

matusik

Experienced Residential Commentary

Gold Coast
16th October 2014

**THIS MATUSIK PRESENTATION IS
OPINION & NOT ADVICE.**

**THE AUDIENCE SHOULD SEEK THEIR
OWN PROFESSIONAL
ADVICE ON THE SUBJECT BEING
DISCUSSED.**



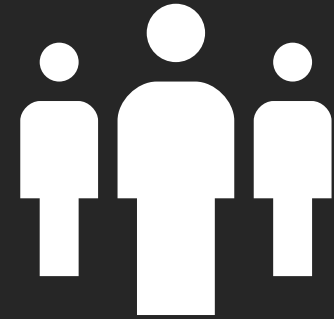
PROPERTY CYCLE

POWERED BY
matusik



GOLD COAST

POWERED BY
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HOUSING NEED

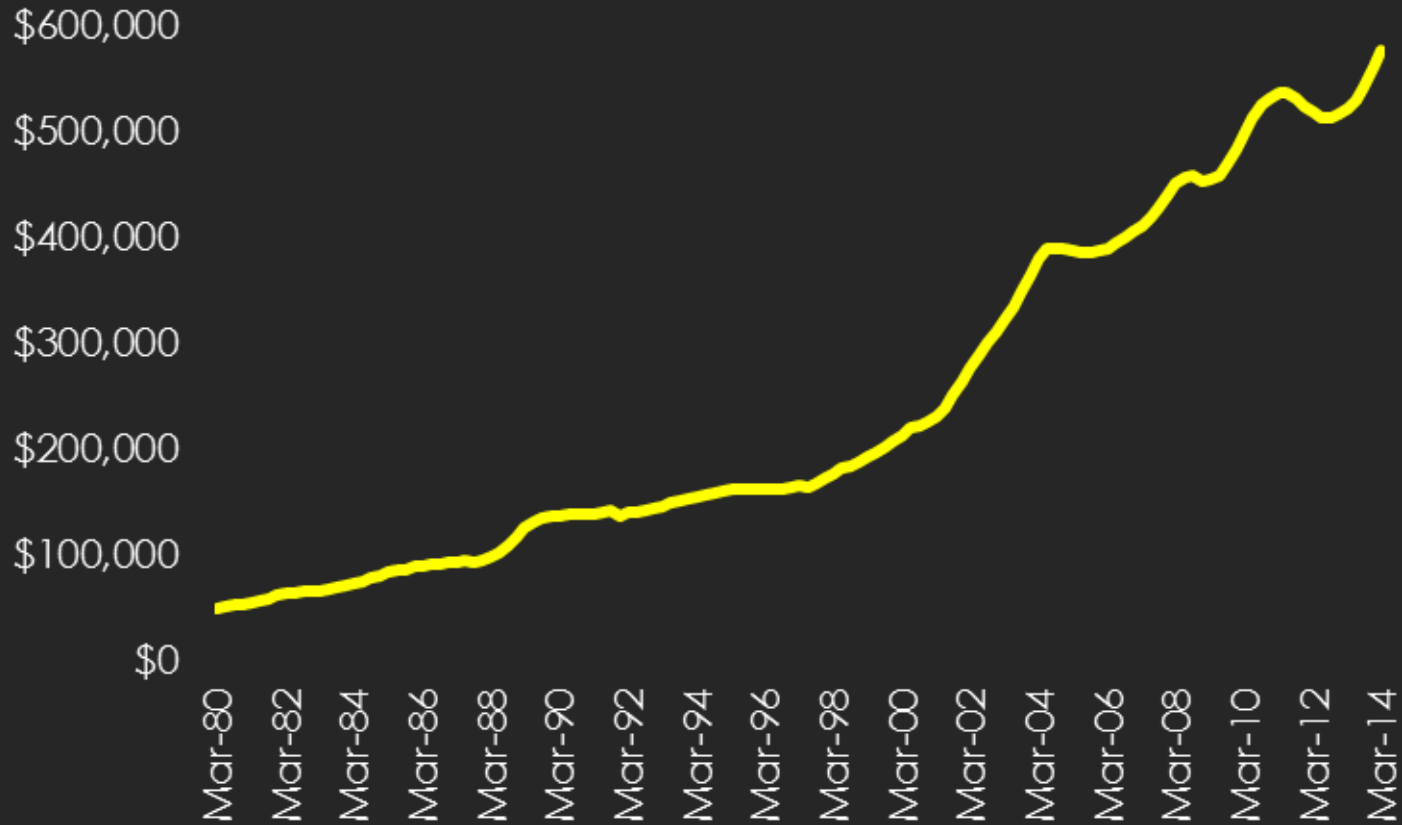
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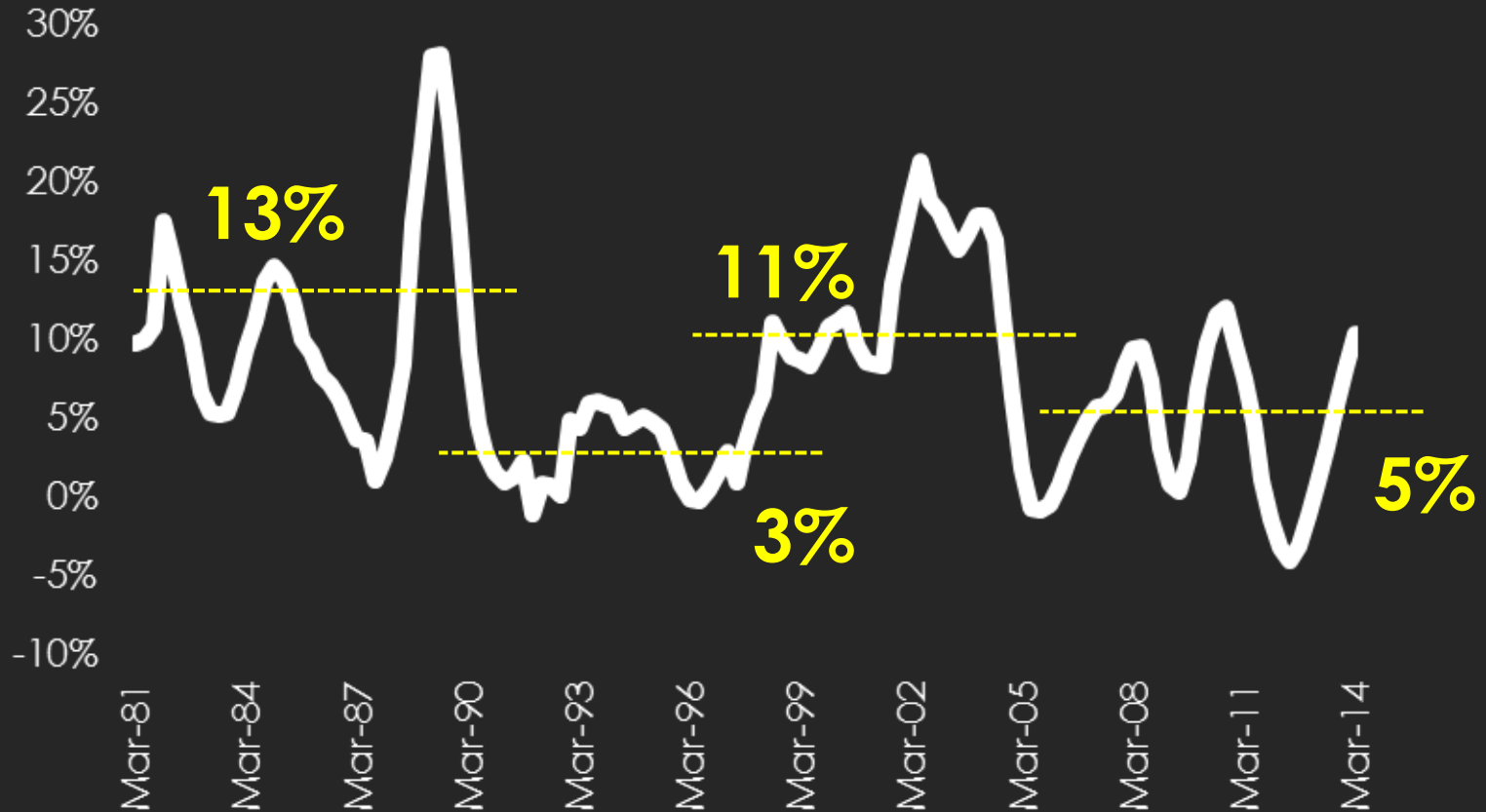
PROPERTY CYCLE

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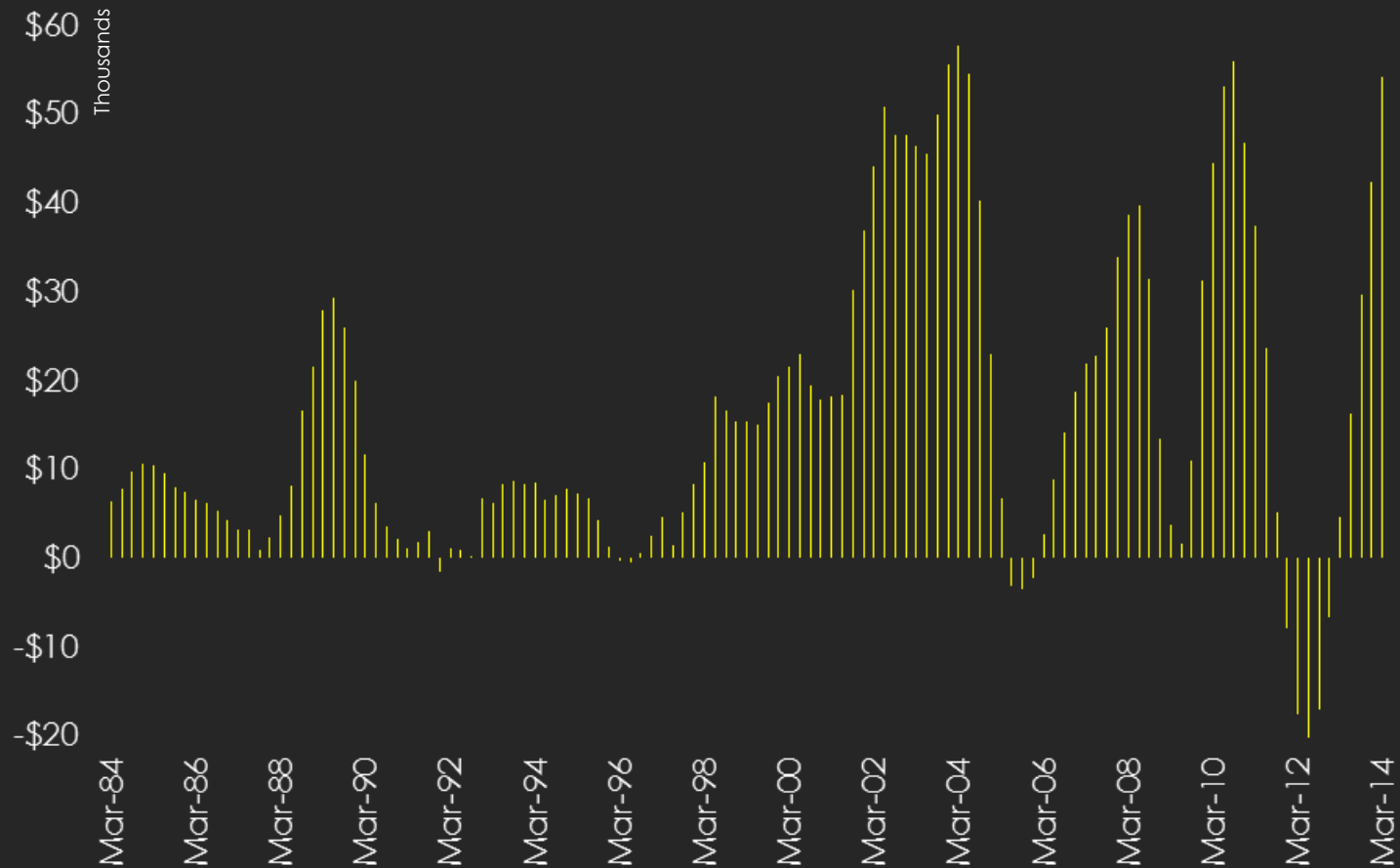
AUSTRALIAN CAPITALS – DWELLING PRICES



AUSTRALIA - ANNUAL PRICE GROWTH

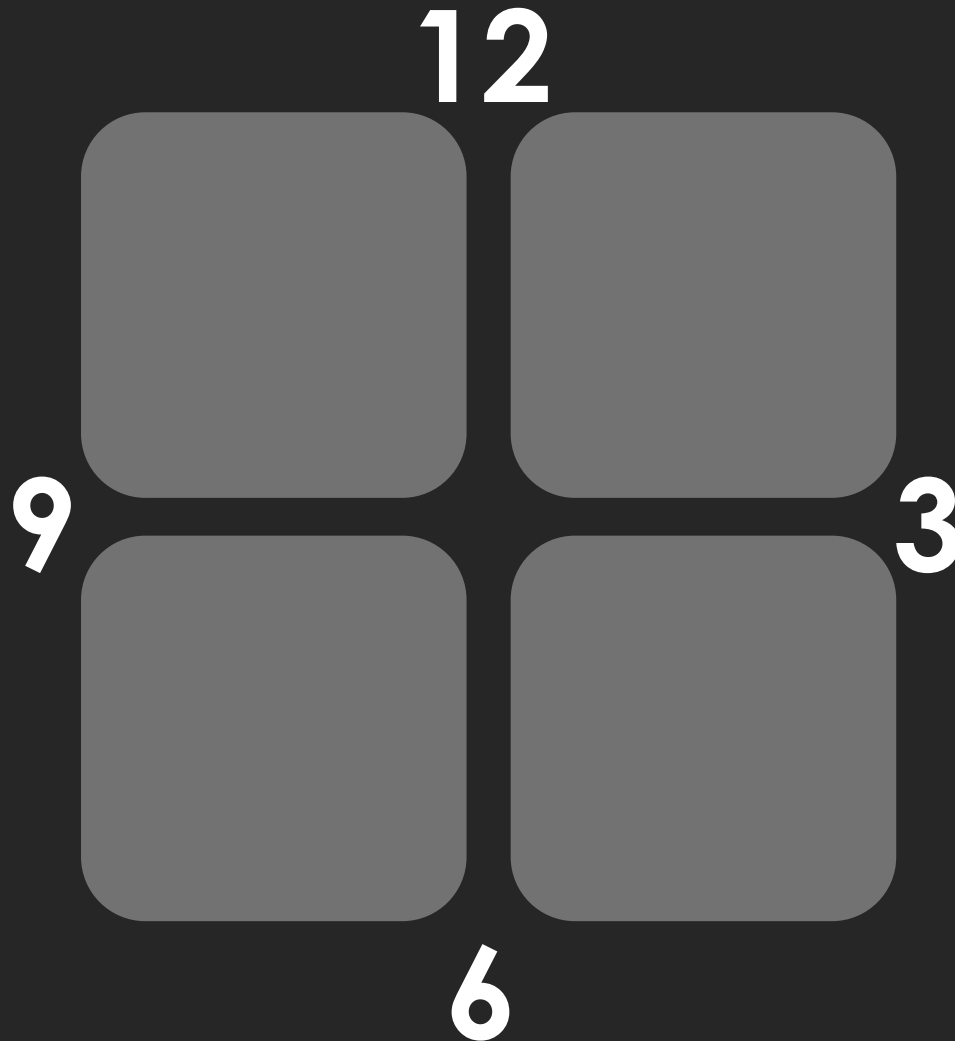


AUSTRALIA – ANNUAL CHANGE IN PRICES



AUSTRALIA - WHAT'S REALLY HAPPENING?

1984 -1994	8.2% pa	\$8,100 pa
1994-2004	8.9%	\$20,300
2004-2014	4.9%	\$20,400
2014-2024	????	????



PEAK

2

UPSWING

DOWNTURN

3

1

RECOVERY

STAGNATION

4

TROUGH

2

SUMMER

AUTUMN

3

1

SPRING

WINTER

4

65% to 75%

-15% to -25%

30% to 40%

5% to 10%

PRICE & RENTAL GROWTH

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60% to 70%

30% to 40%

SALES VOLUMES

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PERTH

DARWIN

SYDNEY

MELBOURNE

CANBERRA

BRISBANE

HOBART

SUNSHINE COAST

GOLD COAST

ADELAIDE

GOLD COAST PROPERTY CYCLE

MID-2016

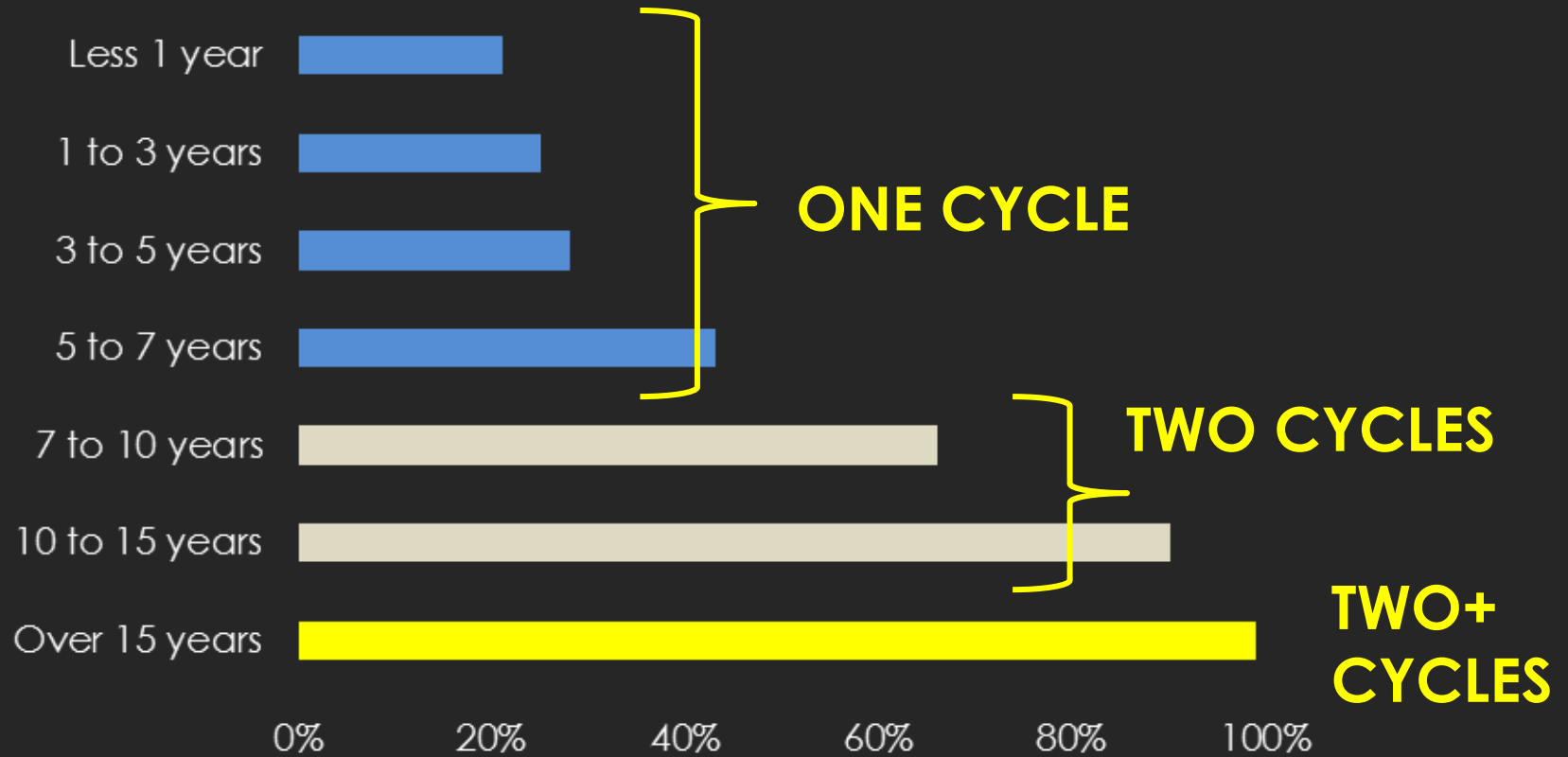
2015

2014

**IN 5 TO 7
YEARS TIME**

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AUSTRALIA - % RESALE NET PROFIT BY TIME HELD

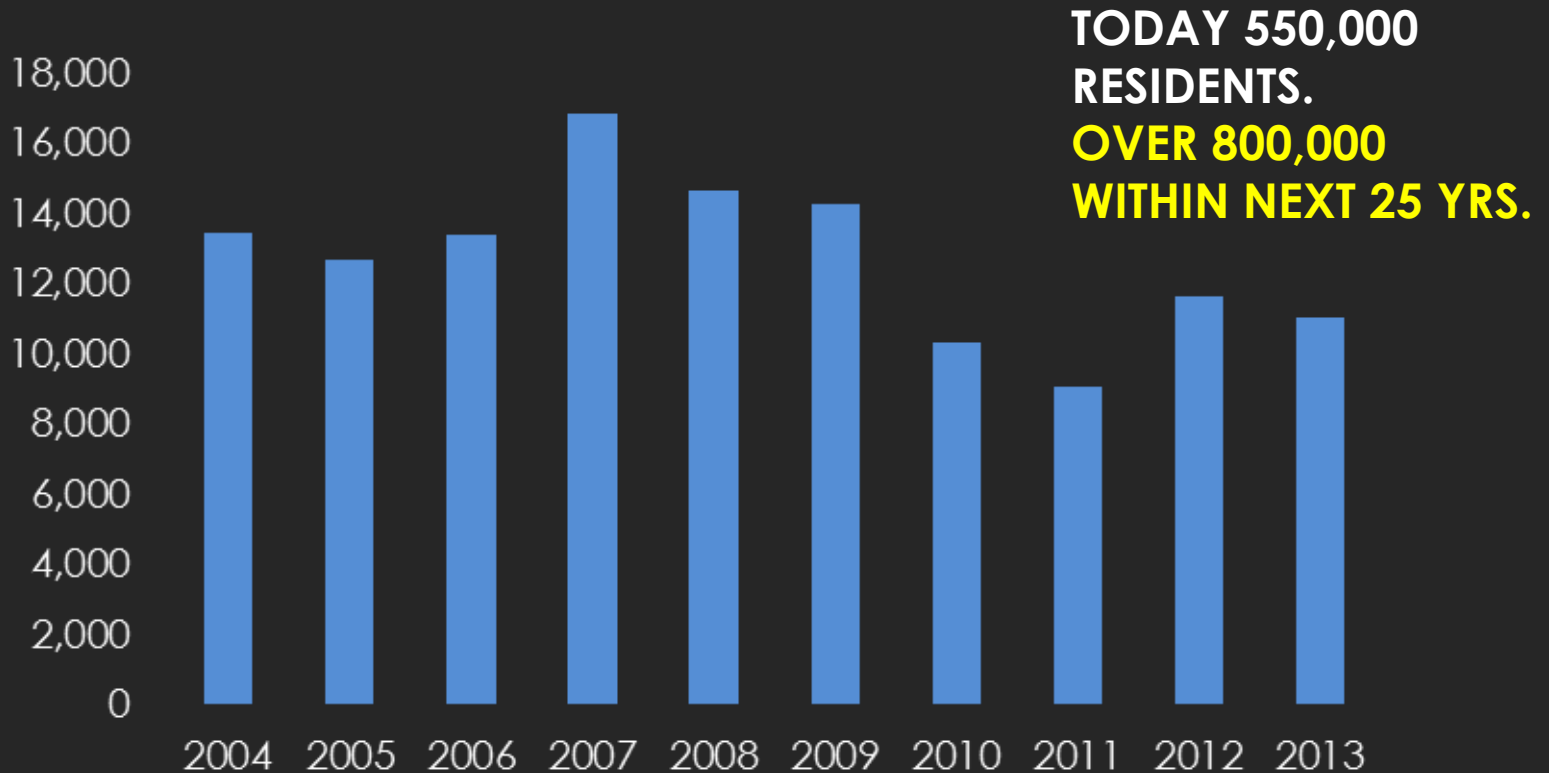




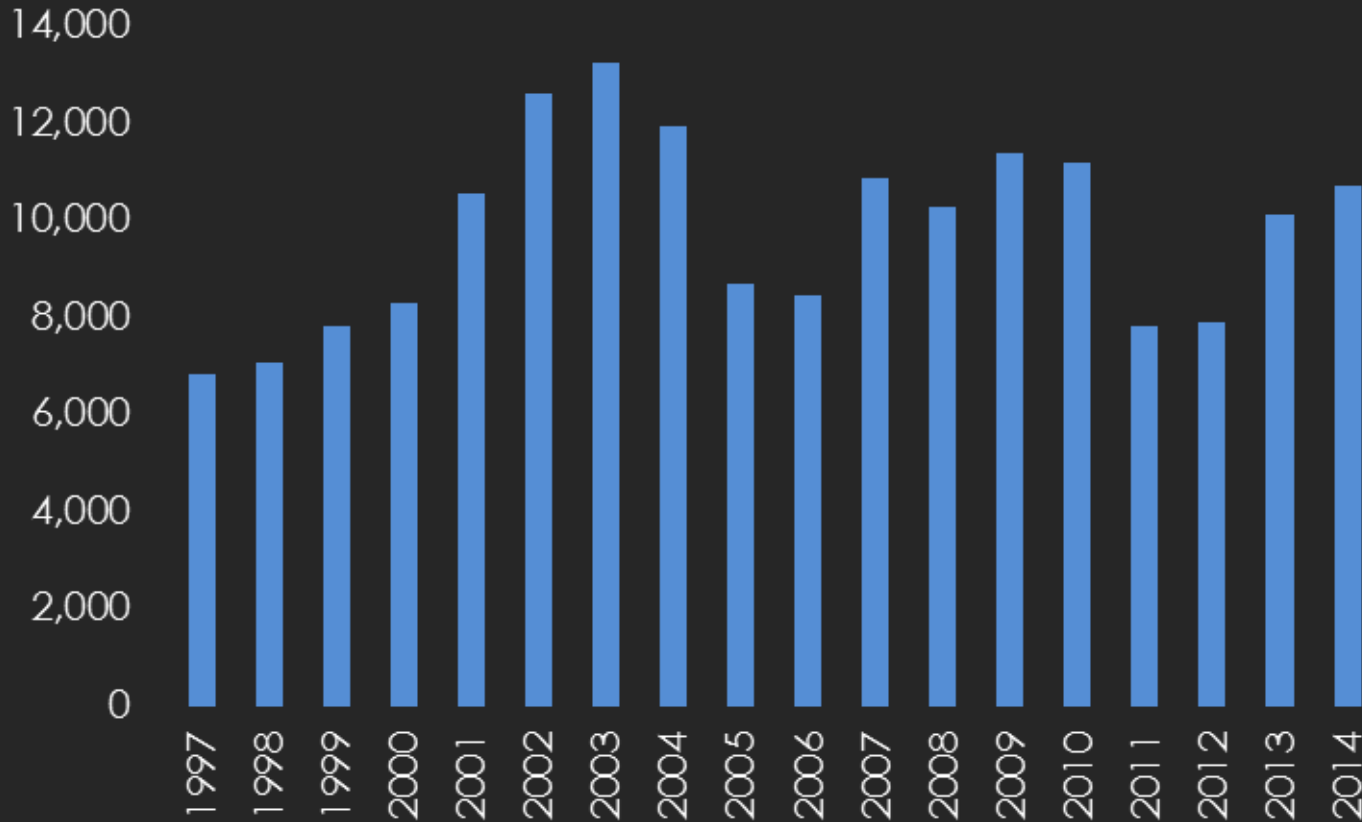
GOLD COAST

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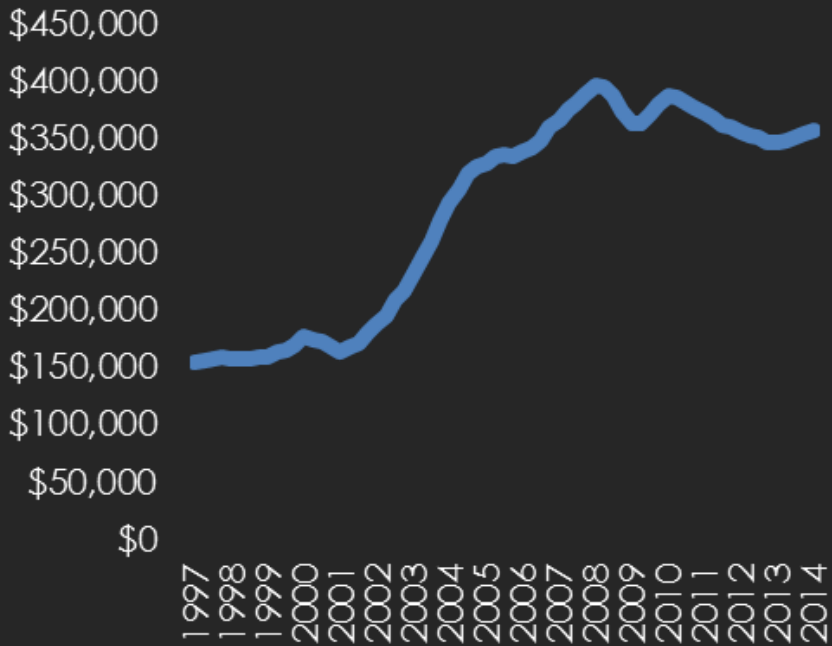
GOLD COAST – POPULATION GROWTH



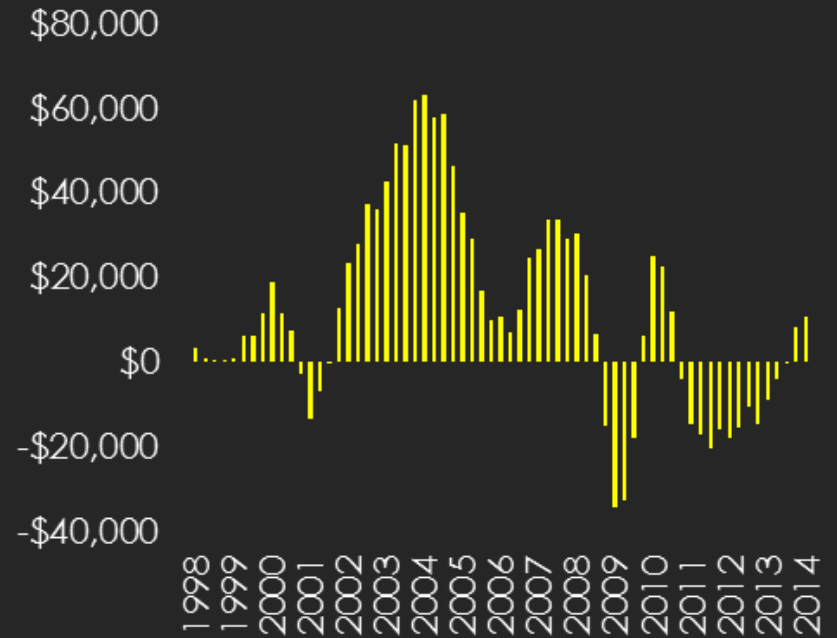
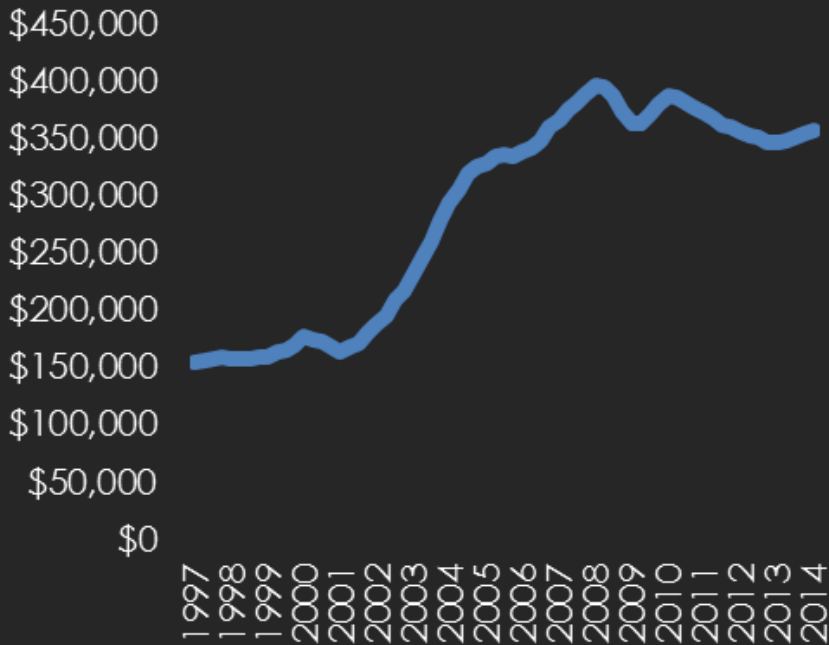
GOLD COAST – STRATA-TITLED SALES



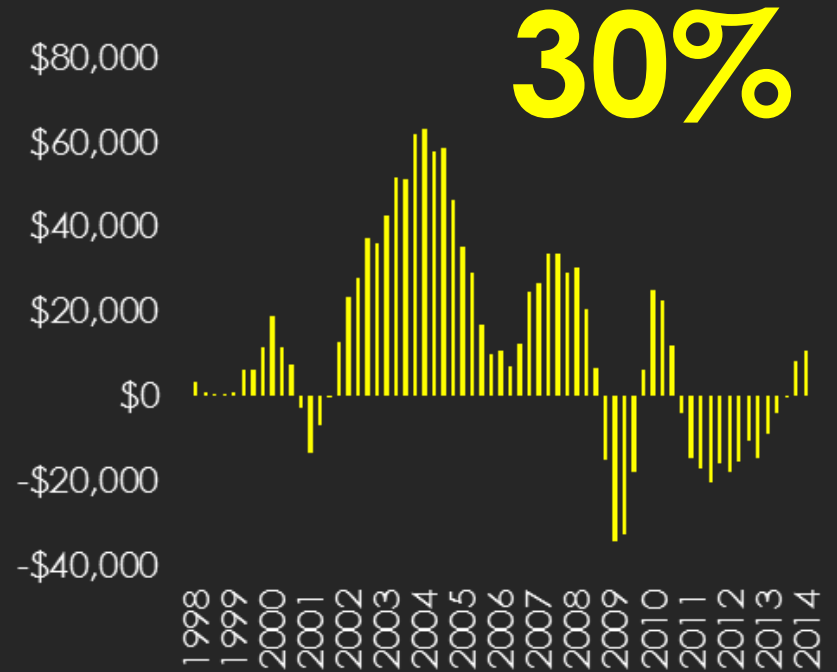
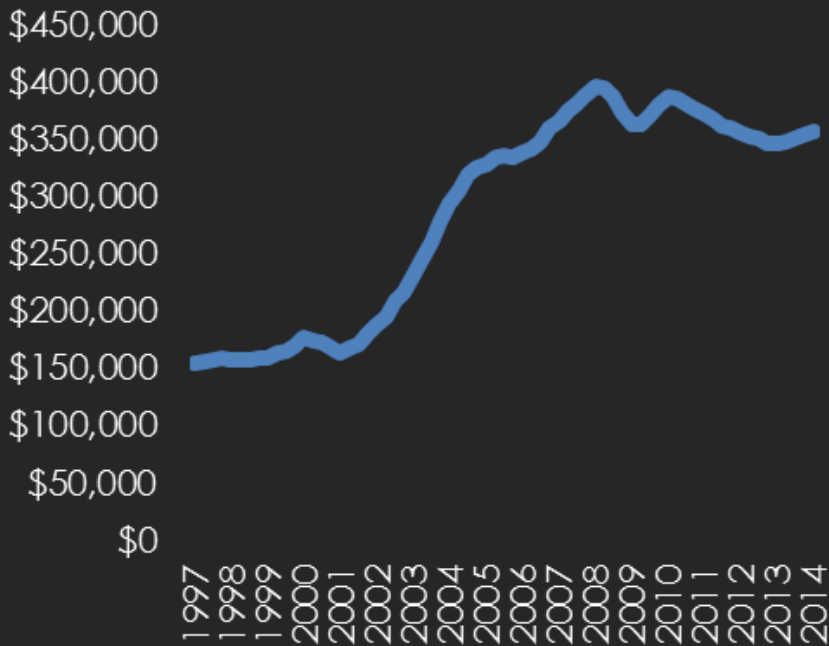
GOLD COAST – STRATA-TITLED PRICES



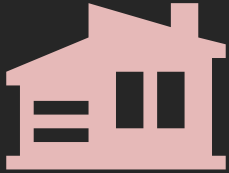
GOLD COAST – STRATA-TITLED PRICES



GOLD COAST – STRATA-TITLED PRICES



GOLD COAST – GROSS RENTAL YIELDS



**3-BEDROOM
DETACHED HOUSE**

4.6%



**2-BEDROOM
APARTMENT**

5.3%



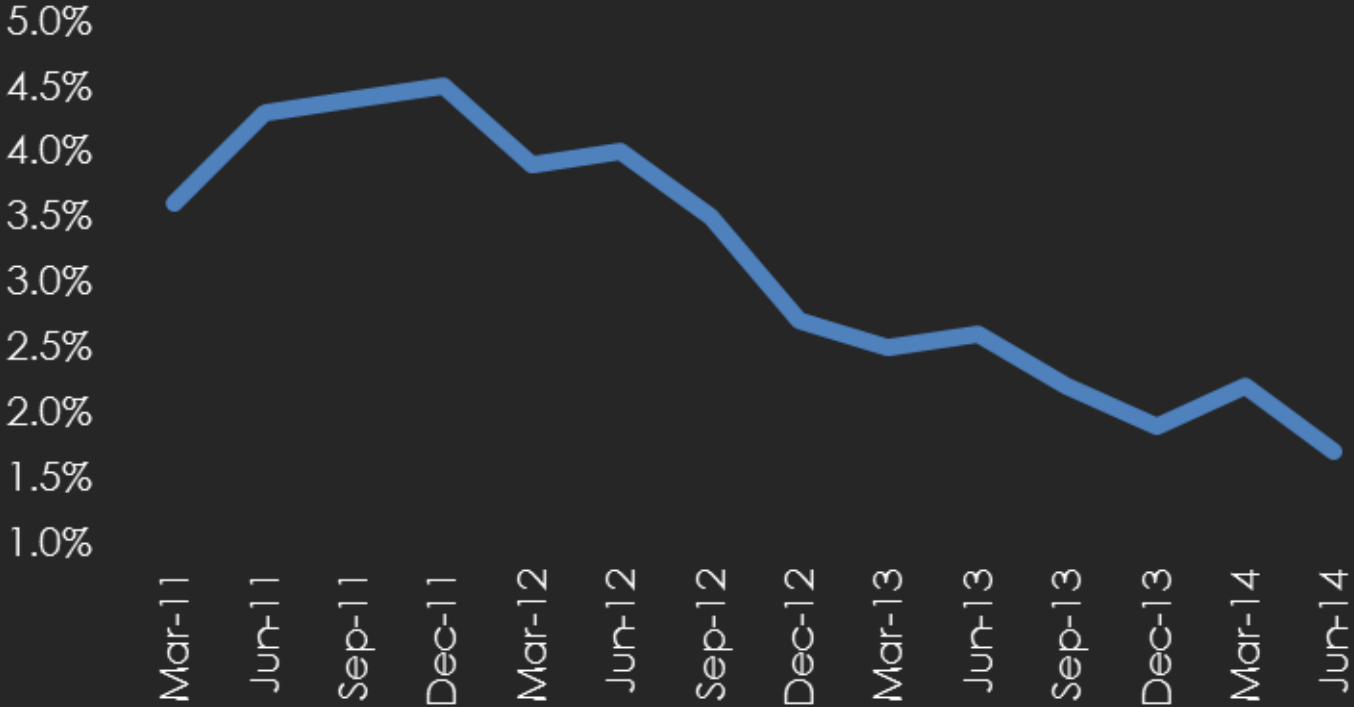
**3-BEDROOM
TOWNHOUSE**

5.8%

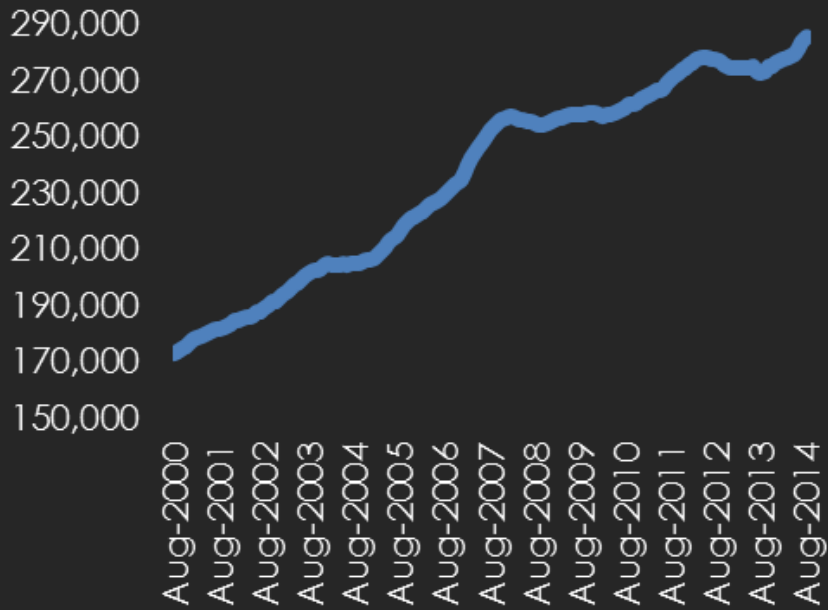
GOLD COAST – RESALE SUPPLY



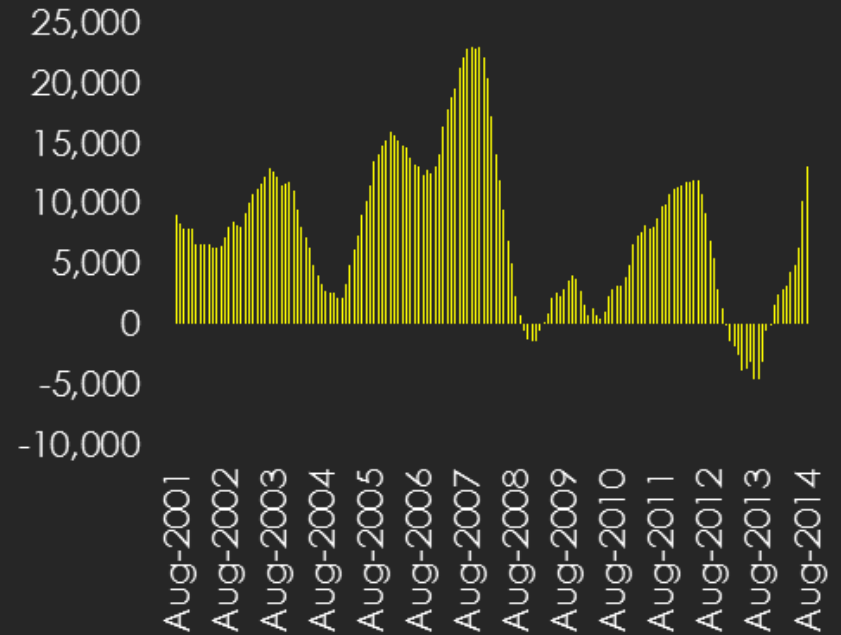
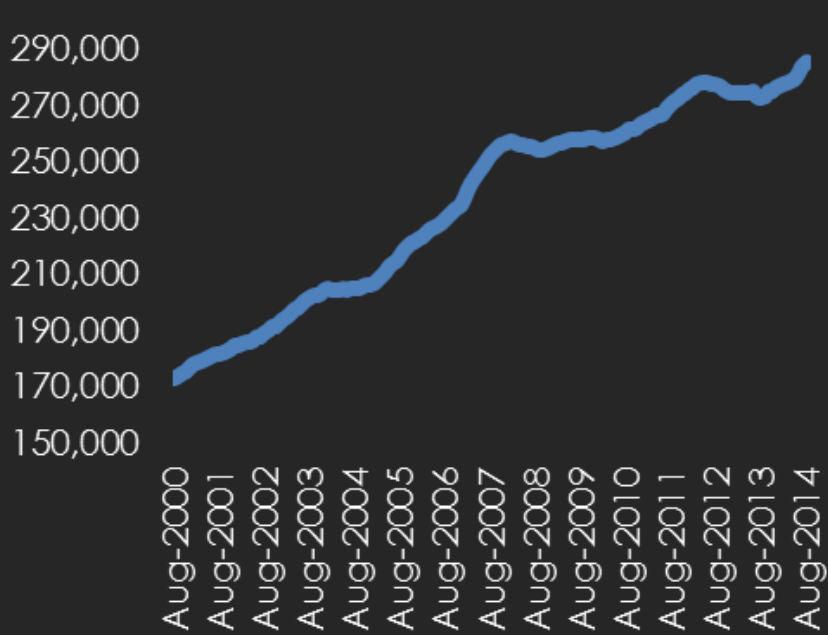
GOLD COAST – VACANCY RATE



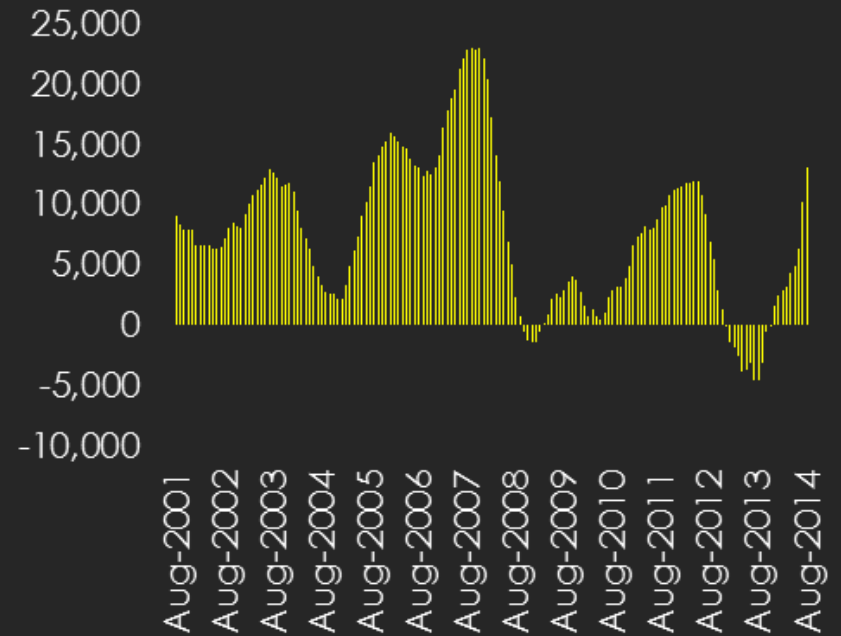
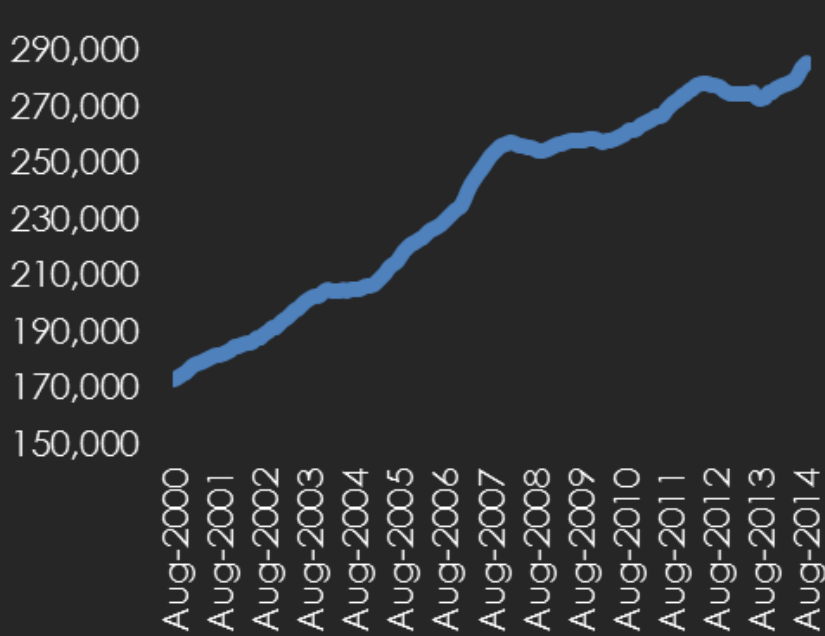
GOLD COAST – EMPLOYMENT TRENDS



GOLD COAST – EMPLOYMENT TRENDS



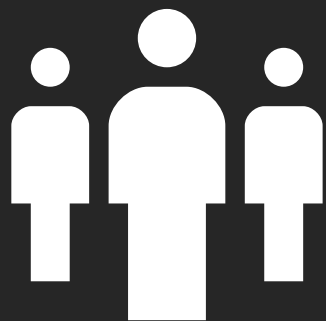
GOLD COAST – EMPLOYMENT TRENDS



69%

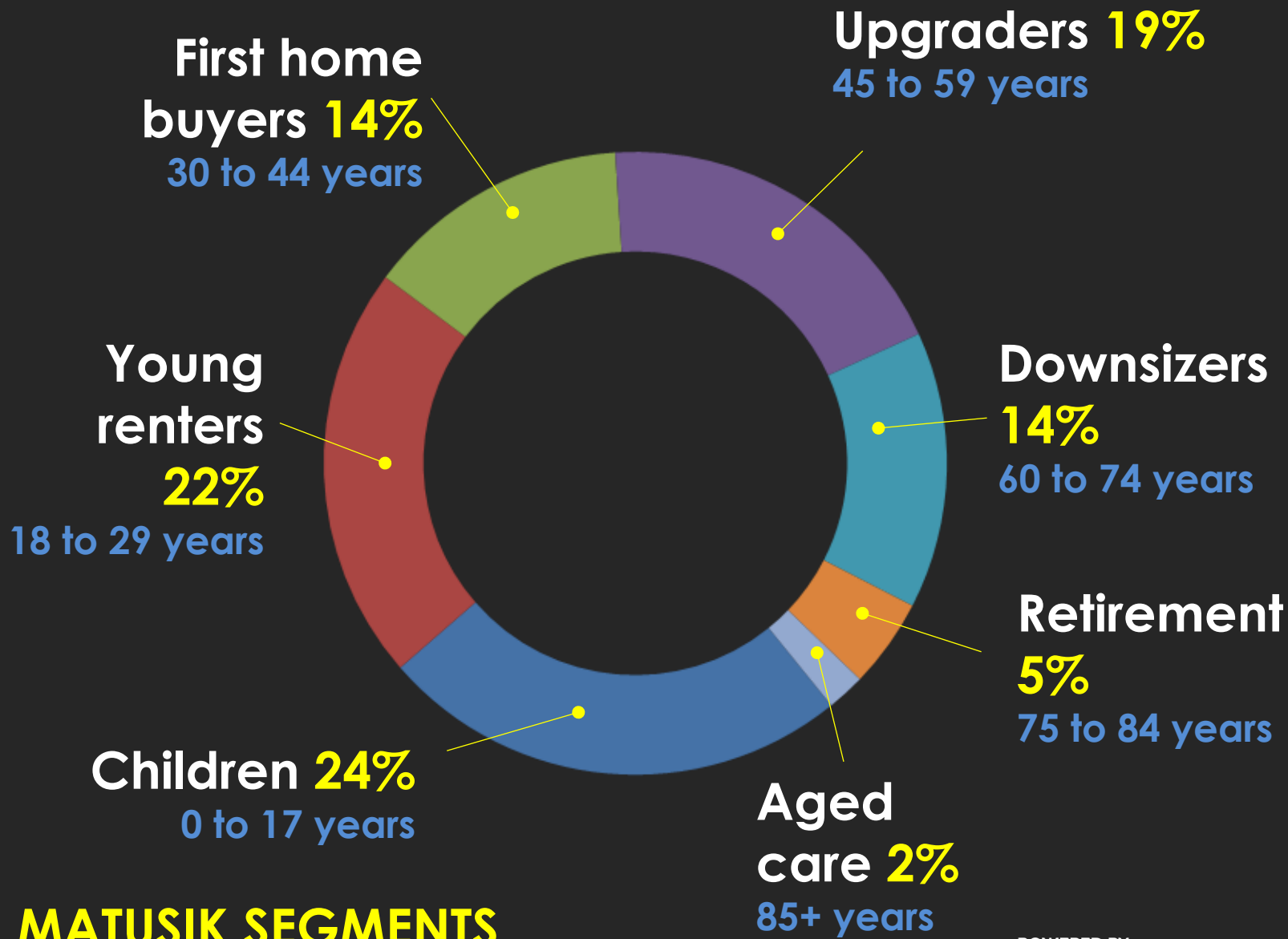
**JOBS ARE BLUE COLLAR
OR LOW/MID-SERVICE**

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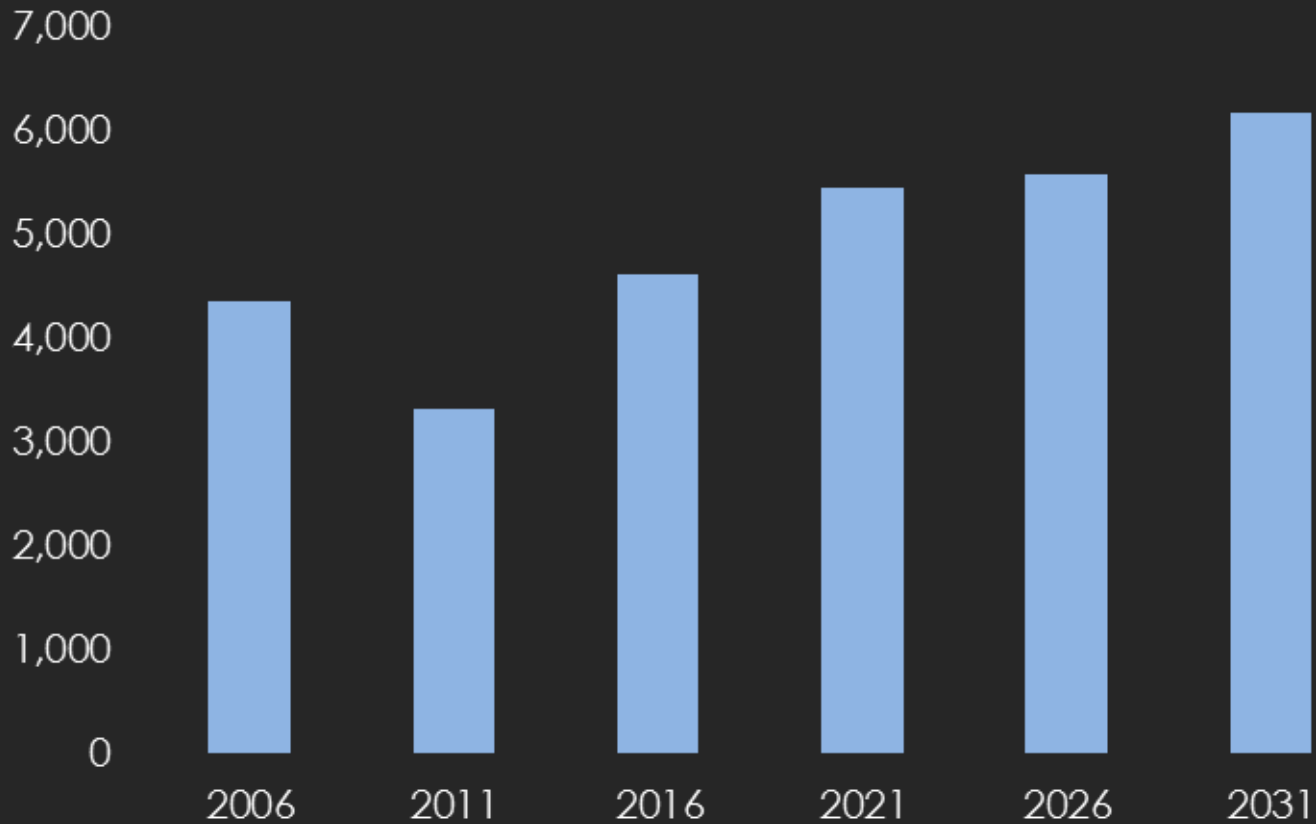
HOUSING NEED

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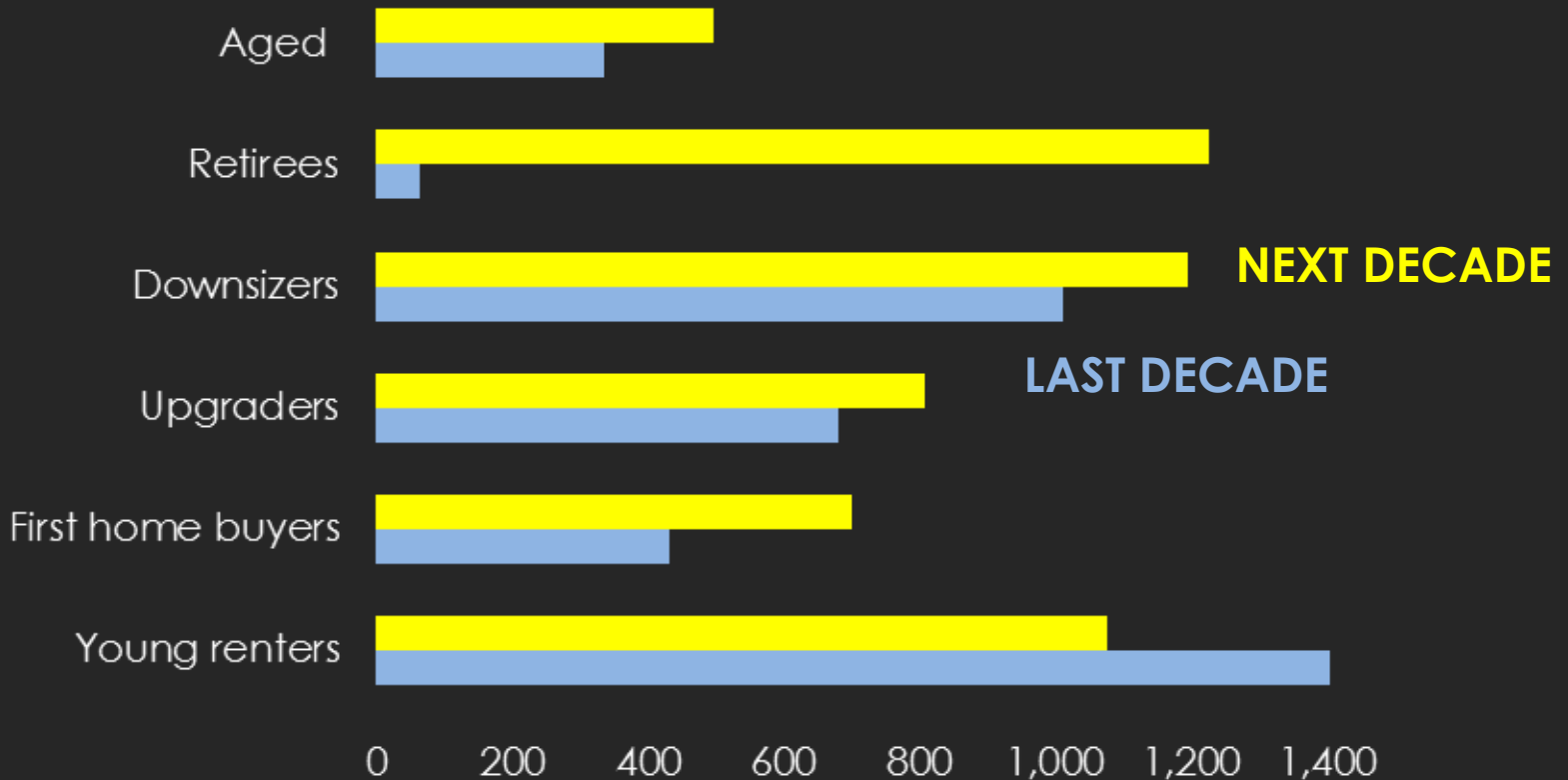


MATUSIK SEGMENTS

GOLD COAST – HOUSING NEED #1

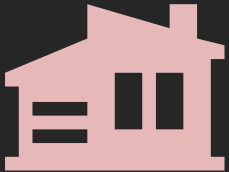


GOLD COAST – HOUSING NEED #2



GOLD COAST – HOUSING NEED #3

TRADITIONAL
DETACHED HOUSE



SMALL-LOT
HOMES



DUAL+ INCOME
HOUSING



GOLD COAST – HOUSING NEED #3

TRADITIONAL
DETACHED HOUSE



16%

SMALL-LOT
HOMES



17%

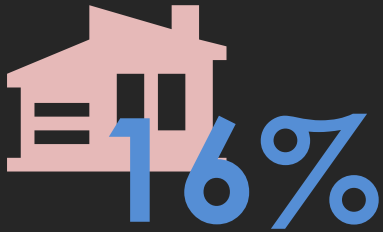
DUAL+ INCOME
HOUSING



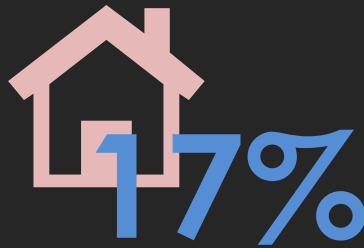
10%

GOLD COAST – HOUSING NEED #3

TRADITIONAL
DETACHED HOUSE



SMALL-LOT
HOMES



DUAL+ INCOME
HOUSING



TOWNHOUSES
& VILLAS



INFILL
APARTMENTS



MID-HIGHRISE
APARTMENTS

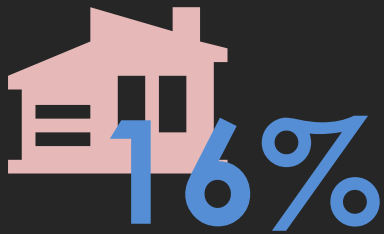


AGE-RELATED
CARE

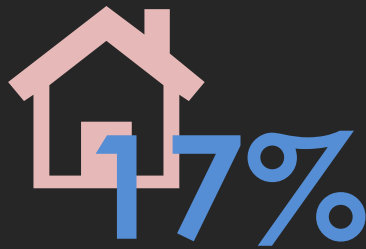


GOLD COAST – HOUSING NEED #3

TRADITIONAL
DETACHED HOUSE



SMALL-LOT
HOMES



DUAL+ INCOME
HOUSING



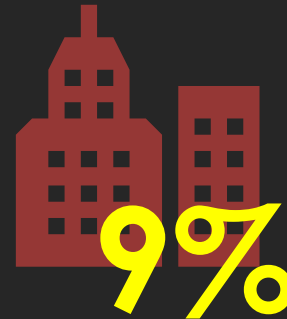
TOWNHOUSES
& VILLAS



INFILL
APARTMENTS



MID-HIGHRISE
APARTMENTS

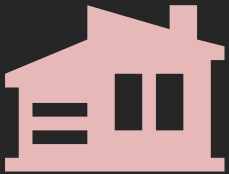


AGE-RELATED
CARE



GOLD COAST – HOUSING NEED #3

TRADITIONAL
DETACHED HOUSE



SMALL-LOT
HOMES



DUAL+ INCOME
HOUSING



43%

TOWNHOUSES
& VILLAS



INFILL
APARTMENTS



MID-HIGHRISE
APARTMENTS



AGE-RELATED
CARE



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EXPERIENCED RESIDENTIAL COMMENTARY

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MATUSIK MISSIVE



7 MEASURES FOR BETTER INVESTMENT ANALYSIS

It is quite sad to see what gets promoted as 'investment' advice in the property space these days. This was again brought to my attention a few weeks' back when a new inner Brisbane apartment project, under the 'investment' tab on their shiny new website, promoted that apartment values in...



SIZE DOES MATTER

Earlier this year, Brisbane's cost of living was reported among the world's highest at 13th, based on a survey by Expatistan – a group that analyses world-wide cost of living data. In terms of our capitals, Brisbane came in second behind Sydney (11th); Melbourne (18th); Perth (24th); Adelaide (25th) and...



HOUSING BUBBLE?

Just take two aspirin & have a wee lie down. Q – Is there a housing bubble? A – Nationally no, but if we are talking about Sydney, Melbourne & new inner Brisbane apartments, then yes. That's a YES in case you somehow missed it. Sydney & Melbourne have been...

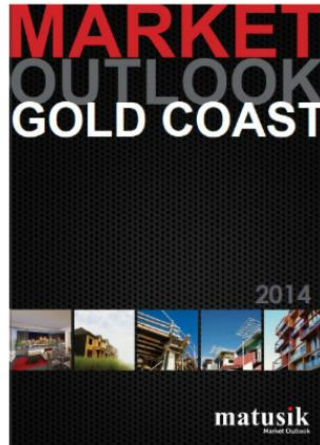


13 TIPS FOR BUYING AT AUCTION

By Michael Yardney Director Metropole Property Strategists I know that many property investors are a little intimidated by the thought of bidding for a property at auction. I can understand why – auctions are an emotional and exciting event. Preface: Thanks, Michael, for another good read - common sense & wise words from the...

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GOLD COAST MARKET OUTLOOK

The Gold Coast has just entered a recovery. This recovery is likely to be weaker than past ones. Employment growth remains weak & housing affordability relatively low. But property bargains are available. Investors need to hold for a full cycle & buy property, by & large, priced under \$500,000.



\$99 Incl. GST

Pay & download immediately.

[View table of contents & select sample pages](#)

BUY NOW

ARCHERS1014

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**GOLD COAST
RECOVERY**

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**GOLD COAST
RECOVERY**



**18 - 24
MONTHS**

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**GOLD COAST
RECOVERY**



**18 - 24
MONTHS**

2+

**HOLD FOR 2
OR MORE CYCLES**

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**GOLD COAST
RECOVERY**



**18 - 24
MONTHS**

2+

**HOLD FOR 2
OR MORE CYCLES**



- ★ **DEMAND**
- ★ **SALES**
- ★ **PRICES**
- ★ **RENTS**
- ★ **RETURNS**
- ★ **SUPPLY**
- ★ **JOBS**

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**GOLD COAST
RECOVERY**



**18 - 24
MONTHS**

2+

**HOLD FOR 2
OR MORE CYCLES**



- ★ **DEMAND**
- ★ **SALES**
- ★ **PRICES**
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- ★ **RETURNS**
- ★ **SUPPLY**
- ★ **JOBS**



**NEED FOR A WIDER
RANGE OF HOUSING TYPES**

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**GOLD COAST
RECOVERY**



**18 - 24
MONTHS**

2+

**HOLD FOR 2
OR MORE CYCLES**



- ★ **DEMAND**
- ★ **SALES**
- ★ **PRICES**
- ★ **RENTS**
- ★ **RETURNS**
- ★ **SUPPLY**
- ★ **JOBS**



**NEED FOR A WIDER
RANGE OF HOUSING TYPES**

**MATUSIK
MINDSET?**



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1. LESS

1. LESS

2. SHORTER

1. LESS

2. SHORTER

3. COMPROMISE

1. LESS
2. SHORTER
3. COMPROMISE
4. RENT

1. LESS
2. SHORTER
3. COMPROMISE
4. RENT
5. THREE

1. LESS
2. SHORTER
3. COMPROMISE
4. RENT
5. THREE
6. OWNER

1. LESS
2. SHORTER
3. COMPROMISE
4. RENT
5. THREE
6. OWNER
7. COMPACT

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Experienced Residential Commentary

MATUSIK PROPERTY INSIGHTS

MICHAEL MATUSIK IS ONE OF **AUSTRALIA'S FIRST** PROPERTY ANALYSTS

25

Years Experience

554

Residential Projects

812

Property Presentations

228

Newspaper Columns

A 25 year veteran in this business, Michael has helped over **550 new residential projects** come to fruition throughout the country. He has seen what works and what doesn't work when it comes to new residential investment property. He is a thought leader in the housing industry – read more about the **Matusik Mindset here**.

Michael Matusik is available for consultation to the property industry and as a professional speaker for events. His presentations are insightful, fact based, engaging and candid. If you would like to book Michael for a consultation or an event please **contact the office**.



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MATUSIK MINDSET

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MATUSIK MINDSET

We believe that property is a long-term investment. Passive investors should give consideration to buying new or newly completed stock. Post this cycle (2008 to 2015), we believe the Australian residential market is likely to slow down, possibly significantly; & in certain locations; & for certain property types – values, sales & even rents could fall, possibly substantially. We think these sluggish conditions could last for several years.

The reasons why are many & include high debt levels; the lessening “impulse” of interest rates; low affordability; workforce & general economic restructuring; changing demographics; low inflation; potential changes to property taxation & fewer fiscal government incentives.

Our analysis suggests that many Australians will need to compromise on their housing in the future.

Compact housing, especially in major urban areas, appears to be shaping up to be better potential investments.

Similarly, in regional locations & outer suburbs, properties with dual (or more) incomes look more promising as a passive investment, rather than traditional housing.

With less potential price growth in coming years – or possibly over the next decade to come – investors should be focusing more on rental returns. They should also be thinking about buying a product with strong owner-resident resale appeal. In our view, residential property will return to being more about cash-flow rather than largely about capital growth.

The astute will buy strategically for a rental premium; & not just buy a generic property in anticipation of overall price growth.

Our reports, presentations & communiques all carry this mindset & our Property Pick process showcases those projects & properties that we believe better fit Australia's new housing future.

WARNING,
DISCLAIMER &
MATUSIK POLICIES

RISKS OF INVESTING IN PROPERTY

Direct investment in residential property, like all investments, involves a number of risks. If these eventuate, your income might be lower than expected. There may even be none. In addition, the capital value of your investment could fall.

The key risks of investing in property are outlined below:

- ★ The property purchased may not provide the income or capital gains the asset was expected to produce.
- ★ There is a risk that your property may, for periods of time, lie vacant & hence not generate income. Maintenance & repair costs are the investor's responsibility & can vary, and at times be significant. Such costs are sometimes recoverable from rental bonds or under insurance policies.
- ★ There are a number of factors that affect the general property market including increases in supply & falls in demand; the cyclical nature of property values; increases in taxes & operating expenses; overall

economic conditions; demographic changes; changes in town planning laws; casualty & condemnation losses; environmental risks; regulation on rents; detrimental new developments in the area; increases in interest rates; similarly, inflation & changes to bank funding policies.

- ★ Gearing increases the volatility in the value of your investment. In the early stages of residential investment, a significant fall in the property's value may see balances fall to less than the total amount of borrowings.
- ★ Increases in interest rates often increase the cost of borrowings.
- ★ Changes in laws or their interpretations including taxation, superannuation & corporate regulatory laws, practice & policy could have an impact on your investment. You should seek professional tax advice before investing in residential property.

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