

CHOOSE *Sunshine Coast*



EXECUTIVE SUMMARY

The Sunshine Coast is demonstrating a genuine recovery in the residential sector with the Apartment market arguably the last to have turned the corner.

As a result, the supply of new projects into the broader Sunshine Coast area has been limited to a handful of reasonable sized projects over the past seven years. With the recovery and availability of finance now allowing larger projects to reignite the approval process, the problem now facing developers is the scarcity of high quality development sites. Those projects that are well located and well-priced are finding that the market demand is strong, particularly from the investment community.

Infrastructure spending and planning is driving activity on the Sunshine Coast. The construction of the \$1.8 billion public hospital at Birtinya has created over 1,800 construction jobs with an expectation of 3,500 operational staff increasing to 6,000 by 2021. What is lost on many people is that Hospitals are run 24 hours a day, seven days a week and employ people with low skills through to some of the most highly skilled. The whole community is generally represented in hospital employment.

Plans for the expansion of the Sunshine Coast Airport have now moved into the Environmental Impact Statement assessment stage as the Sunshine Coast Regional Council moves towards boosting tourism and international trade. This project will involve a \$347 million investment and includes a new 2,450 metre long, 45 metre

wide runway as well as upgraded terminal facilities and a new passenger transport apron.

According to the Sunshine Coast Council, the region between Maroochydore and Caloundra South is forecast to host more than 300,000 residents by 2031, which will mean that this area will host two-thirds of the Sunshine Coast's population. This level of growth is expected to lead to an additional 600,000 daily trips being made by car by 2031, equating to more than a 60% increase in less than 20 years. In recognition of this growth, the Sunshine Coast Regional Council is progressing with a detailed feasibility study in order to determine the viability of a light rail network as a modern transit solution that may provide the foundation for the region's future public transport system.

The Maroochydore City Centre Priority Development Area Development Scheme was officially approved by the state government in July 2014. The new Maroochydore City Centre will be developed on what is currently the Horton Park Golf Club, a 53 hectare land parcel in the centre of Maroochydore. This project will provide sites for a new entertainment, convention and exhibition centre, a five star hotel, a new library and civic facilities all interconnected within landscaped boulevards and parklands. Maroochydore

City Centre is estimated to be a 20 year project and is expected to create close to 10,000 new jobs over its lifetime. The first buildings are expected to appear in early 2017.

The Sunshine Plaza shopping centre is currently undergoing a \$350 million expansion which will see the addition of 37,000 square metres to the already 62,000 square metre facility. A third level is to be added which will host 120 additional specialty retail and restaurant spaces, dining courtyards, outdoor seating and a large children's playground. David Jones has also announced that they will create a new store within the centre which will encourage in excess of 1,000 additional retail positions.

Lend Lease is undertaking the construction project which is expected to reach completion sometime in 2015. According to Lend Lease, the construction of this plaza expansion will lead to more than 5,700 jobs.

The overall mood on the Sunshine Coast has improved significantly from that of 12 months ago. A recent industry survey undertaken by this firm to Agents and Developers found that over 80% of respondents believed that the apartment market was in an upward cycle or experiencing rising market conditions. Clearly those that can be market leaders and or first to market will experienced the greatest gains assuming that current market conditions prevail.

ARTISTS IMPRESSION OF THE MAROOCHYDORE CITY CENTRE



Source: Sunshine Coast Regional Council

INFRASTRUCTURE SPENDING

This section of the report will provide an overview of major infrastructure investment throughout the Sunshine Coast in both the public and private sector.

Public sector infrastructure relates to government spending and includes the likes of major road upgrades, medical centres, public transport and other amenity for public use. Private infrastructure relates to large scale projects undertaken through private investment and generally includes retail expansion and large scale residential developments. Whilst motives for each may differ, both types of infrastructure expenditure will theoretically benefit supply chains, increase employment productivity and advance the local economy.

KAWANA HEALTH CAMPUS

The Kawana Health Campus will be regarded as the largest medical precinct project in the southern hemisphere. This project covers a 20 hectare site that includes the 200 bed Sunshine Coast University Private hospital which opened in December 2013 and a Sunshine Coast University Public Hospital that will open with approximately 450 beds in 2016, growing to a 738 bed facility by 2021. It can be expanded to 900 beds beyond 2021 if needed. Sunshine Coast Hospital and Health Service is contracting the private hospital to assist in treating public patients from the end of 2013 until mid-2018, while the public hospital is being built and commissioned. Co-locating the private hospital with Sunshine Coast Public University Hospital will provide greater

Sunshine Coast Public University Hospital is a \$1.8 billion project developed as a Public Private Partnership contract with Exemplar Health, a consortium comprising Lend Lease, Siemens and Capella Capital with partners Spotless Facilities Services. This consortium will design, build and finance the public hospital as well as maintain it for 25 years. The design process will employ up to 150 consultants and project management staff whilst construction is expected to peak between 1,800 – 2,000 workers in the second half of 2015. When operative in 2016, more than 3,500 staff (2,000 new) will be required whilst approximately 6,000 (5,000 new) staff will be required by 2021. Sunshine Coast Hospital and Health Service will grow by 69% by 2016 as a result.

ARTISTS IMPRESSION OF THE SUNSHINE COAST UNIVERSITY PUBLIC HOSPITAL



Source: The NPR Co.

SUNSHINE COAST UNIVERSITY HOSPITAL UNDER CONSTRUCTION



Source: Lend Lease

OCEANSIDE KAWANA

Oceanside Kawana is the name of the development that will surround the Hospital precinct in Birtinya, planned to transform into an estimated \$5 billion destination for the Sunshine Coast. The new region will encompass approximately 100 hectares of land, taking in Birtinya, Bokarina Beach and the future town centre and commercial precinct. It will include a range of residential development by Stockland, Oceanside town centre, learning and transit hub and a health hub. The 'Health Hub' will neighbour both the abovementioned hospital development and is planned to include a broad range of complementary business uses such as child care, aged care, gym and medium density residential development. It is hoped that it will become a centre for ideas and innovation, creating employment and investment opportunities.

The development of Oceanside Kawana will feature one of the largest infrastructure projects ever undertaken on the Sunshine Coast with new roads, bridges, parks and services on a massive scale. 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 3,000 jobs per annum during the development phase. Upon completion, an expected 12,000 ongoing jobs will be created as well as an \$828 million per annum contribution to the local and state economy.

SUNSHINE COAST AIRPORT EXPANSION

Plans for the expansion of the Sunshine Coast Airport have now moved into the Environmental Impact Statement assessment stage as the Sunshine Coast Regional Council moves towards boosting tourism and international trade. This project

will involve a \$347 million investment and includes a new 2,450 metre long, 45 metre wide runway as well as upgraded terminal facilities and a new passenger transport apron.

The narrow width of the existing runway means that the Sunshine Coast Airport has to rely on an exemption from the Civil Aviation Safety Authority in order for jet aircraft flying to and from Sydney, Melbourne and Auckland to land and take-off. If any incidents were to occur under such circumstances, exemptions become at risk of being reviewed and possibly withdrawn which would be damaging for the Sunshine Coast region, with thousands of people dependent on tourism industry to support employment. The proposed expansion will ensure that the Sunshine Coast Airport is able to host larger, more fuel efficient aircraft that can fly longer distances to other parts of Australia and the world without the need for exemption from the Civil Aviation Safety Authority. In doing so, this project will boost tourism and international trade with the ability to potentially cater for up to two million more passengers per year.

The Sunshine Coast Airport expansion is expected to be complete by 2020, pending necessary approvals and will provide a range of key benefits to the region. It is expected to generate more than 2,230 jobs between 2020 and 2040, contribute \$4.1 billion to the value of the economy from 2020 to 2040 and see 3,500 fewer dwellings affected by noise each day by 2020.

OCEANSIDE KAWANA MASTERPLAN



SUNSHINE COAST AIRPORT EXPANSION DESIGN



SUNSHINE COAST LIGHT RAIL

According to the Sunshine Coast Council, the region between Maroochydore and Caloundra South is forecast to host more than 300,000 residents by 2031, which will mean that this area will host two-thirds of the Sunshine Coast's population. This level of growth is expected to lead to an additional 600,000 daily trips being made by car by 2031, equating to more than a 60% increase in less than 20 years. Subsequently, it can be expected that road systems throughout Maroochydore and Caloundra will be negatively effected through increased congestion, reducing the quality of life for residents. In recognition of this growth, the Sunshine Coast Regional Council is progressing with a detailed feasibility study in order to determine the viability of a light rail network as a modern transit solution that may provide the foundation for the region's future public transport system.

Ultimately, the Sunshine Coast Light Rail is a long term project, with the first stage likely to be delivered by 2025 if the light rail is to be selected as a suitable public transport option. It has been estimated that this project would deliver \$3.6 billion in benefits for the broader economy by connecting people to major employment hubs, education facilities, health and tourism and improving mobility for the elderly and disabled. Cost for stage one, which would potentially run from Maroochydore city centre to the Kawana Health Campus, is currently estimated at \$1.3 billion whilst stage two (Kawana to Caloundra) is estimated at \$710 million. It is also estimated that 9,000 jobs, both direct and indirect, would be created during construction and operation.

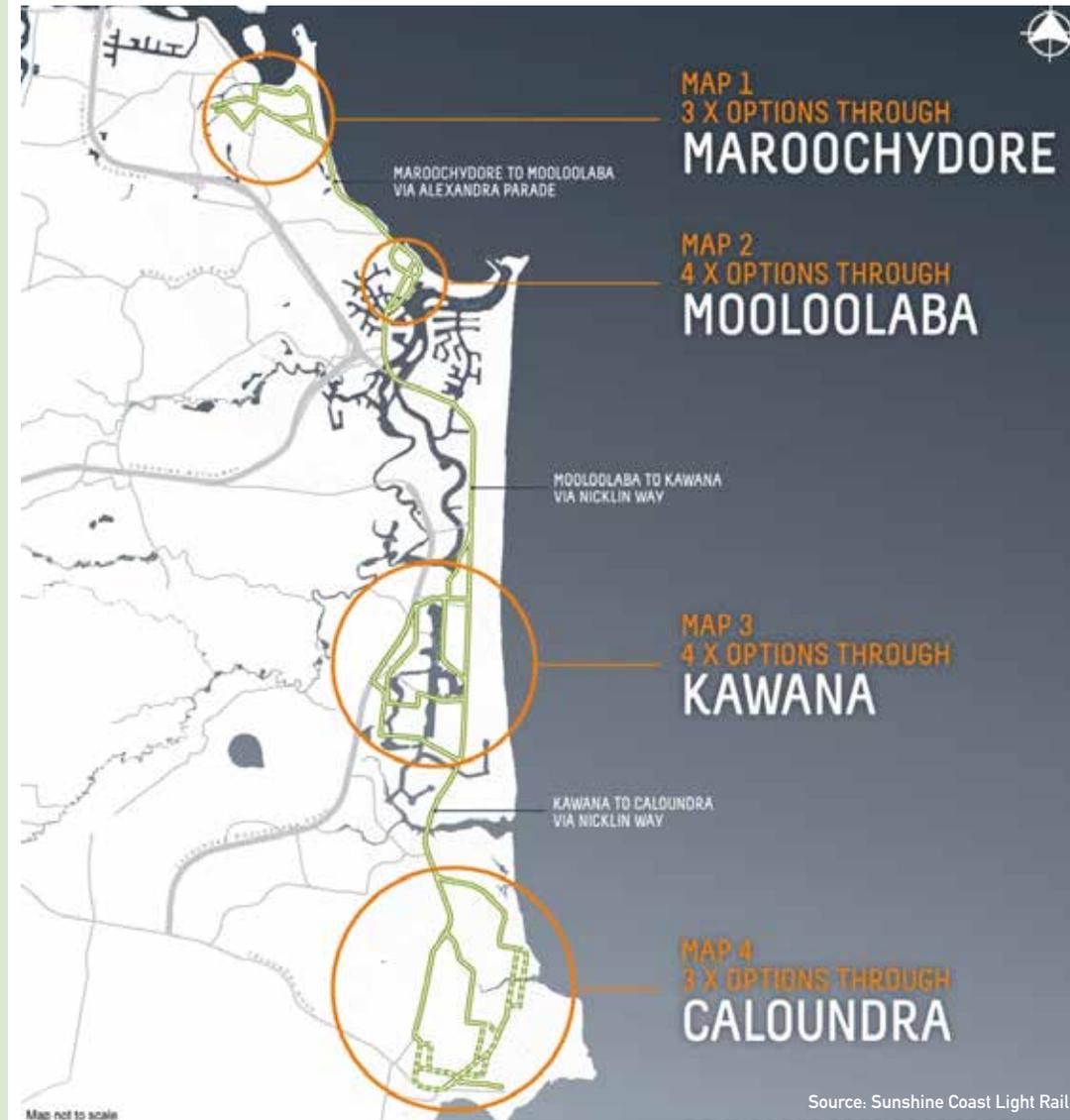
The image provides an overview of the current route options as proposed by the Sunshine Coast Regional Council. Route options are now open to public comment until November 28th 2014, whilst the detailed feasibility studies are expected to be complete by December 2015.

SUNSHINE COAST SOLAR FARM

Sunshine Coast Regional Council has lodged a renewed development application to build a 15 megawatt solar farm on a 49 hectare site at 909 Yandina-Coolum Road in Valdora. Over the next 30 years, the Sunshine Coast Council's electricity costs will cost ratepayers more than \$330 million. The development of a solar farm is proposed to assist in powering council facilities and operations with renewable electricity, reduce the burden on local ratepayers by millions of dollars and contribute to the council's goal of becoming carbon neutral by 2020.

In addition to electricity cost savings, council expects to see \$10 million in economic benefits for the region in terms of long-term employment, research and development opportunities and tourism potential. The overall cost of the project including land acquisition has been estimated at approximately \$4.2 million. There has been a development approval in place since June 2011 for a solar farm at the proposed site, however the council has lodged a fresh application as of the 29th of October 2014 as the existing approval does not cover the scope of facility council requires. Key stakeholders, such as Energex, the Department of Transport and Main Roads and the Department of State

SUNSHINE COAST LIGHT RAIL ROUTE OPTIONS



Development, Infrastructure and Planning will now provide input in the assessment of the development application with a final vote expected in early 2015.

If approved, the council is predicted to consider tenders in the first quarter of 2015, with the solar farm to be operational by 2016 if all goes to plan.

MAROOCHYDORE CITY CENTRE

The Maroochydore City Centre Priority Development Area Development Scheme was officially approved by the state government in July 2014. The new Maroochydore City Centre will be developed on what is currently the Horton Park Golf Club, a 53 hectare land parcel in the centre of Maroochydore. The Horton Park Golf Club will vacate the site by May 2015 and relocate to Bli Bli as the council takes possession and begins civil works and delivery of public areas such as parks and waterways.

This project will provide sites for a new entertainment, convention and exhibition centre, a five star hotel, a new library and civic facilities all interconnected within landscaped boulevards and parklands. It will also connect Maroochydore's existing residential, retail and community areas, improving accessibility between these areas and reducing traffic problems and congestion around the precinct. The council will work with the Queensland Government and will fund the delivery of civil infrastructure and facilities whilst recouping its outlays through land sales and other charges.

Maroochydore City Centre is estimated to be a 20 year project and is expected to create close to 10,000 new jobs over its lifetime. The first buildings are expected to appear in early 2017 and will all have a strong focus on sustainable design with 40% of the site to be open space and waterways.

SEKISUI HOUSE YAROOMBA SITE

Sekisui House owns a 20 hectare site located along David Low Way in Yaroomba across the road from Clive Palmer's Coolumb resort. Preliminary plans have now been released for the site and propose 17

buildings, ranging from 3 to 10 storeys, with 1,470 apartments and a 250-bed hotel as well as an aged-care facility and 3,000m² of retail space. According to Sekisui House's senior development manager, a development of this scale would be expected to create as many as 4,500 jobs during development as well as more than 620 permanent jobs, should it go ahead.

At this stage, initial plans have been released merely to allow for community feedback as planning is still in the 'very-early stages'. Current proposals ensure that buildings do not encroach on adjoining sand dunes and have been designed in a way that would not create shadowing on the beach. Overall, 85% of the site is proposed to be reserved for open and green space for community facilities including public parks, picnic and BBQ areas and a lake precinct. Sekisui House expects to be in a position to lodge a development application with council in late 2015.

ARTISTS IMPRESSION OF THE MAROOCHYDORE CITY CENTRE

Source: Sunshine Coast Regional Council



PRELIMINARY PLANS FOR SEKISUI HOUSE'S YAROOMBA SITE



Source: Sekisui House

STOCKLAND CALOUNDRA SOUTH MASTERPLAN

STOCKLAND CALOUNDRA SOUTH

The Caloundra South Priority Development Area was declared on the 22nd of October 2010 and covers 2,310 hectares, located south of the existing Caloundra urban area, the Caloundra Aerodrome and the Sunshine Coast Regional Business and Industry Park. Stockland received approval for its master planned development application for the Caloundra South Urban Development area in June 2012 with the first 100 homes now established within the first release, 'Bells Reach'.

The Caloundra South Development Application has been designed to accommodate a population of 50,000 people and includes plans for a new town centre, four district centres, 20,000 new dwellings, new road networks, community facilities and open space areas. This development is regarded as a long-term project and is anticipated to take between 30 and 40 years to reach completion. According to Stockland, Caloundra South is expected to generate in excess of 40,000 jobs during construction and beyond, providing a dividend in employment for the region. Economic development and employment creation are proposed to be

underpinned by the provision of industrial and business land and retail and commercial space. A detailed master plan is provided below.

SUNSHINE PLAZA EXPANSION

The Sunshine Plaza shopping centre is currently undergoing a \$350 million expansion which will see the addition of 37,000 square metres to the already 62,000 square foot facility. A third level is to be added which will host 120 additional specialty retail and restaurant spaces, dining courtyards, outdoor seating and a large children's playground. An additional 1,500 carparks will also be provided which will take the total of parking bays to 5,035 at completion. David Jones has also announced that they will create a new store within the centre which will encourage in excess of 1,000 additional retail positions.

Lend Lease is undertaking the construction project which is expected to reach completion sometime in 2015. According to Lend Lease, the construction of this plaza expansion will lead to more than 5,700 jobs. Provided below is an artist's impression of the Sunshine Plaza upon completion.



Source: Stockland

KEY		
	DISTRICT CENTRE	
	NEIGHBOURHOOD CENTRE	
	DISTRICT RECREATION	
	NEIGHBOURHOOD SPORTS PARK	
	DISTRICT SPORTS PARK	
	REGIONAL SPORTS PARK	
	MAJOR SPORTS PARK	
	URBAN RESIDENTIAL	
	BUSINESS & ENTERPRISE	
	RETAIL SHOWROOM	
	POTENTIAL SCHOOL LOCATION	

Disclaimer: This map illustration is intended as a visual aid only and does not necessarily depict the actual development. Stockland gives no warranty and makes no representation to the accuracy and accepts no liability for any loss which may be suffered by any person who relies either wholly or in part upon the information presented. All representation is subject to change without notice, information correct at time of publishing.

ARTISTS IMPRESSION OF THE SUNSHINE PLAZA EXPANSION



Source: Sunshine Coast Daily

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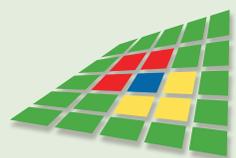
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