REASONS TO INVEST IN THE GOLD COAST

01 SIGNIFICANT POPULATION GROWTH.

The Gold Coast LGA population has been significantly rising. Over the year ending June 2017, an increase in the estimated resident population was recorded at 2.7% to 592,350 persons. According to the Australian Bureau of Statistics (ABS), this is well above the overall Australian population growth of 1.6% and on par with the rate of population growth in Melbourne. When compared to the Australian capital cities, the Gold Coast LGA population is ranked the 6th largest, ahead of Canberra, Hobart and Darwin. According to Queensland Treasury projections, the Gold Coast LGA population is projected to grow annually by 2.2%, to 866,650 persons by 2036.

02 DOWNSIZER DEMAND.

A demographic shift is occurring on the Gold Coast with compounding growth in the number of residents aged 65+ years. This age group represented 14% of the Gold Coast LGA population in 2011 (73,000) to stand at 91,400 residents in 2016; growing to a 16.4% share. By 2036, it has been projected by the ABS this group will grow to almost double (174,000 residents) and represent 20.2% of the population; overtaking the number of residents aged 30-45 years. The 65+ years cohort are fast becoming attune to the apartment lifestyle, enjoying the amenity, retail and transport within close proximity. The pressure on apartment supply in good locations will only ramp up with the upward trajectory in the ageing population.

03 WEALTH FLOWS.

The total wealth of Australian High-Net-Worth individuals (HNWIs) continues to rise. The Gold Coast saw more than 1,000 net inflow of HNWIs in 2017; taking more than one-tenth of Australia's 10,000 new HNWIs each year, according to New World Wealth. By definition, this is someone with net worth of US$1 million, excluding their primary residence. Australia remains the top country ranked by HNWI net inflow for the third consecutive year.

04 GROWTH IN INTERNATIONAL STUDENTS.

The number of international students enrolled to study in Queensland education facilities rose 9.6%, in the year ending June 2018, according to the Department of Education and Training. Higher education facilities saw growth of 9.8%, while international school-aged students grew 7.5%. The Gold Coast is fortunate to accommodate three world-class university campuses and numerous private schools accepting international students. The SSVF has made the process of applying for a student visa in Australia easier to navigate for both students and guardians.

05 RISE IN INTERNATIONAL VISITORS.

International departure capacity at the Gold Coast Airport expanded by 56.2% between 2012 and 2017 as reported by OAG Schedules Analyser. This is earmarked to grow further opening more routes to South-East Asia in the coming years. Tourism Australia calculated a growth in international visitors on the Gold Coast by 3.8% over the year ending March 2018, with a little over 1.1 million visitors.

Source: Knight Frank Research, Focus on Gold Coast Q4 2018

06
RELATIVE VALUE TO OTHER MAJOR CAPITAL CITIES.

Gold Coast LGA houses and apartments are relatively well-placed for value across the major Australian capital cities. The median value for an apartment in June 2018 was $427,000 on the Gold Coast, whilst Sydney was $737,000 and Melbourne $496,000 according to APM. This was similar for houses on the Gold Coast with the median value being $625,000; significantly lower than Sydney ($1.14m) and Melbourne ($882,000). The Gold Coast is firmly back on the radar for those now priced out of the these cities.

07
APARTMENT CAPITAL VALUE GROWTH.

The strongest annual capital growth was recorded for Gold Coast apartments across the six major cities, at a sustainable 1.7%, in June 2018. This exceeds the annual national average of -2.2% and is on par with Perth (APM). The Gold Coast LGA is currently trending below the five year annual average recorded at 3.6%, although capital growth has picked up to record 14 quarters of consecutive growth, an equivalent to an average of 1.0% each quarter.

08
RENTAL YIELDS REBOUNDING.

Gross rental yields on the Gold Coast have gained strength of 10bps over the two years ending June 2018, to stand at 5.80% for apartments, bucking the national downward trajectory (APM). Over this same time, Gold Coast median rents moved from being $390 to $430 per week, total growth of 10.3%.

09
LOW VACANCY AND LESS APARTMENTS BEING BUILT.

The Gold Coast experienced one of the lowest vacancy rates in the country at 2% in June 2018, well-below the Australian weighted average of 2.5% (REIA). The consistent population growth coupled with limited new housing supply being constructed has seen the vacancy rate trend below market equilibrium (of 3%) since December 2012 (REIQ). The undersupplied Gold Coast market has averaged a vacancy rate of 1.9% since this time, pushing up median apartment rents 1.3%, on average, per quarter.

10
GLOBAL HOTSPOT FOR SECOND HOMES.

The Knight Frank Wealth Report 2016 identified residential hotspots likely to enjoy market outperformance over the coming years, led by economic and employment growth, new infrastructure, regeneration, quality of education, environment and lifestyle. Gold Coast was recognised globally as a top second-home destination, with infrastructure investment with the G:Link light rail, Commonwealth Games facilities (held in 2018) and proposed airport expansion. Competitive prices, when compared with Australia's top cities, plus strong fundamentals - local population growth and expanding tourism - will underpin demand along the 57-kilometre coastline.

5.80%
RENTAL YIELDS
FOR APARTMENTS, BUCKING NATIONAL DOWNWARD TRAJECTORY.

GOLD COAST POPULATION **GROWTH WELL ABOVE OVERALL AVERAGE** FOR AUSTRALIA.

THE GOLD COAST IS **HOME TO THREE WORLD-CLASS UNIVERSITY** CAMPUSES.

MEDIAN **RENT GROWTH OF 10.3%** TO JUNE 2018.

THE NUMBER OF **HIGH NET WORTH INDIVIDUALS** IN THE GOLD COAST (HNWI) **CONTINUES TO GROW**.

THE GOLD COAST EXPERIENCED SOME OF THE **LOWEST VACANCY RATES IN THE COUNTRY OF** 1.8%.

Source: REIQ March 2019 Quarter.

AUSTRALIAN SUMMARY

AUSTRALIA IS A NEW COUNTRY WHERE THE POPULATION, THE ECONOMY AND THE OPPORTUNITIES ARE GROWING QUICKLY.

Australia's economy is a success story with 25 years of consistent economic growth and a proven resilience through the Global Financial Crisis (GFC). Australians enjoy a high quality of life, with low pollution, low population density, and high standards of education, all within vibrant cities flanked by more than 500 national parks, and pristine beaches.

25 YEARS
CONSISTENT ECONOMIC GROWTH

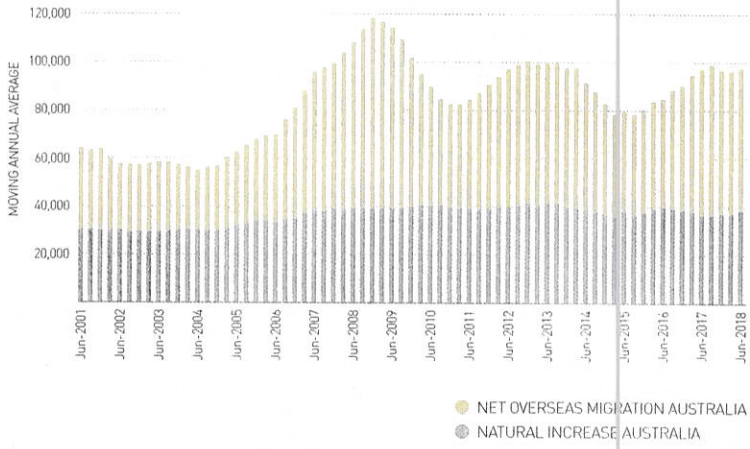
Source: ABS

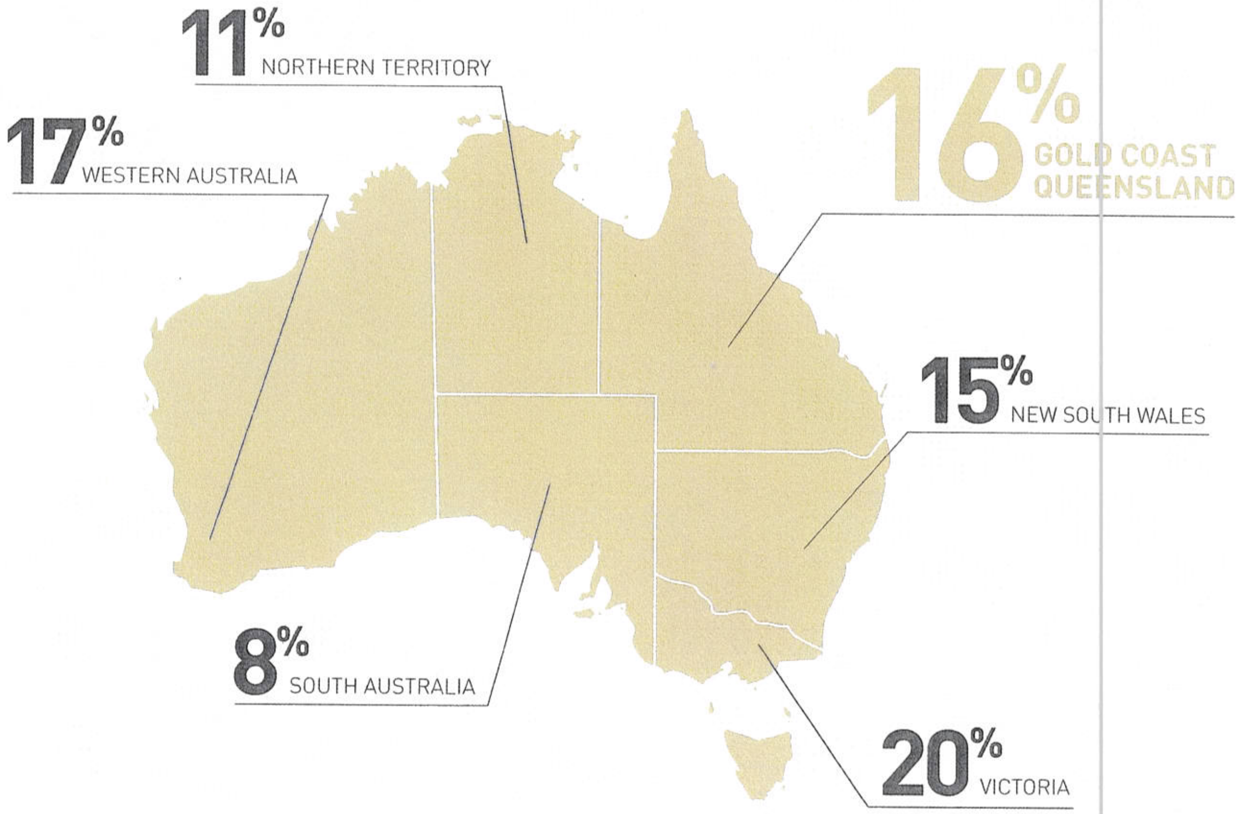
POPULATION

Australia's long-term historical population growth has been solid, with the population increasing at an annual average rate of 1.5% pa (20 years to June 2018). Short-term population growth has been slightly higher at 1.6% pa (5 and 10 years to June 2018). Fluctuations in population growth has been driven by overseas migration, as the chart above indicates, with natural growth remaining relatively stable.

Source: ABS

ANNUAL POPULATION GROWTH BY COMPONENT





EMPLOYMENT

Over the past five years, the labour force in Australia has grown by approximately 845,000 new jobs. The strongest growth in employment occurred in Tasmania (4.0%), Victoria (3.1%) and Queensland (2.7%). Source: ABS

845,000

NEW JOBS OVER 5 YEARS

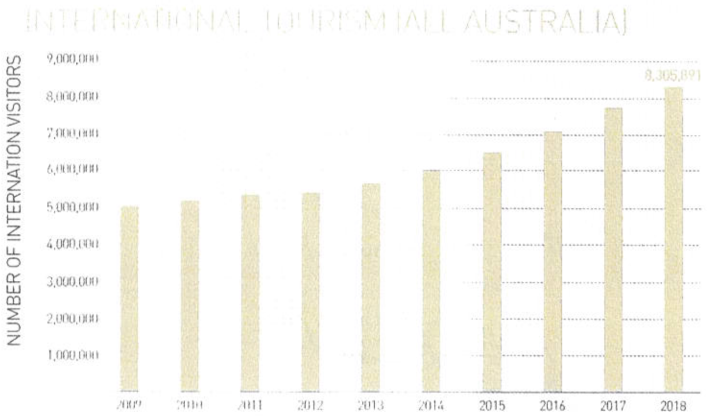
AUSTRALIANS ENJOY A HIGH QUALITY OF LIFE.

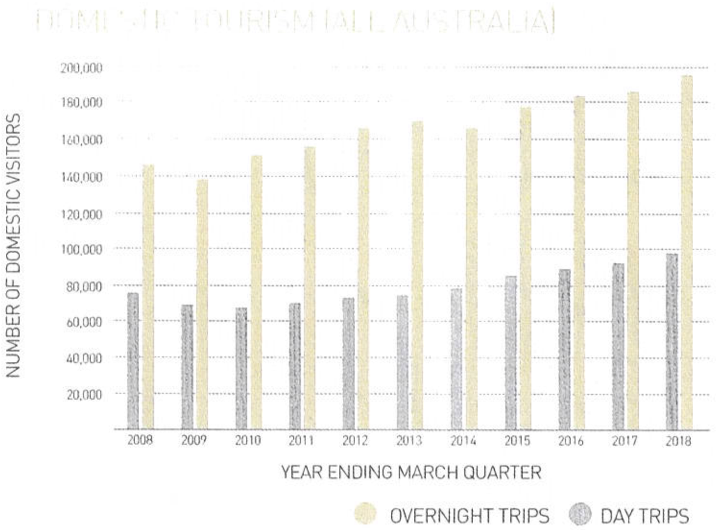
TOURISM

Approximately 7.7 million international visitors made their way to Australia during the year ending March 2017. This is an average annual increase of 4.2 per cent per annum over the past 10 years. The majority of international visitors to Australia were from New Zealand (15.9%) and China (14.8%).

97.7 MILLION

DOMESTIC TRAVELERS OVERNIGHT VISITS.





64.4%

INCREASE IN INTERNATIONAL VISITORS SINCE 2009.

GOLD COAST INFRASTRUCTURE SPENDING

(Within last 12 months to March 2019)

TRANSPORTATION ($M)	$3,253.00	29 PROJECTS
TOURISM ($M)	$2,860.00	13 PROJECTS
COMMERCIAL ($M)	$484.80	36 PROJECTS
RETAIL ($M)	$1,424.60	32 PROJECTS
RETIREMENT ($M)	$1,087.20	40 PROJECTS
SPORT ($M)	$236.60	11 PROJECTS
SERVICES ($M)	$1,046.80	49 PROJECTS
HEALTH ($M)	$741.60	16 PROJECTS
LEISURE ($M)	$101.00	14 PROJECTS
MARINE ($M)	$607.00	5 PROJECTS
EDUCATION ($M)	$508.60	56 PROJECTS
CULTURAL ($M)	$385.00	1 PROJECT
MIXED ($M)	$213.20	11 PROJECTS

Source: Urbis, 2019

EMPLOYMENT

Strong employment growth is projected for the Gold Coast LGA over the next 25 years. Employment is projected to increase by over 70 per cent, reaching over 433,000 jobs by 2041. This equates to an average annual increase of more than 7,000 new jobs per annum.

The largest increases in employment is set to be within the Health Care and Social Assistance sectors, followed by the Construction sector. In conjunction with the Scientific Sectors, and Education and Training, it is evident the push within Gold Coast's health and knowledge industries is strong.

Source: Urbis, 2018.

	NOV 15	NOV 20	5 YEAR GROWTH PER ANNUM
BRISBANE	1,181,100	1,288,700	1.8%
GOLD COAST LGA	312,000	347,600	2.2%
SYDNEY	2,517,300	2,797,700	2.1%
MELBOURNE	2,301,500	2,527,600	1.9%

Prepared by Urbis Source: ABS 2015. Regional Employment Projections

TOP 5 GOLD COAST EMPLOYMENT PROJECTIONS BY SECTOR

2016			2036		
1	RETAIL TRADE	13.1%	1	HEALTH CARE AND SOCIAL ASSISTANCE	14.6%
2	HEALTH CARE AND SOCIAL ASSISTANCE	13.0%	2	CONSTRUCTION	11.4%
3	ACCOMMODATION AND FOOD SERVICES	12.1%	3	ACCOMMODATION AND FOOD SERVICES	10.9%
4	CONSTRUCTION	9.9%	4	RETAIL TRADE	8.7%
5	MANUFACTURING	7.7%	5	EDUCATION AND TRAINING	8.7%

Prepared by Urbis Source: ABS 2015. Regional Employment Projections

70% INCREASE IN EMPLOYMENT PREDICTED BY 2041.

7,000 MORE JOBS PER YEAR PREDICTED.

HEALTHCARE AND SOCIAL ASSISTANCE PREDICTED AMONG **LARGEST TO GROW**.

TOURISM

The Gold Coast is widely acclaimed as Australia's premier tourist destination, offering a diverse range of natural and cultural attractions. Natural highlights range from world famous beaches to world heritage listed sub-tropical rainforests and National Parks. Thrown in the mix is Australia's largest concentration of theme parks, together with a growing cultural and arts focus.

DOMESTIC VISITORS
3.40 MILLION

INTERNATIONAL VISITORS
OVER 1 MILLION

DOMESTIC DAY TRIPPERS
6.80 MILLION

GOLD COAST AIRPORT VISITORS
6.57 MILLION PEOPLE

Source: Urbis, 2018, Source: Tourism Research Australia.

- The demographic profile of the Broadbeach Catchment differs from the wider Gold Coast LGA, particularly within the younger age groups.
- Broadbeach features a high proportion of Generation Y residents (aged 20 to 34), representing 30.12 per cent of residents. This is significantly higher than the proportion of Gen Y residents on the Gold Coast, which is recording 20.46 per cent.
- The high level of amenity and lifestyle infrastructure available in the area is likely a major contributor to the dominant young demographic within the Catchment. Additionally, Gen Y has a typical preference for living in low maintenance units or apartments, which make up the vast majority (97.4 per cent) of dwelling types in the area. The convenience of the G:Link Light Rail connecting the Health and Knowledge Precinct, as well as the commercial and entertainment hubs of Surfers Paradise and Southport provide a strong attraction for Gen Y residents. Additionally, nearby retail, beach and leisure amenities make Broadbeach an attractive living choice for this demographic.
- The suburb of Broadbeach recorded an average household income of $80,347, approximately $2,328 higher than the catchment which recorded an average household income of $78,019.

Source: Urbis.

RANKED 2ND MOST IN-DEMAND SUBURB.

Source: REA Dec 2018.

30.12% RESIDENTS AGED 20-34.

GEN Y HAVE A TYPICAL PREFERENCE FOR **LIVING IN** LOW-MAINTENANCE UNITS OR **APARTMENTS.**

$80,347 AVERAGE HOUSEHOLD INCOME.

POPULATION

These forecasts have been prepared using Queensland Office of Economic and Statistical Research population projections (2018) and take into consideration new dwelling approvals and proposed residential developments in the area.

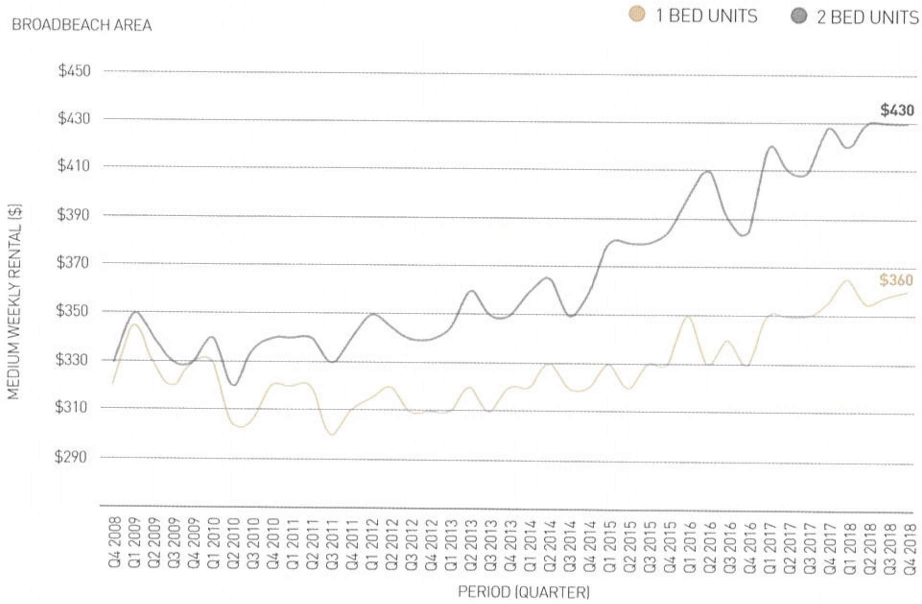
ANNUAL POPULATION CHANGE (%p.a.)

	2011 - 2016	2016 - 2021	2021 - 2026	2026 - 2036	2031 - 2036	2036 - 2041
Broadbeach Catchment	3.2%	3.4%	3.1%	2.7%	2.7%	3.0%
Gold Coast LGA	2.8%	2.4%	2.1%	1.9%	1.7%	1.3%

Prepared by Urbis; Source: Queensland Office of Economic and Statistical Research.

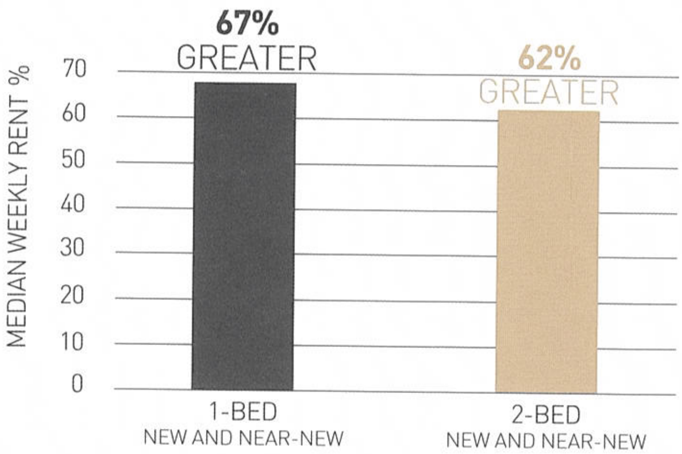
THIS REPRESENTS SIGNIFICANT **POPULATION GROWTH OF 3.0 PER CENT PER ANNUM**, COMPARED TO 1.9 PER CENT PER ANNUM FOR THE GOLD COAST LGA.

MEDIAN WEEKLY RENTS



Prepared by Urbis; Source: Residential Tenancies Authority Q4 2018
Broadbeach Area consists of Broadbeach, Mermaid Beach, Nobby Beach and Rialto

NEW AND NEAR-NEW APARTMENTS VS ESTABLISHED MARKET - MEDIAN WEEKLY RENT



MEDIAN WEEKLY **RENT IS SIGNIFICANTLY HIGHER** IN NEW OR NEAR NEW APARTMENTS.

PROJECTED SHORT-TERM ACCOMMODATION

AVERAGE DAILY RATES

	2016-21		2021-26		2026-2036		2031-2036		2036-2041	
	Min.*	Max**	Min.*	Max**	Min.*	Max**	Min.*	Max**	Min.*	Max**
One Bed - Low Season	$318	$340	$323	$345	$328	$350	$333	$355	$338	$360
One Bed - High Season	$552	$693	$563	$707	$574	&721	$586	$735	$598	$750
One Bed Ocean - Low Season	$371	$393	$377	$399	$383	$405	$388	$411	$394	$417
One Bed Ocean - High Season	$639	$779	$651	$795	$664	$811	$678	$827	$691	$844
One Bed Study - Low Season	$334	$356	$339	$361	$344	$366	$350	$372	$355	$377
One Bed Study - High Season	$579	$720	$591	$734	$602	$749	$615	$764	$627	$779
One Bed Study Ocean - Low Season	$387	$409	$393	$415	$399	$421	$405	$427	$411	$434
One Bed Study Ocean - High Season	$666	$806	$679	$823	$693	$839	$706	$856	$721	$873
Two Bed 1 Bath - Low Season	$414	$435	$420	$442	$426	$448	$433	$455	$439	$462
Two Bed 1 Bath - High Season	$693	$833	$707	$850	$721	$867	$735	$884	$750	$902
Two Bed 1 Bath Ocean - Low Season	$456	$488	$463	$496	$470	$503	$477	$511	$484	$518
Two Bed 1 Bath Ocean - High Season	$779	$920	$795	$938	$811	$957	$827	$976	$844	$518
Two Bed 2 Bath - Low Season	$467	$509	$474	$517	$481	$525	$488	$533	$496	$541
Two Bed 2 Bath - High Season	$790	$931	$806	$950	$822	$968	$839	$988	$855	$1,008
Two Bed 2 Bath Ocean - Low Season	$520	$563	$528	$571	$536	$580	$544	$588	$552	$597
Two Bed 2 Bath Ocean - High Season	$877	$1,017	$894	$1,038	$912	$1,059	$930	$1,080	$949	$1,101
Two Bed MPR - Low Season	$610	$743	$619	$754	$629	$765	$638	$777	$648	$789
Two Bed MPR - High Season	$920	$1,515	$938	$1,546	$957	$1,577	$976	$1,608	$996	$1,640

*** The range for three bedroom accommodation varies considerably based on the different quality of accommodation available in the market.

AVERAGE DAILY RATES

	2022		2023		2024		2025		2026	
	Min.*	Max**	Min.*	Max**	Min.*	Max**	Min.*	Max**	Min.*	Max**
One Bed	65%	70%	65%	70%	70%	75%	70%	75%	75%	80%
Two Bed	65%	70%	65%	70%	70%	75%	70%	75%	75%	80%
Three Bed	45%	55%	45%	55%	50%	60%	50%	60%	55%	65%

It is unlikely occupancy rates will climb over 80%. Generally, when this happens new stock enters the market as experienced in Sydney.