



Surfers Paradise High Rise Apartments

PATHWAY 2010
July 2007

Research Scope

This report is based on a study of 111 high rise apartment buildings in the Gold Coast suburb of Surfers Paradise. The report covers approximately 8,500 settled apartment resales from January 1997 to the end of December 2006.

In this report we look at the volume of sales, the average price of apartments and the average capital growth per annum. We have analysed all of these buildings and sorted them into categories which reflect their location in relation to the beach. We have taken out five buildings which recorded less than five resales over the ten year period of this study. (Artique, Avalon, The Emerald, Jade and Ultima).

Comment

The suburb of Surfers Paradise boasts the Gold Coast's largest number of high rise buildings. The most prolific decade for high rise construction in Surfers Paradise was the 80's when 49 towers went up. This was followed by the 70's when 25 towers were constructed and is closely followed by the current decade which has seen 22 towers go up. The remaining towers were constructed in the 60's (2) and 90's (13). Many of these towers are occupied by holiday makers and according to figures from the ABS, Surfers Paradise had an occupancy rate of 77.7% during the December 2006 quarter. This compares well to the Gold Coast figure of 73.8%.

The overall apartment market in Surfers Paradise continues to perform well with 824 resales occurring during 2006 recording an average price of \$510,551 and average capital growth per annum of 7.3%. As can be seen in the graph opposite the apartment market continues the pattern of the last three years with average price continuing to increase and the volume of sales continuing to decrease. This price increase can be attributed to the higher price brackets of the new apartment buildings being completed in Surfers Paradise and also to positive economic conditions on the Gold Coast such as low unemployment, population growth and sustained tourism numbers.

Central Surfers Paradise has been undergoing a transformation over the last five or six years with many of the older buildings being demolished to make way for new retail, commercial and residential complexes. This transformation is ongoing with the recent completion of Circle on Cavill and projects such as the redevelopment of the Dolphin Arcade and the Soul project in the pipeline. The new developments in central Surfers Paradise have brought fresh retail, commercial and apartment buildings to the suburb.

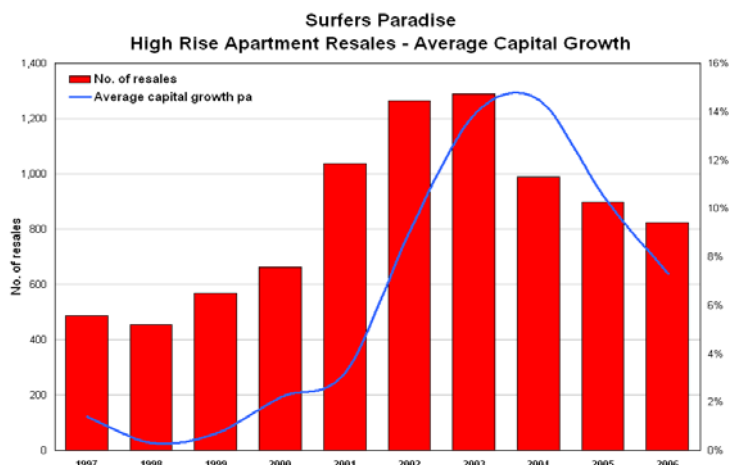
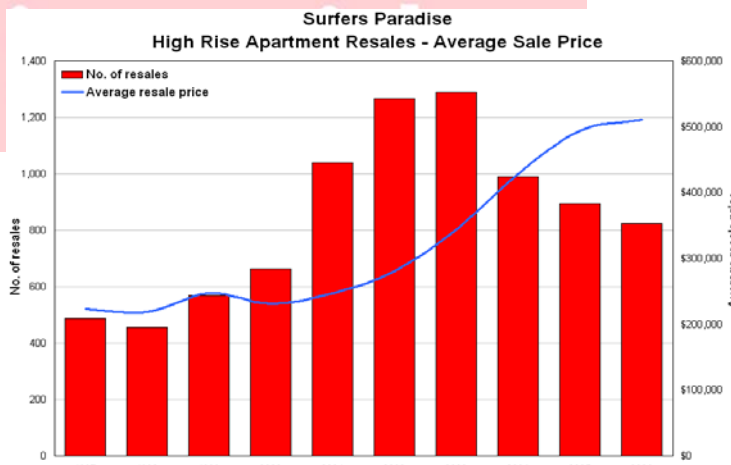
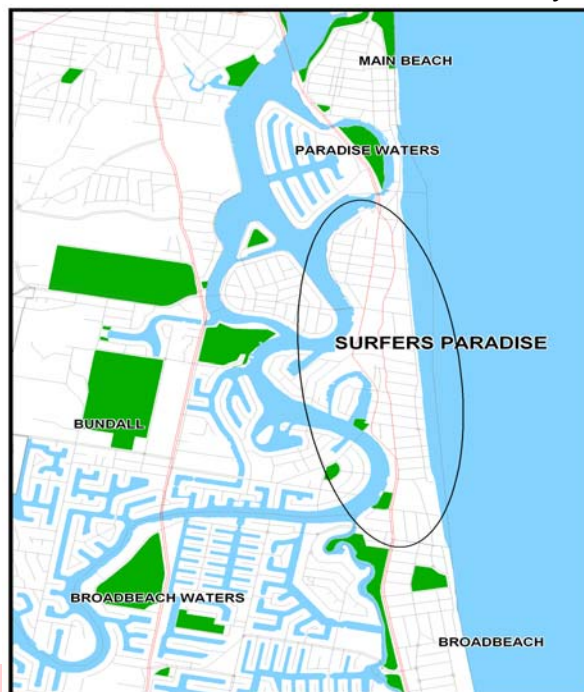
High rise apartments sold in 1997 achieved average capital growth per annum of 1.4%, but if sold in 2006 the figure was 7.3% per annum. This figure is slightly down on the high of 2004 of 14.5% but is still much healthier than the figures achieved in the late 1990's, as can be seen in the bottom graph opposite.

The average price of apartments sold in 1997 was \$223,389, this compares to the 2006 figure of \$510,551 – an increase of 129%. Preliminary figures for 2007 are showing a continued upward movement.

Beach vs non beach and riverfront

Surfers Paradise is unique in that it is situated between the beach and the Nerang River. In this report we have categorised each building as to its location. It is no surprise that the absolute beachfront apartment resales came out on top in terms of price and capital growth for 2006 with an overall average resale price of \$1,070,113 and average capital growth figure of 10.8% pa based on 52 resales. Absolute beachfront apartments accounted for only 6% of the total market for 2006.

The beachside apartment resales were next with an average resale price of \$572,265 for 2006. This figure was based on 182 resales with average capital growth of 8.3% pa.



PRDnationwide Research
Source: RP Data & Gold Coast City Council

Beach vs non beach and riverfront cont...

The riverfront buildings had an average resale price of \$569,321 and average capital growth of 8.3% pa. These figures are based on 147 apartment resales.

The last category is non-beachside. This category is the largest, accounting for 54% of the total sales for 2006. Non-beachside apartments recorded an average price of \$400,013 and average capital growth of 6.1% based on 443 resales.

Price points

The two graphs at the bottom of this page show the breakdown of price points during 1997 and 2006.

During 1997 there were 486 high rise apartment resales in Surfers Paradise, 87% of which were priced at under \$300,000. This compares to 2006 which recorded 824 resales, with only 23% of them in this price bracket.

At the other end of the price scale, during 1997 there were only two apartments sold for over one million, but during 2006 this figure increased to 47.

How individual buildings performed

Over the ten years that have been analysed, the building which has had the largest volume of sales is Crown Towers with 380 resales followed by Sun City (310) and Grand Mariner (258). This is probably understandable as these buildings, until recently, had the largest number of apartments.

The building which had the highest average resale price between 1997 and 2006 was Platinum on the Beach. Situated on the corner of Northcliffe Terrace and Markwell Avenue, Platinum is on the absolute beachfront. Ten resales have recorded an average price of \$2,822,500. Beaches, which is just down the road from Platinum and also on the absolute beachfront was next with an average resale price of \$1,233,786. Third on the list is Madison Point, at the northern end of Surfers Paradise, with an average price of \$1,000,765. The full list of the top ten buildings by price is opposite.

Finally we look at the buildings which had the highest growth per annum over the ten years. As you can see in the table opposite this was Surfers Beachcomber in the heart of Surfers Paradise with 21.8% pa growth based on 191 resales. Beachcomber was followed by Longbeach (74 resales) with 21.6% pa and Trilogy Tower C with 16.6% pa based on nine sales.

The top two buildings for capital growth were strata titled and sold off within the last few years. For the purposes of this report we have not included bulk purchases by developers. The bulk sell-offs have been recorded as the original sale and subsequent resales are what we have included.

Top 10 Surfers Paradise Highrise Building Resales by Average Price 97-06

Building	Total No. Resales	Ave Price
Platinum on the Beach	10	\$2,822,500
Beaches	40	\$1,233,786
Madison Point	17	\$1,000,765
La Sabbia	78	\$962,042
Sentinel	27	\$914,370
Surfers Manhattan	31	\$888,387
The Moroccan Esplanade	32	\$867,578
Trilogy Tower C	9	\$701,444
The Pinnacle	47	\$701,043
Mustique	14	\$641,250

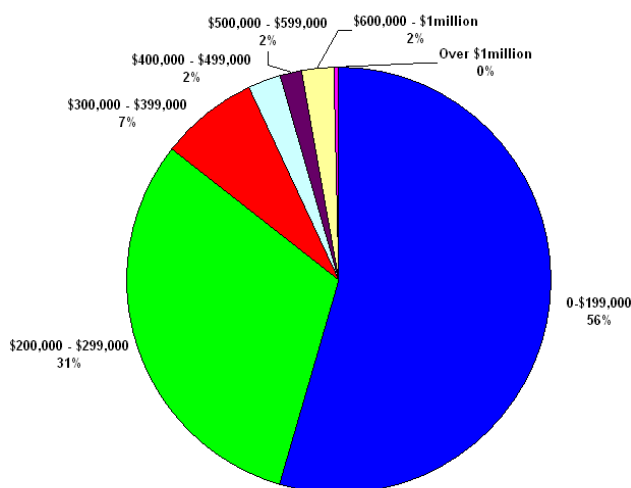
Top 10 Surfers Paradise Highrise Building Resales by Average Capital Growth pa 97-06

Building	Total No. Resales	Ave Growth
Surfers Beachcomber	191	21.8%
Longbeach	74	21.6%
Trilogy Tower C	9	16.6%
Platinum on the Beach	10	12.1%
The Sands	120	11.8%
Aristocrat	102	11.7%
Alexander Apartments	96	11.6%
The Pinnacle	47	11.6%
Sentinel	27	11.5%
The Penthouses	57	11.4%

PRDnationwide Research Source: RP Data & Gold Coast City Council

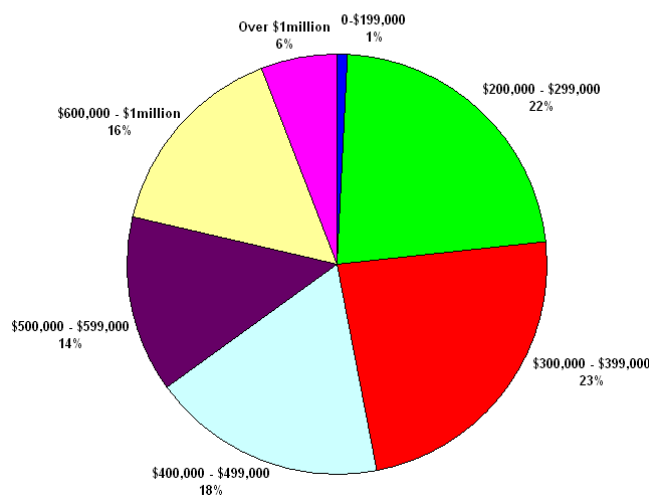
Note:
 *Sales information does not take into account any subsequent renovations, demolitions or improvements made to properties from the original purchase date to the sale date.
 *Highrise comprises buildings with nine storeys and over in height
 *Capital growth rates are per annum compounding and are calculated between sales dates of individual properties and annualised.
 *Absolute Beachfront – walk directly on to beach
 *Beachside – across road or park to beach

Surfers Paradise High Rise Apartment Resales Price Points 1997



PRDnationwide Research Source: RP Data & Gold Coast City Council

Surfers Paradise High Rise Apartment Resales Price Points 2006



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