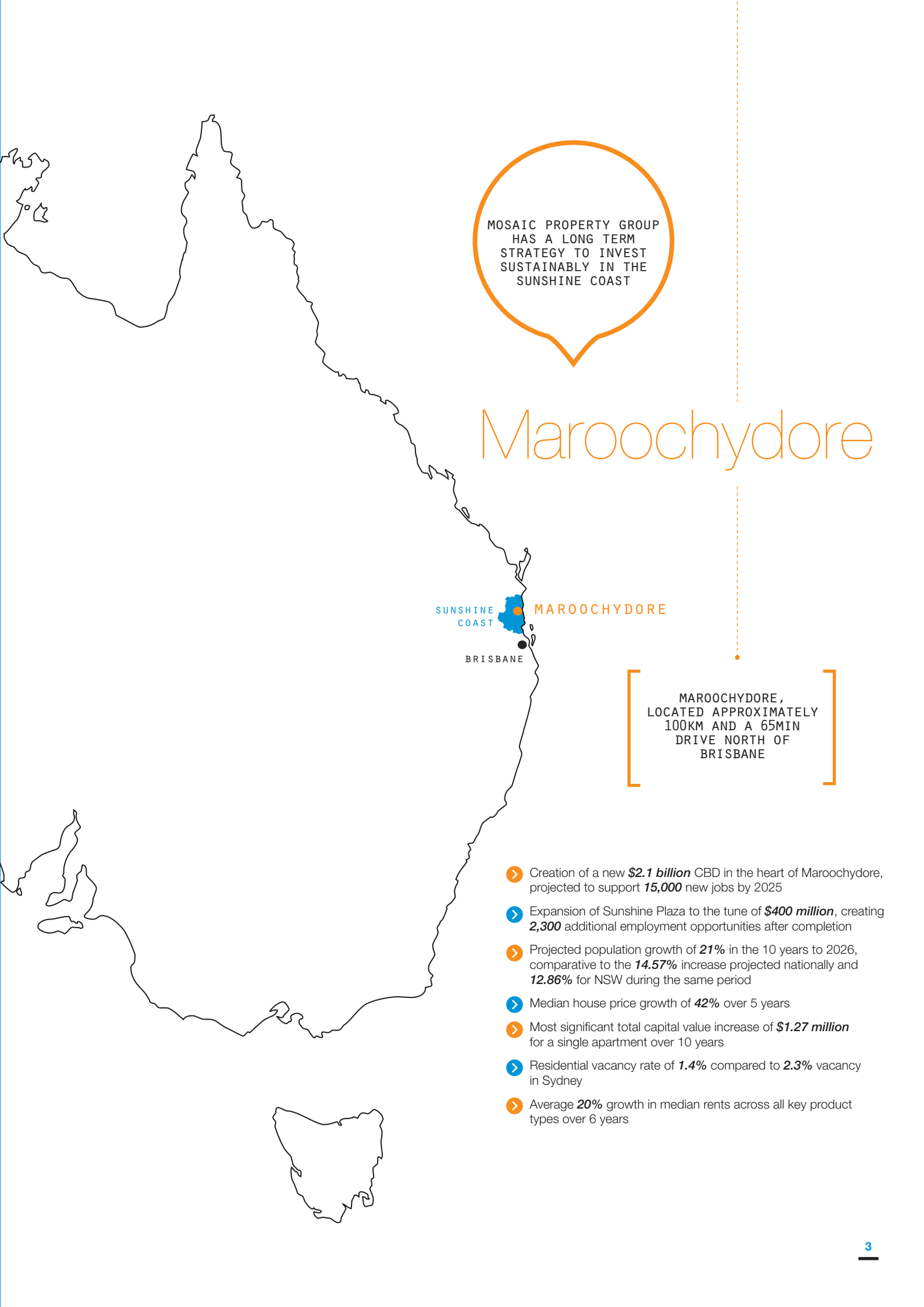


MOSAIC  
PROPERTY  
GROUP  
MAROOCHYDORE  
REGION REPORT  
2018





MOSAIC PROPERTY GROUP  
HAS A LONG TERM  
STRATEGY TO INVEST  
SUSTAINABLY IN THE  
SUNSHINE COAST

# Maroochydore

SUNSHINE  
COAST

MAROOCHYDORE

BRISBANE

MAROOCHYDORE,  
LOCATED APPROXIMATELY  
100KM AND A 65MIN  
DRIVE NORTH OF  
BRISBANE

- Creation of a new **\$2.1 billion** CBD in the heart of Maroochydore, projected to support **15,000** new jobs by 2025
- Expansion of Sunshine Plaza to the tune of **\$400 million**, creating **2,300** additional employment opportunities after completion
- Projected population growth of **21%** in the 10 years to 2026, comparative to the **14.57%** increase projected nationally and **12.86%** for NSW during the same period
- Median house price growth of **42%** over 5 years
- Most significant total capital value increase of **\$1.27 million** for a single apartment over 10 years
- Residential vacancy rate of **1.4%** compared to **2.3%** vacancy in Sydney
- Average **20%** growth in median rents across all key product types over 6 years

THE AREA IS NOW SET FOR A NEW  
PHASE OF UNPRECEDENTED GROWTH

# MAROOCHYDORE









# INTRODUCTION

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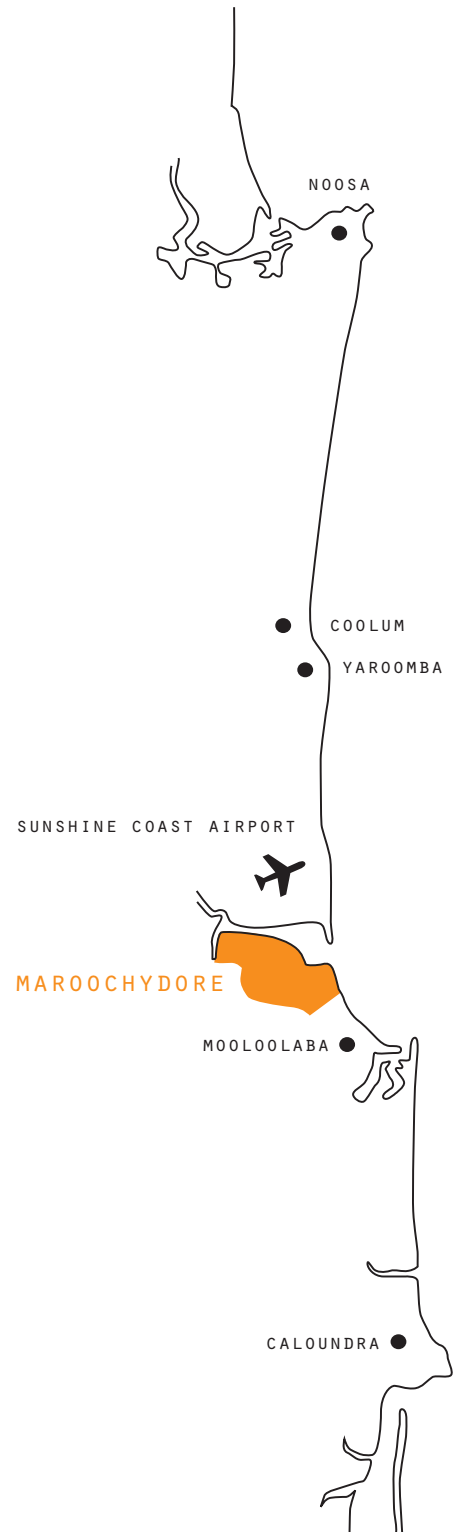
## MAROOCHYDORE

**Maroochydore, located approximately 100km and a 65min drive north of Brisbane, is well known for its outstanding beaches and riverside location, major and boutique shopping, entertainment and recreational amenity. As the Sunshine Coast's commercial centre, Maroochydore benefits from strong economic and employment advantages.**

The area is now set for a new phase of unprecedented growth associated with the development of a new 53ha Central Business District known as SunCentral, along with the \$400 million expansion of the existing Sunshine Plaza. With a central location half way between Caloundra and Coolumb, Maroochydore is well positioned to benefit from existing and planned infrastructure within the surrounding region, including the University of Sunshine Coast, 15mins away, and the Sunshine Coast Airport which is undergoing a major expansion and situated just a short 10mins drive north.

Employment growth associated with the new SunCentral CBD and other game changing infrastructure within the region will dramatically influence Maroochydore's population growth. Projections anticipate that the number of Maroochydore residents will grow by more than 80% in the coming 20-year period. This bodes well for the future prospects of the already strong performing residential property market within Maroochydore.

In addition to economic and employment prospects, Maroochydore provides an idyllic coastal lifestyle balanced with the facilities and convenience of a major centre. Locals actively make use of the walking paths and amenity that run all the way from Sunshine Plaza round to Cotton Tree and the Maroochydore surf lifesaving club, through to Alexandra Headland and right up to Mooloolaba. This 6km stretch of surf coast has an abundant array of bars, cafes, restaurants, boutique shopping and recreational facilities to take advantage of. Parkland and natural greenspace dominates the foreshore with an additional 3,722ha of reserves and 2,000ha of national parkland spread throughout the nearby area. With natural surrounds, a vibrant activated community and significant existing and planned infrastructure, the Maroochydore region presents not only a highly desirable lifestyle option but also a strong and compelling investment opportunity.



# MAJOR INFRASTRUCTURE PROJECTS & EMPLOYMENT GROWTH

The Sunshine Coast is poised to benefit substantially from 'game changing' infrastructure projects either underway or due to commence in the near future. Of these, the following projects are most relevant to the Maroochydore region and will generate significant economic uplift and employment opportunities.



## **\$2.1 BILLION** SUNCENTRAL CBD DEVELOPMENT MAROOCHYDORE

53ha site planned for re-development into a new Sunshine Coast CBD will include a fine dining precinct, exclusive retail, entertainment facilities, a five-star hotel and an entertainment, convention and exhibition centre. Stage one of development commenced in February 2016. Creation of **15,000** jobs by 2025 and an economic boost of **\$5.9 billion** for the Sunshine Coast are forecast to result from the project by 2040.



## **\$347 MILLION** SUNSHINE COAST AIRPORT EXPANSION MARCOOLA

The approved airport extension with planned completion in 2020 is forecast to contribute **\$4.1 billion** in Gross Regional Product (GRP), generate **2,230** jobs and significantly benefit local industries.



## LIGHT RAIL LINE

The Sunshine Coast Council is pushing forward with plans to connect Caloundra through Maroochydore to the airport via light rail; this would have a flow on effect of around **9,000** new jobs and a **\$3.6 billion** economic benefit to the region.



## NORTH COAST CONNECT FAST RAIL PROJECT

The fast rail project connecting Brisbane to Maroochydore is one of only three projects in the country selected to secure funding from a national **\$10 billion** federal government fund. The vision is to have fast rail servicing Brisbane-Nambour within five years and Brisbane-Maroochydore within a decade. Trains capable of reaching speeds above 160km/h will approximately halve normal travel times from Brisbane.



## **\$400 MILLION** SUNSHINE PLAZA EXPANSION MAROOCHYDORE

Lendlease commenced expansion of Sunshine Plaza in late 2016, with completion anticipated in early 2019. The redevelopment is expected to support an additional **2,300** jobs. Expansion will include refurbishment of existing facilities, an additional waterfront dining precinct and an increased 34,000m<sup>2</sup> of retail space to house new tenants including David Jones, BIG W and 100 new specialty stores.



## **\$7 BILLION** AURA MASTER PLANNED CITY CALOUNDRA SOUTH

A new city slightly larger than Port Macquarie is being built by Stockland. It is the largest project of its kind in Australia. Upon completion it will be home to more than **50,000** people and have created over **20,000** new jobs.



## INTERNATIONAL BROADBAND SUBMARINE CABLE

Sunshine Coast Council is facilitating a proposed new international submarine cable connection by 2020. The cable will act as a catalyst for investment and business growth, creating high-value jobs and a forecast **\$700 million** contribution to the Sunshine Coast economy annually. Currently only cables in Sydney and Perth provide international data connectivity for all of Australia. The planned cable to the Sunshine Coast, aligned with the construction of the new SunCentral CBD in Maroochydore will position the Sunshine Coast as Australia's leading smart city.

# EXISTING & FORECAST POPULATION GROWTH

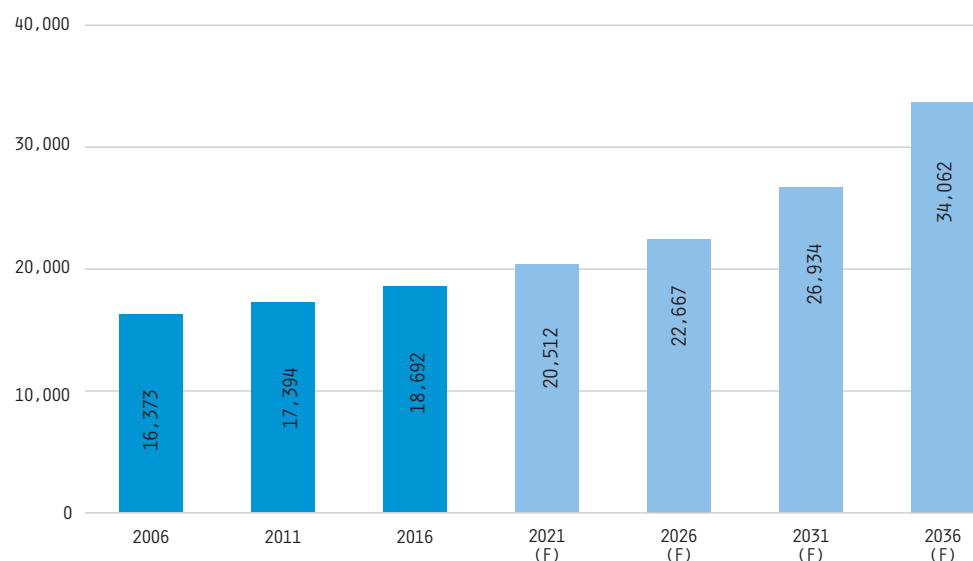
**PROJECTED POPULATION INCREASE OF 21%  
COMPARED TO 14.57% NATIONALLY AND 12.86%  
PROJECTED FOR NSW BY 2026**

In the previous decade, Maroochydore's population grew by 2,319 persons or 14.2%. Looking to the future, across the 10-year period to 2026, the Maroochydore population is expected to increase by 21%. By 2036 the number of people residing in Maroochydore is anticipated to have grown by more than 80% and exceeded 34,000. Please, refer to the chart below.

The creation of the SunCentral CBD in the heart of Maroochydore is certain to have a dramatic influence on future population in and around this region in both the medium and long-term future.

As the wider Sunshine Coast and Maroochydore move into a new period of economic growth, increasing numbers of people will be drawn to the area. The Sunshine Coast is transitioning from typically being known as a popular getaway destination, to redefining itself as an independent regional economy. Appealing lifestyle factors, coupled with employment opportunities generated through major infrastructure projects, plus the growth of knowledge and technology industries will drive future population growth. Relative affordability compared to southern state cities such as Sydney and Melbourne will magnify the regions desirability. Additional high-quality apartment supply to the Maroochydore region will be crucial to meeting the demands of a growing population with access to ample employment opportunities and increased financial capacity.

CHART 1



MAROOCHYDORE  
- EXISTING  
& FORECAST  
POPULATION  
GROWTH

SOURCE: QLD GOVERNMENT  
STATISTICIANS OFFICE, ABS



# RESIDENTIAL SALES CYCLES

MEDIAN HOUSE PRICE GROWTH  
OF 42% OVER 5 YEARS

**Reduced sales numbers accompanied by continued price growth suggest that supply is not keeping pace with increasing demand for housing.**

The following charts illustrate sales volumes and median prices for detached houses and attached dwellings (apartments and town houses in Maroochydore) over the previous decade. As highlighted in the first chart below, post the market trough experienced in 2012, Maroochydore has experienced steep rises in median house values which have increased by \$180,000 or 42%. Median values for Maroochydore attached dwellings have increased by \$91,000 or close to 28% during the same 5-year period. It is interesting to note the fall in attached dwelling sales volumes in the previous 2 years and the accompanying increase in median values. This demonstrates that attached product supply is clearly not meeting growing demand. With the SunCentral CBD development and surrounding infrastructure projects to drive further population growth and additional demand, upwards pressure on prices would seem likely to continue.

CHART 2

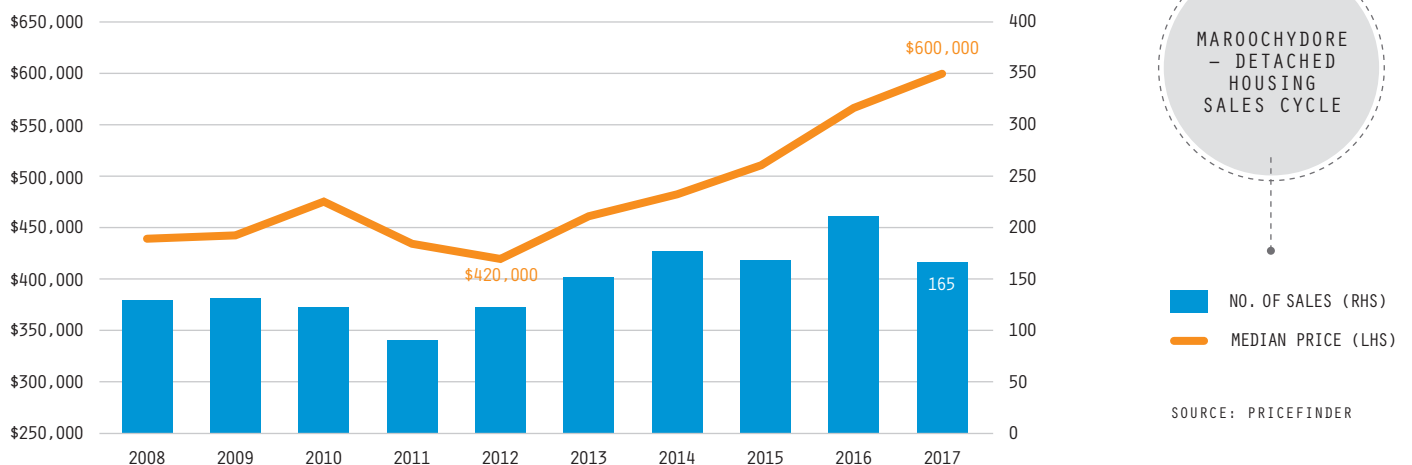
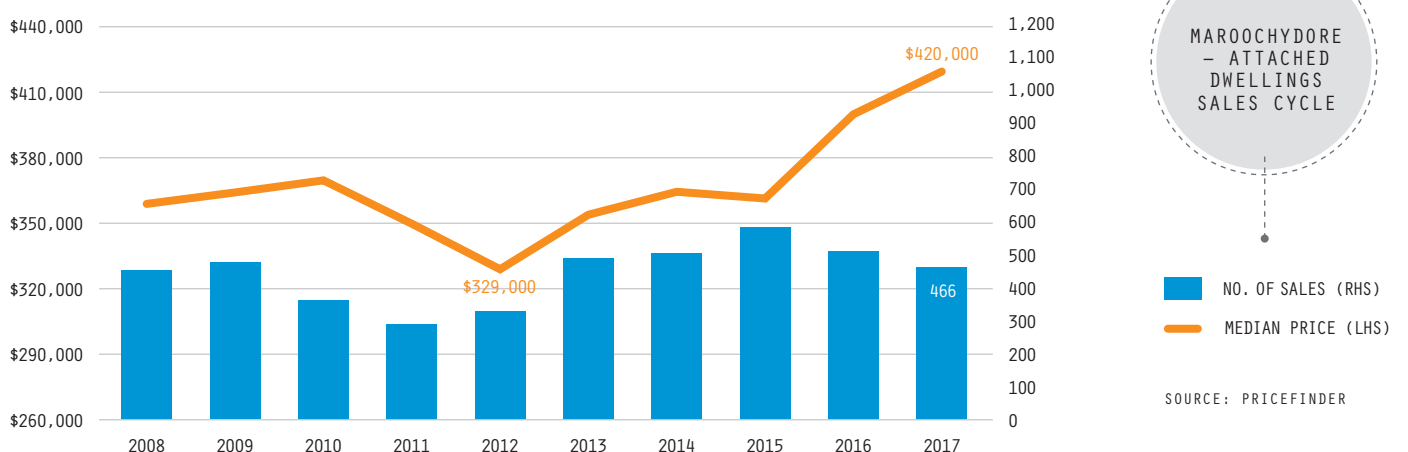


CHART 3



# RECENT APARTMENT RESALES ACTIVITY

**\$1.27M IN VALUE GROWTH** ACHIEVED BY A  
DUPORTH AVENUE APARTMENT OVER **10 YEARS**

## Strong demand and resale values achieved for apartment product located along Duporth Avenue.

The table below presents resales data for high value apartments recently transacted along Duporth Avenue. On average these apartments were built 16 years ago, and despite their age have achieved resale values between \$1.03 million and \$2.8 million. This demonstrates the depth of the existing market within Maroochydhore and the growing demand that exists for higher end apartment stock along the Maroochy River.

These high value apartments experienced average annual growth of around \$67,200 and a total value increase of \$652,200 over an average timeframe of 11.5 years. The most substantial growth achieved for an individual apartment was a total value increase of \$1.27m over a 10-year period with an average annual growth figure of around \$118,000. It can be observed that there is a general tendency for resales occurring over a shorter period of time to have higher average annual growth. This suggests that the rate of value growth for higher priced apartment product in Maroochydhore has accelerated in recent years.

MAROOCHYDRE  
- RECENT  
APARTMENT  
RESALE  
ACTIVITY

TABLE 1

ADDRESS	INITIAL SALES PRICE	RECENT RESALE PRICE	TOTAL VALUE INCREASE	INITIAL SALE DATE	RECENT RESALE DATE	YEARS BETWEEN SALES DATES	AVERAGE ANNUAL GROWTH
7/80 DUPORTH AVE	\$1,220,000	\$1,745,000	\$525,000	5-09-13	25-05-17	3.7	\$141,108
902/14 DUPORTH AVE	\$1,250,000	\$2,520,000	\$1,270,000	8-01-06	30-09-16	10.7	\$118,313
10B/120-122 DUPORTH AVE	\$590,000	\$1,030,000	\$440,000	2-11-11	21-02-17	5.3	\$82,869
801/14 DUPORTH AVE	\$1,620,000	\$2,470,000	\$850,000	5-12-03	31-07-17	13.7	\$62,212
1101/14 DUPORTH AVE	\$3,693,000	\$4,370,000	\$677,000	19-02-03	6-06-16	13.3	\$50,887
503/8 DUPORTH AVE	\$595,000	\$1,200,000	\$605,000	26-04-02	11-02-16	13.8	\$43,823
403/8 DUPORTH AVE	\$550,000	\$1,098,000	\$548,000	23-04-02	7-09-16	14.4	\$38,092
1003/36-38 DUPORTH AVE	\$625,000	\$1,100,000	\$475,000	2-01-03	29-07-16	13.6	\$34,976
301/8 DUPORTH AVE	\$550,000	\$1,030,000	\$480,000	1-05-02	19-01-17	14.7	\$32,583
AVERAGE	\$1,188,111	\$1,840,333	\$652,222			11.5	\$67,207

SOURCE: PRICEFINDER

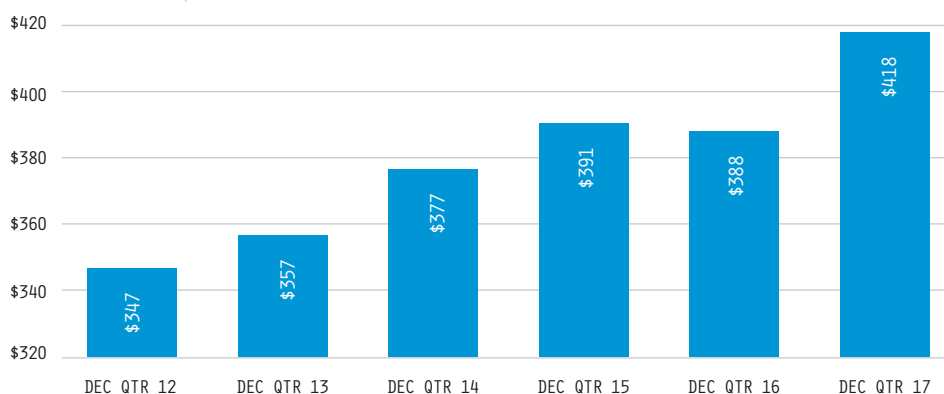
# RESIDENTIAL RENTAL MARKET

1.4% VACANCY COMPARED  
TO 2.3% IN SYDNEY

## Exceptionally low vacancy rates leading to strong and consistent rental growth.

Chart 4 illustrates growth in median rents over the past 5 years within the Maroochydore postcode area of 4558. The chart considers median rental values for 1-3 bed apartments and 2-4 bed houses. Rental vacancy rates in the area have been incredibly low for some time, and consequently median rents have grown in excess of 20%. Vacancy in the Maroochydore postcode area of 4558 in February 2018 sat at 1.4%, this is indicative of inherent levels of rental turnover as opposed to any genuine vacancies. According to SQM Research, of approximately 360 rental properties that existed at the time, only 5 were unoccupied and available for rent. Since the data available for postcode 4885 includes rental statistics for less desirable locations such as Kuluin, median rents within Maroochydore itself are likely to be higher and have experienced a more significant amount of growth.

CHART 4



MAROOCHYDORE  
REGION - KEY  
RESIDENTIAL  
PRODUCT RENTAL  
GROWTH

SOURCE: RESIDENTIAL  
TENANCIES AUTHORITY

The table below provides an overview of the most recent apartment rental rates for the upper end of 2 and 3-bedroom apartment product within the Maroochydore area. A stand out observation is that the most recently built of these dwellings was constructed 13 years ago and that a 27-year-old apartment achieved the second highest rental rate. This highlights the severe lack of quality new apartment stock available within the Maroochydore area and the potential rental rates which could be achieved for new dwellings of a higher standard.

TABLE 2

MAROOCHYDORE  
RECENT WEEKLY  
RENTAL RATES  
FOR HIGHER VALUE  
2 AND 3 BED  
APARTMENTS

BUILDING	LOCATION	APPROXIMATE BUILD YEAR	BED	BATH	CAR	ASKING/ EXECUTED WEEKLY RENT
THE DUPORTH RIVERSIDE	1004/6 WHARF STREET	2002	3	3	4	\$1,350
PLATINUM	701/14 DUPORTH AVENUE	2004	3	3	2	\$1,000
CATALINA APARTMENTS	48/47 SIXTH AVENUE	1990	3	2	2	\$1,000
PLATINUM	601/14 DUPORTH AVENUE	2004	3	2	2	\$900
PICTURE POINT	7/24 PICNIC POINT ESPLANADE	2000	3	2	1	\$900
	20/39 KINGSFORD SMITH PARADE	2004	3	3	2	\$850
M1 RESORT	205/1-7 DUPORTH AVENUE	2004	3	3	2	\$795
PICTURE POINT	12/24 PICNIC POINT ESPLANADE	2000	3	2	2	\$700
MONTEREY MAROOCHYDORE	8/71-73 DUPORTH AVENUE	2008	3	2	2	\$700
THE DUPORTH RIVERSIDE	506/6 WHARF STREET	2002	2	2	1	\$850
THE SEBEL	1404/14 AERODROME ROAD	2003	2	2	2	\$800
CHATEAU ROYAL	4/19 MEMORIAL AVENUE	1988	2	3	2	\$750
AURORA	502/4-8 DUPORTH AVENUE	2002	2	2	1	\$700

SOURCE: PRICEFINDER



# SUNCENTRAL CBD DEVELOPMENT – MAROOCHYDORE

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## Sunshine Coast Council has embarked on the creation of a new Sunshine Coast Central Business District in the heart of Maroochydore.

The 53ha 'SunCentral' site was declared a priority development area by the State Government back in July 2013. As Australia's only greenfield CBD development, this conversion of a former golf course provides a unique opportunity for the Sunshine Coast to create a well thought out commercial centre to meet the future demands of Australia's fastest growing region. With works having commenced, the most technologically advanced infrastructure foundations of any city centre in Australia are currently being laid down, ranging from high speed digital connections and lighting / signage to Australia's first underground pneumatic waste system. Upon completion the project will deliver:

- 165,000m<sup>2</sup> prime commercial office space
- 75,000m<sup>2</sup> exclusive retail and fine dining
- 2.62ha plaza space
- Entertainment facilities and a 25,500m<sup>2</sup> convention and exhibition centre
- A 250 room 5-star hotel
- 17.5ha of publicly accessible waterways, interconnected recreational and open green space





# SUNCENTRAL CBD DEVELOPMENT – MAROOCHYDORE (*cont.*)

The SunCentral CBD is expected to contribute more than \$350 million to the Sunshine Coast economy in the next five years and generate \$5.9 billion in expenditure by 2040.

The area is anticipated to support 5,000 jobs by 2020, 15,000 by 2025 and in excess of 30,000 jobs by 2040.

In order to service and support the growth of the new commercial centre, a light rail link connecting Beerwah to Maroochydore through Caloundra and Mooloolaba is now proposed. This project will generate an additional 9,000 jobs during construction and operation, injecting a further \$3.6 billion into the local economy.





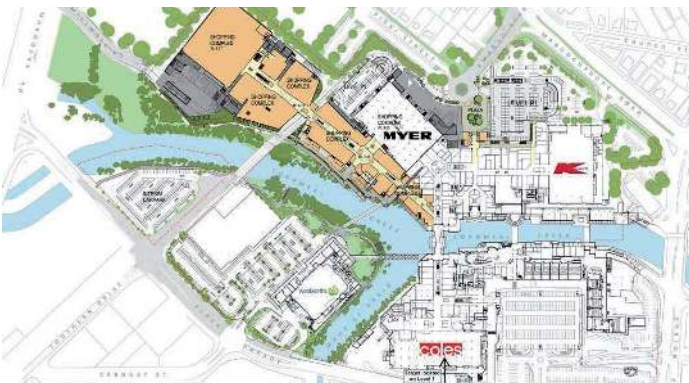
# SUNSHINE PLAZA EXPANSION – MAROOCHYDORE

**Sunshine Plaza shopping complex is conveniently positioned across from the north-east corner of the SunCentral CBD site.**

Redevelopment and expansion of the centre from 73,000m<sup>2</sup> to over 107,000m<sup>2</sup> of retail space commenced in late 2016. The \$400 million project will affirm Sunshine Plaza's position as the largest retail complex north of Brisbane and establish the centre as a leading fashion, leisure and tourist destination.

Refurbishment of existing facilities and Myer will be supplemented by an enhanced retail mix including the region's first David Jones department store and a new BIG W. A stunning new Amaroo Street mall entrance will be created with provision for large format fashion operators bringing highly sought-after clothing brands to the Sunshine Coast, with additional provision for over 100 new specialty stores.

The transformed centre will feature a new outdoor waterfront dining precinct along Cornmeal Creek, further enhancing the unique indoor-outdoor experience Sunshine Plaza is so fondly renowned for. In order to cope with the increased number of visitors, two new multi-level car parks are being built to increase parking capacity from around 3,500 to 5,000 spaces. The redevelopment will stimulate the local economy, boosting employment and offering further opportunities to retailers. It is estimated the project will generate up to 2,900 jobs during construction and approximately 2,300 additional retail positions upon completion, which is expected in early 2019.







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