



**PROPERTY WATCH®**

*May 2009*

**South Gold Coast to Tweed Coast Overview for 2008**

**Scope**

This study consists of the following suburbs:

Burleigh Waters, Burleigh Heads, Palm Beach, Elanora, Currumbin Waters, Currumbin, Tugun, Cobaki Lakes, Bilinga, Coolangatta, Tweed Heads West, Tweed Heads South, Bilambil Heights, Bilambil, Banora Point, Terranora, Fingal Head, Kingscliff, Casuarina, Cabarita Beach (Bongangar), Hastings Point, and Pottsville.

The South Gold Coast to Tweed Coast area covers a wide range of suburbs that vary from one another quite significantly. For example, 100% of total dwellings in the suburb of Cabarita Beach (Bongangar), are classified as a separate house while 78.7% of total dwellings in Coolangatta are classified as a unit, apartment or townhouse. With differences in dwelling type come significant differences in the residents who require these dwellings. For example, the median age of a resident in Tweed Heads is 55, who require a low maintenance lifestyle. Compare this to the low median age of 36 for residents in Cabarita Beach, who prefer their separate dwelling to have the space required for their lifestyle. This study will at first evaluate historically, the greater area as a whole, then break down into suburbs to find any trends during 2008.

**Map of the South Gold Coast to Tweed Coast Area**

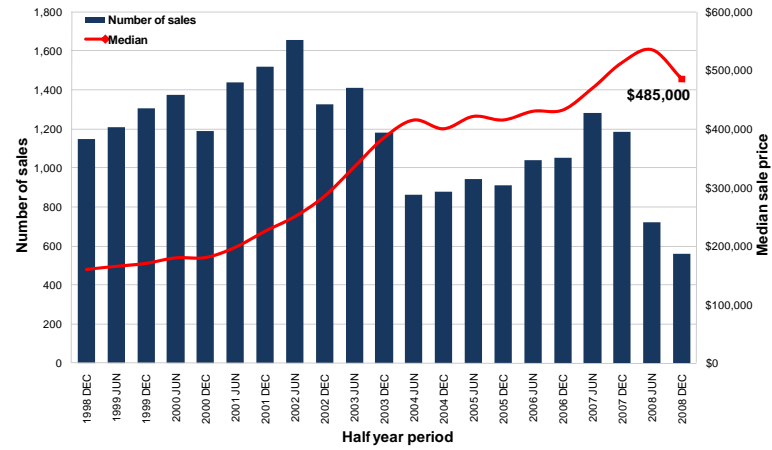


**South Gold Coast to Tweed Coast House Market**

The normally consistent housing market of the South Gold Coast, saw a significant decrease in activity during 2008. This decrease was not only local, but occurred nationwide, due to the initial high interest rates of early 2008 and low consumer sentiment, paired with low business confidence in later 2008. During the half year ending December 2008, activity decreased by 52.5%, to register 563 settled transactions. An increased portion of these sales occurred in the affordable end of the market due to many first home buyers taking advantage of the Government Stimulus Package and the lowest interest rates since June 1968. Activity below \$400,000 increased by 6% during the December 2008 half year, from the previous year. This increase of activity in the affordable end of the market could have helped the decrease in median house price that occurred during 2008, by amounting for 17% of total transactions.

Median house price decreased by 5.7% during 2008 to record \$485,000 in December 2008. This decrease in median price is shown in the house sales graph to the right. The overall decrease of activity in the housing market is best shown in the distribution frequency graph on page two, where sales are measured by the price point for which they settled on. This graph shows how there were significant changes of activity during 2008, from \$400,000 plus, where below \$400,000 activity is fairly similar in the market.

**South Gold Coast to Tweed Coast House Sales Cycle**



Graph prepared by PRDnationwide Research, Source: RPData

**House Market Suburb Comparison**

As a whole, during the past five years, the South Gold Coast to Tweed Coast Area has experienced 4.7% growth per annum. However, when analysing 2008 alone, it was found that median price decreased by 5.7%. It is therefore assumed that when comparing the various suburbs in terms of price growth or even sustaining price levels achieved in 2007, few suburbs (if any) would have increased in median price. This is shown when looking at the map of suburbs that achieved median price growth higher than 1% during 2008. Pottsville leads the way with 10.3% median house growth, followed by Kingscliff (7.2%) and Tugun (1.3%). The suburbs of Currumbin and Banora Point were able to sustain the median price achieved during 2007 with only a 0.4% and 0.2% increase during 2008.

**Tugun**

The recent development of the Tugun Bypass has cleared the previously congested suburb, which now enjoys the tranquil beach lifestyle and therefore seems to be catching up to its neighbouring suburbs in terms of median price. Compared to Burleigh Heads (which registered a median house price of \$529,000 during the December 2008 half year period) and Palm Beach (at \$520,000) Tugun remains at an affordable \$481,000.

**Kingscliff**

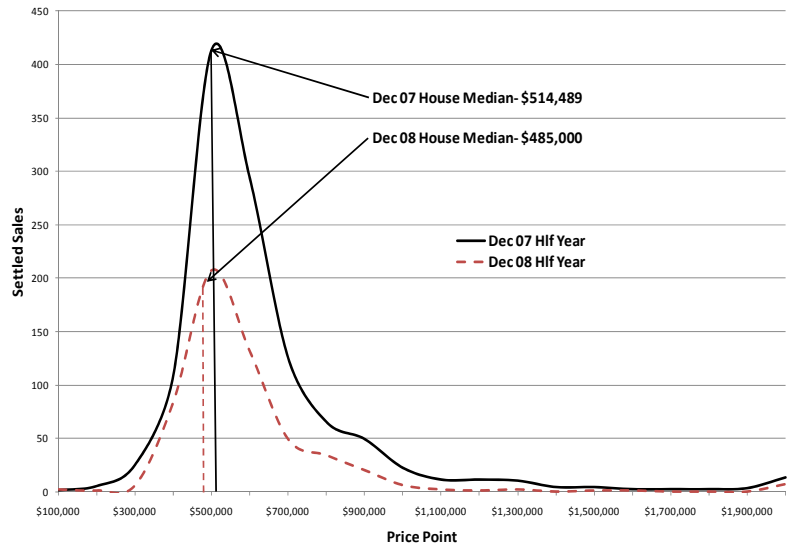
With gradual improvements to the M1, such as the Tugun Bypass discussed earlier, residents in Brisbane seeking the tourist free beach lifestyle have made their way to the suburb of Kingscliff. Where previously, suburbs such as Noosa have been classified as a getaway for a holiday home, or the work from home alternative, continual congestion along the Bruce Highway has made the Sunshine Coast an unattractive destination. As the Gold Coast is a tourist hotspot, many buyers seeking the tranquil beach lifestyle have turned to Kingscliff, which is fast becoming the 'it' suburb. With a median house price of \$690,000, it is not the most affordable suburb on the Tweed Coast, but has proved in these challenging economic times to maintain it's five year growth rate of 7.1% per annum.

**South Gold Coast to Tweed Coast Unit Market**

Similar to the house market, the South Gold Coast to Tweed Coast unit market experienced a significant decrease of 56% from the previous year, to register 614 settled unit sales for the December 2008 half year period. Activity has not been this low since the June 1995 half year, which recorded 600 settled sales. The median unit price experienced a substantial decrease of 5.2% during 2008, to register a final median of \$350,000. This decrease in median price is shown in the unit sales cycle graph on page three.

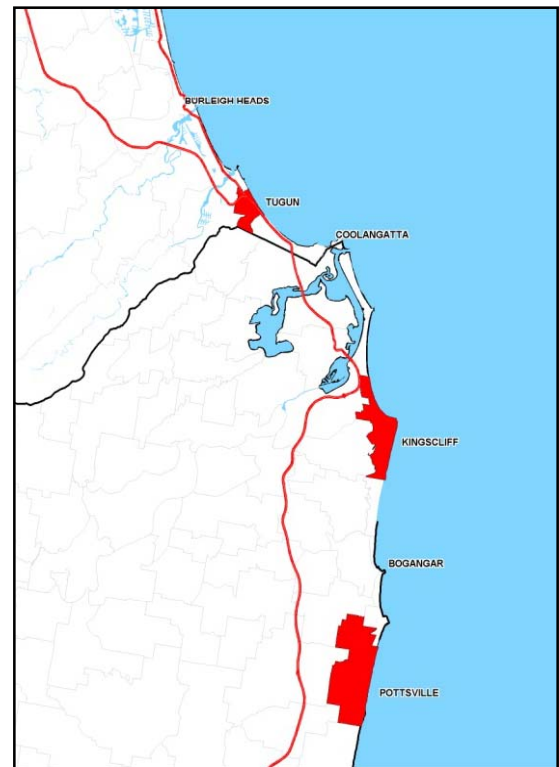
The quantity of this decrease in activity is best shown in the distribution frequency graph on page three. In this graph, the median is shown to have decreased, but the general activity trends are similar, despite the drop in settled sales.

**South Gold Coast to Tweed Coast House Distribution Frequency Graph**



Graph prepared by PRDnationwide Research, Source: RPData

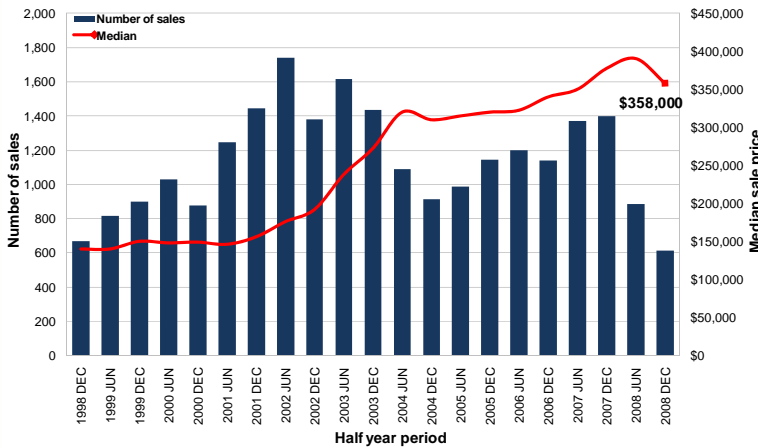
**Suburb Map of Positive Median House Price Growth**



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**GOLD COAST**

**South Gold Coast to Tweed Coast Unit Sales Cycle**



Graph prepared by PRDnationwide Research, Source: RPData

**Unit Market Suburb Comparison**

The map on the bottom of the page, shows suburbs that have achieved growth in median unit price, of higher than 1% during 2008. It is interesting to find that apart from Casuarina, the suburbs that experienced median price growth are grouped together, just north of Coolangatta. This area is facilitated by the Gold Coast Airport and has plans for the Robina railway line to be expanded down to Coolangatta. Burleigh Heads and Coolangatta are also a centre for employment opportunities, which help drive population and inturn, demand for property.

The unit market varies from the house market, when looking at median price growth. That is, there may have been a recent release of a development of units that have settled recently at a certain price point. If this is the case, then a significant quantity of units are settled at once, affecting the medians reported in the market. This was the case for the top two suburbs that recorded the highest median price growth during 2008. Bilinga registered a massive increase by 76.8% and Casuarina by 64.6%.

**Bilinga**

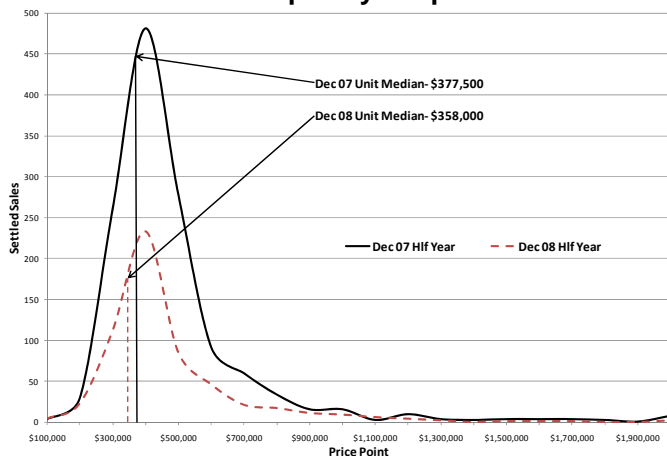
Kirra Wave in Bilinga experienced four sales all settling for over \$1 million. This development has helped push the median price in Bilinga. Therefore, the median price achieved in Bilinga at \$742,500 during the December 2008 half year period, is not a true reflection on the suburb.

**Casuarina**

This also occurred in Casuarina, where Wave on Kamala sold 11 townhouses ranging in price from \$531,000 to \$730,000.

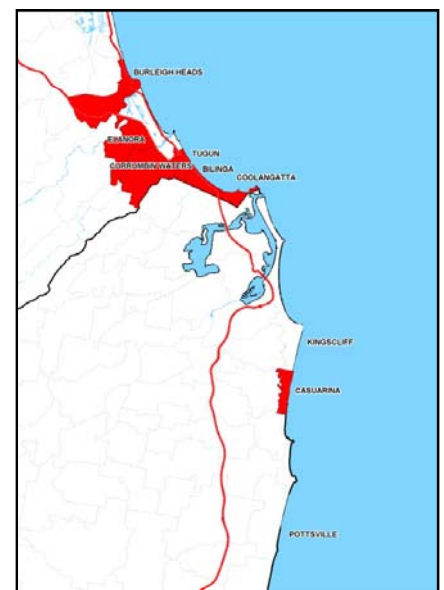
Two suburbs that are well facilitated by good infrastructure, which helped achieve positive growth during the six month period ending December 2008, were Coolangatta and Burleigh Heads, with 2.3% and 1% increase in median price.

**South Gold Coast to Tweed Coast Unit Distribution Frequency Graph**



Graph prepared by PRDnationwide Research, Source: RPData

**Suburb Map of Positive Median Unit Price Growth**



**Coolangatta**

The Coolangatta unit market increased by 2.3% to register a median of \$450,000, during December 2008. Located right on the border between New South Wales and Queensland, Coolangatta has become the main hub for tourism and commerce on the southern end of the Gold Coast. This will inevitably drive long term demand for property in the suburb.

**Burleigh Heads**

Burleigh Heads sustained the median unit price achieved back in 2007, which points to the suburb being one of the first that will be able to bounce back when these difficult economic times finish (when consumer sentiment and business confidence returns to the market). Like Coolangatta, this area is filled with infrastructure, that support several employment markets, such as tourism and is one of the local centres of commerce on the Gold Coast. Although the five year growth rate of 3.3% per annum is not the highest in the area, this suburb provides an alternative for a safe investment.

Other Suburbs which registered positive median unit growth during 2008 were:

- Elanora**, with an increase of 1.6% to register a median price of \$310,000
- Currumbin Waters**, with an increase of 12% to register a median price of \$345,000
- Tugun**, with an increase of 1.2% to register a median price of \$372,500

Prepared by PRDnationwide Research. Source: RP Data and the ABS.

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