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# Location Report

A joint publication of "Your Company & Ryder Property Research

## GYMPIE Regional Queensland

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# GYMPIE

## Regional Queensland

### Highlights

- Diverse economy: manufacturing, agriculture, tourism, resources.
- Affordability relative to Sun.Coast
- Low vacancies, good yields
- \$2 billion solar farm
- \$2 billion wind farm
- \$1.7 billion highway upgrade
- Expansion of local meatworks

Suburb - houses	Typical prices
Gympie	\$275,000
Monkland	\$290,000

The Gympie property market has been one of the state's best performers over the last four years. It offers affordability and lifestyle, appealing traits that have yet to be impacted by over-building.

A key regional city and administrative centre for the Wide Bay Burnett region, Gympie benefits from its proximity to the rising Sunshine Coast economy and the improved highway links between the two locations.

Recent upgrades to the Bruce Highway have made the Sunshine Coast within commuting distance of Gympie, providing Gympie residents with access to more job opportunities.

With Gympie house prices being around half those of many Sunshine Coast suburbs, there is good potential for new investors and other buyers on a budget. Rental yields are relatively high and vacancies are low.

There are also major infrastructure projects earmarked for the region, including a \$2 billion solar farm and a \$2 billion wind farm. If all are successful, Gympie's potential for investment would be greatly enhanced.



## Economy and Amenities

Gympie is the economic heart and administrative centre of the Gympie Regional Council area and the broader Wide Bay-Burnett region.

The region encompasses agriculture, conservation and tourism, taking in Tin Can Bay, Rainbow Beach and the Great Sandy National Park.

It's well located for transport, being on the Bruce Highway as well as Queensland Rail's northern link, providing daily Citytrain services to Brisbane.

Manufacturing is an important industry with the production of a diverse range of goods including heavy equipment for the mining, agricultural and transport industries.

The Nestle coffee factory has had \$20 million worth of upgrades in the last five years while Nolan's Meatworks processes 2,500 cattle per week.

There are also large timber processing facilities.

Though retail and healthcare are Gympie's biggest employers, in FY2019 the largest economic contributions were made by the manufacturing sector (12%); construction (11%); agriculture, forestry & fishing sector (10%); and healthcare and social assistance (9%). The Gympie Regional Council area has a GRP of \$2.2 billion.

Gympie has a history as a gold mining town and the mining industry continues to contribute, predominately through tourism.

Two attractions are the Gympie and District Historical and Mining Museum and the Woodworks Forestry and Timber Museum.

Gympie has gained national renown for two major festivals held each year: the **Country Music Muster** in August and the Gold Rush Festival in October. The Country Music Muster attracts around 15,000 visitors over four days.

The region is serviced by a public hospital as well as numerous public and private schools.

These are complemented by a TAFE college which has recently been joined by USC's Gympie Learning Hub.

Another important piece of infrastructure is the Roadcraft Driver Training Facility. Not only does the purpose-built facility run courses on defensive driving for the general public, it also holds the contract to train all Queensland ambulance officers.

In 2017, the \$17 million Gympie Aquatic and Recreation Centre opened, catering for 600 spectators for carnivals.



### Location

- 160km north of Brisbane, beyond the Sunshine Coast along the Bruce Highway
- Part of the Wide Bay-Burnett region
- On the Mary River which floods periodically – including major inundations in 2011, 2012 and 2013
- LGA: Gympie Regional Council.



### Population & Demographics:

- 2016 Census: 50,000
- Median age: 46
- Projected population 2036: 64,000

Age group	Gympie	Qld
20–34	13%	20%
35–49	17%	20%
50+	46%	34%

ABS & 2016 Census



### Employment by Industry:

Healthcare/social assistance	12%
Retail trade	11%
Agriculture	9%
Manufacturing	9%
Education/training	9%
Construction	9%

Source: ABS 2016

With the recent addition of a major medical centre and a shopping complex with Woolworths, restaurants, newsagency, gym, pharmacy, cafes and bottle-shops, the Southside precinct has become a central hub for the southern suburbs of Gympie.



## Property Profile

Gympie's proximity to the Sunshine Coast means it is sharing the benefits of the high level of investment in infrastructure and other development in the Sunshine Coast region.

With the recent upgrades to the Bruce Highway, former coast residents are moving to the Gympie area and commuting to their jobs, with places like Nambour, Maroochydore and Noosa less than 45 minutes drive away.

The bonus is that properties in Gympie are half the price of those on the coast. Buyers can sell up down south, buy a comparable lifestyle in Gympie, for example, a 4-bedroom house with a pool on 2ha, and have money left over, or move to the area debt-free.

Several new estates in the Southside region are attracting first-home buyers because the \$15,000 first-home buyers grant is a higher percentage of the total cost of house and land there than in the nearby Sunshine Coast and Brisbane locations.

The Federal Government's HomeBuilder grant adds further impetus to the market.

A search of *realestate.com.au* shows there is a wide selection of new homes in Southside, with many 4-bedroom homes on large blocks priced from \$320,000 to \$430,000. The median house price for this suburb is around \$340,000.

The Gympie housing market had a period of strong price growth from 2005 to 2009, during which there were years with double-digit growth in median prices. After that, prices tapered off and, between 2010 and 2013, prices declined. That was largely due to the market reaching the end of a growth cycle, but was further compounded by flood events.

Within a few years the housing market rebounded and Gympie recovered from the floods, leading to solid increases in Gympie's median house price.

Propertyology Head of Research Simon Pressley says the Gympie region was one of the state's best performers in the four years from 2015 to 2019.

Agriculture is one of the key drivers behind this. "Agriculture in general has performed better as an industry than people in the capital cities realise," Pressley says.

Other factors benefiting the Gympie property market are interstate migration and an absence of oversupply.

In the last 12 months, there were 293 house sales in the suburb of Gympie, according to CoreLogic.

The median price of \$275,000 reflects an annual increase of 5%, though better gains have been recorded in fringe suburbs like Monkland (up 14%) and Jones Hill (up 10%).

The Autumn 2020 survey of sales activity conducted by HotSpotting classified both Gympie and Southside as rising markets, which meant buyer demand was increasing. Encouragingly, prices have continued to rise in the last quarter despite the general economic downturn caused by the coronavirus pandemic.

Typical Gympie houses offer good returns around 6.1% based on a median rent of \$320 per week.

Rent is much more affordable in Gympie than in Maroochydore, which commands a median rent of \$530 per week - or even Nambour where typical rents are \$420 per week.

Gympie has a thriving market for builders and associated tradesmen. As at December 2019, the town was named by the Australian Bureau of Statistics as being in the top two and three positions on a list of the state's top 10 renovator suburbs.

While some of the construction has been generated by damage from hail storms, a further boost is expected from the Federal Government's HomeBuilder program which provides eligible owner-occupiers with a \$25,000 cash grant for new homes or large scale renovations.

Vacancies in Gympie are low and have been below 3% for five years. Since the beginning of 2020, they have tightened further and at present, they are 0.6%, according to SQM Research.

Vacancies in Cooloola Cove and Tin Can Bay are typical of holiday spots - they can be erratic at times but are currently low at 1.5%.

## The Gympie house market can be summarised as:

Suburb	Sales Houses	Median Houses	1-year Growth	Growth Average	Median Yield
Cooloola Cove	79	\$310,000	4 %	0 %	5.4%
Gympie	293	\$275,000	5 %	0 %	6.1%
Jones Hill	30	\$380,000	10 %	0 %	5.1%
Monkland	37	\$290,000	14 %	2 %	5.4%
Tin Can Bay	69	\$325,000	-3 %	1 %	4.8%

Source: CoreLogic – “growth average” is the average annual growth in median house prices over the past 10 years. Snr: “statistically not reliable”

## Future Prospects

Being only 40km north of Cooroy, one of the most northern towns on the Sunshine Coast, Gympie stands to benefit from the ripple effect as the Sunshine Coast economy continues to expand.

Upgrades to the Bruce Highway mean it’s now easier to live in Gympie and work on the Sunshine Coast.

Affordability is another key issue that benefits Gympie. Properties in Gympie are around half the price of typical suburbs on the Sunshine Coast.

The State Government is funding several projects in the Gympie and Wide Bay region, including upgrades to the Bruce Highway and an expansion of the university campus.

The Mary Valley Rattler, one of Australia’s most popular steam train tourist attractions, is back in action after a multi-million-dollar upgrade. Much of the track between Gympie and Imbil was destroyed by floods in 2011. Prior to the floods, the train rides attracted around 33,000 visitors annually.

When combined with the Bruce Highway upgrades, the projects will create 3,000 jobs across the region and will attract further industry to the area.

About \$26 million will be spent on social housing and \$5 million will go to homeless services across the Wide Bay area, including Gympie, Bundaberg and the Fraser Coast.

### - Bruce Highway Upgrade

The State Government has been progressively upgrading the Bruce Highway from Cooroy to Curra, widening the highway to four lanes and diverting traffic away from small communities.

## CORE INFLUENCES

Government Policy

Transport Infrastructure

Cheapies with Prospects

This is providing faster and safer access between Gympie and the Sunshine Coast.

The \$1.7 billion project covering 62km is being carried out in four sections. Sections A, B and C have been completed.

The final section - D - involves a 26km four-lane bypass of Gympie requiring the construction of 42 new bridges and generating 600 jobs.

A mega-service station will be built along side the new section of highway, replacing the Puma truck stop at Kybong.

The project is being funded by the Federal Government (\$800 million) and State Government (\$200 million).

The upgrade will see trucks diverted away from the township of Gympie.

An average of 350 dwellings were approved each year from FY2015 to FY2019. By comparison, an average of 260 dwellings was built each year in the previous three years.

Population estimates from the ABS indicate Gympie has welcomed an average of 700 new residents per year for the last four years.

This represents an annual growth rate of around 1.2%.

Another project to benefit the region and create 60 jobs is the proposed energy cogeneration plant which would turn forestry waste into renewable energy while also reducing dangerous fuel loads during bushfire season. Laminex and HQ Plantations are doing a feasibility study on the plant.

Longer term, the State Government and Gympie Council are working on a regional transport plan for the Wide Bay and Burnett Region. Key objectives include better connectivity for both individuals and freight.

SolarQ has approval to build a solar farm at Lower Wonga, 30km north-west of Gympie. The farm would produce enough energy to power 127,000 homes.

SolarQ maintain they will use local workers for the 450 construction jobs and the eventual 6–8 operational positions.

A \$2 billion wind farm located in a pine plantation between the towns of Gympie and Maryborough has also been approved. It would be capable of powering 550,000 homes.

Work is expected to begin sometime in 2020, creating 440 job during construction and 50 operational jobs.

The small settlement of Curra, 20km north of Gympie, is expected to become a central hub for 6,500 residents. Gympie Council has approved a shopping centre comprised of a child care centre, supermarket, medical centre and 8 specialty shops, a cafe, and a drive through fast food outlet.

Returning to its gold mining roots, there is talk of re-opening the Gympie Goldfields. Project planners, Aurum Pacific, say there is enough gold left in the former mine to operate successfully for another 20 years.

If the plan comes to fruition, the project would create 500 jobs.

## Major projects currently impacting the region are:

### RESOURCES AND ENERGY

Project	Value	Status	Impact
Solar Farm, Lower Wonga SolarQ	\$2 billion Would power 127,000 homes	Approved	Jobs: 450 during construction
New wind farm Forest Wind Holdings	\$2 billion Would power 550,000 homes	Approved Work is to begin in 2021	Jobs: 440 during construction; 50 operational jobs

### INFRASTRUCTURE – TRANSPORT

Project	Value	Status	Impact
Bruce Highway upgrades - Cooroy to Curra State & Federal Govts	\$1 billion (Section D) Federal Govt will chip in \$800mil; the State Govt \$200mil	Under construction Completion expected in 2025	Jobs: 600 Section D involves a 26km bypass of Gympie
New Coondoo Creek bridge	\$10 million	Under construction	Will improve flood immunity

## COMMERCIAL DEVELOPMENTS

Project	Value	Status	Impact
Nolan Meats expansion	\$10 million The Federal Govt will chip in \$5mil	Approved	Jobs: 45 construction 200 operational
Traveston Commercial Roadside Facility, Kybong	\$30 million	Under construction Expected to be operational in late 2020	
Energy cogeneration plant	TBA	Proposed	Jobs: 60 Forest waste would be turned into renewable energy
Laminex and HQ Plantations			
Curra Shopping Centre	TBA	Approved	Includes a supermarket, child care centre, medical centre and retail shops



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