

Nambour

The Property Economics

Location

Nambour is a sub-tropical hinterland in the Sunshine Coast region. It is 15 kilometres from the major Sunshine Coast education and employment hub of Sippy Downs. It is also 20 kilometres from the retail and health precincts of Mooloolaba and Kawana. The greater Nambour region encompasses the suburbs of Burnside, Coes Creek and Perwillowen. Nambour was the administrative centre and capital of the Maroochy Shire prior to the amalgamation of the Sunshine Coast. It is now considered the administrative centre of the entire region.

Population & Demographics

The Sunshine Coast is the 3rd largest metropolis in Queensland and the 10th largest in Australia, with an estimated population of 285,000. The Nambour Region's population accounts for over 10% of the entire Sunshine Coast, with a total of 32,500 residents. It is expected that this will grow by almost 40% to 45,000 people by 2025.

The region's beautiful hinterlands and its high quality health care have made it an attractive destination for retirees, who account for over 18% of the population, significantly higher than the Queensland average of 14%. This quiet lifestyle along with the presence of well regarded education and community interaction have also made the region a popular choice for young families, reflected in the region's proportion of children surpassing the state average by more than 2%.

The highly regarded healthcare industry in Nambour provides an impressive 19.9% of the region's employment opportunities, easily eclipsing the state average of 11.9%. Retail offers 11.8% of jobs, followed closely by construction at 10.3%. Admin and education also account for 8.4% and 7.9% of employment opportunities respectively. These percentages are also higher than state averages for the respective categories, giving a clear indication of the region's economic focus and major amenities.

The Nambour General Hospital is a 371 bed public hospital, responsible for the treatment of over 75,000 patients per year and employment of approximately 500 staff. The facility provides major emergency, elective surgery, medical inpatient, mental health and physical rehabilitation services to the Sunshine Coast region. In August 2015, Health Services Minister Cameron Dick gave assurances that, despite the presence of the Sunshine Coast Public University Hospital, the Nambour General Hospital will continue to play a major part in servicing the Sunshine Coast's health care requirements.

The Nambour Selangor Private Hospital has a capacity of 100 beds and specialises in niche treatments. It houses two state-of-the-art operating theatres, surgical ward, specialised renal dialysis unit, high dependency unit and day surgery services. There is also a focus on palliative care services, pain management, respiratory and sleep study services. It employs approximately 100 staff and plays a major role in Nambour's designation as a health care hub.

The Nambour Plaza Shopping centre is the retail hub of the region. It is a 600 car park facility and is home to several major retailers including Woolworths, Coles and Big W. In total, it offers more than 38 stores and employs more than 500 people. The central retail district also contains an Aldi, IGA and several fast food outlets.

The Sunshine Coast Institute of TAFE, Nambour campus, is the region's largest provider of education services. It services over 1,000 students and employs approximately 50 staff. It has recently undergone a \$10 million upgrade to improve facilities and is one of six TAFE institutions offering its services to the Sunshine Coast region. Additionally, the region has over 20 early childhood education facilities, as well as seven primary and secondary schools. Of note is the prestigious Nambour State High School whose alumni include former Prime Minister Kevin Rudd and former Treasurer Wayne Swan.

As Nambour forms a crucial part of the Sunshine Coast, it is also important to consider the Coast's economy as a whole when analyzing the region. The Sunshine Coast's economy is dominated by 3 main sectors: tourism, retail and construction. In the 2015 Financial Year, the tourism industry generated \$2.5 billion revenue, comprising 17% of the region's economic activity and it also employed 20% of the workforce. The economic output of the region has doubled over the last decade to reach \$13 billion annually, making it one of the largest regional economies in Queensland.

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The Sunshine Coast's main employment industries are health care and social assistance (13.6%), retail trade (12.6%) and construction (11.9%). Efforts have been made by the Sunshine Coast Regional Council to diversify the local economy with an emphasis on knowledge-based businesses in the area such as information technology, clean-tech, creative industries, aviation, education and food and beverages. As a result, government projections suggest that 18,900 new jobs (11.9% increase) are likely to be created across the Sunshine Coast over the next 5 years.

The Sunshine Coast Airport is located 17km North East of Nambour. Commuter trains run through the Sunshine Coast Hinterland to arrive in Brisbane and bus services connect the entire coastal strip. Brisbane CBD is only an hour and a half direct train trip on weekday mornings, whilst Sippy Downs and the majority of Coast locations are a 40 minute or less bus ride.

The Sunshine Coast Council has positioned the region as a breeding ground for entrepreneurial and innovative businesses. The major driver of this being the University of Sunshine Coast's master plan. Upon completion, the region will be Australia's first University town and will have the potential to employ over 6,000 workers. Approximately 10% of these workers will be employed in the University's Innovation and Technology Hub, which will act as support for start up businesses. It is one of many high quality educational facilities in the region. Bordering the campus are the esteemed Sienna Catholic College and Chancellor State College's primary campus in addition to over 10 early learning, primary and secondary schools within a five kilometre radius.

The \$100 million Sunshine Coast University Private Hospital located in Kawana's health precinct is the newest private hospital in the region and won the 2014 Sunshine Coast Project of the Year award. Qld Health has stated "Co-locating a private hospital with Sunshine Coast Public University Hospital will provide greater healthcare choice for the community and attract specialist doctors and clinical staff to work and live on the Coast".

The construction of major health facilities and the ongoing expansion of Sunshine Coast University hospital are also important factors influencing the local economy. Health, education and residential construction over the next 15 years are expected to create over 10,000 jobs and contribute \$15 billion to the local economy.

In addition to this, the \$28 million Cutter Ridge residential development at Bli Bli, the Kawana Shopping World redevelopment, the \$20 million Coolum Hotel redevelopment and the Acare Aged Care Home have all been completed in the last 6 months.

Property Overview

The key drivers of the Nambour property market have been affordability and a relative scarcity of vacant flat land. The region has all the indicators of a rising market: prices are affordable, sales volumes are high, vacancies are extremely low, average time spent on the market is declining and yields are high.

Over the past 12 months, the region has seen a total of over 200 house sales at a median price of \$350,000. This median sale price is over \$100,000 less than that of the entire Sunshine Coast region, which is a testament to its affordability. This in turn has acted as a driver for demand, which has seen average time on the market reduce from 135 days in January 2015 to 106 days in December 2015.

Despite accounting for approximately 7.5% of the total Sunshine Coast market, Nambour only recorded 4% of the Coast's vacant land sales in 2015. Additionally, of the 2,000 standard residential lots developed on the Sunshine Coast over the past year only 3.8% of these were within the Nambour region. These statistics indicate that the region has an undersupply of vacant land on which to construct new dwellings. Furthermore, the increase in demand over the past 12 months has correlated strongly with a 20% decrease in available stock on the market – suggesting that supply is unable to keep with the newfound demand.

Additionally, the rental market within Nambour remains extremely strong. Rental yields are currently at 5.6% and are, again, driven by an undersupply of available dwellings which has resulted in vacancy rates sitting at an extremely low level of 0.6%. These factors, along with those aforementioned, have resulted in an increase in median sale values of 7% across the region over the last 12 months.

With extremely strong affordability, yields, vacancies and sales volumes, the Nambour market is expected to continue a strong upswing until a new wave of supply penetrates the market, which does not seem to be forthcoming in the short term

Property Statistics (Houses)

Median House Value	\$350,000
Capitalized Annual Yield – Houses	5.6%
% p.a. Growth Median Value – Houses	6.9%
Median Weekly Rent – Houses	\$368.00
Average Days Market – Houses	106
Sales Volume – Houses	208

Property Statistics (Units)

Median Unit Value	\$243,000
Capitalized Annual Yield – Units	6.8%
% p.a. Growth Median Value – Units	9%
Median Weekly Rent – Units	\$270.00
Average Days Market – Units	140
Sales Volume – Units:	60

The Future

The Sunshine Coast is projected to be one of Queensland's most active regions over the next 3 years with over \$16 billion worth of investment in infrastructure projects, residential developments and upgrade projects underway or upcoming in the next 12 to 24 months.

The Sunshine Coast University Hospital's project value of \$2 billion will add approximately 10% to the region's annual economic output on its own. During construction, over the next five years, it's expected to generate over 2,000 jobs. It is estimated that the construction phase of the project will provide over \$3.5 billion of economic stimulus to the Sunshine Coast. Upon completion the hospital will service over 15,000 people a day which will require full time employment of 4,500 locals. The ongoing economic benefit to the region is expected to be \$680 million a year.

The \$5.3 billion residential development Oceanside Kawana is the largest development ever undertaken by Stockland. It is set on 100 hectares of oceanside land at Birtinya and encompasses the University Health project. Over the course of the next 15 years, it is expected that the Oceanside and Health projects will contribute over \$8.5 billion to the local economy. Upon completion of the construction phase, Oceanside is then expected to generate over \$800 million in economic benefit annually. Much of this value is derived from the 11,930 full time equivalent jobs to be created during the operational phase and the 2,900 jobs available annually throughout construction. The end result of Oceanside will be over 215,000m² of developed land to provide at least 2,000 new dwellings, a transit and commercial precinct and a health precinct, as well as a 40ha lake, walking and bike trails, roads, bridges and parks.

Fifteen minutes away from Oceanside Kawana is the site of the future Sippy Downs Town Centre. It is planned as a Major Activity Centre incorporating a Coles, Woolworths, Kmart, a Tavern, specialty stores, office towers and a technology hub. The 25,000m² of retail and 9,000m² of commercial property is designed to service a growing student population. During construction, it is expected to create 1,770 in the Town Centre and a further 600 jobs in the technology hub. The total value of the project is still to be announced however, upon completion, the Town Centre will create 4,400 equivalent full time jobs including the University of Sunshine Coast staff.

In a sign of confidence in the region, Global Insurance Company Youi Group announced in March 2015 they would be building a \$100 million building next to the University of the Sunshine Coast that will house 2000 staff when completed in 2017. The presence of a large multinational corporation is promising for the area and shows that commercial interests in the region extend well beyond retail and construction.

In order to accommodate the expected influx of residents in the region, the government approved the Palmview master planned development area. Investa were awarded the contract for the 500 hectare site in May 2015 and construction is expected to begin in June 2016. The project

has a fifteen year build time and will create 7,500 new dwellings in order to house over 16,000 residents. The construction period is expected to yield 4,700 full time jobs and inject over \$2.6 billion into the region's economy. The site borders the Sippy Downs Town Centre and Oceanside, which will ensure residents receive a high level of access to amenities. Additionally, the master plan provides for schools for more than 3,000 students and over 120 new teaching jobs.

Approximately fifteen minutes south of Oceanside is the Caloundra South Priority Development Area, now known as Aura. The area is approximately 2,310 hectares of vacant land to be developed by Stockland. The \$5 billion project was approved in late 2014 and will create 18,000 homes, 20 schools, 200km of bike and walkways whilst maintaining a 400-hectare green zone. The master plan also caters for over 150 hectares of business, industrial, commercial and retail area which will contribute to the 40,000 jobs the project is expected to create. Construction commenced in October 2015, with the expectation that by 2020 Stockland will have delivered 3,000 homes, two schools, a retail centre and a regional sports park.

In light of projected migration and growth within the region, the State and Federal governments have agreed to co-fund a \$1.1 billion upgrade to the Bruce Highway to allow for improve accessibility to Brisbane and other major transport networks. The upgrade proposes a 6-lane highway (including corridor planning for 8-lanes) between the Caloundra Road and Sunshine Motorway interchanges. It includes upgrades to the Caloundra Road and Sunshine Motorway interchanges and a service road on the western side of the Bruce Highway between these interchanges. Construction on the upgrade will begin in 2016 and is expected to significantly reduce travel times between the region and Brisbane.

The \$142 million Maroochydore City Centre redevelopment, known as SunCentral Maroochydore, will also help to support the region's population growth. Approximately 60 hectares of council land in Maroochydore will be redeveloped to create an Urban Village, waterfront promenade, office spaces and a transit hub. Upon completion, the hub will provide up to 75,000sqm of retail floor space, 165,000sqm of commercial floor space, around 2,000 new residences, major transport infrastructure, civic buildings and significant areas of public open space. Approval was granted for the project in 2014 and first works will commence on the site in February 2016.

The Valdora Solar farm facility is the final major project currently approved within the Sunshine Coast region. It will be located on a 49 hectare site near Coolum and is expected to meet half of the Sunshine Coast Council's energy needs over the next thirty years. It is projected to provide over \$10 million annually to the economy and create 40 jobs during the construction phase. The project received approval in November 2014 and began construction in late 2015. It is scheduled to be completed early 2017.

The Future

There is also a large number of significant projects proposed within the Sunshine Coast, which, if approved, could have substantial benefits for the region. The \$1.1 billion Yaroomba beachfront development was proposed in early 2015. However, the Sunshine Coast Council rejected the current proposal due to a breach of height restrictions in June. It is expected that the developers, Sekisui House, will revisit their proposed design to comply with the restrictions, however no official announcement has been made.

The \$347 million Sunshine Coast Airport Expansion proposed in early 2015 is still under review. If approved, it will be operational by 2020 and is projected to boost the local economy by \$4.1 billion over the first 20 years. The Sunshine Coast council proposed a \$2 billion Light Rail for the region in April in 2014, with planning works still underway before approval is granted. If approved, the light rail system would connect Maroochydore to Caloundra, stopping at major amenities such as the Sunshine Coast University Public Hospital and would provide capacity for an additional 3,000 passenger trips per hour.

Infrastructure

Oceanside Kawana – Residential

Project Description

140ha development with residential, a town centre, transit and commercial precinct and a health precinct and will include a 40ha lake, walking and bike trails, roads, bridges and parks.

Impact

The total economic benefit during the development of Oceanside is forecast to top \$5.3 billion over the next 15 years and generate more than 3000 jobs per annum during the development phase plus 21,000 ongoing jobs.

Value	\$5.3 Billion
Status	Under Construction
Status Description	Expected to take 15 years to complete.

Sunshine Coast University Hospital

Project Description

The hospital will have 450 beds initially and will grow to 738 beds by 2021. It will revolutionise healthcare on the Coast and offer a range of new and expanded free public hospital services.

Impact

The project is on track to be completed in 2016 with the most recent update indicating the Mental Health Unit, Childcare Centre and Helipad are all currently under construction.

Value	\$2 billion
Status	Under Construction
Status Description	Expected to take 15 years to complete.

Sunshine Coast Airport Expansion

Project Description

The expansion will ensure the airport can meet forecast growth. It will also create 90 jobs during construction and around 1600 jobs once operational.

Impact

Projected to boost the Sunshine Coast economy by \$4.1 billion over the first 20 years.

Value	\$347 million
Status	Proposed
Status Description	Undergoing EIS. Subject to approval, work on new runway and infrastructure should start during 2015. To be operational around 2020..

Maroochydore City Centre Redevelopment

Project Description

The hub will provide up to 75,000sqm of retail floor space, 165,000sqm of commercial floor space, around 2,000 new residences, major transport infrastructure, civic buildings and significant areas of public open space.

Impact

60 hectares of council land in Maroochydore will be redeveloped to create an Urban Village, waterfront promenade, office spaces and a transit hub.

Value	\$142 million
Status	Approved
Status Description	Approved July 2014, construction has been confirmed to begin in February 2016..

Bruce Highway upgrades, Sunshine Coast

Project Description

The upgrade proposes a 6-lane highway (including corridor planning for 8-lanes) between the Caloundra Road and Sunshine Motorway interchanges. It includes upgrades to the Caloundra Road and Sunshine Motorway interchanges and a service road on the western side of the Bruce Highway between these interchanges.

Impact

The upgrades will deliver critical safety benefits to motorists, improve efficiency and reduce traffic congestion, and ensure the highway can cater for future traffic growth.

Value	\$1.134 billion
Status	Approved
Status Description	The project was approved mid 2015 and construction is expected to begin in 2016.