



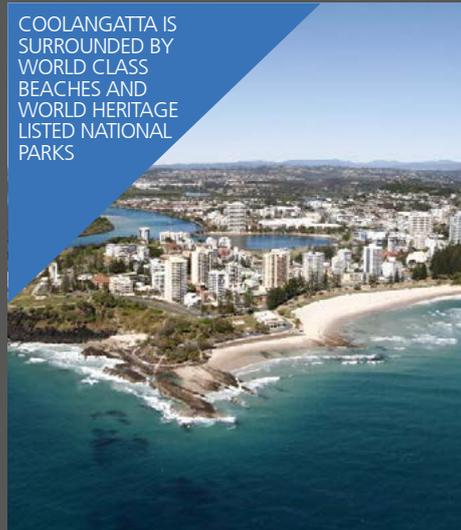
OUTLOOK COOLANGATTA

A CONTEXT ON BUSINESS, CULTURE, LIFESTYLE AND RESIDENTIAL

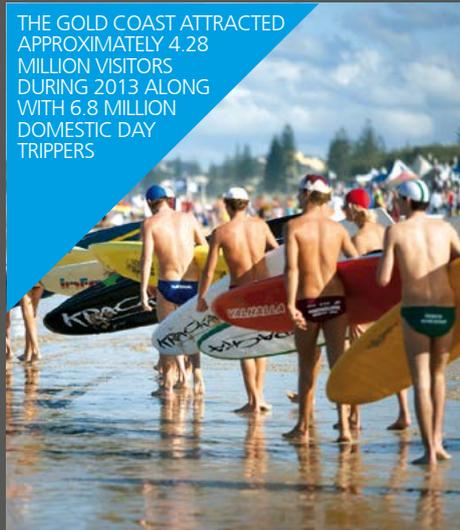
Coolangatta is one of the Gold Coast's hidden gems, located on pristine coastline with world class beaches as its natural border and World Heritage listed National Parks nearby.

JUNE 2014

- A DEVELOPMENT INVESTMENT ACTIVITY**
\$1.7 billion of development planned or underway in and around Coolangatta / Page 06
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Forecast to **increase by 47%** by 2031 / Page 08
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COOLANGATTA



SURF CARNIVAL



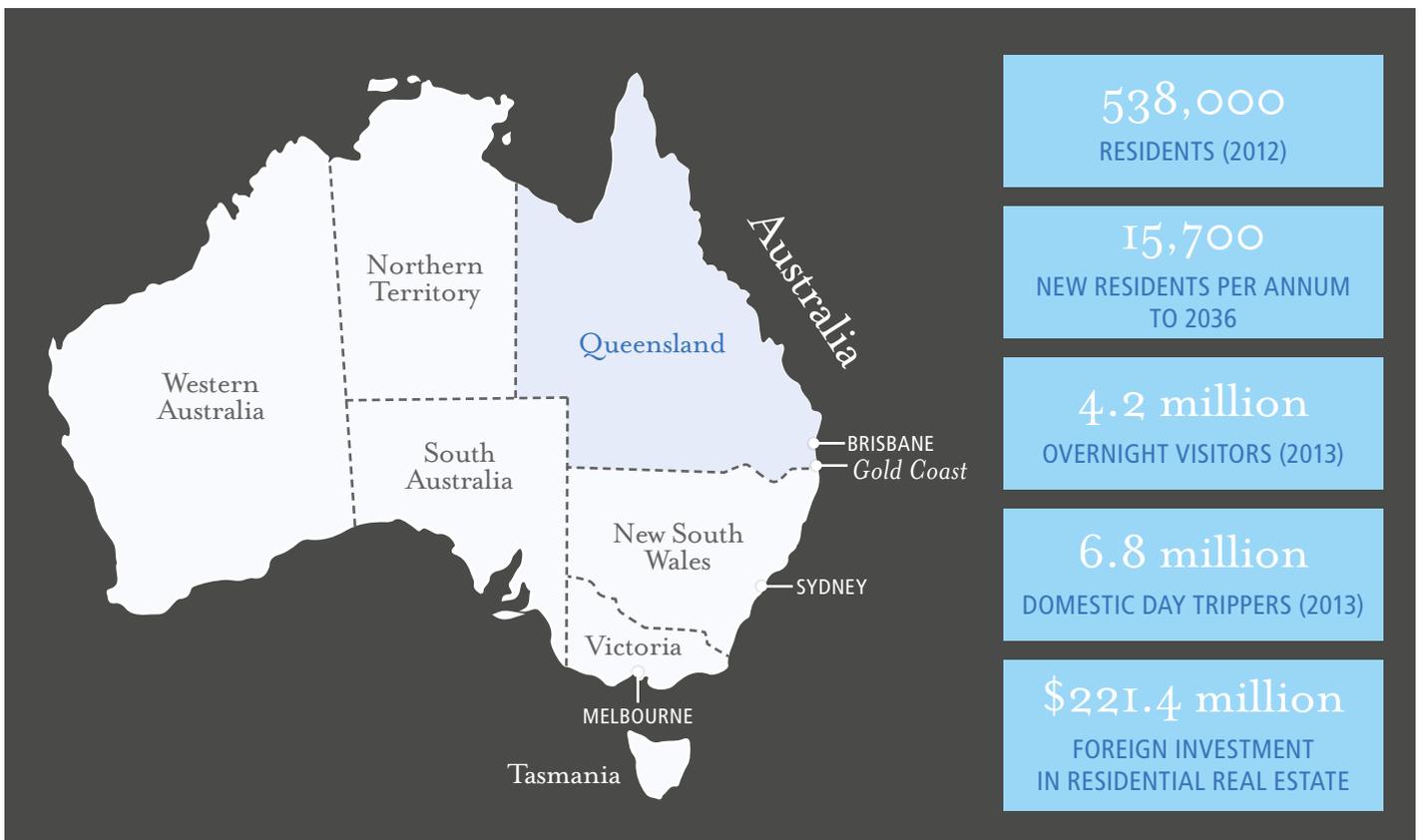
GOLD COAST AIRPORT

1 POP **2 INF** **3 EMP**

COOLANGATTA
Coolangatta accommodates all three of the Urbis economics and research fundamentals that make a sustainable suburb — Population, Infrastructure and Employment.



THE STRAND



GOLD COAST

The Gold Coast is entering a new cycle driven by key fundamentals such as infrastructure investment, construction, the return of tourism and improved sentiment. The signs are positive with major developers turning their attention to the Gold Coast, as investors are recognising the opportunity the Gold Coast presents as Australia's southern markets become less affordable.

The Gold Coast's resident population reached 538,000 during 2012 with significant growth realised between 2001 and 2011 when the population increased by around 13,500 residents per annum. This growth is forecast to continue over the next 25 years through to 2036 with growth projections of 15,700 per annum.

The Gold Coast is widely acclaimed as Australia's premier tourist destination and attracted approximately 4.28 million overnight visitors during the year ending December 2013 (3,490,000 domestic and 792,000 international). In addition to these overnight visitors, approximately 6.8 million domestic day trippers made their way to the Gold Coast during the same period.

As well as visiting the Gold Coast, foreigners have also found Gold Coast property an attractive investment. For many years the Gold Coast has been the favoured Queensland location for foreign investment in residential property. The financial year ending June 2013 saw a total of \$494.2 million invested across Queensland, an increase of 11 per cent over the previous year. Of this figure, \$221.4 million was invested in Gold Coast residential real estate. Chinese buyers dominated the Gold Coast foreign investment market with a total of 160 transactions totalling \$104 million, followed by Malaysia (\$23.2 million) and Singapore (\$17.1 million).

Direct access to the Gold Coast from both interstate and international visitors is provided by the Gold Coast Airport, which is attracting increased passenger volume with direct flights to New Zealand and Asia. Preliminary figures show approximately 4.9 million passengers have travelled through the Gold Coast Airport to date for the financial year ending June 2014, with 16 per cent of these being international travellers.

Population growth, heavy investment in major infrastructure projects, forecast employment growth and increasing visitor numbers all bode well for the Gold Coast and is expected to provide residents with additional amenity, further increasing lifestyle quality and the demand for residential property across the Gold Coast.

\$13.7 billion

ESTIMATED VALUE OF INFRASTRUCTURE INVESTMENT

INFRASTRUCTURE

Infrastructure investment on the Gold Coast has been driven by solid historic population growth in the region. Infrastructure investment is focused on key areas of health, transport, tourism, sport and recreation, and education; all key elements required for the future growth of the city.

This investment includes the Broadwater Marine Project, which is planned to deliver a new international cruise ship terminal and integrated tourism facilities. Equally, the Gold Coast Cultural Precinct is envisioned to grow alongside the Gold Coast's thriving cultural and artistic activities, producing tangible community, cultural and economic benefits.

SOURCE: CORDELLS, QUEENSLAND HEALTH, WWW.GOLDLINQ.COM.AU, QUEENSLAND DEPARTMENT OF MAIN ROADS

47%

FORECAST INCREASE IN GOLD COAST EMPLOYMENT BETWEEN 2011 AND 2031

EMPLOYMENT

Strong employment growth is projected for the Gold Coast LGA over the next twenty years. Employment is projected to increase by over 40% between 2011 and 2031, reaching just over 328,000 jobs by 2031. This equates to an average increase of 5,223 new jobs each year.

This employment growth will build upon the 223,725 jobs within the Gold Coast LGA in 2011. Significant job growth is expected in the health and cultural industries in particular, driven by wide scale investment in hospitals and healthcare facilities, and growing film, media and arts investment.

SOURCE: NIEIR EMPLOYMENT FORECASTS

75,000

FORECAST PASSENGERS PER DAY

GOLD COAST LIGHT RAIL

The \$1.8 billion Gold Coast light rail project (GoldLinQ) currently has its first stage under construction, with Stage Two proposed.

This major infrastructure project will significantly improve public transport capability and capacity on the Gold Coast whilst facilitating urban development along the associated transit corridor.



SOURCE: WWW.GOLDLINQ.COM

\$2 billion

QUEENSLAND GOVERNMENT INVESTMENT IN HEALTH INFRASTRUCTURE BETWEEN 2007 AND 2013

HEALTH

Recent investment in healthcare on the Gold Coast will provide world class health facilities to a growing population. This includes the Gold Coast University Hospital, a 750 bed precinct specialising in medicine, psychology and dentistry, and offering enhanced medical and education opportunities throughout the Gold Coast.



SOURCE: QUEENSLAND HEALTH

\$708 million

ESTIMATED VALUE OF CONSTRUCTION

COMMONWEALTH GAMES

The Gold Coast's climate, current sporting infrastructure and sporting spirit contributed to it becoming the host city for the Commonwealth Games 2018.

To prepare for this event, over \$708 million will be invested in new construction and upgrade of venues and facilities within the Gold Coast between now and 2018.



SOURCE: CORDELLS, WWW.RDIMARKETING.COM.AU

30,300

NUMBER OF TOURISTS ON THE GOLD COAST EACH DAY

TOURISM

The Gold Coast is widely acknowledged as Australia's premier tourist destination, offering a diverse range of attractions. From world famous beaches to World Heritage listed subtropical rainforests, Australia's largest concentration of theme parks, as well as a growing cultural and arts focus – the tourism industry is a major contributor to the Gold Coast economy.

At present, the Gold Coast has over 30,300 visitors each day. By 2020, the Gold Coast is expected to experience a 37 per cent growth in international visitation, driven by strong growth in tourism from Asia.



SOURCE: TOURISM QUEENSLAND

LIFESTYLE & AMENITY COOLANGATTA



COOLANGATTA

Coolangatta is situated at the southern end of the Gold Coast on the border of Queensland and New South Wales and is one of the city's hidden gems. Located on pristine coastline with several beaches within the suburb this southern area has a lot to offer both residents and visitors. Rainbow Bay at Coolangatta is the location of the annual international 'Quiksilver Pro' surf competition and has just been voted Queensland's Cleanest Beach. Coolangatta hosts the

annual 'Cooly Rocks On Festival' and both of these events attract large visitor numbers to the area. A short drive over the border into northern New South Wales will take you to World Heritage Listed National Parks and stunning hinterland scenery.

According to latest figures from the Australian Bureau of Statistics (ABS) for tourist accommodation, Coolangatta recorded a room occupancy rate of 64.9 per cent which is higher than the Gold Coast Tourist Region which recorded 57.8 per cent - highlighting the popularity of the area.

The proximity to the Gold Coast Airport makes Coolangatta an attractive location for residents and visitors with direct links to several overseas destinations and numerous daily flights to major Australian cities and regional locations. The Pacific Highway (M1) running just west of Coolangatta provides another major transport connection to northern New South Wales, northern Gold Coast suburbs and Brisbane.

In line with the Gold Coast, Coolangatta is experiencing a positive uplift with \$1.7 billion of development planned or under construction, increasing visitor numbers, strong forecast employment growth and rebounding residential markets.

Prepared by Urbis Source: QRSIS, Australian Bureau of Statistics, Gold Coast Airport, Queensland Dept. Natural Resources & Mines.



5 minutes drive
TO GOLD COAST AIRPORT



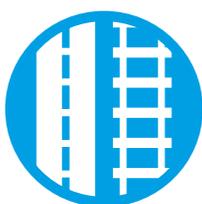
50 minutes drive
TO WORLD HERITAGE LISTED
NATIONAL PARKS



4 minutes drive
TO SOUTHERN CROSS UNIVERSITY



6 beaches
WITHIN COOLANGATTA CATCHMENT



\$1.7 billion
OF INFRASTRUCTURE AND
DEVELOPMENT WITHIN CATCHMENT



80 minutes drive
TO BRISBANE

INFRASTRUCTURE & INVESTMENT

A total of **\$1.7 billion** of new development is under construction or in the planning stages within the Coolangatta Catchment across 14 separate projects.

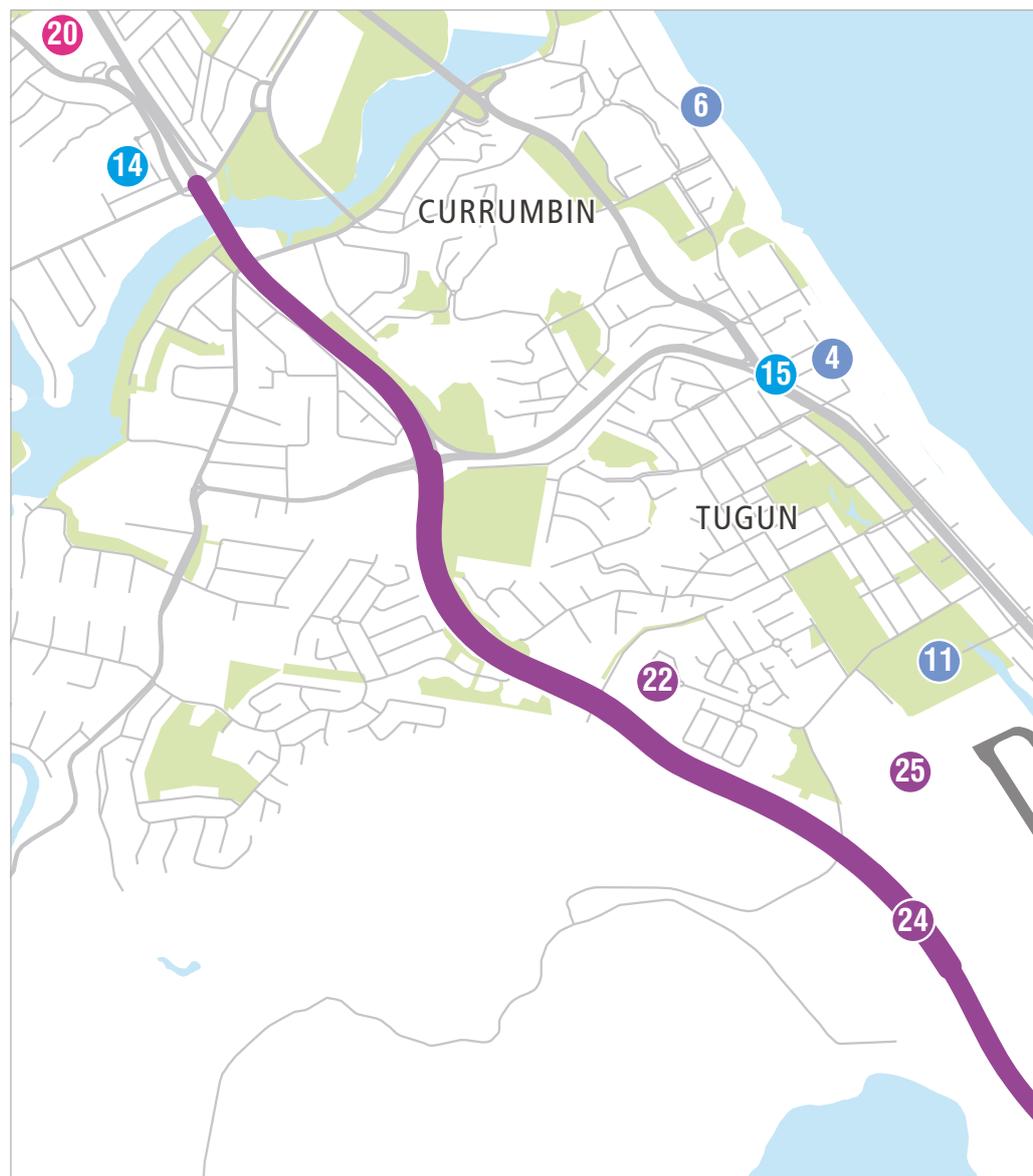
Of the \$1.7 billion, almost \$200 million of this is under construction across four projects.

The largest project is the planned rail extension from Varsity Lakes to Coolangatta at an estimated cost of \$1.2 billion. This project when completed will link the Gold Coast Airport with Brisbane CBD and Brisbane domestic and international airports.

GOLD COAST AIRPORT

The Gold Coast Airport is Australia's fastest growing airport and is the fifth busiest international airport in Australia. Passenger numbers are growing with direct flights to New Zealand and Asia along with major Australian cities and regions. Preliminary figures show approximately 4.9 million passengers have travelled through the Gold Coast Airport to date for the financial year ending June 2014, with 16 per cent of these being international travellers. By 2031/32 it is forecast that the airport will service 16.3 million passengers. The Gold Coast Airport is a major employment node within the Coolangatta Catchment with an estimated total of 1,750 employees, with this forecast to grow 37 per cent by 2016/17.

- 1 Jack Evans Boat Harbour
- 2 Tweed Heads & Coolangatta Surf Life Saving Club
- 3 Kirra Surf Life Saving Club
- 4 Tugun Surf Life Saving Club
- 5 Bilinga Surf Life Saving Club
- 6 Currumbin Beach Vikings Surf Life Saving Club
- 7 Rainbow Bay Surf Life Saving Club
- 8 Queen Elizabeth Park
- 9 Pat Fagan Park
- 10 Tweed River Mouth
- 11 Betty Diamond Sporting Complex
- 12 Twin Towns Services Club
- 13 Airport Central
- 14 The Pines Shopping Centre
- 15 Tugun Village Shopping
- 16 The Strand
- 17 Coolangatta State School
- 18 Gold Coast Institute of TAFE (Griffith St)
- 19 Gold Coast Institute of TAFE (Scott St)
- 20 Elanora State Primary School
- 21 Southern Cross University
- 22 John Flynn Private Hospital
- 23 Gold Coast Airport
- 24 Tugun Bypass
- 25 Desalination Plant
- 26 Proposed Rail Extension to Airport



\$1.7 billion of development under construction or in planning stages across the Coolangatta Catchment

SOUTHERN CROSS UNIVERSITY

The Southern Cross University Gold Coast campus is located at Coolangatta, just 400 metres from North Kirra Beach, and adjacent to the Gold Coast Airport. With approximately 2,000 students, the Foundation Building was opened in 2010 and a second 10 storey building opened in February 2013. An extensive range of degrees are on offer including arts, nursing, midwifery, occupational therapy, podiatry, speech pathology, social science and social welfare, business, secondary and early childhood education, information technology, law and tourism.

RAIL EXTENSION TO COOLANGATTA

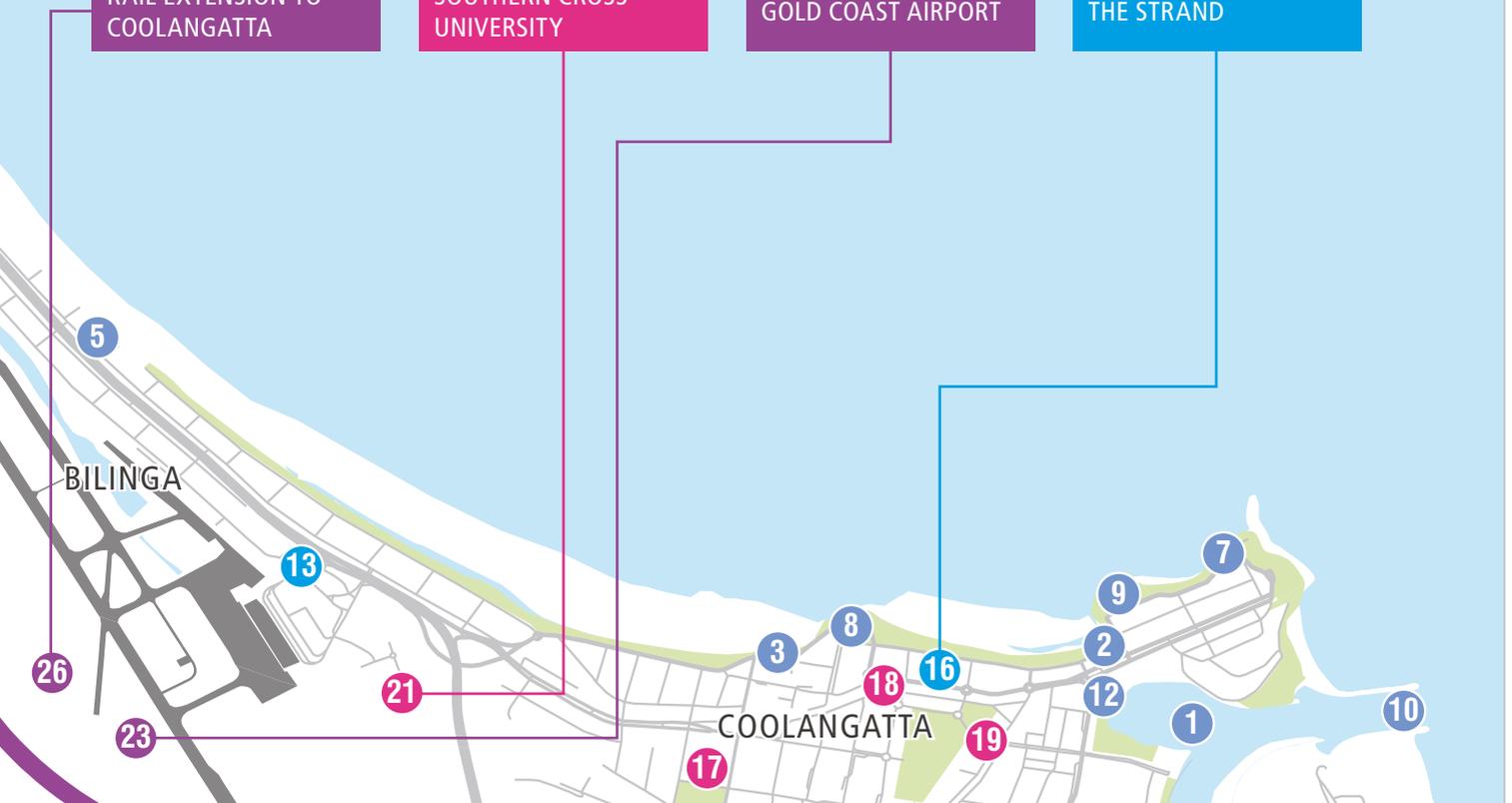
The Brisbane rail line was extended from Beenleigh to Helensvale in 1996 and was followed by an extension to Nerang in 1997 and Robina in 1998. The last stage undertaken was from Robina to Varsity Lakes and was completed in 2009. The current Queensland governments Connecting SEQ2031 infrastructure supports a further extension which would take the line to the Gold Coast Airport. During the construction of the Tugun Bypass a tunnel was constructed under the Gold Coast Airport runway in preparation for the train line extension.

THE STRAND

(FORMERLY SHOWCASE ON THE BEACH)

A \$60 million redevelopment of the existing Showcase On The Beach shopping centre is underway with completion expected late 2014. The redevelopment includes a new Woolworth's supermarket, new food court with uninterrupted beachfront views, new travelators that will give direct access from Marine Parade and redevelopment of mall entry points. A wide range of new boutiques are being attracted to the upgraded centre. The redevelopment is expected to generate over 500 jobs during construction and more than 200 jobs in retail and hospitality upon completion.

COOLANGATTA CATCHMENT MAJOR INFRASTRUCTURE AND AMENITY



EMPLOYMENT

Coolangatta Catchment employment is projected to increase by over 47 per cent over the next 20 years

Strong employment growth is projected for the Gold Coast Local Government Area (LGA) over the next 20 years. Employment is projected to increase by almost 47 per cent, reaching just over 328,000 jobs by 2031. This equates to an average increase of 5,223 new jobs per annum. The largest employment nodes by 2031 are projected to be Southport (68,027 new jobs), Coomera-Cedar Creek (29,227 new jobs) and Robina (24,084 new jobs).

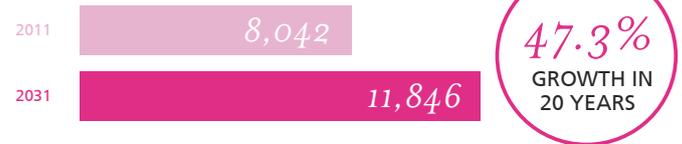
The Coolangatta Catchment (Coolangatta, Bilinga and Tugun) is projected to record job growth of just over 47 per cent which is in line with the overall Gold Coast LGA growth rate. In terms of total numbers employed, the Health & Community sector is projected to employ the largest number of people (2,948) within the Coolangatta Catchment by 2031 followed by Business Services (1,689). Projected figures to 2031 show an increase in white collar employment, with Business Services increasing from fourth to be the second biggest employment sector.

The suburb of Coolangatta is projected to have the highest number of employees across the Catchment by 2031 with a total of 4,757 employees – a 27 per cent increase over 20 years. Looking forward to 2031, the Hospitality and Retail sectors are projected to employ the highest number of people in Coolangatta. The suburb of Bilinga is forecast to experience the highest growth, increasing almost 92 per cent over 20 years with the majority projected to be employed in the Health & Community and Education sectors. Tugun is projected to record employment growth of 47 per cent over 20 years with Health & Community expected to be the largest employer by 2031 with 1,791 people employed in this sector.

GOLD COAST LGA EMPLOYMENT



COOLANGATTA CATCHMENT EMPLOYMENT



HEALTH & COMMUNITY



HOSPITALITY



BUSINESS SERVICES



Prepared by Urbis Source: NEIR Employment Forecast

EDUCATION

The Gold Coast offers some of Australia's finest education facilities, including three universities, the largest regional TAFE in Queensland, as well as a number of English language colleges. In addition, there are over 75 local schools, including some of Australia's most well regarded primary and secondary state and private schools.

The Gold Coast's range of education facilities and extensive natural environment make it an attractive study destination for over 7,000 international students currently studying in its tertiary education institutions.



Prepared by Urbis Source: Department of Education, Training & Employment; Queensland Government

Coolangatta Catchment population projected to grow by 51 per cent over next 25 years

DEMOGRAPHICS

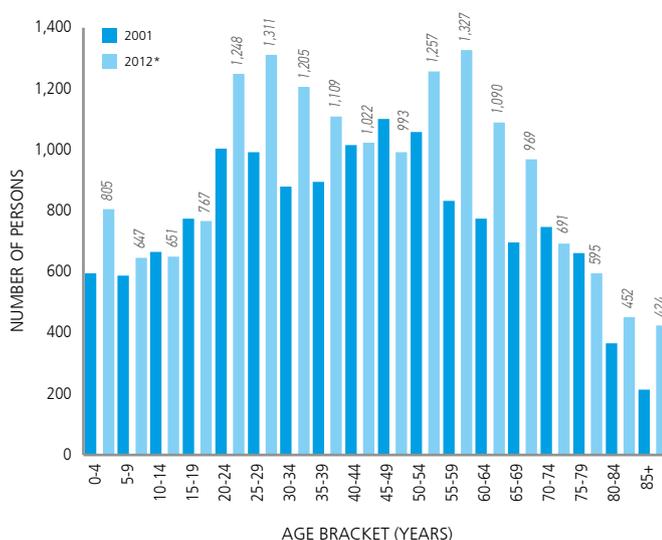
The Gold Coast is one of the fastest growing regions in Australia with population growth between 2001 and 2011 equating to around 13,500 new residents per annum - an annual average growth rate of 3.1 per cent. Looking forward the Gold Coast LGA is projected to maintain this strong population growth, with around 15,700 new residents per annum over 25 years between 2011 and 2036.

The Coolangatta Catchment is also projected to record strong population growth over the next 25 years. Between 2011 and 2036 the area is forecast to grow by around 51 per cent. The strongest growth will be in the 70 plus age brackets as Baby Boomers move into the retirement stage of their lifecycle.

The demographic make-up of the Gold Coast demonstrates a broad range of resident characteristics with Baby Boomers (25 per cent aged 45-64) and Generation Y (22 per cent aged 20-34) as well as residents in the 35 to 44 year age brackets (Generation X) making up 14 per cent of the population.

The Coolangatta Catchment has shown a similar trend to the wider Gold Coast with higher proportions of Baby Boomers, Generation Y and Generation X than other age brackets. The largest proportion of the population is made up of Baby Boomers who represent 28 per cent. Generation Y follows with 23 per cent and Generation X 13 per cent. Between 2001 and 2012* it was Generation Y which recorded the largest growth (31 per cent).

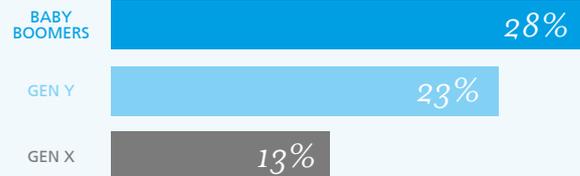
AGE DISTRIBUTION COOLANGATTA CATCHMENT - 2001-2012



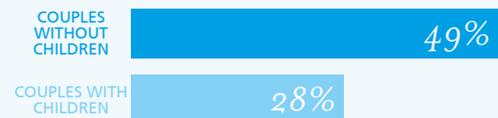
Prepared by Urbis Source: QRSIS
*2012 preliminary figures

WHO LIVES IN THE COOLANGATTA CATCHMENT?

COOLANGATTA CATCHMENT IS MADE UP OF:



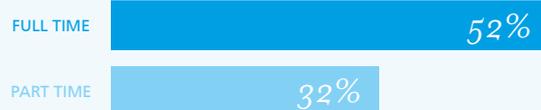
FAMILY COMPOSITION



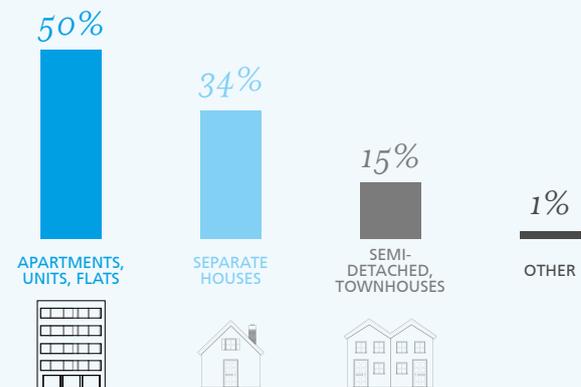
POPULATION GROWTH 2011 - 2036

8,434 COOLANGATTA CATCHMENT

EMPLOYMENT



DWELLING STRUCTURE



Prepared by Urbis Source: ABS

RESIDENTIAL MARKETS

GOLD COAST APARTMENT MARKET

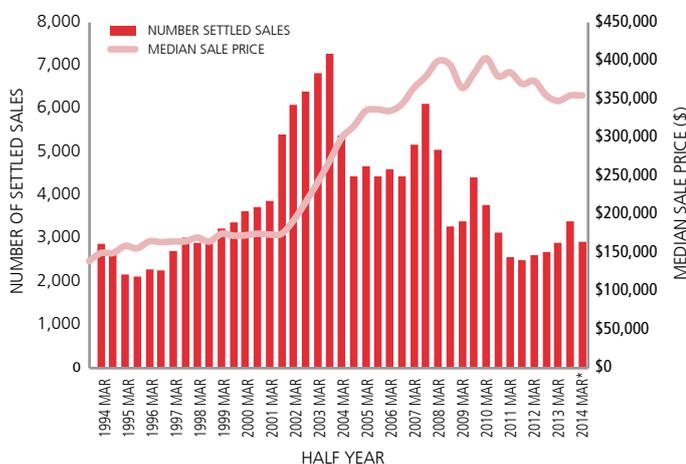
The Gold Coast apartment market is diverse; ranging from high rise apartment towers to townhouses and duplex. Location of apartment stock is also diverse with dwelling options ranging from beachfront, river front, canal and golf course frontage to suburban apartments and hinterland locations.

The apartment market is showing signs of improvement after a period of correction caused by the Global Financial Crisis resulting in low sales volumes and declining prices. Recent research indicates that investors are returning to the Gold Coast residential markets, viewing significant infrastructure investment, rebounding tourism and affordability as key drivers to the property market.

The most recent peak apartment selling periods were during 2007 when around 11,300 apartments transacted followed by another period of increased activity during 2009. Following a low during the six months ending September 2011, sales activity has recorded steady improvement with an average increase each half year period to September 2013 of eight per cent. Preliminary figures to March 2014 are recording just over 2,900 transactions and appear on track to continue the upward trend.

Whilst sales volumes have been steadily increasing, median apartment prices have shown more erratic results with prices softening to \$348,000 during the six months ending March 2013. The following six month period saw an improvement of around two per cent to \$355,000 with preliminary figures for the most recent half year period (March 2014) remaining steady at \$355,000.

GOLD COAST 20 YEAR APARTMENT SALES CYCLE



Prepared by Urbis Source RPData
*Mar-14 based on preliminary data.

COOLANGATTA CATCHMENT APARTMENT MARKET

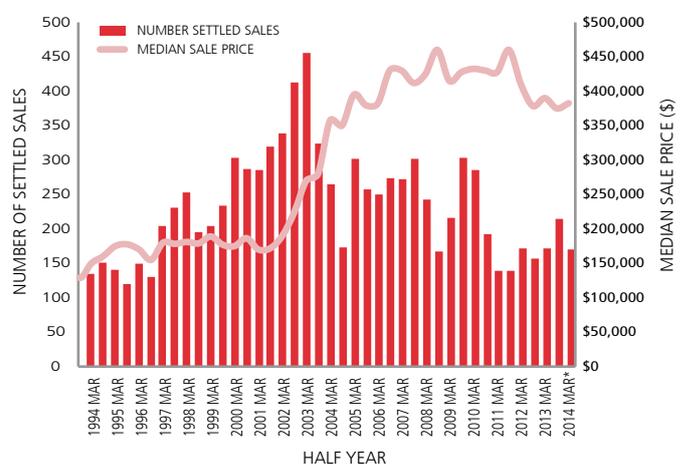
The Coolangatta Catchment (Coolangatta, Bilinga, Kirra and Tugun) apartment market has shown a similar trend to the wider Gold Coast with peak sales periods during 2007 and 2009, and again during the six months ending September 2013.

From 2001 through to 2008 median apartment prices on the southern end of the Gold Coast recorded significant growth, increasing \$290,000 or 13 per cent per annum from \$170,000 to \$460,000. Median prices then experienced some volatility over the following years, lifting again to \$460,000 during the six months ending September 2011.

Sales volumes increasing as investors return to the market

After a period of softening, the beginning of 2013 recorded a three per cent lift in the median price to \$390,000 and then softened slightly to end the September 2013 six month period at \$375,000 based on 215 settled transactions. This is a premium of \$20,000 over the median price for apartments across the Gold Coast LGA for the same period. Preliminary figures for the March 2014 six month period are on track to record an increase with figures to date recording 171 transactions with a median price of \$382,500.

COOLANGATTA CATCHMENT 20 YEAR APARTMENT SALES CYCLE



Catchment: Coolangatta, Bilinga, Kirra, Tugun.
Prepared by Urbis Source RPData
*Mar-14 based on preliminary data.

\$MILLION PLUS APARTMENT MARKET

There have been a total of 159 apartment sales within the Coolangatta Catchment priced at \$1 million and over during the five years between 2009 and 2013. The suburb of Coolangatta has recorded the highest number of these sales with 114 followed by Bilinga (31) and Tugun (14). During 2013, 22 apartments priced in excess of \$1 million settled with 30 per cent occurring in the Elysee building and 23 per cent in Reflection Tower Two building. The relatively low number of sales transacting can be attributed to the lack of apartment buildings which cater to this standard and style of prestige apartments

SOUTHERN BEACHES & NORTHERN NSW NEW APARTMENT MARKET

Urbis Gold Coast Apartment Insights report recorded 13 new apartment sales during the March 2014 quarter within the Southern Beaches and Northern New South Wales Precinct. A total of six new apartment projects are being monitored across this precinct which includes suburbs from Mermaid Beach in the north through to Coolangatta and into northern New South Wales. These six projects have a total of 259 apartments, 73 per cent of which are sold leaving only 47 new apartments available for sale at the end of March 2014. Based on the current sales rate of 13 new apartment sales this supply could be exhausted within 11 months.

Low level of new apartment supply and limited future supply

There are three new projects which Urbis believe will be included in the June 2014 quarter report adding another 127 apartments to the current stock level. Two of these projects are in Palm Beach and contain a total of 105 apartments and one is in Coolangatta with a total of 22 apartments. This will not alleviate the critically low level of apartment supply in the Coolangatta Catchment, particularly if the current sales rate increases.

SOUTHERN BEACHES AND NORTHERN NSW APARTMENT INSIGHTS



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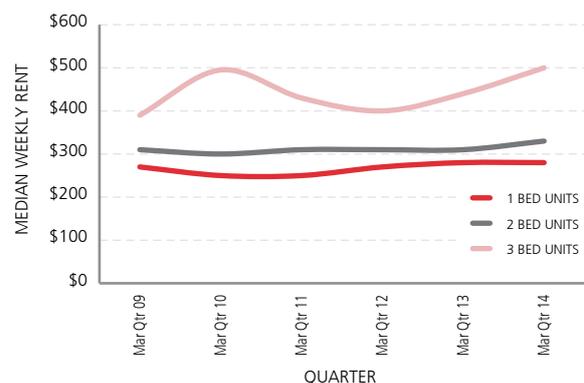
COOLANGATTA CATCHMENT RENTAL MARKET

Coolangatta is unique in that it can offer fully furnished apartments with uninterrupted stunning ocean and hinterland views which are rented out at a premium. Research has revealed weekly rates in peak holiday periods ranging from \$1,295 up to \$4,200 in the newer high rise apartment buildings in the Coolangatta Catchment. Off peak rates are reported to range from \$980 up to \$3,200 per week. These rates are at a substantial premium to long term permanent residential rates.

The Australian Bureau Statistics (ABS) collects data on an annual basis across the Gold Coast's major tourism areas of which Coolangatta is included. The latest figures for the June 2013 quarter recorded an occupancy rate of 64.9 per cent across 11 hotels, motels and serviced apartments. This highlights the popularity of the area with the overall Gold Coast occupancy figure sitting at a much lower rate of 57.8 per cent.

Median weekly rental data collected by the Residential Tenancies Authority (RTA) for the postcode 4225 which includes the suburbs of Coolangatta, Bilinga and Kirra has shown soft improvement over the last five years. The exception has been three bedroom apartments which increased 5.1 per cent per annum between March quarter 2009 and March quarter 2014.

MEDIAN WEEKLY RENTS - COOLANGATTA POSTCODE 4225



Prepared by Urbis Source Residential Tenancies Authority



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