



# The Outlook for Residential Land in Gold Coast 2011 – 2016

“The Gold Coast residential market has collapsed after an oversupply of dwellings emerged. When will we see a recovery take place, and how strong will it be?”



EXTRACT TO INDICATE THE GENERAL NATURE OF THE REPORT

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## 1. INTRODUCTION

Having peaked in 2006–07, new house construction in the Gold Coast (as measured in completions) fell—initially due to the deterioration in affordability levels as a result of escalating house and land prices and higher interest rates in the preceding years. A subsequent sharp downturn in underlying demand saw an excess of dwelling stock emerge from 2008–09 that is still in place today.

The downturn in the Gold Coast market was further impacted by both the weak sentiment surrounding the economy following the Global Financial Crisis, the subsequent lack of availability of finance and more recently a slow local economy due to the Gold Coast's strong reliance on the now suffering construction and tourism markets and the impact from cyclone and flood damage to the Queensland economy.

These serious impacts have compounded the low sentiment for activity in the Gold Coast and in 2010–11, new house completions were 62 per cent down on the 2006–07 high and lot approvals were 79 per cent down. These were both record low levels. Without a strong trigger for improvement, conditions will take some time to recover.

The report *The Outlook for Residential Land in the Gold Coast 2011 to 2016* is BIS Shrapnel's fifth report into the outlook of the demand for, and the supply of, broadhectare land in the Gold Coast.

In undertaking the analysis, the study takes a “top down” approach to determining the demand for land—starting with forecasts of the demand for and the supply of residential dwellings, which can then be translated into the demand for broadhectare land.

The report provides:

- Forecasts for population growth and underlying demand;
- Forecasts for new dwelling commencements, split between detached houses, medium density (semi detached, terraces and townhouses), and high density (flats, units, and apartments) dwellings;
- A profile of residents in areas where new homes are being built and new subdivisions are taking place;
- Analysis and forecasts of broadhectare land production at the Gold Coast Statistical Division level;
- Identification of the residential growth corridors and analysis of the trends in their broadhectare lot production;
- A survey of selected growth corridors, identifying the typical development patterns in each—i.e. average lot sizes, average lot prices, etc.;
- Forecasts for residential house and vacant broadhectare land price growth;
- The forecasts for new dwelling activity, land production and price growth are provided annually to 2016.

## 1.1 Regions covered by this report

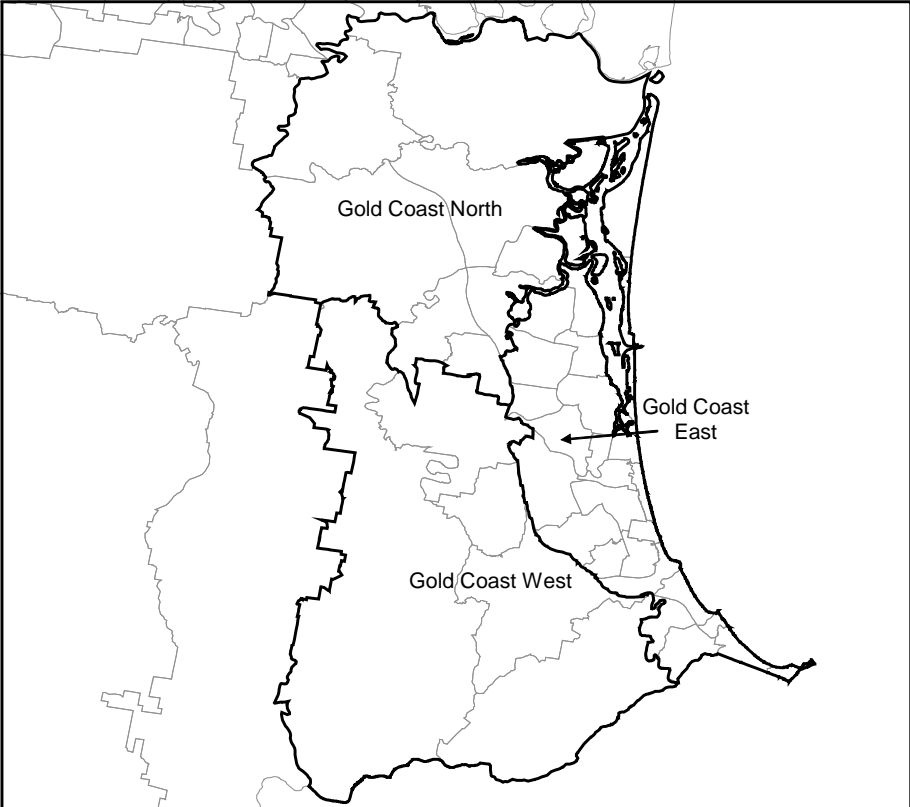
This report examines in depth residential land development in the Gold Coast Statistical Division (SD), which has the same boundary as the Gold Coast Local Government Area (LGA). We have started with the areas defined within the latest Australian Bureau of Statistics (ABS) geographical classification, and have then grouped those areas to where we believe broadhectare subdivisions are currently taking place.

In this report, we have generally provided time series data from 1991–92. However, in a region as rapidly growing as the Gold Coast, boundaries have changed, firstly for the definition of the Gold Coast itself and secondly for the Statistical Local Areas (SLAs) within the Gold Coast. We have attempted to keep the boundaries of the Gold Coast and regions within the current Gold Coast boundary as consistent as possible over time, although there may be some variation overall. However, we do not expect this to have a significant impact on the historical time series or the forecasts going forward. The three main regions and some of the development fronts are:

- **Gold Coast North** comprises the Statistical Local Areas (SLAs) of Helensvale, Hope Island, Jacobs Well–Alberton, Kingsholme–Upper Coomera, Ormeau–Yatala, Oxenford–Maudsland, Pacific Pines–Gaven and Pimpama–Coomera. This area currently provides the most greenfield activity, and this is expected to continue over the forecast period.
- **Gold Coast East** comprises the SLAs of Ashmore–Benowa, Biggera Waters–Labrador, Bilinga–Tugun, Broadbeach–Mermaid Beach, Broadbeach Waters, Bundall, Burleigh Heads, Burleigh Waters, Carrara–Merrimac, Coolangatta, Coombabah, Currumbin, Currumbin Waters, Elanora, Main Beach–South Stradbroke, Mermaid Waters–Clear Island Waters, Miami, Molendinar, Palm Beach, Paradise Point–Runaway Bay, Parkwood–Arundel, Robina, Southport, Surfers Paradise and Varsity Lakes. This area is limited in providing new greenfield sites and has the largest population.
- **Gold Coast West** comprises the area most likely to provide greenfield development beyond the forecast period. SLAs included within this region are Currumbin Valley–Tallebudgera, Guanaba–Springbrook, Mudgeeraba–Reedy Creek, Nerang and Worongary–Tallai.

It should be noted that, with the amalgamation of the Local Government Area boundaries in 2008, parts of the previous development regions in the north of the Gold Coast have now been absorbed by Logan City. These regions include Beenleigh, Bethania–Waterford, Eagleby, Edens Landing–Holmview, Mt Warren Park and Wolffdene–Bahrs Scrub and are now covered by our Brisbane Land market Study.

Chart 1.1: Gold Coast residential land regions







# Residential Land Market Outlook for Demand and Supply 2011 – 2016 Subscription Form



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