
Palm Beach	Beachfront	8	\$603,875	7	\$3,771,429	525%
Paradise Waters	Riverfront	5	\$1,161,800	5	\$5,787,000	398%
Cronin Island	Riverfront	1	\$6,553,136	2	\$4,655,000	-29%
Southport	Riverfront	3	\$816,667	5	\$4,120,000	404%
Broadbeach Waters	Riverfront	12	\$850,792	9	\$3,269,444	284%
Surfers Paradise	Riverfront	3	\$395,600	3	\$3,016,667	663%
Isle of Capri	Riverfront	10	\$676,500	13	\$2,596,769	284%
Sorrento	Riverfront	5	\$697,800	13	\$2,389,077	242%
Ashmore	Riverfront	6	\$357,000	1	\$2,000,000	460%
Benowa	Riverfront	6	\$799,167	8	\$1,878,125	135%
Carrara	Riverfront	6	\$631,083	11	\$1,872,273	197%
Chevron Island	Riverfront	10	\$404,100	8	\$1,572,125	289%
Cypress Gardens	Riverfront	5	\$381,700	7	\$1,217,857	219%
Riverfront			\$737,992		\$2,598,329	252%

Source: PRDnationwide Research, RP Data & Gold Coast City Council

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

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