



PROPERTY WATCH®

March 2009

Gold Coast & Northern NSW Hot Spots 2009

Scope

The purpose of this Property Watch report is to assess suburbs on the Gold Coast and northern New South Wales that have the potential to perform positively over the coming year. Suburbs have been chosen based on current pricing levels, infrastructure, current property trends, access to amenities and other factors. In addition, our Hot Spot picks from 2008 have been analysed to check their performance.

How did our predictions perform?

The table below lists our ten Hot Spot picks for last year and shows how they performed. The suburbs we chose had varying degrees of growth ranging from 0.1% for Robina houses to 75.7% for Casuarina units. The minimal growth at Robina in both houses and units is due to a large percentage of sales being in the under \$500,000 price bracket during the six months ending September 2008. Houses saw 62% of sales at under \$500,000 and units recorded 68% in this bracket thus bringing down the median prices. Astute buyers were snapping up the lower level stock. At the other end of the scale, Casuarina buyers were purchasing the higher priced apartments possibly due to a lack of stock in the lower level brackets. Overall the average growth of our 2008 picks was 17.5%.

Performance of Hot Spot picks for 2008

Suburb	Property Type	Median Price Six Months Ending September 2007	Median Price Six Months Ending September 2008	% Growth
Ormeau	Houses	\$405,000	\$462,500	14.2
Coomababah	Houses	\$390,000	\$415,000	6.4
Coomababah	Units	\$310,500	\$328,000	5.6
Nerang	Houses	\$370,000	\$380,000	2.7
Nerang	Units	\$280,000	\$305,000	8.9
Merrimac	Houses	\$390,000	\$405,000	3.8
Merrimac	Units	\$312,000	\$335,000	7.4
Sorrento	Houses	\$750,000	\$987,500	31.7
Robina	Houses	\$524,500	\$525,000	0.1
Robina	Units	\$450,000	\$459,000	2.0
Varsity Lakes	Houses	\$470,000	\$476,000	1.3
Varsity Lakes	Units	\$372,500	\$400,000	7.4
Bilinga, Kirra & Tugun	Houses	\$455,000	\$503,000	10.5
Bilinga, Kirra & Tugun	Units	\$355,000	\$432,500	21.8
Coolangatta	Units	\$422,500	\$450,000	6.5
Casuarina	Houses	\$737,500	\$769,000	4.3
Casuarina	Units	\$372,000	\$653,750	75.7

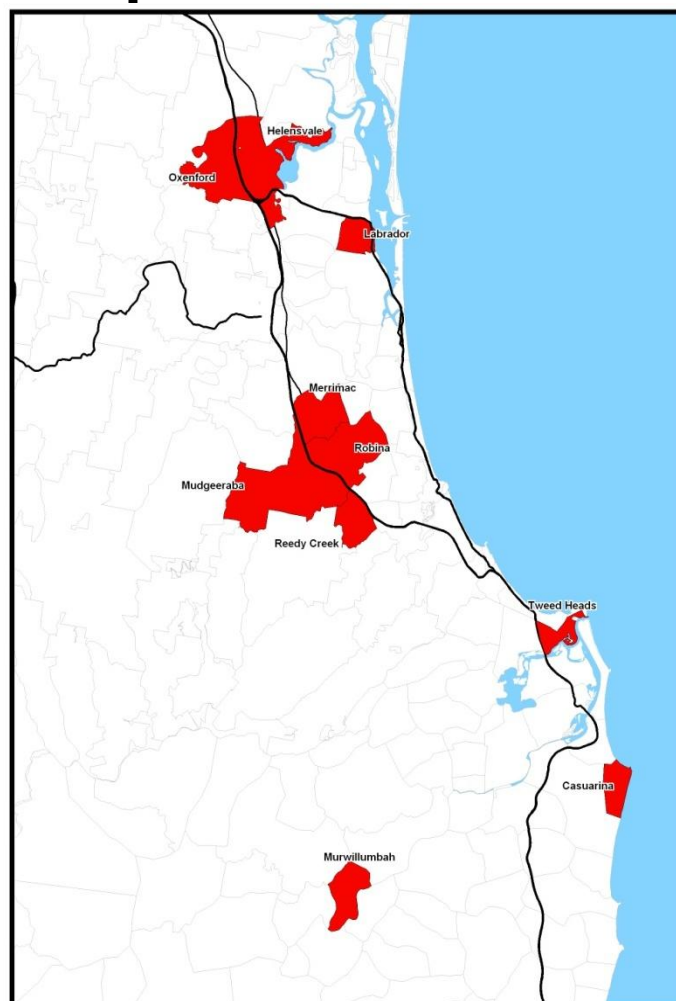
Prepared by PRDnationwide Research, Source: RP Data

Average % growth 17.5

Hot Spots for 2009

The suburbs we have picked for our Hot Spots report for 2009 are highlighted on the map opposite and are listed from north to south in detail over the page together with our reasons for their selection.

The selection process has been made more difficult this year as the global economic conditions impact on the Gold Coast property market. We are seeing a continued decline in the volume of sales, and the sales which are occurring are predominantly in the sub \$500,000 price bracket. The First Home Owners Grant is also boosting the lower end of the market.



We see 2009 as being the year to purchase real estate. Interest rates are at their lowest level in four years and are expected to go lower. Developers are offering incentives and discounts such as rental guarantees, vendor finance, furniture packages and price discounts to entice buyers to their developments. All of these factors are making it a buyers market and a great time to be purchasing property

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

Gold Coast Hot Spots for 2009

Listed in geographical order north to south

Oxenford (houses) Median house price: \$453,750	Located in the north of the Gold Coast, we expect Oxenford and its surrounding area to be a hot spot in coming years. Good quality new housing stock is available in Oxenford priced at under \$500,000. The suburb has easy access to the M1, rail access and the prestige facilities of nearby Sanctuary Cove and Hope Island. With a shortage of available land parcels for development in the more centrally located areas of the Gold Coast, developers are looking further afield and we believe that the Oxenford area is more affordable and will benefit from this.
Helensvale (units) Median house price: \$319,250	Located across the M1 from Oxenford we have included Helensvale units in this years picks for similar reasons as Oxenford. Helensvale is home to a Westfield Shopping Centre and has easy access to the M1 and rail access. Continued development of the suburb and in particular around Westfield should see a lift in the median price over the next 12 months.
Labrador (houses & units) Median house price: \$420,000 Median unit price: \$324,500	Labrador is one of the more established suburbs of the Gold Coast and has The Broadwater and parks as its natural eastern boundary offering water views and leisure activities. Lot sizes in Labrador tend to be larger offering value for money and older style homes offer re-development and renovation potential. Both house and unit medians at Labrador are below the overall Gold Coast figures.
Merrimac (houses & units) Median house price: \$405,000 Median unit price: \$335,000	Merrimac was included in our picks last year and with median prices below the greater Gold Coast medians we still see potential in this suburb. Merrimac is situated close to the M1 and has the major arterial road, Gooding Driving linking it to the rest of the Gold Coast. Merrimac is close to the major shopping and commercial hub of Robina and also has several private schools and golf courses close by.
Mudgeeraba (houses & units) Median unit price: \$420,000	Mudgeeraba is located in the Gold Coast Hinterland and is the gateway to the Springbrook National Park. Mudgeeraba is generally considered a rural hinterland suburb and has some acreage blocks, but its close proximity to the M1 and major infrastructure and shopping across the M1 at Robina makes it a desirable location.
Robina (houses & units) Median house price: \$525,000 Median unit price: \$459,000	Robina was in our picks for 2008 and we have put it in again this year. Robina is in a centrally located position with easy access to the M1 and major arterial roads connecting to the Gold Coast. The suburb boasts the Robina Town Centre which is undergoing a \$300million extension. The area has major infrastructure in the way of the train line, hospital, schools and library. We see this suburb as having potential to grow further over the next twelve months.
Reedy Creek (units) Median unit price: \$275,000	Like Mudgeeraba, Reedy Creek is located on the western side of the M1 and is within close proximity to the Robina hub with all its infrastructure and facilities. The train line to Robina is being extended with the new station to be located very close to Reedy Creek. We believe the solid infrastructure in this area should see prices improve over the next 12 months. The median unit price at Reedy Creek is well below the overall Gold Coast figure.
Tweed Heads (units) Median unit price: \$371,250	Tweed Heads has several new apartment projects in the pipeline and plans for the CBD to be re-vamped which should inject some life into the area. Tweed Heads is the gateway to the picturesque Tweed Coast and sits on the border of NSW and Queensland. The suburb is a short distance to the beaches of both Gold Coast and Tweed and has substantial shopping facilities and is close to the Gold Coast Airport.
Casuarina (land) Median land price: \$350,000	The relatively new suburb of Casuarina is our second pick in northern New South Wales for 2009. The beachside location is stunning and with a median land price of \$350,000 we believe that this is extremely good buying for a beachside location. The completion of the Tugun Bypass has cut travel times and improved access to the area.
Murwillumbah (houses & units) Median house price: \$370,000 Median unit price: \$157,500	Murwillumbah in northern New South Wales is our final pick for 2009. Murwillumbah sits on the picturesque Tweed River and under the world renown Mt Warning. Murwillumbah is one of our most affordable picks for 2009 with median prices well below the overall Tweed figures. Major developers have their eyes turned to this area which should see a lift in prices and amenities over the coming year.

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