

Palm Beach Market Update

2nd Half 2024



OVERVIEW

In Q2 2024, Palm Beach* recorded a median house price of \$1,762,500 and a median unit price of \$945,000. This represents annual (Q2 2023 – Q2 2024) growth of 11.6% for houses and 6.5% for units. This price growth makes it an opportune time for property owners to capitalize on their investments. Comparing Q2 2023 and Q2 2024, total sales decreased by -9.1% (to 40 sales in Q2 2024) for houses and by -2.9% for units (to 99 sales in Q2 2024), indicating an undersupply for both property types. This creates a buffer against current cash rate hikes and resulted in price growth. That said, the current half-year dip in median unit price presents a favorable window for buyers to enter the market.

CHANGE FROM LAST YEAR HALF YEAR



	YEAR	HALF YEAR
HOUSE SALES	↓	↑
HOUSE MEDIAN PRICE	↑	↑
HOUSE RENTAL PRICE	↑	↑

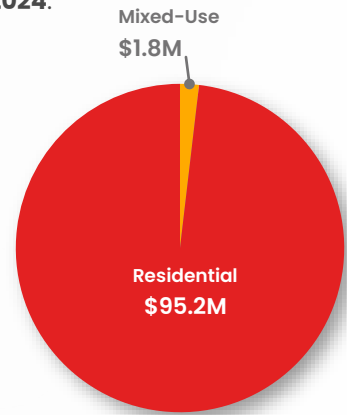


UNIT SALES	↓	↓
UNIT MEDIAN PRICE	↑	↓
UNIT RENTAL PRICE	↑	↓



FUTURE DEVELOPMENTS

Palm Beach* will see approximately **\$97.0M of new projects commencing in 2024.**



A key focus on residential projects is ideal, to address the current undersupply. This will assist in keeping the price growth at a more sustainable level, especially for units.

A total of approximately \$95.0M of residential projects are planned, which will add 171 units/apartments.

A key project is Elevaire Palm Beach Apartment (\$20.0M, 41 Apartments).

Other residential projects include:

- Nexus Palm Beach Apartments - Perspective Nexus (\$19.0M, 35 Apartments)
- Cote Apartments Palm Beach (\$15.0M, 17 Apartments)

While several new residential projects are planned, it will only deliver units. This will only partially address the current shortage. There are no new ready-to-sell stand-alone houses and townhouses in the pipeline. This lack of new supply is expected to further escalate house prices.



171 Units/
Apartments



MARKET CONDITIONS

MEDIAN PRICE
Q2 2024



SALES



AVERAGE DAYS
ON MARKET Q2 2024



MEDIAN PRICE
Q2 2024



RENTALS



AVERAGE DAYS
ON MARKET Q2 2024





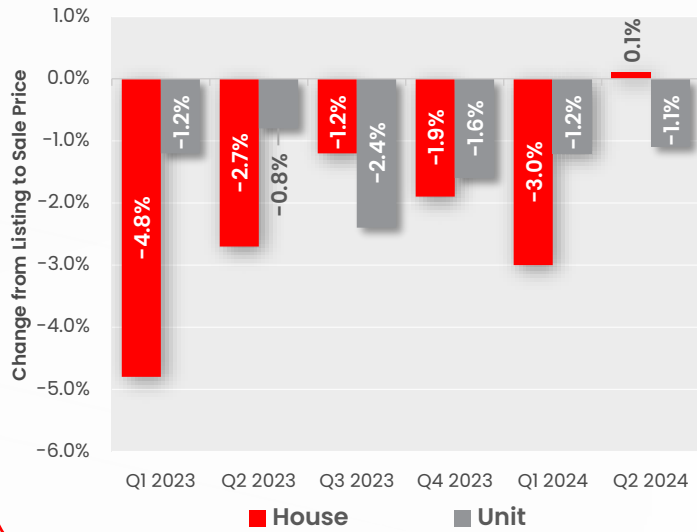
AVERAGE VENDOR DISCOUNT*

Average vendor discount reflects the average percentage difference between the first list price and final sold price. A lower percentage difference (closer to 0.0%) suggests that buyers are willing to purchase close to the first asking price of a property.

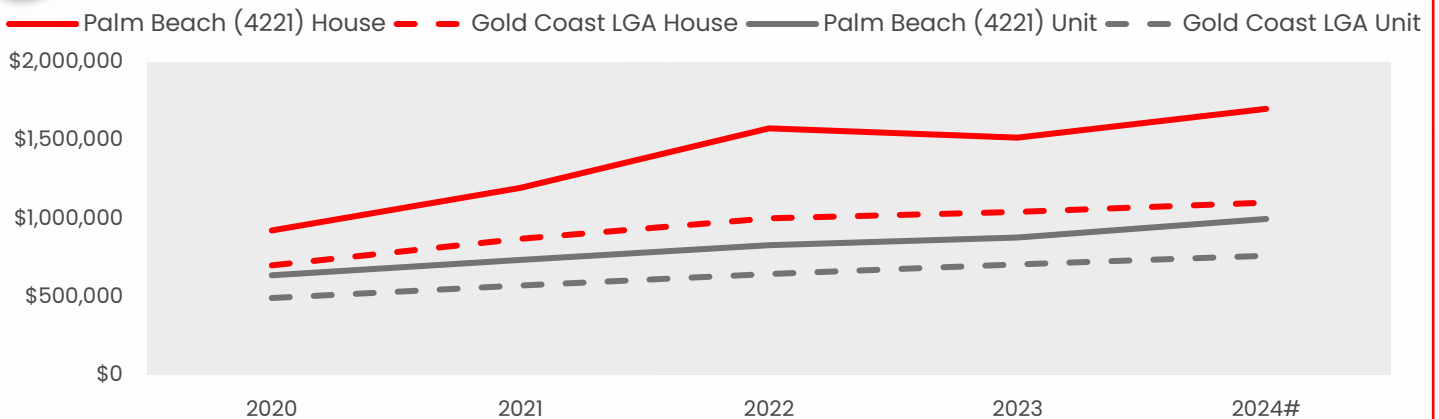
Average vendor discounts between Q2 2023 and Q2 2024 have swung to a premium of 0.1% for houses, however, have slightly widened to -1.1% for units. Market conditions in Palm Beach* is shifting to favour sellers, as house buyers must offer above the first list price. The peak discount has passed for both property types (Q1 2023 for houses and Q3 2023 for units), thus buyers seeking a discount and/or lower premium must act fast.

The suburb of Palm Beach has outperformed the wider Gold Coast Local Government Area (LGA) in both house and unit median prices for the past 5 years, especially in house prices. This has continued in 2024#, with houses in Palm Beach becoming more of a premium market.

The dominant proportion of homes sold in Palm Beach* in 2024# were in the most affordable price bracket below \$1,599,999 (44.4%). That said, the premium market also performed strongly, with 33.3% sales. Most of the units sold were in the premium market, of above \$1.1M (42.5%). That said the most affordable price point for units is still available, at 30.4%. This is good news for buyers.



MARKET COMPARISON



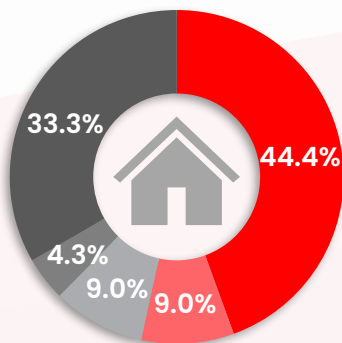
The market comparison graph provides a comparative trend for median price of houses and units over the past 5 years. The main LGA chosen was based on their proximity to the main suburb analysed, which is Palm Beach.



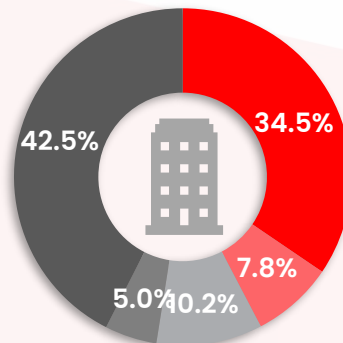
PRICE BREAKDOWN 2024#

HOUSES SOLD

UNITS SOLD



- Less than \$1,599,999
- \$1,600,000 to \$1,699,999
- \$1,700,000 to \$1,799,999
- \$1,800,000 to \$1,899,999
- \$1,900,000 and above



- Less than \$799,999
- \$800,000 to \$899,999
- \$900,000 to \$999,999
- \$1,000,000 to \$1,099,999
- \$1,100,000 and above



RENTAL GROWTH 2024€

House rental yields in Palm Beach[‡] was 3.9% as of June 2024, higher than Gold Coast Main (3.5%) and Brisbane Metro (3.4%). This was attributed to a significant 26.3% surge in median house rental prices over the past 12 months, more than double the 11.6% growth in median house sale prices. In Q2 2024, the median house rental price reached \$1,250 per week, with the number of houses rented increasing by 2.2% (to 47 rentals in Q2 2024). The unit market showed the same pattern. This confirms there is a high rental demand, which is an appealing market to investors.

2+ bedroom houses have provided investors with +9.7% rental growth annually, achieving a median rent of \$748 per week.

Palm Beach[‡] recorded a vacancy rate of 2.0% in June 2024, above the Gold Coast City LGA average (1.7%) and Brisbane Metro (1.1%). Vacancy rates in Palm Beach[‡] saw a slight increase in the past 12 months, due to investors returning to the market. However, 2.0% is still well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, suggesting quicker occupancy of rental properties. This confirms a conducive investment environment in Palm Beach[‡].

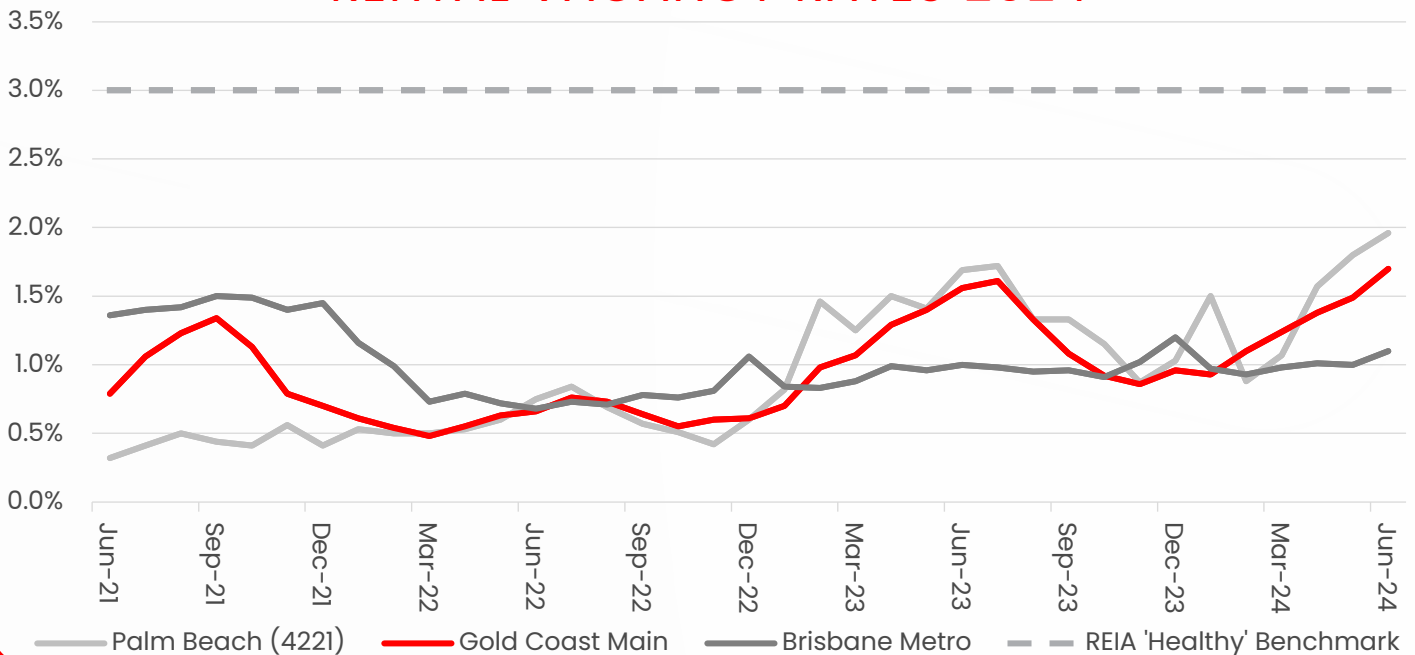
 2 BEDROOMS
+9.7%

 3 BEDROOMS
+5.1%

 4 BEDROOMS
-0.1%



RENTAL VACANCY RATES 2024



RENTAL YIELD 2024§



3.9%

Palm Beach[‡]



3.5%

Gold Coast Main



3.4%

Brisbane Metro



4.0%

Palm Beach[‡]



4.8%

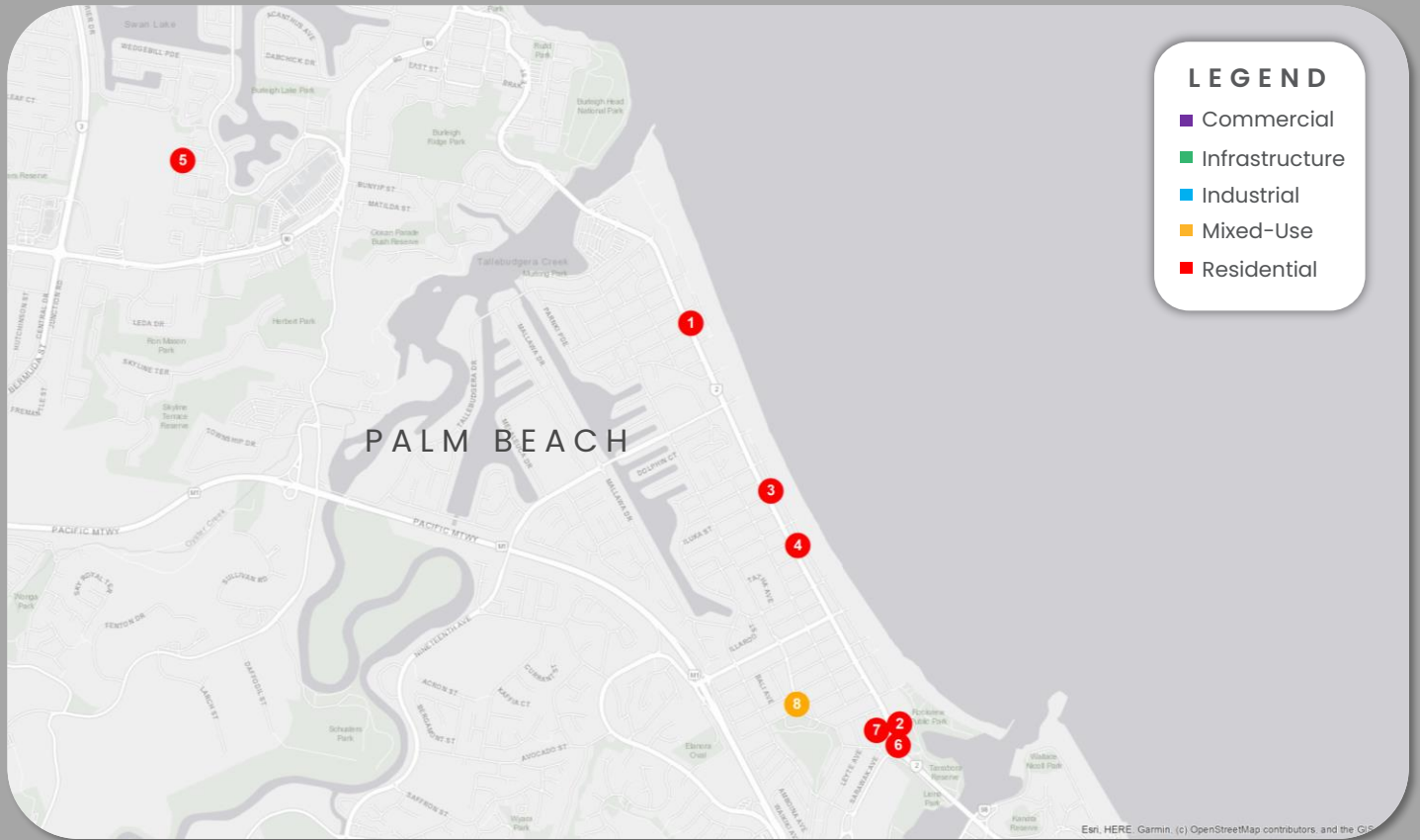
Gold Coast Main



4.8%

Brisbane Metro

PROJECT DEVELOPMENT MAP 2nd HALF 2024^A



#	Project [£]	Type	Estimated Value ^µ	Commence Date ^ψ
1	Elevaire Palm Beach Apartments (41 Apartments)	Residential	\$20,000,000	8/04/2024
2	Nexus Palm Beach Apartments - Perspective Nexus (35 Apartments)	Residential	\$19,000,000	3/06/2024
3	Cote Apartments Palm Beach (17 Apartments)	Residential	\$15,000,000	28/11/2024
4	154 Jefferson Lane Kloud Apartments Palm Beach (20 Apartments)	Residential	\$15,000,000	30/03/2024
5	234-236 Jefferson Lane Apartments (16 Apartments)	Residential	\$11,500,000	30/09/2024
6	Perspective Nexus Palm Beach Apartments - Double Project Please Refer To Project (34 Apartments)	Residential	\$10,200,000	20/02/2024
7	7 Molucca Avenue Units (8 Units)	Residential	\$4,500,000	1/10/2024
8	Lakewood Shopping Centre Palm Beach Offices & Shop Alterations & Additions (Commercial - Office + Retail)	Mixed-Use	\$1,800,000	28/10/2024

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REFERENCES

* Palm Beach sales market data and key indicators encapsulates aggregate property market conditions within the suburb of Palm Beach.

** Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.

2024 encapsulates sales transactions for 1st Half 2024 (01/01/2024 – 30/06/2024) only, other years encapsulates sales transactions for the full year (i.e 01/01 to 31/12 of the relevant year).

€ Annual rental growth is a comparison between Q2 2023 (01/04/2023 – 30/06/2023) and Q2 2024 (01/04/2024 – 30/06/2024) house median rent figures.

¥ Palm Beach rental market data encapsulates aggregate property conditions within the postcode of 4221.

§ Rental yields shown are as reported as of June 2024.

▲ Project development map showcases a sample of upcoming projects only, due to accuracy of addresses provided by the data provider for geocoding purposes.

£ Projects refers to the top developments within the suburb of Palm Beach.

µ Estimated value is the value of construction costs provided by relevant data authority, it does not reflect the project's sale/commercial value.

ψ Commencement date quoted for each project is an approximate only, as provided by the relevant data authority, PRD does not hold any liability to the exact date.

Source: APM Pricfinder, Cordell Connect database, SQM Research, Esri ArcGIS.

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