



# 2016 seen as 'game-changer' for the region

By **ERLE LEVEY**

IT'S been a big year on the Sunshine Coast, one that has seen dramatic change in the development of the region.

Not since the 1960s and then the 1980s have we seen such a shift in the built landscape and the economy.

It has been a year of transition in which several game-changing projects have gone from being shovel ready to coming out of the ground.

That momentum is expected to continue into 2017 which will see the 50th anniversary of the naming of the Sunshine Coast.

The \$1.8billion Sunshine Coast University Public Hospital, pictured right, has been the big thing driving the change in the region's economy.

Yet as it prepares for the official opening in April, we now have a string of other developments under way: Civil site works at the new Maroochydore CBD, the \$5billion transformation of Oceanside at Kawana, the \$400m Sunshine Plaza expansion plus the master-planned communities of Aura at Caloundra South and Harmony at Palmview under way.

Another key project is the Sunshine Coast Airport expansion that has taken another major step towards becoming a reality with the announcement of a preferred commercial partner.

The Sunshine Coast is the 10th largest significant urban area in Australia by population, and in the past 15 years its economy has grown at an average of 4.09% - higher than Australia's 3.04% average.

In February, Infrastructure Australia identified the Sunshine Coast as one of five cities - in addition to the State and Territory capitals - as core focal points for the productivity of the Australian economy and places where governments should support growth.

We are seeing the benefit of investment such as the hospital with a halving in the unemployment rate to less than 5%.

At the same time the population is estimated to grow by 200,000 in the next 20 years, with 50,000 at Aura and 17,000 at Harmony.

The growth rate has a really strong multiplier

effect of flowing through to the economy. Health-related employment will be a kicker but the region has got some good projects on the horizon.

More than \$10billion has been committed or is in the pipeline in major public and private investment in the region.

The key projects include the new Maroochydore CBD, a 53ha greenfield site that will deliver more than 30,000 jobs by 2040 and a \$4.4billion contribution to the Sunshine Coast economy.

Now in the early stages of civil works, submissions proposing commercial and mixed use projects with a construction cost alone of more than \$400million have already been lodged for consideration and further due diligence for the CBD site.

Lend Lease has started its expansion of Sunshine Plaza shopping centre, Stockland's

Oceanside precinct is moving forward and site work has started on the Bokarina Beachside development.

It is significant that the \$5billion Aura at Caloundra and \$3billion Harmony at Palmview are emerging master-planned residential communities when there is a distinct lack of greenfield facilities in Queensland.

## Depth of market

THE perception is the Sunshine Coast is poised for significant growth with major infrastructure projects taking place.

This adds to the depth of the property market that has traditionally relied on building and tourism.

Speaking at Maroochydore this year Urbis director Malcolm Aikman said the Sunshine Coast was in the Top 10 of regional populations in Australia and a major area for productivity.

"Jobs and increased services - add it all up and things are happening. It is showing confidence in the Sunshine Coast.

Yet instead of the new hospital being the be-all and end-all, the other projects are creating variety.

While sun, surf and sand continue to be lifestyle attractors, the Sunshine Coast beach culture is no longer the only game in town.

Property analyst Michael Matusik believes the



beach is no longer the preferred location to live. It can just as much be about proximity to transport, schools, services, jobs and entertainment.

He said the Sunshine Coast has the depth in the economy and the variety of demographics to take advantage of this.

It's a good place to be in. Instead of being reliant on one or two demographics the appeal of the Sunshine Coast is now spread across wide spectrum. This gives impetus to other areas as well as the Birtinya Health Hub.

Home buyers can live near where they work and play: In new town centres, established areas close to major hubs, near education, business and professional precincts as well as health and well-being.

What people want to buy and why will dictate the property market in the future, Mr Matusik said.

"There are things happening in the market that will impact in the years ahead," he said.

"It will be more about yield and not just price growth. That will in part, dictate the type of product we will live in.

"People will look at a property differently, at what we can use it for in the future and not how we have used it in the past.

"Our nesting needs will change with the times, job sharing and wanting to be close to work and quality schools will have a huge impact."

While the Australian dream has been to own a home where the immediate family live, the updated version of the modern dwelling that can also bring in a passive income will be highly sought after.

Other situations might include aging parents moving in to reduce child care needs and when the boomerang children return, it may become a permanent unspoken agreement, and their children may also move in.

## Residential property

FOR the past 20-plus years the Sunshine Coast market has been driven by first-home buyers, upgraders and downsizers

Yet for the next 10 years we can expect less upgraders but more first-home buyers and downsizers as the demographics change.

The Sunshine Coast property market does not have much shape at all, property analyst Michael Matusik said this year. But that's a good thing to have as the region will not be held captive by any particular market.

There will be young renters, first-home buyers, upsizers, downsizers, retirees all occupying about the same 15% of the market.

"Boring as it is," Mr Matusik said, "it's a good thing.

"It will ensure demand for a range of property types.

"The sales train will not be broken as in other areas."

Using a property clock to illustrate the current cycle, Mr Matusik said the Sunshine Coast has entered the upturn phase.

While other areas struggle as mining gives way to service industries as the economic driver, the Sunshine Coast has a balanced demographic market due to migration and development.

The economic engine has changed, he said. People are coming here for jobs and the property market is not as much reliant on retirees.

The region has been growing at 6% for 10 years and now has a population of 300,000.

Annually, we attract 3.2million tourists, and that has been growing each year by 52,000.

"When you get to a certain benchmark, things change," Mr Matusik said. "In the next five years 12,000 new jobs are to be created (in the region).

"From a demand side, there are some important drivers. The region is no longer reliant on just tourism and construction.

"Job growth will be health 22%, education 20%, tourism 17%, professional services 14%, public service 11% and construction 2%.

"This changes the nature of the Coast. It is no longer regional. It starts to get some grunt."

## The way we live

FIGURES compiled by Corelogic reveal the key element to price growth of many areas throughout Australia has been lack of stock on the market.

In his annual report real estate consultant John McGrath points to Sydney where the suburb of Westmead recorded the strongest house price growth at 33%, attributed mainly to the \$900million Westmead Hospital redevelopment and the growing resident population of well-paid health professionals.

Westmead is also home to an expanding University of Western Sydney campus.

It's a similar story on the Sunshine Coast with the new hospital at Birtinya and the University of the Sunshine Coast being prime attractors.

Another way in which the market is being affected is that people are staying put for longer.

The numbers of sales transactions have declined in line with this trend, John McGrath contends. It can be due to financial reasons and changes in the way we live today, affordability



and the costs associated with buying and selling.

Couple-only and single person households are on the rise but they are content with where they live. Young people are staying in the family home longer prompting many parents to delay downsizing or sea-changing.

Wage growth is not keeping pace with property prices so couples are staying in apartments or small houses until they have their second or third child.

There is a rise in multi-generational households. Couples and parents are pooling money to buy a property to accommodate both families.

The ageing population is seeing people stay in their homes longer, rather than relocate to new areas.

The GFC has prompted many empty-nesters to stay put while they continue working to replenish superannuation or see house values get back to pre-GFC levels.

