



PROPERTY WATCH®

Gold Coast Hot Spots 2008

March 2008

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 2007 are 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 2.9% for Surfers Paradise units to 25% for Eagleby houses. We had two picks which recorded negative growth figures. Units at Bilinga, Kirra and Tugun had -9.4% growth and Palm Beach units recorded -3%. Buyers in both these suburbs were snapping up bargains with 74% of sales at Palm Beach occurring at below \$400,000 and 65% of sales at Bilinga, Kirra and Tugun occurring at below \$400,000. Overall the average growth was 11.4%.

Performance of Hot Spot Predictions for 2007

Suburb	Property Type	Median Price Six Months Ending September 2006	Median Price Six Months Ending September 2007	% Growth
Eagleby	Houses	\$213,000	\$266,250	25.0
Helensvale	Houses	\$415,000	\$453,000	9.2
Southport	Units	\$300,000	\$350,000	16.7
Surfers Paradise	Units	\$350,000	\$360,000	2.9
Broadbeach	Units	\$387,500	\$450,000	16.1
Burleigh Heads	Units	\$340,000	\$420,000	23.5
Palm Beach	Houses	\$450,000	\$515,000	14.4
Palm Beach	Units	\$330,000	\$320,000	-3.0
Bilinga, Kirra & Tugun	Houses	\$405,000	\$455,000	12.3
Bilinga, Kirra & Tugun	Units	\$392,000	\$355,000	-9.4
Tweed Heads	Units	\$315,000	\$340,000	7.9
Murwillumbah	Houses	\$300,000	\$365,000	21.7

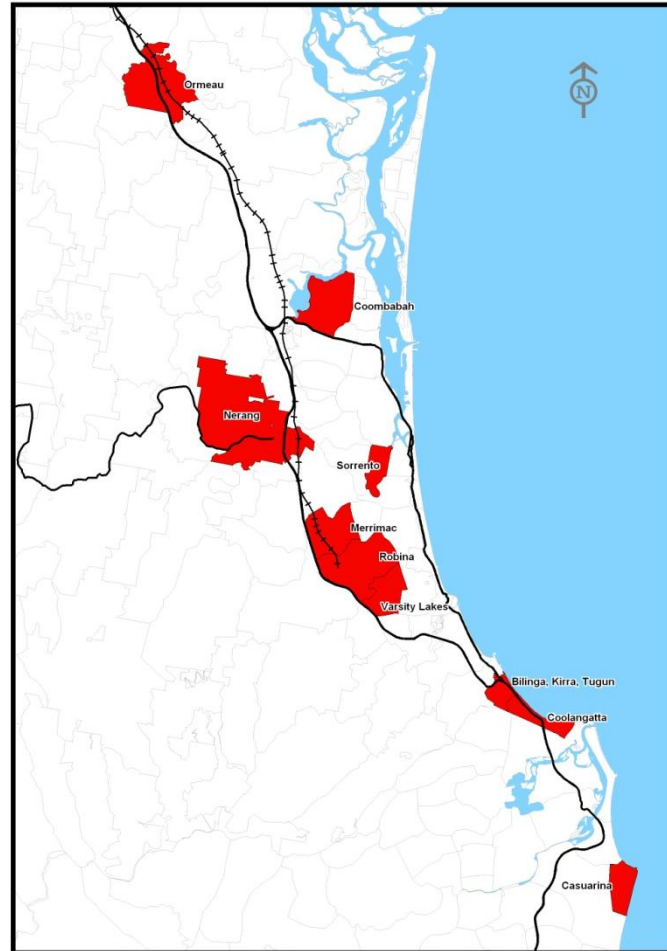
Prepared by PRDnationwide Research, Source: RP Data

Average % growth 11.4

Hot Spots for 2008

Our Hot Spot picks for 2008 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 is made difficult as overall we believe the Gold Coast as a region is a Hot Spot although rising interest rates and fallout from economic conditions may see a turbulent year ahead.

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 low unemployment and there are no indications that this will not continue. With population growth comes demand for residential accommodation and non residential development. To satisfy this residential demand developers are looking past the coastal strip to areas further afield for suitable parcels of land. These areas are experiencing strong population growth and although not on our Hot Spots lists for this year, they are future hot spots. Overall we see the Gold Coast continuing to perform well during 2008. Properties on the beach, river and canals should continue to increase in value and suburbs where major infrastructure projects are underway or planned such as the Tugun Bypass and the rail extension from Robina to Coolangatta should also perform well.



Gold Coast Hot Spots for 2008

Listed in geographical order north to south

<p>Ormeau (houses) Median house price: \$405,000</p>	<p>Located in the north of Gold Coast City, we expect Ormeau and its surrounding area to be a hot spot in coming years. Ormeau is one of the more affordable suburbs within the Gold Coast LGA and with its strategic location we believe it is undervalued. Ormeau has easy access to the Pacific Motorway, rail access and ample infrastructure. 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 Ormeau area is more affordable and will benefit from this.</p>
<p>Coomababah (houses & units) Median house price: \$390,000 Median unit price: \$310,500</p>	<p>Coomababah is also one of the more affordable suburbs on the Gold Coast with both median house and unit prices sitting below the overall Gold Coast median figures. Coombabah has some of the Gold Coast's most expensive suburbs as neighbours and we believe this will eventually have an effect. Coombabah has the Broadwater and major shopping facilities within a few minutes drive</p>
<p>Nerang (house & units) Median house price: \$370,000 Median unit price: \$280,000</p>	<p>Like Coombabah, Nerang also has median house and unit prices which are below the overall Gold Coast medians making it an affordable suburb. Nerang has a large commercial and industrial component and this creates a strong workforce with a desire to live and work in the same area. The median unit price at Nerang is very affordable at \$280,000. Nerang is situated beside the Pacific Motorway and has major arterial roads linking it to the rest of the Gold Coast.</p>
<p>Merrimac (houses & units) Median house price: \$390,000 Median unit price: \$312,000</p>	<p>Merrimac median prices are also below the greater Gold Coast medians. Merrimac is situated close to the Pacific Motorway and has the major arterial road, Gooding Driving linking it to the rest of the Gold Coast. Gooding Drive has just been upgraded to four lanes, cutting commute times. Merrimac is close to the major shopping and commercial hub of Robina and also has several private schools and golf courses close by.</p>
<p>Sorrento (houses) Median house price: \$750,000</p>	<p>Sorrento is located in the heart of the Gold Coast within easy drive to the beach, shopping and the commercial centre of Bundall. Sorrento is a predominantly waterfront suburb and lot sizes in the suburb are generally larger than other areas. Many waterfront properties have pontoons and jettys and the suburb is within an easy boat trip to the Broadwater. We believe that housing in this suburb is undervalued and should see some growth over the next 12 months.</p>
<p>Robina (houses & units) Median house price: \$524,500 Median unit price: \$450,000</p>	<p>Robina is in a centrally located position with easy access to the Pacific Motorway and major arterial roads connecting the Gold Coast. The suburb of Robina boasts the Robina Town Centre, a major shopping precinct which is undergoing a \$250million extension and upgrade. Robina is also home to a growing commercial precinct which has some of the Gold Coast's most modern office buildings. The area has major infrastructure in the way of a train station, hospital, schools and the recently completed Skilled Park Stadium. We see this suburb as having potential to grow further over the next twelve months.</p>
<p>Varsity Lakes (houses & units) Median house price: \$470,000 Median unit price: \$372,500</p>	<p>Varsity Lakes is a master planned community centred around Lake Orr in a centrally located area of the Gold Coast. Varsity Lakes is situated next door to Robina and therefore has all of the amenities and infrastructure offered at Robina within easy reach and also boasts it's own shopping and commercial hub which continues to grow. Major infrastructure is underway at Varsity Lakes with the train line being extended from Robina to Varsity Lakes and Christine Avenue being upgraded to four lanes. Like Robina, we see this suburb as having potential to grow further over the next twelve months.</p>
<p>Bilinga, Kirra & Tugun (houses & units) Median house price: \$455,000 Median unit price: \$355,000</p>	<p>The completion of the \$546 million Tugun Bypass will have a positive effect on the suburbs of Bilinga, Kirra and Tugun. The heavy trucks and high volume of traffic that passes through these suburbs will be significantly reduced giving it back a quiet 'village' feel. There is considerable development being undertaken in this area creating urban renewal and when completed will give the area a facelift. The beachfront location makes it a very appealing area.</p>
<p>Coolangatta (units) Median unit price: \$422,500</p>	<p>Like Bilinga, Kirra and Tugun, Coolangatta will also benefit from the completion of the Tugun Bypass. There are several new apartment buildings which have been completed recently and more in the planning stages which will lift the quality of what is being offered in the immediate area. The beachside location is irreplaceable and new price records are being achieved for apartments at Coolangatta which we expect will continue over the next twelve months.</p>
<p>Casuarina (houses & units) Median house price: \$737,500 Median unit price: \$372,000</p>	<p>The relatively new suburb of Casuarina in northern New South Wales is our final pick for 2008. The beachside location is stunning and record prices are being achieved for vacant land. The Tugun Bypass is due for completion later this year and will cut travel times to the area. We believe that the land price will have a flow on affect to housing and units and this suburb will see positive growth over the next twelve months.</p>

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