



OUTLOOK VARSITY LAKES

A CONTEXT ON BUSINESS, CULTURE, LIFESTYLE AND RESIDENTIAL

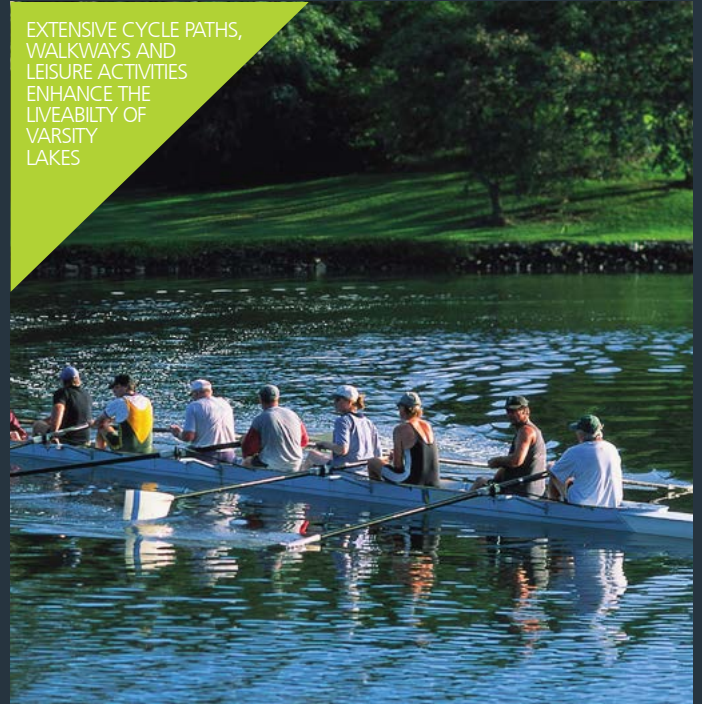
SEPTEMBER 2015

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Varsity Lakes picturesque location surrounding Lake Orr offers a wealth of infrastructure and lifestyle amenity



COMMERCIAL, RETAIL, DINING HUB IN CENTRAL VARSITY LAKES



EXTENSIVE CYCLE PATHS, WALKWAYS AND LEISURE ACTIVITIES ENHANCE THE LIVEABILITY OF VARSITY LAKES

MARKET SQUARE

ROWERS



SURROUNDING INFRASTRUCTURE IN THE FORM OF RETAIL, HEALTH AND EDUCATION

ROBINA TOWN CENTRE

1 POP 2 INF 3 EMP

Varsity Lakes accommodates all three of the Urbis economics and research fundamentals that make a sustainable suburb – Population, Infrastructure and Employment.

ACCESSIBILITY & WALKABILITY

Varsity Lakes

Varsity Lakes is located in the geographical centre of the Gold Coast surrounded by thriving commercial, retail and residential hubs.



Varsity Lakes is a master-planned community that has evolved into a desirable Gold Coast suburb with major health, transport, retail, education and office precincts. A commercial office hub has developed in Varsity Lakes and Robina and has become the second largest office precinct on the Gold Coast offering employment opportunities to local residents.

Along with strong commercial infrastructure and amenity, Varsity Lakes also offers residents an enviable lifestyle. Numerous golf courses are in proximity together with kilometres of walking and cycling tracks along the banks of Lake Orr. Lake Orr also offers sailing, rowing and dragon boating activities. Gold Coast beaches are a ten-minute drive.



Legend

- 1** Burleigh Homespace
 - 2** Easy T Shopping Centre
 - 3** Masters Home Improvement Store
 - 4** Robina Town Centre
 - 5** Bond University
 - 6** Robina State High School
 - 7** Robina State Primary School
 - 8** Varsity College Primary Campus
 - 9** Varsity College Secondary Campus
 - 10** Gold Coast Surgical Hospital
 - 11** Robina Health Precinct
 - 12** Robina Hospital
 - 13** Robina Private Hospital (proposed)
 - 14** Bermuda Point office precinct
 - 15** Varsity Lakes office precinct
 - 16** Robina Auto Mall
 - 17** CBUS Super Stadium
 - 18** Palmer Colonial
 - 19** Robina Woods Golf Course
 - 20** The Glades Golf Course
 - 21** Robina Bus Interchange
 - 22** Robina Train Station
 - 23** Varsity Lakes Bus Interchange
 - 24** Varsity Lakes Train Station
-
-  Train Station
 -  Bus Interchange

INFRASTRUCTURE

Strong infrastructure in the form of health, education, transport connections and retail will drive residential demand within Varsity Lakes

INFRASTRUCTURE



1 RAIL LINE FROM BRISBANE TO VARSITY LAKES

The Brisbane rail line extension to the Gold Coast began in 1996 to Helensvale and was followed by extensions to Nerang and Robina. The last stage undertaken was Robina to Varsity Lakes and was completed in 2009. The rail connects Varsity Lakes with Brisbane CBD and on to the Brisbane Airport.



2 PACIFIC MOTORWAY (M1)

Widening of the M1 to six lanes through to Coolangatta is being undertaken in sections. The section between Mudgeeraba and Robina (Exit 82) was recently completed.



3 BOND UNIVERSITY 5,600 STUDENTS

Bond University is Australia's highest rating University for overall graduate satisfaction and is widely acknowledged for its strengths in sustainable and architectural design. In addition, Bond University is home to Australia's first private medical school offering a broad range of courses specialising in biomedical sciences, health science, medicine and medical software development. Student numbers are projected to increase by around five per cent per annum.



4 GOLD COAST SURGICAL HOSPITAL \$30 MILLION

New surgical hospital recently opened at Varsity Lakes has six operating theatres and 24 beds along with radiology, pathology, pharmacy and consulting suites.



5 ROBINA HOSPITAL & HEALTH PRECINCT

Robina Hospital was completed in 2000 and has undergone two expansion programs since then taking it to a 364-bed facility. Services provided include 24-hour Emergency Department, general medicine, intensive care, coronary care, surgery, mental health services, renal dialysis, radiology, pathology and pharmacy. Alongside the Robina Hospital is the Robina Health Precinct which was opened in 2012 and is home to a number of community health services including aged care assessment, child and youth mental health and specialist programs.

ROBINA PRIVATE HOSPITAL \$20.5 MILLION

Plans were recently announced for a private hospital within the Robina Health Precinct adjacent to the Robina Hospital. Stage 1 will comprise a 90-bed sub-acute private hospital, along with ancillary areas and consulting suites.



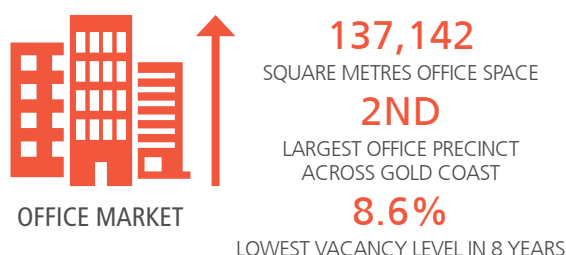
6 ROBINA TOWN CENTRE \$300 MILLION +

The Robina Town Centre has undergone several upgrades since opening in 1996, with a major refurbishment and extension completed in 2009 at a cost of \$300 million. Currently underway is a \$3.5 million upgrade to Market Hall and additional car parking. Robina Town Centre comprises approximately 134,000sqm of gross lettable floor area.

Varsity Lakes College 3,069 STUDENTS (ACROSS TWO CAMPUSES)

OFFICE MARKET

The combined suburbs of Varsity Lakes and Robina have a strong commercial office precinct with 137,142 sqm of lettable office space. Latest figures are recording a vacancy rate of 8.6 per cent across this space. This is the lowest vacancy level recorded in eight years.

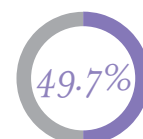


Prepared by Urbis; Source: Property Council Australia Office Market Report Jul-2015

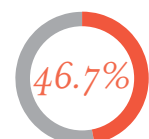
FORECAST EMPLOYMENT

Strong employment growth is forecast for the Varsity Lakes Catchment through to 2031. More than 13,500 new jobs are projected for the catchment, equating to a growth rate of 49.7 per cent. The Business Services (including Property) sector is projected to record the largest increase in jobs, followed by Retail and Health and Community, within the Varsity Lakes Catchment to 2031.

FORECAST EMPLOYMENT GROWTH 2001 - 2031



Varsity Lakes Catchment



Gold Coast LGA

NOTE: Catchment comprises Varsity Lakes, Burleigh Heads, Burleigh Waters, Miami & Robina
Prepared by Urbis; Source: National Institute of Economic and Industry Research (NIEIR)

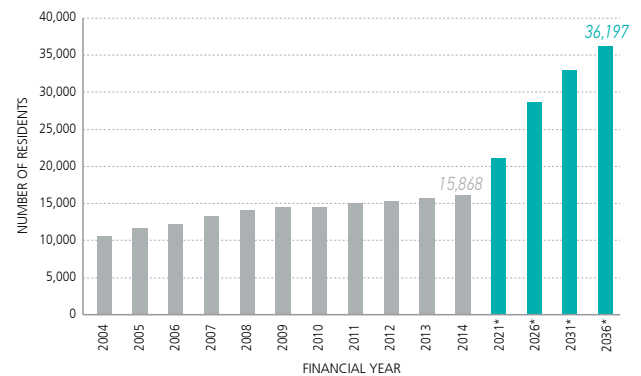
Varsity Lakes population is set to more than double in size

POPULATION & DEMOGRAPHICS

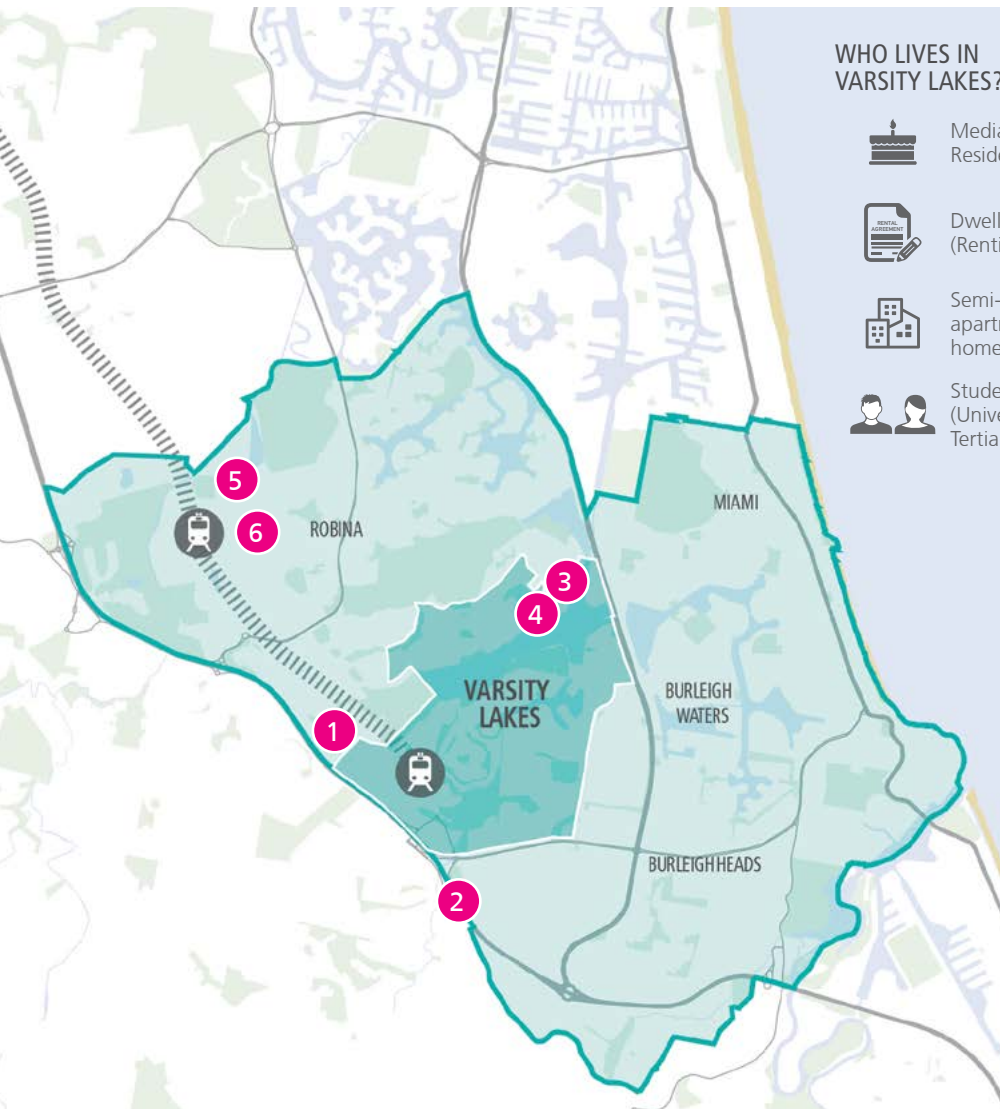
Population projections suggest that the existing resident population of Varsity Lakes will more than double over the next 22 years, growing to more than 36,000 people. Average annual growth during the ten years between 2004 and 2014 has recorded 4.2 per cent per annum in Varsity Lakes. This is well above the Gold Coast LGA figure of 2.5 per cent per annum over the same period.

Looking forward, Varsity Lakes is forecast to continue growing at a higher rate than the wider Gold Coast. Between 2014 and 2036 the resident population of Varsity Lakes is forecast to grow at a rate of 3.8 per cent per annum and take the population to more than 36,000.

POPULATION & FORECAST GROWTH
VARSITY LAKES 2004 - 2036



Prepared by Urbis; Source: ABS



WHO LIVES IN VARSITY LAKES?

- Median Age of Residents
- Dwelling Tenure (Renting)
- Semi-detached, apartment, terrace home, townhouse
- Students (University or Tertiary Institution)

VARSITY LAKES	GOLD COAST LGA
32	37
46%	36%
32%	19%
26%	14%

Prepared by Urbis; Source: ABS

RESIDENTIAL MARKET ANALYSIS

GOLD COAST UNIT MARKET

The Gold Coast City unit market is diverse, ranging from high-rise towers to townhouses and duplex in various locations from beachfront, river, canal and lake frontage to golf course estates.

Sales volumes across the Gold Coast have been on an upward trend since the beginning of 2011 as confidence returns to residential markets. The median price of units across the Gold Coast LGA for the six months ending June 2015 was recorded at \$365,000

VARSITY LAKES UNIT MARKET

Varsity Lakes has followed a similar trend to the wider Gold Coast with an upward trend in sales volumes beginning in 2011 before reaching a four-year high during the first half of 2015. The median unit price in Varsity Lakes reached a ten-year peak of \$425,000 during the first half of 2008. Following this period Gold Coast residential markets were affected by the Global Financial Crisis which led to a downward price movement. While Varsity Lakes unit prices were affected, they appear to not have been as badly impacted as other areas of the Gold Coast. While other areas of the Gold Coast are susceptible to the fluctuations in the holiday tourism markets, Varsity Lakes is cushioned from these markets with a more permanent resident base. The median price of units within Varsity Lakes was recorded at \$390,000 during the first half of 2015, well above the Gold Coast median of \$365,000.

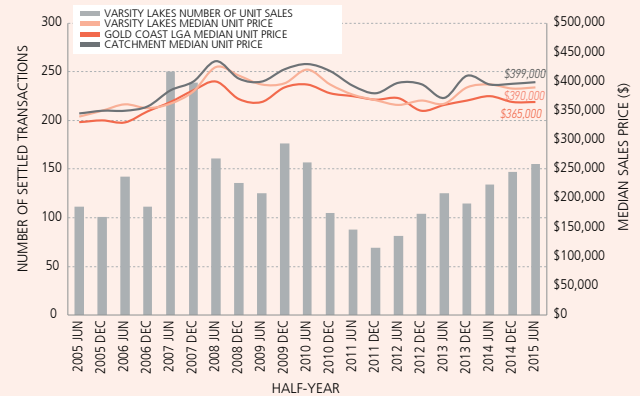
VARSITY LAKES NEW APARTMENT MARKET

The Coastal Fringe Precinct (comprising Varsity Lakes, Ashmore, Benowa, Bundall, Carrara, Merrimac and Robina) was the best performing precinct across the Gold Coast during June quarter 2015. This is only the second time the Coastal Fringe Precinct has out-performed the more traditional Gold Coast new apartment suburbs of Surfers Paradise, Broadbeach and Southport. Supply of new apartments in Varsity Lakes is limited with 144 apartments in only two active projects during June quarter 2015, indicating a need for new supply.

While the Coastal Fringe Precinct has recorded the highest sales rate, it also is one of the most affordable areas across the Gold Coast in which to purchase a new apartment. The weighted average sale price was recorded at \$436,950 across six surveyed projects.

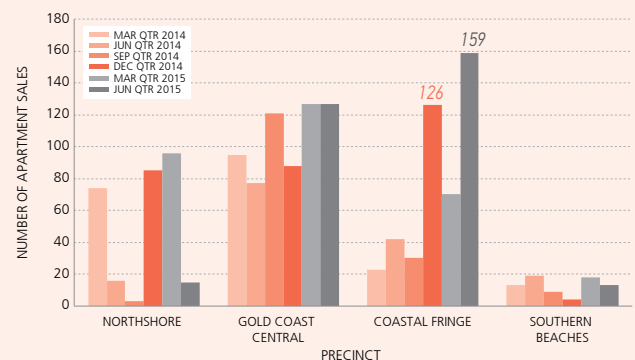
Strong sales rates and low supply of new apartments in Varsity Lakes indicate a need for new product

10-YEAR SALES CYCLE



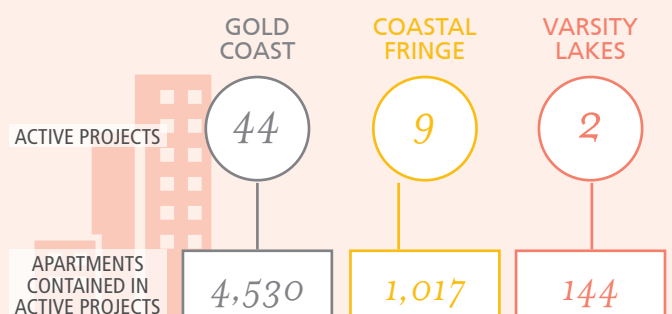
NOTE: Catchment comprises Varsity Lakes, Burleigh Heads, Burleigh Waters, Miami and Robina
Prepared by Urbis; Source: CoreLogic RP Data

GOLD COAST NEW APARTMENT MARKET



Prepared by Urbis; Source: Urbis Gold Coast Apartment Essentials Q2 2015

VARSITY LAKES NEW APARTMENT MARKET

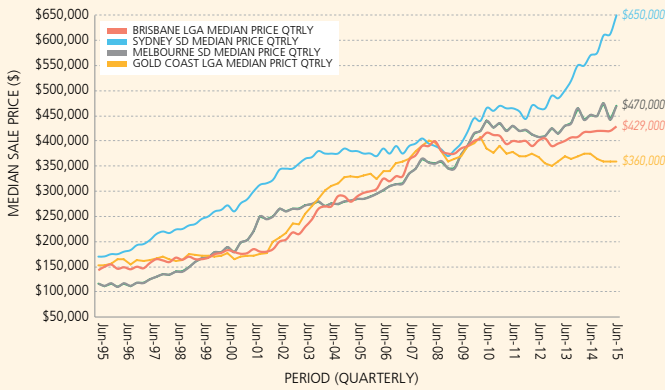


Prepared by Urbis; Source: Urbis Gold Coast Apartment Essentials Q2 2015

Gold Coast median unit price is \$290,000 more affordable than Sydney

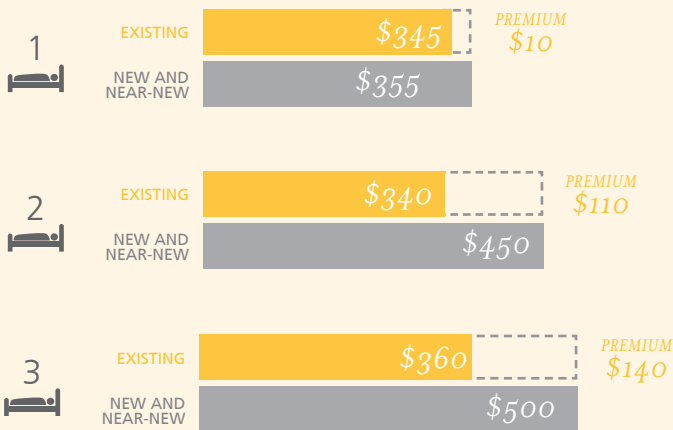
CAPITAL CITIES & RENTAL MARKET

CAPITAL CITY MEDIAN UNIT PRICE COMPARISON Gold Coast LGA - Jun 1995 - June 2015



Prepared by Urbis; Source: CoreLogic RP Data

VARSITY LAKES WEEKLY MEDIAN RENTS New & Near-New Vs Existing



Prepared by Urbis; Source: Residential Tenancies Authority, realestate.com.au

GOLD COAST CITY RESIDENTIAL VACANCY RATE

GOLD COAST CITY RESIDENTIAL

VACANCY RATE
2.3%

Prepared by Urbis; Source: REIQ

CAPITAL CITY COMPARISON

The Gold Coast Local Government Area (LGA) has a median unit price of \$360,000 being \$69,000, \$110,000 and \$290,000 more affordable than Brisbane, Melbourne and Sydney respectively. This is promoting greater market interest and activity from interstate and international investors into the Gold Coast.

VARSITY LAKES NEW AND NEAR-NEW RENTAL MARKET

New and near-new apartment product in Varsity Lakes is currently achieving median weekly rental premiums of up to \$140 per week.

There are limited numbers of new and near-new apartments advertised for rent in Varsity Lakes which is leading to significant premiums over older existing product, particularly two and three-bedroom apartments.

On-the-market rental evidence for three-bedroom apartments in Varsity Lakes registered the highest weekly rental premium over existing product with a median of \$500 leading to a premium of \$140 per week. Two-bedroom product is recording a median weekly rent of \$450 with a premium of \$110 per week over existing product. One-bedroom apartments at Varsity Lakes have shown the least weekly rental premium over existing product at just \$10.

VARSITY LAKES GENERAL RENTAL MARKET

During 2003 and 2004, and again during 2008 and 2009, several unit buildings were completed at Varsity Lakes bringing bought new unit living options to the suburb. Since this time limited new projects have been constructed, hence the majority of supply of rental units is in older buildings.

Figures from the Residential Tenancies Authority (RTA) for the post code of 4227 (Varsity Lakes and Reedy Creek) for the June 2015 quarter are recording a median weekly rent of \$345 for one-bedroom units, \$340 for two-bedroom and \$360 for three-bedroom units. The Varsity Lakes area is attaining higher weekly rental figures than the wider Gold Coast. This is due to its central location and strong infrastructure and amenity.

It should be noted RTA rental information covers the total market and includes new and existing older product.



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