

Reside Living Ballina

Market Overview Report

Prepared for **Tailored Project Group**
By Broad Property Research & Advisory Pty Ltd
ABN 86 563 894 018

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Executive summary

Tailored Project Group is about to launch **Reside Living Ballina**, a boutique residential apartment project targeted at discerning empty nesters, offering 36 spacious one-, two- and three-bedroom riverfront apartments over six levels with on-site dining and retail activities. Located at 274 River Street in Ballina, the site offers 41 metres of absolute river frontage and is close to shopping, professional services, transport, and recreational amenities including the entertainment hub of the Ballina RSL Club.

The town of Ballina is located on the Far North Coast of New South Wales, approximately 770 kilometres north of Sydney and 210 kilometres south of Brisbane. With a population of 41,000 permanent residents, the Ballina Shire boasts 32 kilometres of white sandy beaches and a glorious hinterland. Ballina has long been a first choice destination for retirement for a number of reasons, not least of which is that as a well-established town, it has all the major services including shopping centres, police station, ambulance station, churches of many denominations, and a number of primary and secondary schools. Setting it apart from most other regional towns is the fact that Ballina also has a hospital (and numerous ancillary medical services) and airport, providing direct jet services to Melbourne and Sydney with Jetstar and Virgin while regional airline REX also flies to Sydney via Newcastle.

Reside Living Ballina will comprise 5 one-bedroom apartments, 13 two-bedroom apartments and 18 three-bedroom apartments over six levels. **Reside Living Ballina** is set to become the ultimate in luxury riverfront apartment living, with high ceilings, an excellent glass-to-wall ratio, and outstanding finishes. The apartments proposed for **Reside Living Ballina** are extremely generously sized; at an average of:

- 84m² gross for the one-bedroom apartments;
- 148m² gross for the two-bedroom apartments; and
- 183m² gross for the three-bedroom apartments.

Internally, the one-bedroom apartments are sized at 60m² (on average); the two-bedroom apartments at 105m² (on average); and the three-bedroom apartments at 129m² (on average). Balconies average 24m² for the one-bedroom apartments; 42m² for the two-bedroom apartments; and 52m² for the three-bedroom apartments. The two apartments on level 1 both have large riverfront courtyards of 113m² and 150m² respectively.

Of further importance is the inclusion of on-site facilities such as a theatre, restaurant, residents lounge, swimming pool, gymnasium, and large garden area. The **Reside Living Ballina** site also offers 700m² of retail space that will include (amongst other activities) a café and convenience store.

The apartments proposed for **Reside Living Ballina** are very keenly priced, with one-bedroom apartments priced from \$445,000 (average \$462,000); the two-bedroom apartments priced from \$635,000 (average \$688,000); and the three-bedroom apartments priced from \$850,000 (average \$910,000). The average price of the apartments proposed for **Reside Living Ballina** equates to only \$4,824 per square metre. This compares exceptionally favourably with other new apartment projects targeted at owner-occupiers that are currently for sale in the Gold Coast/northern New South Wales region and in other prestige waterfront locations.

Reside Living Ballina is the first mixed-use apartment project in Ballina specifically designed for owner occupation, and is located on a landmark site that is one of the last major development opportunities along the Richmond River. **Reside Living Ballina** therefore presents a significant opportunity for buyers looking to take advantage of competitively-priced new apartments at a time when the property market nationally is dramatically improving.

Section 1 – Introduction

Background

Tailored Project Group is about to launch **Reside Living Ballina**, a boutique residential apartment project targeted at discerning empty nesters, offering 36 spacious one-, two- and three-bedroom riverfront apartments over six levels with on-site dining and retail activities. Located at 274 River Street in Ballina, the site is situated on the beautiful Richmond River and is close to shopping, professional services, transport, and recreational amenities including the entertainment hub of the Ballina RSL Club.

The town of Ballina is located on the Far North Coast of New South Wales, approximately 770 kilometres north of Sydney and 210 kilometres south of Brisbane. With a population of 41,000 permanent residents, the Ballina Shire covers a total area of 485 square kilometres and boasts 32 kilometres of white sandy beaches and a glorious hinterland.

In addition to enjoying the benefits of living in a mixed-use development, with retail, dining and medical facilities on their doorstep, residents of **Reside Living Ballina** will also have the benefit of excellent transport connectivity, with easy access to the Bruxner Highway, the Pacific Highway, the Ballina-Byron Gateway Airport, and regular bus services to and from Brisbane and Sydney

The project

Reside Living Ballina is situated on the south-east corner of the intersection of River and Kerr Streets, one of the most recognizable sites in Ballina as this intersection was the main thoroughfare through the town. However, the amenity of Ballina in general - and this site in particular - has dramatically improved with the upgrading of the Pacific Highway that has bypassed Ballina altogether, reducing traffic through the town substantially.

On this 4,591m² site with 41 metres of absolute river frontage, **Reside Living Ballina** will comprise 5 one-bedroom apartments, 13 two-bedroom apartments and 18 three-bedroom apartments over six levels plus a theatre, restaurant, residents lounge, swimming pool, gymnasium, and large garden area. The residential component will be focused along the riverfront. An additional 700m² of retail space will be developed along River Street and will include (amongst other activities) a café and convenience store. Visitor and retail parking will be separated from residents' car parking. Another unique feature is the inclusion of large undercover parking spaces for RVs and caravans belonging to residents.

The apartments proposed for **Reside Living Ballina** are extremely generously sized; at an average of:

- 84m² gross for the one-bedroom apartments;
- 148m² gross for the two-bedroom apartments; and
- 183m² gross for the three-bedroom apartments¹.

Internally, the one-bedroom apartments are sized at 60m² (on average); the two-bedroom apartments at 105m² (on average); and the three-bedroom apartments at 129m² (on average).

¹ Gross apartment size refers to private internal living space plus balconies and exclusive-use courtyards, but excluding car parks and common areas.

The apartments proposed for **Reside Living Ballina** also have expansive balconies, averaging 24m² for the one-bedroom apartments; 42m² (on average) for the two-bedroom apartments; and 52m² (on average) for the three-bedroom apartments.

The two apartments on level 1 both have large riverfront courtyards of 113m² and 150m² respectively.

All courtyards and balconies provide good, usable living space and all have square or rectangular areas at least three metres deep, providing enough space for the comfortable use of an outdoor dining table.

All apartments have at least one secure car park and large, lockable storage areas in the car park. All three-bedroom apartments and some two-bedroom apartments have two secure car parking spaces. With a maximum of eight apartments per floor and two lifts, there will be minimal waiting times. The apartments have split system air-conditioning to living areas and the master bedroom, and ceiling fans in all bedrooms.

The apartments proposed for **Reside Living Ballina** are also very keenly priced, with one-bedroom apartments priced from \$445,000 (average \$462,000); the two-bedroom apartments priced from \$635,000 (average \$688,000); and the three-bedroom apartments priced from \$850,000 (average \$910,000). The average price of the apartments proposed for **Reside Living Ballina** equates to only \$4,824 per square metre. This compares exceptionally favourably with other new apartment projects targeted at owner-occupiers that are currently for sale in the Gold Coast/northern New South Wales region and in other prestige waterfront locations.

The developer

Tailored Project Group was established in Brisbane in 2004 and delivers a wide range of property-related services including project management, refurbishments, residential work, fit-outs, and maintenance. Its associated entity Reside Living was established in February 2013 to provide low-maintenance apartment living opportunities to people searching for alternatives to house and land ownership; in particular, Australia's growing number of active "baby boomers" and "empty nesters".

With its motto of "Prioritise your life", Reside Living is out to prove that apartment living does not have to be a compromise.

Section 2 – Location, location

Regional overview

Ballina Shire is located on the Far North Coast of New South Wales approximately 770 kilometres north of Sydney and 210 kilometres south of Brisbane. The Shire covers a total area of 485 square kilometres and boasts 32 kilometres of white sandy beaches and a glorious hinterland environment. Major towns and villages include Ballina, Alstonville and Lennox Head. Ballina Shire is bounded by Byron Shire in the north, the Coral Sea in the east, the Richmond River and the Richmond Valley Council area in the south, and Lismore City in the west.

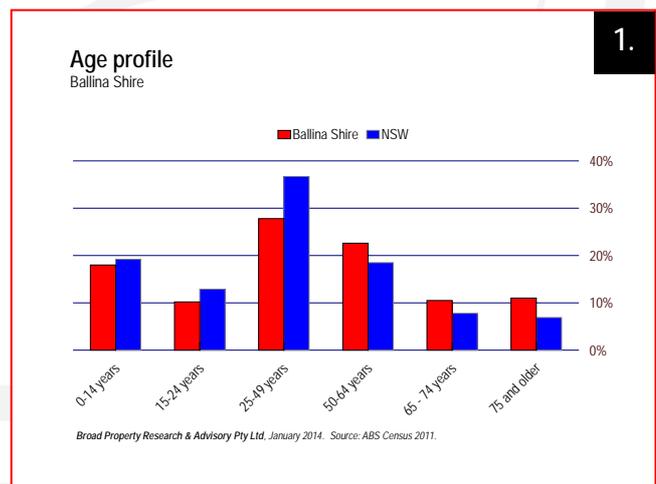
Ballina Shire's economy is underpinned by a mixture of industrial and commercial activity. Major industry sectors include retail, property and business services, health and community services and education as well as a diverse range of agricultural industries producing beef, sugar, dairy products, tropical fruit, nuts, coffee and medicinal plant crops. There are approximately 4,120 local businesses across the Ballina Shire, achieving a turnover of approximately \$1.4 billion and employing in excess of 20,300 people. Ballina Shire's unemployment rate in the June quarter of 2013 was 4.9%, well below the averages for the Northern Rivers region (6.7%), New South Wales (5.2%), and Australia (5.4%)².

According to the Australian Bureau of Statistics, economic activity in the Ballina Shire during 2011/12 contributed \$1.8 billion to gross regional product (GRP). This was 6.7% higher than in the previous year, a growth rate significantly in excess of the average for New South Wales of 2.4%.

Population and demographics

The population of Ballina Shire in 2012 was 40,993 persons, representing an annual increase of 240 persons, or 0.6%, which was higher than the average growth for the Northern Rivers (0.3%). Over the past five years, the population of Ballina Shire has experienced average annual growth of 0.3%.

The average age of Ballina Shire's residents was 45 years as at the 2011 Census, significantly older than the average age across all of New South Wales of 38 years. As shown in **chart 1** (opposite), almost one-quarter (22.6%) of Ballina Shire residents are the "baby boomer" generation aged 50-64 years. More than one-fifth (21.5%) of Ballina Shire residents are aged 65 years and older. And while the largest age group in Ballina Shire are the "generation X" adults aged 25-49 years, which comprise 27.8% of Ballina Shire's population, this age cohort comprises 36.7% across all of New South Wales.



Official population projections prepared by the NSW Government to the year 2036 show that Ballina Shire's population is expected to increase by an average of 1.1% per annum, to a level of approximately 52,905 persons. This equates to an additional 500 new permanent residents each and every year for the next 25 years. This growth is higher than the forecast averages for both the Northern Rivers region and New South Wales as a whole (both 0.9% per annum).

² Ballina Shire Economic Profile, September 2013.

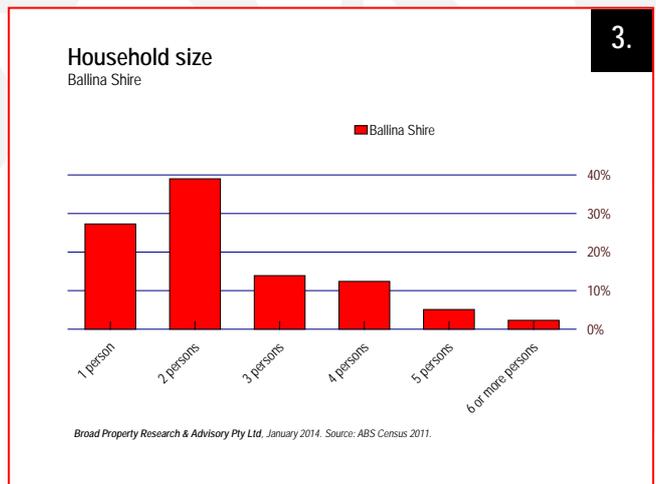
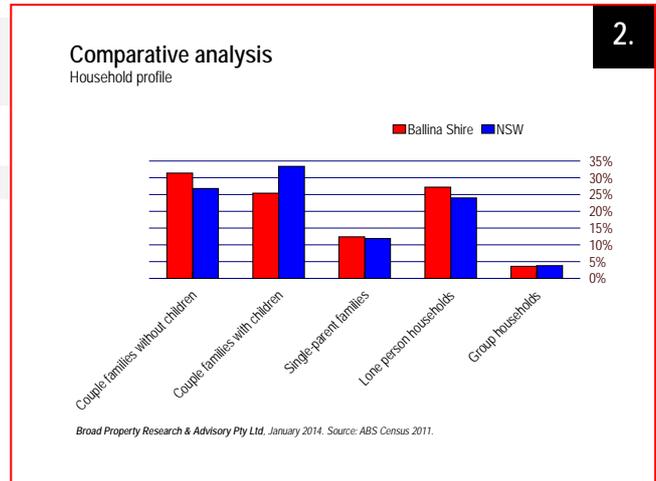
Much of this forecast population growth will comprise older persons, meaning that the average age of the population of Ballina Shire is expected to increase to 47 years in 2036. By comparison, the average age across all of New South Wales is expected to increase to 41 years in 2036.

As shown in **chart 2** (opposite), the dominant household type in Ballina Shire are couple families without children, which comprise almost one-third (31.4%) of all households. These are predominantly “empty nester” households whose adult children have left home.

The next most common household type in Ballina Shire is lone person households, which comprise more than one-quarter (27.3%) of all households.

Between the 2006 and 2011 Census, the largest change in household types in Ballina Shire was an increase of 223 couple families without children (i.e. 2-person households) and 187 more lone person households.

As shown in **chart 3** (opposite), 39% of Ballina Shire’s households are 2-person households and 27.3% are lone-person households. The fact that more than two-thirds of Ballina Shire’s households have only one or two residents confirms the appropriateness of including a number of one- and two-bedroom apartments in **Reside Living Ballina**, especially given that only 4% of Ballina Shire’s existing dwelling stock is one-bedroom product – suggesting a significant undersupply - and just 20% is two-bedroom product³.



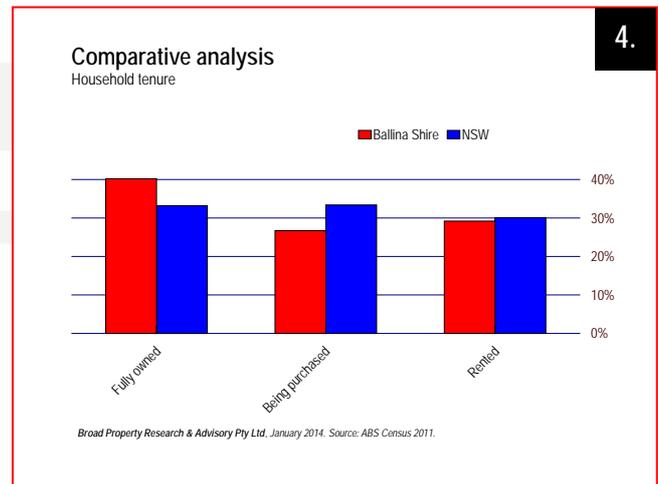
Of course, the inclusion of three-bedroom apartments in **Reside Living Ballina** is also very appropriate, given these are most sought-after by downsizing empty nesters. Whilst this group is motivated to free themselves of the duties involved in maintaining a house and yard, there is, in many cases, a strong reluctance to severely reduce internal living area and to live high off the ground. Lower density, lower height developments with larger, fewer units and good nexus to the ground is very appealing to this buyer segment.

From a ‘lifestyle’ perspective, downsizing empty nesters tend to place high value on their ability to entertain within their home, in addition to being able to entertain themselves and others in nearby facilities. To an extent, many downsizing empty nesters view their new property as part showpiece and part investment, the return on which is the regularity of visits from family and friends. Any features which can facilitate this process, such as a guest bedroom and hassle-free visitor car parking, appeals to this market.

³ Australian Bureau of Statistics.

Ballina Shire's household profile suggests that there will be strong local demand for **Reside Living Ballina**. This will predominantly be from those "empty nester" households looking to downsize but remain in the area they have come to regard as "home".

Note also that a large proportion of local households have considerable equity in their current residence. To this end, **chart 4** (opposite) shows that 40.2% of households across Ballina Shire own their home outright, a much higher proportion than the New South Wales average of 33.2%. And of course, a project such as **Reside Living Ballina** will be very appealing to those baby boomers looking to relocate to a seachange location such as Ballina. (Whilst not necessarily having reached retirement age, some buyers will be looking to retire to a location such as Ballina within a few years of their purchase).



Local infrastructure and amenity

Ballina has been, and is increasingly becoming, a first choice destination for retirement for a number of reasons, not least of which is that as a well-established town, it has all the major services including shopping centres, police station, ambulance station, churches of many denominations, and a number of primary and secondary schools. Setting it apart from most other regional towns is the fact that Ballina also has a hospital (and numerous ancillary medical services) and airport.

Ballina District Hospital is a level 3 rural and community hospital providing care to over 8,300 patients every year. The hospital undertakes over 860 surgical procedures and sees over 17,800 Emergency attendances annually.

Ballina Shire is served by the Bruxner and Pacific Highways and is one hour's drive from the Gold Coast (Australia's largest city outside of the five mainland state capitals) and two hours' drive from Brisbane. A range of major **transport infrastructure projects** have been completed in recent years and these have dramatically improved transit times between Ballina and the Gold Coast/Brisbane. These projects include:

- Yelgun to Chinderah including tunnels (2006);
- Brunswick Heads to Yelgun (2007);
- Tugun Bypass (June 2008);
- Ballina Bypass (2012); and
- Tunnel at Sexton's Hill at Banora Point (2013).

The \$862 million upgrade of the 17 kilometre Tintenbar to Ewingsdale section of the Pacific Highway, commencing at the northern end of the Ballina Bypass, is currently underway and is due for completion in late 2014.

The \$640 million Ballina Bypass has considerably improving the amenity of the town in general, and the **Reside Living Ballina** site in particular.

With a total infrastructure spend above \$2 billion, these road projects have eradicated bottlenecks along the Brisbane-Ballina route and are also likely to have a significant, positive impact on property values across northern New South Wales and the southern Gold Coast.

With regular scheduled flights from the Ballina Byron Gateway Airport, easy access is also obtained to Newcastle (flight time of 1 hour and 20 minutes), Sydney (flight time also of 1 hour and 20 minutes), and Melbourne (flight time of 2 hours and 10 minutes). The Ballina Byron Gateway Airport is owned, operated and managed by the Ballina Shire Council. It is the principal airport for the Far North Coast of New South Wales, handling around 20,000 aircraft movements per annum, and with a terminal capacity of over 500,000 passengers per annum. The airport provides direct jet services to Melbourne and Sydney with Jetstar and Virgin while regional airline REX also flies to Sydney via Newcastle. As at December 2013 there are:

- Three return Jetstar flights Sydney to Ballina daily;
- One daily Jetstar return flight Melbourne to Ballina;
- One daily Virgin return flight Sydney to Ballina;
- Three REX return flights Sydney to Ballina daily; and
- Two REX return flights Newcastle to Ballina daily.

Ballina's topography is also very suitable for retirees and the elderly; being fairly flat in central and west Ballina and gently undulating in east Ballina. Ballina Fair Shopping Centre is open seven days per week and includes a Woolworths Supermarket, Target, multi-screen cinema, and 46 specialty stores. Ballina Central Shopping Centre is also open seven days per week and includes Supa IGA Supermarket, Big W and 23 specialty stores. Smaller neighbourhood centres in West and East Ballina provide additional retail variety.

Ballina also has a Homemaker Centre with all the major brands such as Harvey Norman, a recently-completed Bunnings, and two modern industrial estates that provide further services and storage.

Regional infrastructure

Residents of Ballina are within close proximity to a number of other major **hospitals**. These include:

- Lismore Base Hospital is a level 5, regional hospital located 34km from Ballina. It is currently undergoing an \$80 million redevelopment which includes a new and significantly expanded Emergency department, a new ambulance drop-off, and a new renal dialysis unit;
- St Vincents Private Hospital in Lismore is an accredited acute surgical, medical, rehabilitation and palliative care hospital which provides a wide range of hospital services;
- Located within the grounds of St Vincents Private Hospital is St Josephs Aged Care Facility, an 80 bed high care facility catering for dementia specific, frail aged and palliative care of the elderly;
- The Tweed Hospital in Tweed Heads (90km from Ballina) is a regional referral, level 5 base hospital providing care to over 42,000 patients every year; and
- John Flynn Private hospital is a 323 bed, acute-care hospital located at Tugun, on the southern end of the Gold Coast approximately 95km from Ballina. The hospital provides a wide range of health care services with a 24 hour emergency care centre, comprehensive cardiac services, general and orthopaedic surgery, oncology, medical services, maternity and paediatrics, renal dialysis, day surgery and rehabilitation services.

Lismore is also a campus of **Southern Cross University**, offering a range of courses in Humanities and Social Sciences; Creative and Performing Arts; Education; Environment, Science and Engineering; Health and Human Sciences; Indigenous Studies; Arts and Sciences; Business and Management; Information Technology; Law and Justice; and Tourism and Hospitality Management.

The **Gold Coast Airport**, 95km from Ballina, is Queensland's second-busiest airport behind Brisbane Airport and offers direct flights to Sydney, Melbourne, Adelaide, Canberra, Hobart, Perth, Cairns and Newcastle and has five million passenger movements annually. In addition to domestic flights, the Gold Coast Airport has 43 international flights per week.

With a population of nearly 525,000 permanent residents, the **Gold Coast** is Australia's largest city outside of the five mainland state capitals and the third-fastest growing municipality in Australia. Not only is the Gold Coast one of Australia's favourite holiday destinations, it also offers an extensive range of up-market retail centres such as Pacific Fair Shopping Centre and Robina Town Centre.

In addition, the Gold Coast will host the 2018 **Commonwealth Games**. The lead up to this prestigious international event involves considerable investment in new and upgraded stadiums across the Gold Coast. The additional global publicity and the thousands of international and interstate tourists will not only have a profound impact on the Gold Coast's economy but the surrounding areas (such as northern New South Wales) will also benefit.

Tourism

Ballina is part of the Northern Rivers tourism region, which stretches from Grafton northwards to the New South Wales/Queensland border. The Northern Rivers tourism region received over 1.8 million domestic overnight visitors and 191,300 international visitors during the year ended 30th September 2013. An additional 2.9 million domestic day trip visitors came to the Northern Rivers tourism region of New South Wales during this period. These visitors spent more than \$1.5 billion whilst in the region.

Each year, the Northern Rivers tourism region attracts more tourists than either Tasmania or the Northern Territory. Reasons for its popularity include:

- Four airports service the Northern Rivers tourism region;
- Four million people live within 1 to 2 hours drive and a further six million are within a short flight;
- Has a subtropical climate, but virtually tropical in character and lifestyle;
- World heritage-listed rainforests;
- Some of Australia's best beaches and surfing;
- A diverse, eclectic and original art, craft and music industry; and
- Includes over 300 villages and localities.

Looking ahead, continued high levels of population growth in northern New South Wales and south east Queensland will provide the Northern Rivers region with a buoyant domestic market in the future. And given that the region is predominantly a leisure destination, it is also expected to benefit from the continued expansion of affordable domestic and international air services.

Section 3 – Residential property market

Market Overview

There has been a dramatic improvement in consumer sentiment and business confidence since the recent Federal election, hitting levels not seen for several years. According to the Westpac-Melbourne Institute Index of Consumer Sentiment, confidence rose 4.7% in September, sitting 13.8% higher than when the RBA first cut the official cash rate in November 2011. The NAB Monthly Business Survey also found that business confidence has strengthened, rising to its highest level since May 2011.

Capital city house prices rose 7.9% in the year to October 2013 according to RP Data, with Sydney leading the way with an 11.4% increase in its median house price. This increase is another sign of market recovery, following better housing construction and approvals numbers and steadily rising demand for new homes - new home sales are up more than 20% on a year ago, the strongest growth in four years.

The number of capital city properties listed for sale is 12% lower than it was a year ago, and there has also been marked improvements in the time it takes to sell a home and the level of discounting by vendors. Capital city homes are currently selling after 44 days compared to 56 days a year ago, and discounting levels have reduced from 6.8% a year ago to 5.7% currently.

Low interest rates, rising confidence and a surge in investor activity are the current drivers of the Sydney housing market. This is reflected in the exceptionally strong auction results, with Sydney recording auction clearances above 70% all throughout 2013, and above 80% for most of the past three months. In addition to high auction clearance results, some new apartment projects in Sydney have recorded incredibly impressive off-the-plan sales. For example, Legacy Property sold 90 apartments in just five hours at the launch of its new “Capital” tower in Bondi Junction last month. What is even more impressive is that the sale price of apartments in this project equate to \$14,500 per square metre on average, and up to \$17,500 per square metre for some apartments.

It has often been said that Sydney’s property market always leads and the rest of Australia follows. Record low interest rates, general housing affordability at near decade-best levels, and substantial “pent-up” demand for new housing in select markets, all suggest the scene looks set for an Australian housing recovery.

Demand factors

The north coast of New South Wales and its major towns like Ballina have many features that make it attractive for interstate, intrastate and overseas migration and the residential investment that follows:

- Fabulous lifestyle destination including beachfront, riverfront and hinterland living;
- Strong overseas and interstate migration influenced by factors such as the seachange phenomenon and sunbelt migration;
- Healthy tourism industry;
- Temperate sub-tropical climate with cooling sea breezes, mild winters and no frosts;
- Completion of major upgrades to transport infrastructure has improved connectivity to major centres such as Brisbane and the Gold Coast; and
- Well-developed social infrastructure including hospitals, schools, tertiary education facilities and recreation amenities.

The importance of these factors has been confirmed by research that shows the better performing new residential apartment and resort projects are characterised by:

- Having a waterfront (beach, river or lake) location;
- Being near existing facilities; and
- Providing a feeling of spaciousness (dwellings are not crowded together, and view corridors are maintained).

In addition, research has shown that, when looking to buy in a coastal location, the following factors help to ensure strong capital growth potential:

- Proximity to a major urban environment, preferably with an airport within an hours' drive;
- A beachside location;
- Lifestyle and entertainment facilities such as restaurants, cinemas and retail being close by;
- Pristine surroundings, or close to untouched environmental areas; and
- A high proportion of people on higher incomes moving into an area.

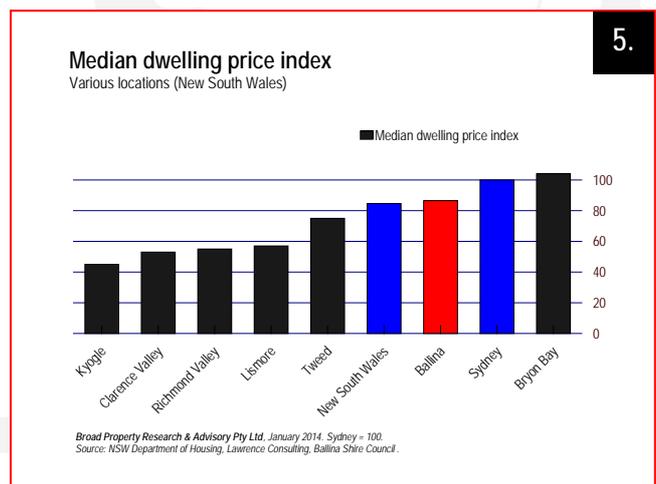
The town of Ballina meets most, if not all, of these characteristics⁴.

Residential property

Each year there are approximately 300 house sales and 200 apartment sales across the Ballina Shire. According to the New South Wales Department of Housing, the median sale price for all dwellings in Ballina Shire was \$460,000 in the March quarter of 2013, representing a 10% increase over the previous year.

As illustrated in **chart 5** opposite, the median dwelling index for Ballina Shire in the March quarter of 2013 was 86.5 compared to 100 for Sydney and 84.6 for New South Wales as a whole. This means the median dwelling price in Ballina Shire is higher than the New South Wales average and most other local government areas in northern New South Wales, but is more affordable than Byron Bay and Sydney.

Ballina is currently experiencing strong demand for houses and apartments, with a vacancy rate for rental accommodation of just 0.9%. A vacancy rate under 3% suggests a significant shortfall of suitable rental product.



Reflecting this lack of supply, median weekly rents for two-bedroom apartments and three-bedroom houses have increased by 7.4% and 8.3% respectively in Ballina Shire over the year to end June 2013⁵.

⁴ Matusik Property Insights, 2011.

⁵ NSW Department of Housing, Lawrence Consulting.

Furthermore, gross rental yields for apartments in Ballina are currently averaging 5.6% per annum⁶, which is not only excellent in the current investment climate but high for a tourism-driven market.

Looking ahead, there is likely to be an even greater shortfall of adequate dwelling stock across Ballina in the years to come. With an average household size of 2.4 people as per the 2011 Census, the projected increase in Ballina Shire’s population of 500 new permanent residents each year (as detailed on page 4 of this report) will necessitate the construction of more than 200 new dwellings each year. However, the number of new dwellings approved in Ballina Shire over the past three years has averaged only 144, which is insufficient to meet the forecast population growth⁷. (Note also that with an ageing population and more one- and two-person households, the average household size across Ballina Shire is likely to decline to below 2.4 persons per household, and such a reduction in average household size means even more new dwellings will be required to cater for the Shire’s forecast population growth).

Pricing analysis

As mentioned above, the median sale price for all dwellings in Ballina Shire was \$460,000 in the March quarter of 2013. Of course, the median sale price is just the mid-point between the lowest and highest sale and does not enlighten one as to the prices achieved at the higher end of the market. This is particularly important given that the selling price of new dwellings is, in nearly all cases, significantly higher than the resale price of older stock.

To this end, we have analysed house and apartment sales in Ballina Shire over the past 12 months by price. As shown in the table below, whereas the vast majority of house and apartment sales are priced under \$500,000 there are a significant number of sales in excess of this figure. More than one third of house sales, and one in five apartment sales, are priced in excess of \$500,000. Note also the fact there have been several apartment sales in excess of \$1 million.

Sale price analysis – Ballina Shire – 2013*

| Price range | No. of house sales | No. of apartment sales |
|--------------------------|--------------------|------------------------|
| Under \$500,000 | 173 | 196 |
| \$500,000 to \$650,000 | 65 | 37 |
| \$650,001 to \$750,000 | 21 | 11 |
| \$750,001 to \$850,000 | 9 | 1 |
| \$850,000 to \$1 million | 3 | 1 |
| Over \$1 million | 9 | 3 |
| Total sales | 280 | 249 |

Broad Property Research & Advisory Pty Ltd, January 2014. Source: NSW Department of Housing/RP Data. *Settled sales on land sized under 1,000m² for the 12 months ending 30th of September 2013. Does not include “off the plan” sales that are yet to settle.

With one-bedroom apartments in **Reside Living Ballina** priced from \$445,000 (average \$462,000); two-bedroom apartments priced from \$635,000 (average \$688,000); and three-bedroom apartments priced from \$850,000 (average \$910,000), the pricing of **Reside Living Ballina** is in line with other recent new apartment projects. However, the location, design and the fact that the average price of the apartments proposed for **Reside Living Ballina** equates to only \$4,824 per square metre, means that **Reside Living Ballina** has a number of important competitive advantages that sets it apart from its competitors.

⁶ Source: Australian Property Monitors. Data as at end September 2013.

⁷ Source: ABS Cat. No. 8731.1.

Section 4 – Key selling points

Competitive pricing

One of the major selling points of **Reside Living Ballina** is the fact that the average price of its apartments equates to only \$4,824 per square metre. The pricing of **Reside Living Ballina** compares exceptionally favourably with other new apartment projects targeted at owner-occupiers that are currently for sale in the Gold Coast/northern New South Wales region and in other prestige waterfront locations, as detailed in the table below.

Comparative apartment pricing – waterfront locations

| Project | Location | Av. price per m ² |
|----------------------------------|-----------------------------|------------------------------|
| Reside Living Ballina | Ballina | \$4,824 |
| Hilton Orchid Tower* | Surfers Paradise | \$7,985 |
| Oracle Tower 2 [^] | Broadbeach | \$8,055 |
| Eclipse | Broadbeach | \$8,831 |
| Eden | Coolangatta-Tweed Heads | \$8,896 |
| Element Solitaire Tower | Burleigh Heads | \$9,063 |
| The Beach | Cabarita | \$9,167 |
| Port of Airlie | Airlie Beach, Whitsundays | \$10,014 |
| Sea Pearl | Mooloolabah, Sunshine Coast | \$10,042 |
| Hilton Orchid Tower [^] | Surfers Paradise | \$11,302 |
| Oracle Tower 1 [^] | Broadbeach | \$11,566 |
| Waterfront Pier | Newstead, Brisbane | \$11,791 |
| Allure | Surfers Paradise | \$15,339 |
| Soul [^] | Surfers Paradise | \$17,497 |

Broad Property Research & Advisory Pty Ltd, January 2014. Source: Midwood Queensland Investment Report (various editions), Colliers International Gold Coast Apartment Report (various editions), and Matusik Property Insights. Average price per square metre is based on gross apartment size which is defined as private internal living space plus balconies but excluding car parks and common areas. *Revised pricing. [^]Original pricing.

Competitive advantages

Reside Living Ballina is set to become the ultimate in luxury riverfront apartment living, with generous living spaces, large balconies and courtyards, generous resident and visitor parking, and exceptional interior detailing. All apartments have high ceilings, an excellent glass-to-wall ratio, and outstanding finishes.

Generally there seems to be several fundamentals leading to stronger capital gains for new apartments. These are exemplified in **Reside Living Ballina** and include:

- Position, being absolute riverfront and with generally uninterrupted views from most apartments;
- Being near quality, patrolled beaches or other open space; and
- Basic design and building principles such as:
 - Open plan living;
 - Ensuite for master bedroom and two bathrooms in the larger apartments;
 - Useable balconies;
 - Sufficient storage space;

- Generous resident and visitor parking;
- A high lift to apartment ratio;
- Maximum view exposure – especially with views that cannot be built out; and
- Sustainable building practices.

Of further importance is the inclusion of on-site facilities such as a theatre, restaurant, residents lounge, swimming pool, gymnasium, and large garden area. The **Reside Living Ballina** site offers 41 metres of absolute river frontage and 700m² of retail space that will include (amongst other activities) a café and convenience store.

Value adding

The presence of on-site retail is another significant “plus” given that mixed-use developments have performed particularly well. Qualitative studies that we have undertaken for a number of mixed-use developments over the last few years have found:

- Two-thirds of potential owner-residents say that the mixed-use nature of the projects were important to them and positively influenced their decision to purchase;
- Just over half of buyers stated they would be prepared to pay a premium (over a single use location) to live in a mixed-use precinct. The most common premium range marked on our questionnaires was between 5% and 10%;
- Buyers generally come from a wider than usual audience during the off-the-plan sales campaign for mixed-use projects, attracting more intrastate, interstate and overseas buyers than the traditional single-use apartment tower/development; and
- Apartments within a mixed-use development appear to be held longer than those within a more generic setting.

Reside Living Ballina is the first mixed-use apartment project in Ballina specifically designed for owner occupation, and is located on a landmark site that is one of the last major development opportunities along the Richmond River. **Reside Living Ballina** presents a significant opportunity for buyers looking to take advantage of competitively-priced new apartments at a time when the property market nationally is dramatically improving.

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