

An aerial photograph of the Gold Coast, Queensland, Australia, showing a dense cluster of high-rise apartment buildings along a sandy beach. The sky is clear and blue. A large blue rectangular overlay is positioned on the left side of the image, containing the title text in white. Below the title, a smaller dark blue rectangular overlay contains the date.

GOLD COAST APARTMENT REPORT

June 2019

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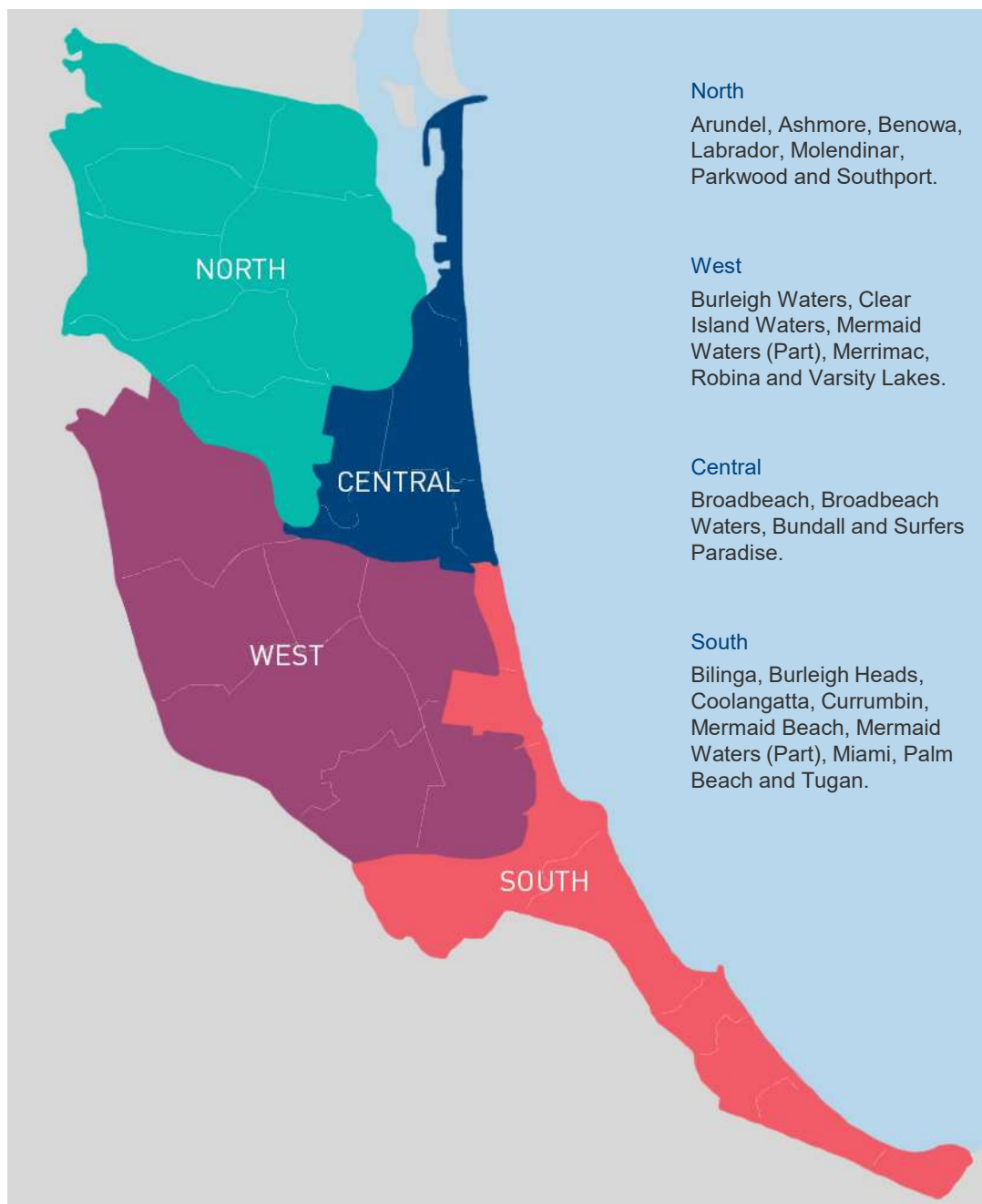
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Methodology

The information contained in this research paper has been collated by Azurium Real Estate from a variety of sources including Core Logic RP Data, Cordells, Queensland Titles Office, developer websites and kerbside inspections.

The dataset is for residential apartment projects completed during 2018 or under construction at 31 December 2018 with 15 or greater apartments situated in the identified localities on the Gold Coast being east of the Pacific Motorway. It does not take into consideration development approvals and projects awaiting commencement of construction.

Data has been collated over a period of time and therefore settlements in a number of projects may have subsequently completed or be currently underway.

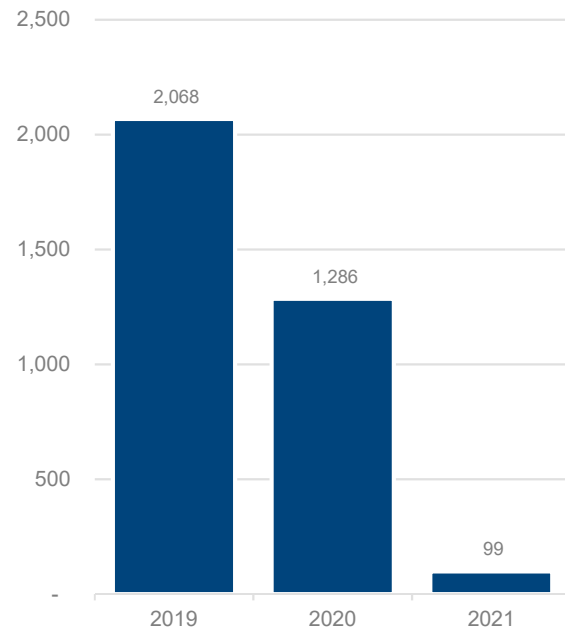


Summary

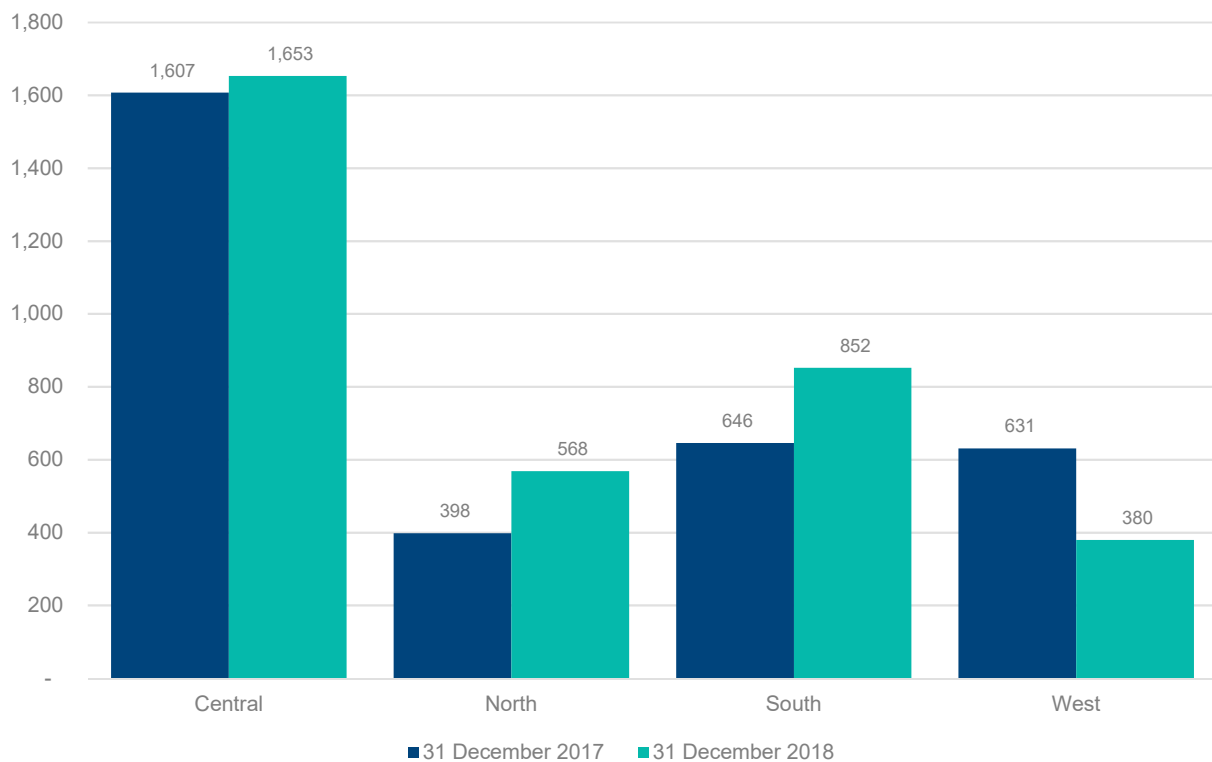
The key findings from our database of 4,593 apartments within 52 projects that are currently under construction as at 31 December 2018 or recently completed (during 2018) are:

- 1,140 apartments across 16 projects completed between 1 January 2018 and 31 December 2018 with a number of settlements pending.
- 3,453 apartments across 36 projects are currently under construction as at 31 December 2018, of which:
 - 2,068 are forecast to complete in 2019
 - 1,286 are forecast to complete in 2020
 - 99 are forecast to complete beyond 2021
- A continuing reliance on other financing arrangements with only 29.1% of financing coming from the big 4 banks which is similar to the 28% financed as at 31 December 2017.

Forecast completion date for apartments under construction



Number of apartments under construction – 12-month comparison by locality

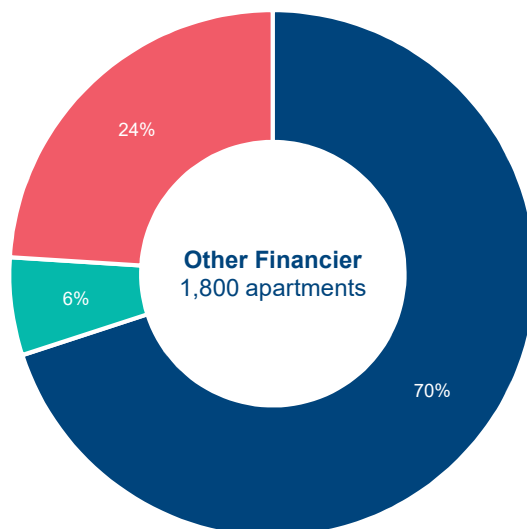
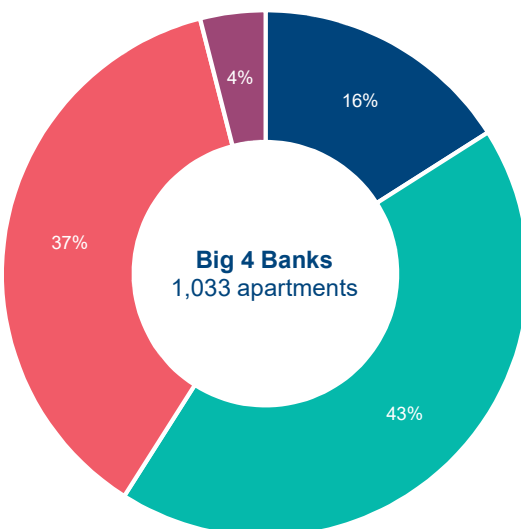
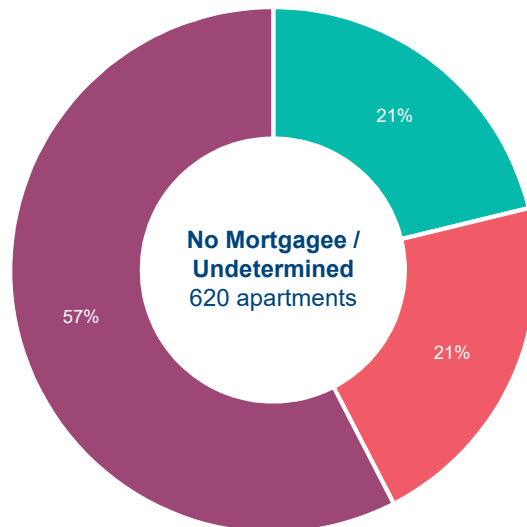
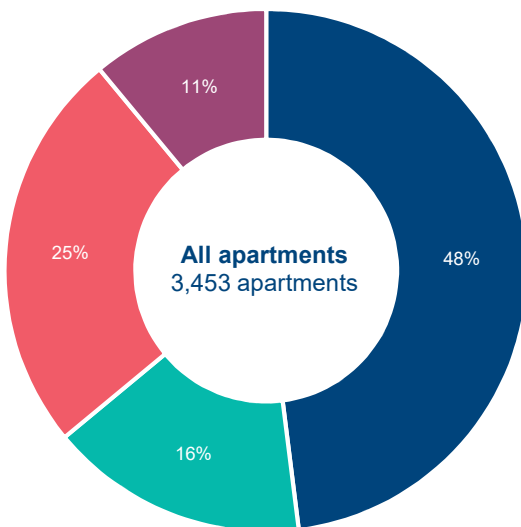


Financier exposure by locality

The following charts show the percentage of all apartments under construction by locality.

The Central locality continues to have the largest share of apartments under construction (11 projects containing 1,653 apartments), followed by the Southern locality (12 projects and 720 apartments), the Northern locality (3 projects containing 436 apartments) and the Western locality (1 project containing 24 apartments).

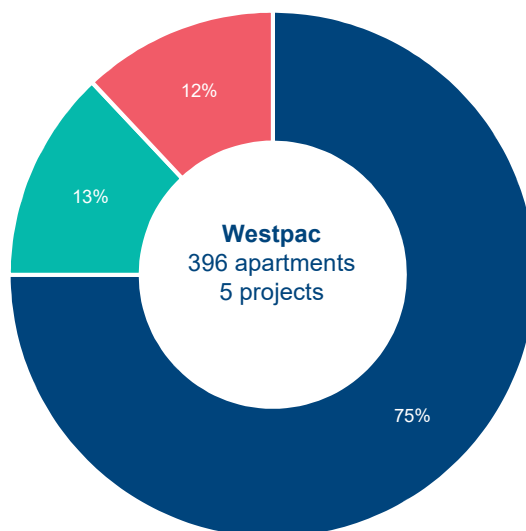
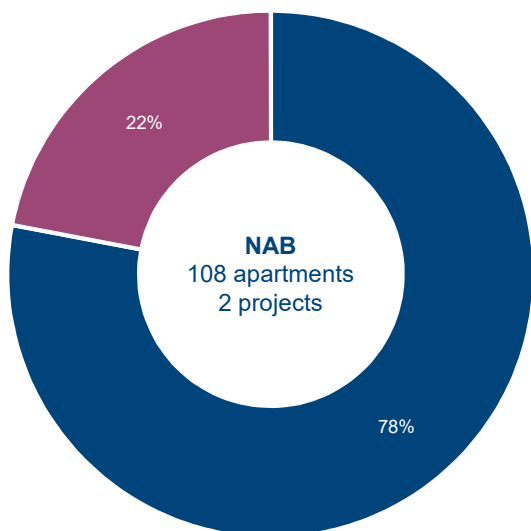
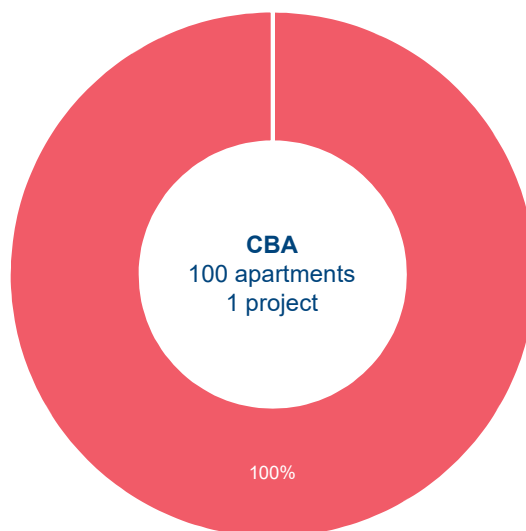
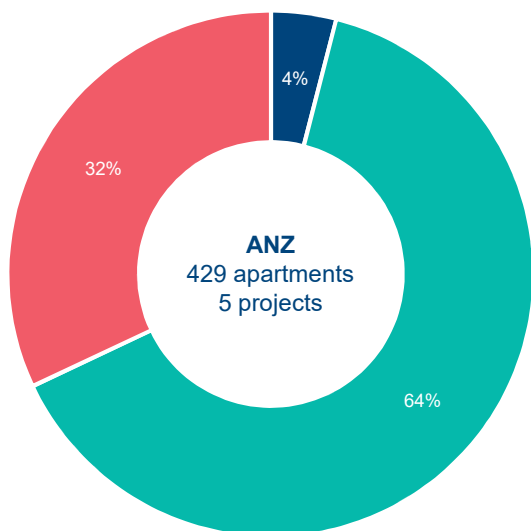
Noticeably Palm Beach is currently experiencing a boom in construction activity with 9 projects under construction containing 510 apartments, compared to 119 as at 31 December 2017. New projects which commenced in 2018 include Pavilions by Consolidated Properties (100 apartments), Acqua Palm Beach by CRU Collective (62 apartments) and Canopy by DG Projects (49 apartments).



■ Central ■ North ■ South ■ West

Big 4 Bank exposure by locality

The exposure of the Big 4 banks are shown as follows.



■ Central ■ North ■ South ■ West

Our Queensland Real estate team

In Queensland our real estate team has extensive experience in the residential apartment sector. We can provide a detailed private briefing on the market, and advise developers and financiers on updated options analysis of any exit, hold or develop out strategies, project completion, managing settlement risk and project marketing.

To find out more, or for further information as to how we can assist, please contact one of our real estate team today.

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