



April 2010

Focus on Southern Gold Coast - Tweed

Over the next few years new broadhectare development in the Gold Coast-Tweed region will increasingly occur in the northern corridor around Coomera/Pimpama and in Tweed Shire to the south. With future developments in the Southern Gold Coast* likely to be above average in price, due to their exclusivity and features such as ocean views, Tweed Shire continues to provide some more affordable opportunities.

As the full impact of improved road systems, as well as new and upgraded town centres, become evident, it is likely that Tweed Shire in New South Wales (NSW) will become a more dynamic area with increased job opportunities for residents and greater prosperity for all. There is already some evidence that this is occurring along the Tweed Coast and in Kingscliff.

Despite the changes of the past decade and in prospect for the future, both the Southern Gold Coast and Tweed Shire will retain a distinctive character compared with more centrally located parts of the Gold Coast-Tweed region. This distinctive character includes the following features:

- a more relaxed lifestyle, away from the congestion of the central Gold Coast;
- much of the residential areas in the form of established villages or recently developed master planned communities;
- easy commuting to employment opportunities in the Tweed, Gold Coast and even Brisbane, via the Tugun Bypass and Pacific Motorway[#];
- a scenic rural environs; and
- communities where greater emphasis is placed upon ecologically sensitive values.

[#] This feature of easy commuting is likely to be adversely affected over the short term by the upgrading of Sexton Hill, a 2.5 kilometre dual carriageway, due to start construction shortly. The black spot is notorious and the short-term pain is necessary for long-term gain. The 2.5 kilometre roadway runs from the northern end of Barney's Point Bridge to the southern end of the Tweed Heads bypass. Once completed in 2012, it is expected to reduce the travel time between the Tweed Coast and Tweed Heads South by ten minutes.

The southern part of the Pacific Motorway continues to offer bottleneck conditions to motorists in peak hours. The current roadworks to upgrade the road to six lanes between Nerang and Varsity Lakes are due for completion in late 2011. Timing of the upgrading of the remaining sections south of Varsity Lakes is unknown, but planning is currently underway.



The new Southern Cross University building at Gold Coast Airport, opened in February 2010, with a second building already planned

Among the significant infrastructure added or planned for the Southern Gold Coast – Tweed region are the following projects:

- expansion of the terminals and runway at Gold Coast Airport, together with the new campus of Southern Cross University;
- rejuvenation of the Jack Evans Boat Harbour at Tweed Heads, with new boardwalks alongside the 4.3 hectares of parkland, due for completion in March 2011;
- Industry Central industrial land at Murwillumbah; and

* for the purpose of this discussion, the Southern Gold Coast has been defined to include: Bilinga, Bonogin, Burleigh Heads, Coolangatta, Currumbin, Currumbin Valley, Currumbin Waters, Elanora, Palm Beach, Reedy Creek, Tallebudgera and Tugun.

- Consolidated Properties' new town centre at Casuarina Beach, with Stage One to include a 2,500 square metre Coles supermarket and 1,160 square metres of speciality shops and cafes, due for completion in late 2011.

Currently Available Residential Estates

In the Southern Gold Coast, there are only two major residential estates currently marketing, as follows:

- Stockland's Reedy Creek estate, The Observatory, with larger lots on elevated and sloping land. Current prices range from \$321,000 to \$355,000 for lots of 732 to 1,368 square metres. The Observatory estate reflects the relaxed lifestyle of the Southern Gold Coast and Tweed, with a natural bushland setting. There are around 170 lots still to be developed in future stages, with most of these expected to be at higher prices as the elevated land offers direct coastal views; and
- The Highlands at The Ecovillage at Currumbin, the elevated acreage stage of the award-winning estate developed by Landmatters on ecologically sustainable principles. With a total of 38 lots of 3,000 square metres plus, The Highlands is reporting an increase in take-up rates. The Ecovillage at Currumbin is a demonstration project for sustainable living and includes the Gold Coast City Council Innovation Centre, where you can get more information about incorporating sustainable principles into your new house and lifestyle.



In Tweed Shire, the major estates currently marketing include:

- release of Stage One of Seaside, the Barclay Group's community between Casuarina Beach and Salt Village, a total of approximately 675 dwellings on completion. The current release of 24 creekside lots represents some of the few creekside and beachfront opportunities there will be, so that the developer is already reporting almost 40% of sales off-the-plan since marketing commenced in January 2010. Construction works on the estate are well advanced for completion in August 2010.

The remainder of the estate will include a mix of cluster houses and low rise apartments around a series of cluster parks and a small local centre adjoining the village plaza. Linear parks and cycleways will connect the Cudgen Creekfront to the beachfront and to both Salt Village and Casuarina Beach town centre. Lot prices range from \$295,000 for a 450 square metre compact lot and \$455,000 for a 550 square metre battleaxe creekfront lot to \$650,000 for a creekfront lot of over 1,000 square metres. The developer is also offering a number of house and land packages designed by Bark Design and priced from \$555,000;



Ecovillage at Currumbin - low intensity housing and living with nature

- Seabreeze, located just inland from the village of Pottsville, where Metricon Queensland is marketing Stage 14 of the 600 lot estate at prices from \$240,000 to \$260,000 for typical lots of 650 to 750 square metres and \$280,000 for slightly larger duplex lots. Since commencement in 2001, Seabreeze has sold over 460 lots, with additional components including integrated housing and an aged care facility. House and land packages are available from just over \$400,000;
- Metricon Queensland's Riva Vue at Murwillumbah, with a mix of flat and sloping land near the Rous River, has land from \$180,000 to \$245,000 and packages from around \$390,000. Lot sizes typically range from 680 to 750 square metres, with a few over 1,000 square metres; and
- Hundred Hills at Murwillumbah, Stockland's estate of approximately 315 lots, with prices in the current release, near the new playground and park, ranging from \$190,000 to \$225,000 for lots of 622 to over 1,000 square metres and larger duplex lots around \$239,000. This estate has around 240 lots in future stages. It is attracting young families from across the Tweed Shire, as well as older couples and families downsizing from acreage.

There is a very limited developer stock of land with direct frontage to waterways and beach frontage in the Southern Gold Coast and Tweed Shire. This tends to keep upward pressure on prices. Even away from the beach, in the Murwillumbah estates, there is currently limited developer stock priced under \$200,000. However most lots are 600 square metres plus.

The relative scarcity of affordable land is considered to be one of the factors in Tweed Shire recently being ranked in the top 20 local government areas in Australia in 2009 in terms of housing shortage. The Housing Industry Association identified a shortfall of 1,308 dwellings, ranking it as No 19.

While Gold Coast City did not make the Top 20 ranking for 2009, it was expected to have a significant shortfall of 10,777 dwellings over the decade to 2020.

These shortfalls of housing in the Gold Coast-Tweed region highlight the fact that this region has one of the highest levels of demand in Australia, not only for families but for baby boomers and retirees. The appeal of the region is ultimately the lifestyle on offer. As the central Gold Coast becomes busier, people are turning to the Southern Gold Coast and Tweed Shire to find the relaxed lifestyle that has attracted so many over past decades.

The recent off-the-plan sale of 38 lots in a matter of weeks by Consolidated Properties at Casuarina Beach near the town centre and the Santai Apartment building, with little fanfare, indicates the strong underlying demand. These lots sold for prices between \$290,000 and \$400,000 (reported average about \$340,000) for lots of 450 to 583 square metres (typically 500 square metres).

This pricing is not dissimilar to that achieved for lots of 503 to 727 square metres (on average 649 square metres) sold away from the beach at Casuarina Beach in 2007 (a range of \$295,000 to \$375,000 - on average \$332,800). However the recent release was of smaller lots close to the town centre. They are reported to have sold to a mix of young families and locals downsizing.

Future Residential Releases

On the Tweed Coast, there are future land releases proposed at both Casuarina Beach and Salt Village, with approximately 170 lots at Consolidated Properties' The Sands and approximately 140 lots in Ray Group's Salt Village. However this land is not expected to be released over the short term. Timing of future stages of Salt Village is uncertain, following the placing into receivership of three companies and one trust associated with the Ray Group, by financier Capital Finance.

Only Seaside is expected to have a future release of around 19 beachfront lots.

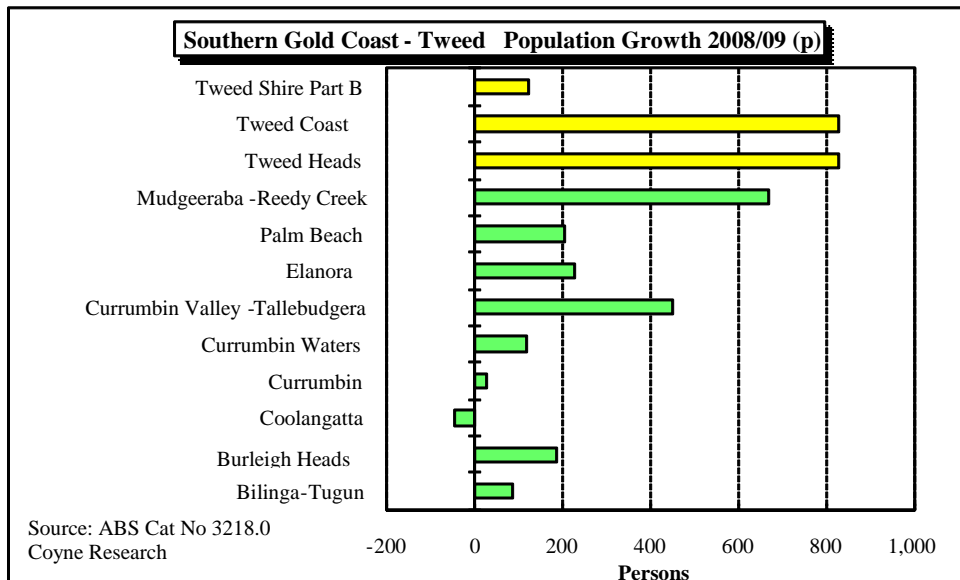
Although the Pottsville and Murwillumbah estates offer the opportunity for more affordable new project houses on a mix of flat to undulating land, it is estimated there are only around 450 lots still to develop in these estates. Metricon Queensland has a further 300 lots proposed in Fraser Drive, Terranora, currently subject of a Part 3A assessment process under the NSW Environmental Planning and Assessment Act.

Apart from the elevated and more expensive land at Stockland's The Observatory, the other major developer stock in the Southern Gold Coast is the former Hideaway @ Currumbin, now owned by FKP Limited. In late 2008 it was launched as Martha's Vineyard, but subsequently withdrawn from the market as the impact of the Global Financial Crisis adversely affected buyer response. Timing of FKP Limited's project, which is expected to include up to 527 dwellings, is currently uncertain.

The most significant new land release in the Southern Gold Coast and Tweed Shire is in Tweed Shire: Leda Developments' Cobaki Lakes, with access to be provided via Boyd Street at Tugun. It is currently subject of a NSW Part 3A assessment process. Marketing is not likely to commence for at least another 18 months to two years. It includes a total of up to 5,300 dwellings.

Leda Developments also has another major project inland from the Tweed Coast: Kings Forest has the potential for a further 4,500 dwellings, with timing not likely to be before 2012/13.

Tweed Shire is projected to see an average population increase of 1,627 persons per annum over the next 30 years, so pursuit of job creation opportunities is even more critical for this part of the region.



Recent population growth data from the ABS shows that the Southern Gold Coast - Tweed region had a 2009 estimated resident population of 183,626 persons, of which 88,993 persons or 48% were located in Tweed Shire. The graph shows that the highest growth rates for 2008/09 (preliminary) were in Tweed Heads (830 persons or 1.5%); Tweed Coast (827 persons or 8.1%); Mudgeeraba-Reedy Creek (667 persons or 2.8%); and Currumbin Valley-Tallebudgera (450 persons or 6.4%).

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