

How To Invest In Real Estate Market Of Sunshine Coast: Complete Guide



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Abstract

If you are planning to own a house or a commercial space in Sunshine Coast, then you have to be aware of the latest property trends around the city. Here in this guide, we have explained everything that you must know about the property market of Sunshine Coast. This city is one of the rapidly growing cities in Australia and people from all around the country preferring this city to invest. You can make a good profit from the property market of Sunshine Coast. So, read the entire guide carefully and know more about the city.



1. Introduction

Sunshine Coast is one of the beautiful cities around the Queensland region of Australia and this city is offering top opportunities for the people who want to invest in the real estate market of Australia. So, if you are one of those people who are planning to invest in the real estate market of Sunshine Coast, then this guide is for you. We have explained some key things that you must know before you invest here. Read the entire guide carefully and know more about the real estate market of the city.

2. Why Sunshine Coast?

Over the past 15 years, economic growth on the Sunshine Coast has outperformed almost every other regional economy, sparking a wave of new residential, office and retail development.

The Sunshine Coast's economy continues to evolve into a modern, 'smart' economy based on sound growth across numerous high valued and knowledge-based sectors including professional business services, innovative manufacturing and numerous high-tech start-ups.

The strength of the regional economy is based in its diversity and strength across a number of key sectors including healthcare, education, finance and professional business services.



The latest Sunshine Coast Business Confidence Survey reflects the continuing, sustained positive outlook of the 31,695 businesses registered on the Coast (ABS, 2019), demonstrating increasing confidence trends over time since 2009, and the high degree of confidence in current and future economic growth in the region (Boardroom Business, 2018).

The Sunshine Coast has one of the best performing office markets in Australia, boasting 193,476m² of space (January 2021), with 3750m² added in the preceding 12 months. There is increased demand for prime stock which now represents 44% of total stock in the region.

Office rents remain affordable, with A-grade space on the Sunshine Coast ranging from \$425 to \$440 per m², and from \$280 to \$340 per m² for B-grade stock.

The Sunshine Coast is home to industry disruptors like Youi, Huddle, Gourmet Garden, Country Chef, Ambrose Building, Auto & General, Get Wines Direct and Office HQ.

Businesses tap into an inspired workforce of more than 83,000 students across University of Sunshine Coast, two TAFE campuses and more than 150 registered

training organisations.

Ready to go and room to grow

Cost effective office, commercial and retail space is available for lease or sale across the region. Whether you're looking for a stunning waterside office with river views, a retail space

in a high traffic area or something more specific like a co-working location in a health precinct, options are available right now.

As well as the emerging master-planned Maroochydore City Centre, the Sunshine Coast has room for all kinds of businesses to grow.

Commercial and residential land, commercial precincts and an increasing stock of quality office space makes the region stand out from the crowd. The Sunshine Coast is ideal for businesses looking to escape big city costs without giving up city style infrastructure and for startups keen to be part of an entrepreneurial community.

- Master-planned city centre with parklands and green spaces
- 17 hectare health hub
- 90 hectare city centre in Caloundra
- A range of town centre sale and leasing opportunities
- Multiple retail hubs and business parks
- Brand new A-grade office space

3. Top Reasons to Invest in Sunshine Coast Property Market



The Sunshine Coast real estate market is seeing dramatic growth in recent months, and smart buyers and investors know that now is the right time to snap up a property in the area. According to the latest report, the Queensland economy is experiencing an economic

resurrection with growth in job opportunities, many new and lucrative infrastructure projects, the boom in tourism, and an increase in migration from other states.

Also, the attractive property prices and the fantastic lifestyle in Gold Coast and Brisbane are attractive for first-time buyers and many investors who want to put their money on new properties. But these smart investors are zeroing in on the Sunshine Coast property market because of the enormous potential from its economic and population growth.

The Sunshine Coast of Yesterday



Many investors are no longer regard Sunshine Coast as an enclave for retired citizens and are seeing the area with a fresh vision. This has become the game-changer for the Sunshine Coast property market. No other cities in Australia of the same scale have experienced this growth with new business opportunities that paved the way for luxurious and state-of-the-art establishments and properties right next to a vibrant city.

Sunshine Coast has grown from its old source of living – construction and tourism to an entrepreneur city, where you can find small to medium business that deals in health, professional services, technology, retail and building sectors that attract more millennials into the region.

New Developments

Now you can find many developments like the new Sunshine Coast Hospital and the Oceanside Health Hub, which bring new rental demand to the burgeoning rental property market. There is a new CBD that would create more jobs and inject more money into the economy. The city center itself has many significant developments underway, like the airport expansion, the motorway, the fast rail that would link Brisbane and Maroochydore, and some like railway systems that would connect the region's coastal centers. There is also the new Sunshine Coast University that is a teaching hospital.

What Makes Sunshine Coast Property Market Hot?

The rapid economic and population development is enough reason to make any property investors excited. On top of that, what it has right now is a tight rental market and few quality housings available. This is the perfect storm that any property investor is looking for, and Sunshine Coast presents an ideal investment opportunity.

For anyone who's into property investment, purchasing a rental property on the area will be the best strategy to rake in cash now. But this is not only a short-term investment because the region's economy is increasing in strength and numbers. It also has very competitive business conditions.

The property market here has competitive prices, and the beach lifestyle is irresistible for homeowners, but a savvy investor can see beyond the excellent view and the great price. He or she sees great potential in the area.

Sunshine Coast properties have all the qualities of a rising market. It is poised to become the premier destination in Queensland. The promise of low vacancy rates and high rental yields is enough to get property investors on their toes.

4. Ways to Invest in Real Estate



Buying and owning real estate is an investment strategy that can be both satisfying and lucrative. Unlike stock and bond investors, prospective real estate owners can use leverage to buy a property by paying a portion of the total cost upfront, then paying off the balance, plus interest, over time.

Though a traditional mortgage generally requires a 20% to 25% down payment, in some cases, a 5% down payment is all it takes to purchase an entire property. This ability to control the asset the moment papers are signed emboldens both real estate flippers and landlords, who can, in turn, take out second mortgages on their homes in order to make down payments on additional properties. Here are five key ways investors can make money on real estate.

1. Rental Properties

Owning rental properties can be a great opportunity for individuals who have do-it-yourself (DIY) renovation skills and the patience to manage tenants. However, this strategy does require substantial capital to finance upfront maintenance costs and to cover vacant months.

2. Real Estate Investment Groups (REIGs)

Real estate investment groups (REIGs) are ideal for people who want to own rental real estate without the hassles of running it. Investing in REIGs requires a capital cushion and access to financing.

REIGs are like small mutual funds that invest in rental properties.

In a typical real estate investment group, a company buys or builds a set of apartment blocks or condos, then allows investors to purchase them through the company, thereby joining the group.

A single investor can own one or multiple units of self-contained living space, but the company operating the investment group collectively manages all of the units, handling maintenance, advertising vacancies, and interviewing tenants. In exchange for conducting these management tasks, the company takes a percentage of the monthly rent.

3. House Flipping

House flipping is for people with significant experience in real estate valuation, marketing, and renovation. House flipping requires capital and the ability to do, or oversee, repairs as needed.

This is the proverbial "wild side" of real estate investing. Just as day trading is different from buy-and-hold investors, real estate flippers are distinct from buy-and-rent landlords. Case in point—real estate flippers often look to profitably sell the undervalued properties they buy in less than six months.

Pure property flippers often don't invest in improving properties. Therefore, the investment must already have the intrinsic value needed to turn a profit without any alterations, or they'll eliminate the property from contention.

4. Real Estate Investment Trusts (REITs)

A real estate investment trust (REIT) is best for investors who want portfolio exposure to real estate without a traditional real estate transaction.

A REIT is created when a corporation (or trust) uses investors' money to purchase and operate income properties. REITs are bought and sold on the major exchanges, like any other stock.

A corporation must payout 90% of its taxable profits in the form of dividends in order to maintain its REIT status. By doing this, REITs avoid paying corporate income tax, whereas a regular company would be taxed on its profits and then have to decide whether or not to distribute its after-tax profits as dividends.

5. Online Real Estate Platforms



Real estate investing platforms are for those who want to join others in investing in a bigger commercial or residential deal. The investment is made via online real estate platforms, which are also known as real estate crowdfunding. This still requires investing capital, although less than what's required to purchase properties outright.

Online platforms connect investors who are looking to finance projects with real estate developers. In some cases, you can diversify your investments with not much money.

What Is Direct vs. Indirect Real Estate Investing?

Direct real estate investments involve actually owning and managing properties. Indirect real estate involves investing in pooled vehicles that own and manage properties, such as REITs or real estate crowdfunding.

Is Real Estate Crowdfunding Risky?

Compared to other forms of real estate investing, crowdfunding can be somewhat riskier. This is often because crowdfunding for real estate is relatively new. Moreover, some of the projects available may appear on crowdfunding sites because they were unable to source financing from more traditional means. Finally, many real estate crowdfunding platforms require investors' money to be locked up for a period of several years, making it somewhat illiquid. Still, the top platforms boast annualized returns of between 2% and 20%, according to Investopedia research.

5. Best areas to invest on the Sunshine Coast



A leading property expert has revealed the Sunshine Coast's top suburbs for investment.

James Fitzgerald, who has bought, sold and developed more than 2000 properties, said there had never been a better time to buy an investment property in the region, with extremely low vacancy rates and demand for property at all-time highs.

Despite recent price rises, there were still good investment opportunities within suburbs which were in high demand with renters.

Mr Fitzgerald, who has launched his new book *Bulletproof Investing on the Sunshine Coast*, said his top three picks were Caloundra, Palmview and Birtinya.

"All three suburbs are affordable and have a lot of demand for property from growing populations," he said.

"They will also benefit from key infrastructure spending over the next five to 10 years."

He said Caloundra was an affordable suburb close to the beach which would benefit from infrastructure improvements.

“Plus, it is still considered close to Brisbane, so it is well placed for those who wish to continue working from home even once COVID lockdowns come to an end,” he said.

Palmview was close to the Sunshine Coast University and the new Maroochydore CBD and offered buyers a tree change lifestyle not far from the beach.

Houses in Palmview had been achieving high rental yields, which made it an appealing investment location.

“The median house price may have dropped in Palmview in the past year, but that has more to do with the introduction of new and affordable housing, and I expect increased demand for lifestyle properties in Palmview will start to drive prices up soon,” Mr Fitzgerald said.

Birtinya, the most expensive of the three suburbs, had a lot going for it, including access to the beach and the Sunshine Coast University Hospital.

It was also close to the Sunshine Coast Stadium at Kawana, which had been earmarked for an upgrade for the 2032 Olympics.

All three suburbs have very low vacancy rates, well below the 3% rate that is considered to reflect a balanced market.

Mr Fitzgerald said with interest rates so low, the cost of borrowing money to buy property was half of what it was at this time last year and it wasn't too late to invest on the Sunshine Coast.

“The Reserve Bank of Australia has already said it won't increase interest rates again until 2024 at the earliest so it's an ideal time to invest,” Mr Fitzgerald said.

“When I'm personally looking to build a portfolio of investments, I'm looking for a bit of cash flow and population growth.”

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At just 31, Mr Fitzgerald has transformed his personal finances during the past decade, from being tens of thousands of dollars in debt to owning a booming property and investment portfolio.

“I want to as many people as possible to be armed with the right information to help them navigate this global financial uncertainty we're currently experiencing,” he said.

His top tip for those wishing to invest on the Sunshine Coast is to buy land.

“Land in fast-growing areas is the safest and best-performing asset you can invest in,” he said.

“Land is in finite supply and as the population grows so too will the value of your land.”

Kings Beach

Kings Beach is a familiar region among leisure-seekers. It is well-known for holiday fun and frolic but is now becoming a haven for families who need relaxation. The coastal suburb faces the Coral Sea, making it one of the most beautiful destinations. The suburb has protected swimming zones that kids and adults can enjoy. Other attractions include rock pools, a Time-delay fountain for children and the saltwater pool. The region has several amenities, and the neighbouring Caloundra offers the best facilities you need to raise a family.

6. Real Estate Investing Tips For Beginners



In today's market, investing has grown beyond traditional assets. While stocks, bonds and mutual funds are still common portfolio inclusions, there are many other avenues that can also be rewarding in the long run, if you are willing to put in the time. One such avenue is real estate investment, which can be a lucrative way to build money for your retirement. However, it's not for everyone. Real estate investment takes dedication, research and planning. If you are interested in investing in real estate, here are seven tips to guide you.

1. Know the costs involved.

To be frank, real estate investment is not cheap. Properties cost quite a bit to purchase outright, but if you have the funds or are willing to take out a loan, it can be worth it.

However, it's not as simple as purchasing a property and watching it make money. There are additional costs to keep in mind: basic maintenance, yearly upkeep, upgrades, and expenses like utilities and taxes.

2. Select the property type.

So, you have enough set aside for real estate investment. Now, you must decide which type of property to invest in. You can purchase rentals, which could be either commercial or residential. You can become a landlord and rent out a home or apartment. You can use your property as an Airbnb or a vacation rental.

3. Check out the area.

When it comes to real estate investment, location is a key factor. You don't want to buy in an area just because the price is right. Perform your due diligence: Check the market value, the neighborhood and what the location offers. The type of rental you're interested in can help determine where to look.

4. Protect yourself.

If you are thinking about investing in one or multiple properties, consider using an LLC to purchase them. An LLC, or limited liability company, can help you with risk management. The LLC has ownership over the properties; if anything should happen on those properties, you are not held personally responsible. Additionally, having an LLC can protect your retirement fund should something occur on the property.

5. Decide terms.

After selecting your property type and location, you can come up with the terms regarding your investment. Calculate rent, fees, yearly costs and emergency funds to keep a running budget. Are utilities going to be included? Keep in mind any fees and how much funding you'll need to maintain the quality of your investment.

6. Buy property with growth in mind.

When you invest in real estate, you may eventually want to sell it. Whether you intend to flip it immediately or hold on to it for a while, you'll want to profit. The goal is to sell your property for more than you paid for it. Build your property value by making simple upgrades or additions. When you increase property value, you can sell it for more, and your hard work will pay off in a big way.

7. Keep important numbers on hand.

Real estate investment takes a village. While you may have the power, you are limited in what you can do to the property yourself. Have a go-to list of people who you will need to

assist you with your investment. Property managers, an attorney, a CPA, real estate agents and money lenders are all important resources.

7. How to Avoid Mistakes Investing in Real Estate



Real estate can make a great investment choice. Many pieces of property and real estate can build value over time, bringing you back a nice return on your initial investment. You may also plan on renting or leasing a piece of real estate and enjoying that extra income. However, there are some dangers and common mistakes that you can make when investing in real estate. By learning what these mistakes are, you can avoid them and get the most out of your investments.

Learning About The Property

Do your research. Before you invest in any real estate, you will need to fully research the property and its surroundings. Knowing all the details of the property will help you decide if it's worth the asking price, what future costs might be, and help to clarify long term investment goals. Make sure you can answer some of the following questions about any property you are thinking of investing in.

Ask for help. Although you may feel comfortable with making an investment, it's always a good idea to have help in finalizing your choice.

Learn the true worth of the property. How much a property is really worth can be different from the cost of the home, so be careful to not overpay. To find the true worth of the property, compare the home to those of a similar style and design with about the same square footage, lot size, condition, age, and proximity. You will want to consider location, as well as the number of bedrooms and bathrooms.

Avoiding Financial Mistakes

Know your limits. Before you set out to invest in any property, it's a good idea to set limits for yourself. You should decide what you are financially comfortable with and capable of investing, before beginning to look for any available properties. This can help you know where and what to look for, as well as prevent you from going over your budget and incurring a bigger financial burden than you are capable of taking on.



Create a financing plan. Before you commit to purchase a property, know how you will fund the investment. Cash and loans are common ways to fund property investments, but you need to know which will meet your needs.

Stay objective. When looking for real estate to invest in, you may become emotionally attached to a specific piece of property or building. While this can be an enjoyable aspect of looking for your new investment, it can also be a trap. Becoming emotionally invested in your financial investment can cause you to overlook problems that the property might have, overpay for it, or ignore the likelihood of poor returns if you want to sell it later on.

Take your time. You may feel that a property needs to be invested in quickly in order to get the most return from that investment. You might also feel that someone else might invest before you get the chance. However, rushing into any real estate investment can be a real danger in the long term.

Always overestimate costs. Investors may sometimes tend towards underestimating the costs of a certain property. This can make the bottom line seem more appealing. However, underestimating costs can put you at greater financial risk when faced with the unexpected reality of your actual expenses. Always overestimate your costs when planning on investing in real estate to help you avoid any surprises later on.

Thinking About The Future



Think about the future of the property. Be realistic about your plans for the property and always plan for the long term. Investing in real estate is not a good way to "get rich quick". You will want to find property that is located in stable areas, allowing you to count on the future value of your investment. Always think about the long term future when investing in real estate.

Don't ignore hidden costs. Although you may already have the upfront costs of the home and other financial information, you may be missing some hidden costs. Owning property will require you to maintain or improve it, costing you even more than the purchase price alone. Always be aware of additional costs over time and factor those into your final decision.

Have backup plans. Whatever you have planned for the property you are investing in, it can be a good idea to have backup plans. Knowing how to resell the property in a variety of ways can help you avoid holding onto it for too long and losing more of your investment than necessary. Always create a few different exit-strategies to allow you clear routes to maximum returns on your investment.

Conclusion

Real estate investment can offer you good return and this is why people prefer to buy properties rather than keeping their money in banks. Sunshine Coast is one of the booming cities around the Queensland region and this city is best for real estate investment. You can make good profit by investing in the real estate market of Sunshine Coast. This guide has everything that you must keep in mind during the real estate investment. So, Read the entire guide carefully and make the right decision when investing in the real estate of Sunshine Coast. All the best!

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