



Sunshine Coast Investment Market Survey

Prepared for Sunshine Coast Business Council

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1 Background and Purpose

The Sunshine Coast Business Council (SCBC) is concerned with the level of investment in the Sunshine Coast Region. There is anecdotal evidence that indicates competing regions in Queensland are more successful in attracting inward investment. To investigate this the SCBC has requested Urbis to undertake an Investor Survey focused on Investment in the Sunshine Coast Region. The purpose of the survey is to better understand the strengths and weaknesses of the Sunshine Coast region as an investment location and its ability to attract investment. Of specific interest are the investment criteria for different forms of investment and how the region performs against these criteria in comparison to other regions in competing for investment.

The focus of this Investment Survey is to understand the investment criteria and perceptions of the Sunshine Coast as an investment location for medium and large scale investment. It also aims to understand the type of investment that the investment community consider most appropriate for the Sunshine Coast Region. The results of this survey will provide valuable insights for the Sunshine Coast Region to best tailor its investment attraction strategy, optimising its available resources.

2 Survey Style

In consideration of the objectives of this study into investment in the Sunshine Coast an in depth, one on one interview methodology was adopted. The intent of using this approach was to capture detailed information and views from senior personnel in organisations that represented substantial existing or potential investment in the Sunshine Coast Region. This required arranging time with Chief Executives, Managing Directors, Regional Directors, and Business owners to discuss detailed views on a range of investment issues and considerations. Twenty four organisations were contacted as part of the survey with thirteen progressing to in depth interviews, which informed the results of this study. As such this survey is principally a qualitative study reflecting the views of organisations that represent substantial investment in the Sunshine Coast region.

The results of the surveys are presented in a mix of qualitative and quantitative information. The quantitative results are reflective of the survey participant's responses and are not intended to represent the entire investment market. They do, however, represent the views of significant existing and potential future investment in the Sunshine Coast Region.

3 Participant Profile

Participant organisations were selected to participate in this Investment Survey based either on their current investment in the Sunshine Coast Region or the potential for future investment (or the role they may play in the investment decision). All information provided by participants is confidential and the intention of this analysis is to not be able to associate any responses with any particular organisation.

The organisations contacted to participate in this survey covered a range of organisations involved in investment decision making, management, and ownership. These are broadly categorised into the following types of organisations:

Investment Advisors – These are organisations that manage other people's money. They advise individuals and organisations on investment strategies including asset types, locations, scale, and timing

Lending Institutions – These include banking and non-bank financial organisations that lend money to investors across a range of asset and business opportunities and a range of loan sizes. The organisations participating in this survey are Australian based organisations with international operations

Investment Funds – These are large institutional investment organisations that may encompass a range of investment funds or trusts. Investment spans a range of asset classes including specific asset funds to general asset funds.

Superannuation Funds – These are organisations that manage the superannuation savings of Australian workers. Those Funds participating in this survey represented only the largest funds in Australia with investments across a diversified asset portfolio

Property Developers – A mix of medium and large property developers were surveyed for this study including those active on the Sunshine Coast, and those who are not currently active on the Coast. The property development fields range across a number of sectors incorporating all of the major asset classes

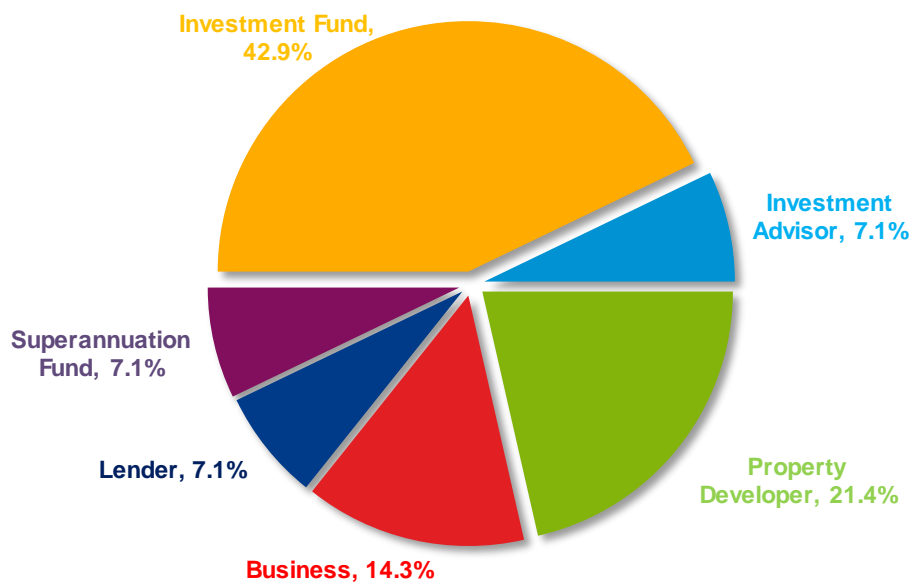
Business Investors – A selection of successful Sunshine Coast Businesses were selected to participate in this survey. These were businesses that were locally based but operated in a national market.

The profile of survey participants reflects a high proportion (50%) of large investors mainly incorporating Investment Funds (42.9%) and also Superannuation Funds (7.1%). Property Developers (21.4%) were also well represented reflecting their role as major investors in regional property assets. Representation was also provided from the Investment Advisory community (7.1%), Lending Institutions (7.1%), and Business owners (14.3%). It is also relevant to note that the survey participants represent a relatively balanced mix of current investors in the Sunshine Coast Region (53%) and potential investors (47%).

Businesses Surveyed by Organisational Type

SUNSHINE COAST BUSINESS SURVEY

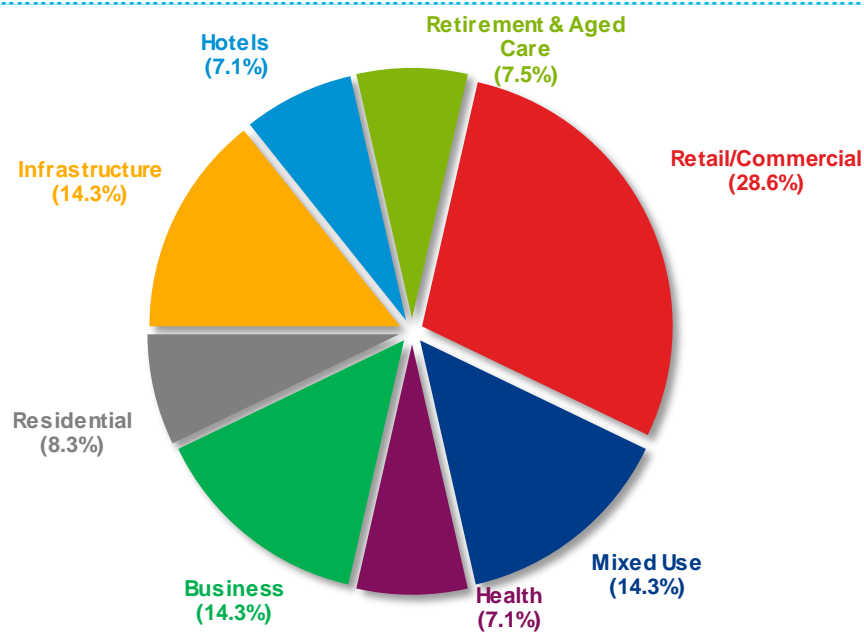
CHART 2



Source : Sunshine Coast Business Survey; Urbis

The sectoral representation of the survey participants was relatively broad, capturing a significant range of investment sectors including infrastructure, property, business, and institutions (Health). In general the sector representation is felt to be relatively consistent with the national profile of investment with a potentially a slight over representation of Retail/Commercial investment. Mixed Use may be somewhat over represented in this survey but this is not considered to have a material influence on the results of the survey. The Residential sector is a major investment area but this is influenced by individuals and households as well as property developers and thus it is considered appropriate to have a relatively modest representation from this sector.

Businesses Surveyed by Industry Sector



Source : Sunshine Coast Business Survey ; Urbis

As noted previously the survey participants represent significant investment monies. Overall the survey participants represent in the order of \$89 billion in asset and business investment (excluding the Lending Institutions assets or loan book). In relation to the Sunshine Coast the survey participants represent in the order of \$11.6 billion in current or planned investment. This is broadly equivalent to the annual Gross Regional Product of the Sunshine Coast (the size of the regional economy). This gives the views of these survey participants substantial weight and how attractive they view the Sunshine Coast has significant implications for the future prosperity of the Sunshine Coast Regional economy.

4 Investment Criteria

Understanding what investment criteria investors have is of fundamental importance for a region in being able to attract such investment. If the Region cannot meet the key investment criteria of investment organisations then it is targeting the wrong type of investment. Survey respondents were asked what their key investment criteria were for investment in their core assets. This was in relation to any market including capital cities and international locations.

RANKING	CRITERIA	%
1	Strength of the Local Economy	34%
2	Investment Rate of Return	22%
3	Strength of Underlying Cashflow	15%
4	Local Governance Environment	10%
5	Infrastructure Provision	8%
6	Internal Strategic Fit	4%
7	Local Amenity	2%

The most important investment criteria across the survey participants was the **Strength of the Local Economy**. This was expressed in a number of ways including:

- Market strength and depth – effectively demand for the particular investment
- Population Growth and critical mass – having large enough a population to meet threshold levels of demand and sustain investment performance
- Employment Growth – needs to keep pace with population growth and is reflective of industry growth
- Demographic Profile and Trends (whether favourable or not to the particular form of investment). For example an ageing population such as that of the Sunshine Coast is attractive to Health and Retirement investment but less so to Retail and Commercial investment.

From the investors point of view a strong local economy underpins longer term demand and thus revenue and minimises risk leading to higher and more consistent returns.

The feasibility of the asset investment as measured by the **Rate of Return** was nominated as the second most important investment criteria. Survey participants did not nominate particular hurdle rates indicating this would depend on a range of other factors including market risk, strategic fit, and quality of revenue.

A series of factors were nominated relating to the **Strength of the Underlying Cashflow** including the quality of the revenue, the quality of the asset, and the earning capacity of the local market to underpin ongoing demand for the asset.

The **Local Governance Environment** was nominated as the fourth most important investment criteria. This included consideration of existing and proposed planning controls, infrastructure charges, the perception of Council as being supportive or anti-investment, and the Strategic vision for the region.

Supporting and surrounding **Infrastructure Provision** was nominated as the fifth most important investment criteria. This included proximity to major transport networks and services, proximity to major town centres (Principal Activity Centres), and enabling infrastructure critical to the ongoing operation and performance of the asset.

The other factors that were nominated represented minor investment criteria considerations including how well the asset fit with the organisations internal strategic direction, and the amenity of the local area.

Notably local amenity, where the Sunshine Coast Region would rate highly, rated lowly as an investment criteria. The strength of the Local Amenity is of only minor consideration for investors in making investment decisions. Thus whilst this is an acknowledged strength of the Sunshine Coast, it will not be

an influencing factor if the more significant criteria of Strength of the Local Economy does not compare favourably with other regions competing for the same investment dollars.

4.1 REGIONAL INVESTMENT CRITERIA

As a follow up to this question participants were also asked how this criteria differed when investing in a Regional location.

The majority of survey participants indicated that their investment criteria would not change whether they were investing in a capital city or regional location. In some instances the importance of the criteria changed, namely:

- Strength of underlying cashflow was considered more important due to the greater cyclical swings in regional economies
- Population growth was considered critical in association with employment growth – as a fundamental driver of demand
- The Governance environment of the area was considered more important – given the greater influence a Local Government Authority is believed to have in a regional area
- In relation to residential development, a higher level of pre-sales is likely to be required

A number of the larger investors (Industry Funds) indicated that investment in regions would depend on the mandate of the investment vehicle and many vehicles were restricted to capital city investment. This is also influenced by the type of asset with large infrastructure projects or retail projects being the most favoured for regional investment.

5 Regional Investment Hot Spots

Participants were asked to identify and rank the regional locations across Australia they considered most favourable for investment in the current environment and into the future. Consistent with the strong growth in the coal, iron ore, gas, and other base metals sectors, Resource based regions were nominated as being of greatest interest. This was followed by the Newcastle/Hunter region in NSW which appears to be in favour on the back of a resurgent Sydney and its coal mining and port operations. The North Queensland/Townsville Region was the equal second most commonly nominated region with participants noting its diversified economy and export infrastructure.

RANKING	REGION	INTEREST
1	Resource Regions	19%
=2	Newcastle/Hunter	16%
=2	North Queensland/Townsville	16%
4	Gladstone	10%
=5	Rockhampton	6%
=5	North Brisbane	6%
=5	Ipswich	6%
=8	Gold Coast	3%
=8	NSW Central Coast	3%
=8	Geelong	3%
=8	Northern NSW	3%
=8	Hervey Bay	3%
=8	Wollongong/NSW South Coast	3%

Gladstone with its strong resource industry base, principally gas, was the fourth most nominated region of interest for investment. Three Queensland regions were nominated as the fifth most favourable for investment including Rockhampton, Ipswich, and North Brisbane. These areas were seen as having positive economic growth profiles supported by population growth.

A series of regions, principally in close proximity to capital cities, were also nominated though these did not get widespread support across the participant group. These included the regions north and south of Sydney, west of Melbourne, and south of Brisbane. The less urbanised regions nominated included Northern NSW and Hervey Bay. These were noted for their population growth and residential investment opportunities.

Of interest is the fact that Ipswich was rated relatively lowly in respect of being a favourable investment region which contrasts with how the Local Government Authority is rated in terms of its investment attraction success (discussed in a later section).

It was also notable that the Sunshine Coast was not mentioned as a favourable investment region. Other notable exceptions include Logan, Toowoomba, Darwin, and Canberra.

The sectors considered most favourable for investment currently and in the near future are:

Retail – City fringes, regions and nationally due to its long term consistent asset performance.

Residential – Near city and major regions

Office – for near city markets

Hotels – City markets and tourism areas

Gas/Mining – Resource regions.

RANKING	SECTOR	INTEREST
=1	Retail	22%
=1	Residential	22%
3	Office	19%
4	Gas/Mining	11%
5	Hotel	8%
=5	Industrial	6%
=5	Health	6%
=5	Infrastructure	6%

Other sectors considered favourable for investment in the current and near future environment were Industrial (associated with resource activity), Health (capital city fringes), and Infrastructure (North QLD).

The relatively low rating for Health was surprising given the strong drivers for demand for Health facilities (ageing population, improving technology, population growth), however this sector is dominated by government and not for profit organisations and at present is a relatively immature market for private sector investment. It was apparent that the flow on investment opportunities for major health infrastructure, such as tertiary hospitals, was not top of mind for many of the survey participants.

Infrastructure investment is generally restricted to only the largest investors and the track record in this area is also inconsistent so it is not surprising that this sector does not rate highly at present.

6 Regional Investment Attractiveness

Investment in regions held a number of **advantages** for the majority of survey participants in comparison to city investments. The most common advantages identified were:

- The ability for a Local Government Authority to facilitate investment and providing a supporting environment – this included prioritising planning approval, sourcing necessary labour, facilitating supporting investment
- The ability to achieve a higher return – this generally related to the higher risk associated with a regional investment with the up side being a higher total return
- The ability to gain a higher market share – it was noted that regions frequently have lower levels of competition in relation to larger assets which meant investors were able to secure higher market shares and subsequently better returns

- Greater levels of opportunity – the higher risk of a regional market and existing investment weaknesses can provide more significant investment opportunities than may exist in a capital city. Investment and development timing was considered highly important in relation to this.

Other advantages noted with regional investment were:

- High staff retention – relating to the lower mobility levels of people living in regions
- More affordable professional staff – this represents a cost saving for local businesses
- Support from the local community for new products and brands – providing a higher level of market acceptance than may be achieved in a capital city market. This appears to be a more powerful factor in regional areas than in capital cities.

The advantages of investing in regional locations were relatively evenly weighted with the **disadvantages**, indicating no real bias against investing in regions. The two main disadvantages identified in investing in regions were:

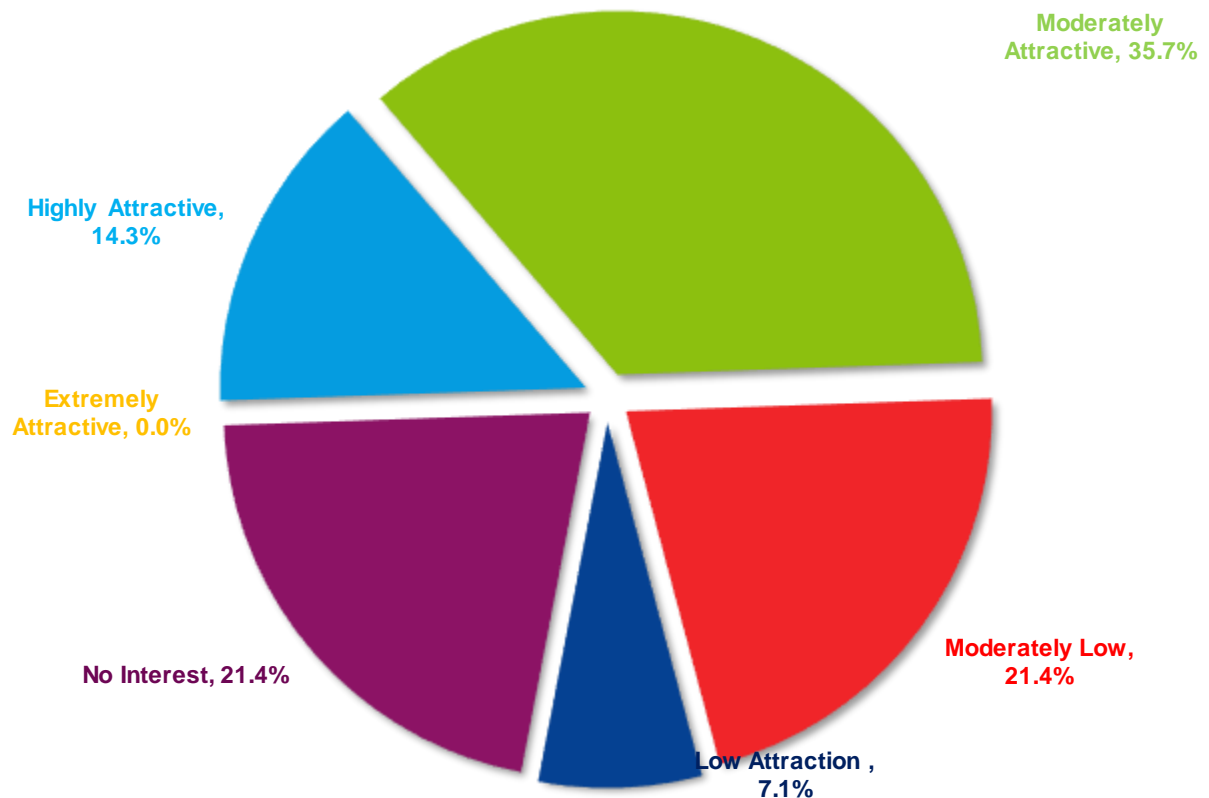
- Economic stability – the susceptibility of regional economies to have more dramatic cycles and a greater susceptibility to economic downturns. This was associated with a perception of being higher risk locations. This closely relates to the number one investment criteria for regional locations being the Strength of the Local Economy
- The strength and stability of demand – the size and rate of growth of the regional population were identified as areas of concern. Larger investors are seeking long term, sustainable returns which require consistent population growth at above average rates.

Other disadvantages noted in investing in regions were the opposition to growth and change that sometimes faced external investors, and the difficulty in servicing regional locations from a management perspective where it may take several days for head office personnel to meet with local representatives.

7 Attractiveness of the Sunshine Coast for Investment

The Sunshine Coast Region was rated as Moderate to Moderately Low in terms of investment attractiveness. From a positive perspective 50% of survey participants rated the Sunshine Coast as Highly or Moderately Attractive as an investment location. The sectors that view the Sunshine Coast most positively as an investment location cover the Health, Retail (some parts of sector), Tourism, and Business sectors. The reasons supporting the positive view of the Sunshine Coast as an investment location include the perception of good buying opportunities, anticipated strong population growth, access to affordable professional staff, and an understanding of the market.

Attractiveness of the Sunshine Coast as an Investment Location



Source : Urbis

On the downside half the participants (50%) rated the Sunshine Coast as Moderately Low, Low, or of No Interest as an investment location. Of concern is that 21.4% had no interest in the Sunshine Coast as an investment location. It is notable that the sectors expressing a low attractiveness for investment in the region operate across the Residential, Retail (some parts of sector) and Mixed Use sectors. Reasons for the low investment attractiveness ratings include the inability to attract and service private investment, a level of over regulation, the lack of significant investment drivers, and that Council is not viewed as driving an investment agenda and commitment to economic development.

8 Investment Interest in the Sunshine Coast

The investment interest in the Sunshine Coast is currently centred around infrastructure assets such as the Airport and the potential Light Rail project, along with Retail, Hotel, Industrial, Commercial, and Medical and Health projects. Interest in these sectors is being driven by the existing low base of the regional economy and a confidence in the longer term strength of the regional economy. It is noted that there was particularly strong interest in the Sunshine Coast Airport from a number of participants and this may be worth following up by Council at the appropriate time.

Interest was also strong for locations that were centrally located on the Coast, had limited planning constraints where development could be undertaken quickly, and areas representing growth precincts. The main locations for investment interest are Maroochydore, Coolum, Kawana, and Sippy Downs. Notable exceptions to this included the major centres of Caloundra, Noosa, and Nambour.

Coolum was somewhat of a surprise in this group as all of the others are Principal or Major Regional Activity Centres. This is likely to be a result of the significant publicity that Clive Palmer has attracted in relation to his Coolum Resort. The notable point here is that it is possible to develop a significant market profile where the underlying investor is seen to have the capital to support the investment.

The scale of investment viewed as suitable for the Sunshine Coast incorporates three segments:

- \$1m-\$20m – Mixed use, commercial, medical, and industrial projects by local and Queensland investors
- \$40m - \$200m –Retail and hotel projects by significant Investment Funds
- \$200m plus – Infrastructure projects from Infrastructure based Investment Funds, principally Airport and Rail projects; and Major Retail projects

A small number of organisations indicated they would not consider future investment in the Sunshine Coast. There were two reasons quoted here. Firstly, regional investment was not part of the organisations investment mandate due to its risk profile. A second reason noted was the constraint of Council’s planning and design requirements for property development.

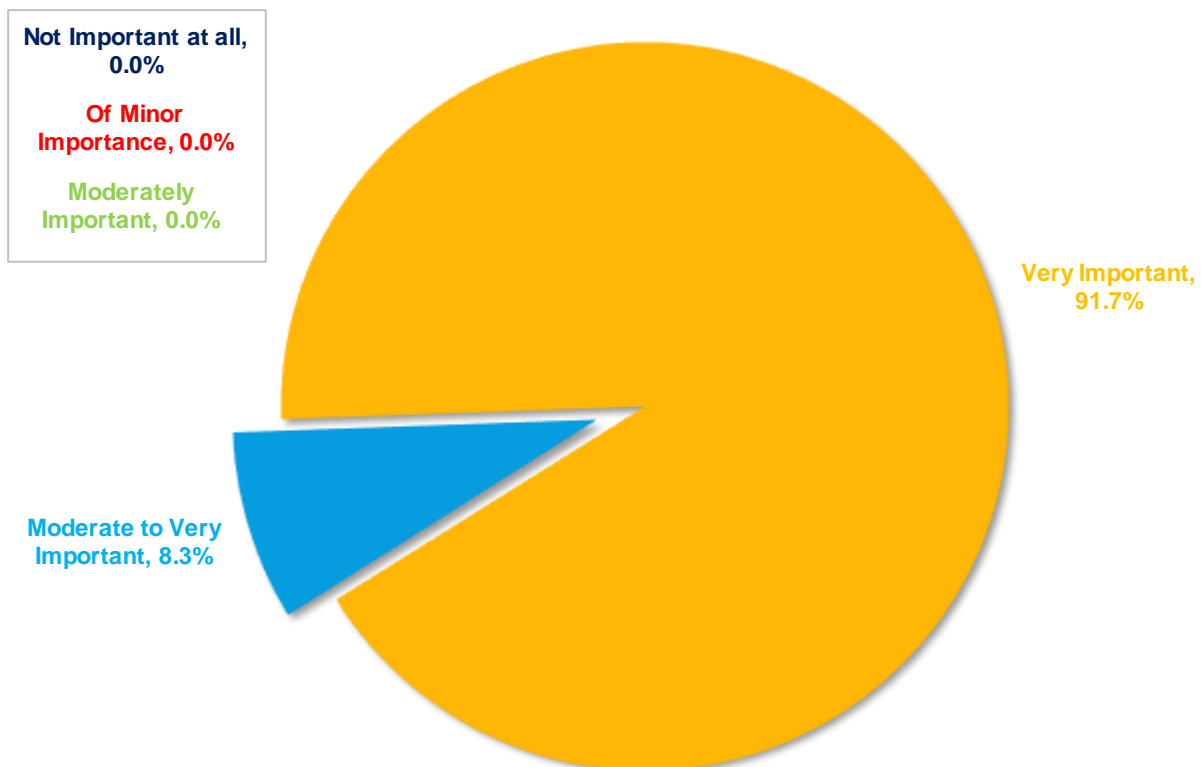
9 Importance of Local Government in Regional Investment Decision Making

The role of Local Government in attracting investment to regional locations was regarded as being highly important. All respondents rated the Local Government Authority as either Very Important or Moderate to Very Important in attracting investment to a region.

Importance of Local Government in Regional Investment Attraction

SUNSHINE COAST BUSINESS SURVEY

CHART 2



Source : Urbis

The main areas of influence that Local Government was viewed as having in attracting investment to their regions were:

- Planning Approval Support – this included the ability to facilitate timely approvals, without onerous development conditions, and provide a level of certainty for the investor allowing the reduction of risk

- The Investment Environment – this included the ability to influence the quality of investment in the region, having a vision and showing leadership, the ability to influence community opinion, and the provision of a framework that supports inward investment (as was noted for Ipswich and Gold Coast Local Government Authorities)
- Supporting Associated Development and Facilities – Council can influence the success of an investment through its ability to support appropriate surrounding development, and how it invests in associated community and civil infrastructure. Of specific note is the road capacity servicing new development investment.
- Market Influence – though not likely to ever be the intent of Local Government, it does have the ability to influence market competition for a particular investment through how it structures its planning regime, its approval process, and own asset strategies. This can include situations where a market takes advantage of government policy and over supplies the market; or the designation of certain land use potential for specific locations, such as a Principal Regional Activity Centre.

10 Successful Local Government Investment Facilitators

To gain insights into how regional investment attraction is best facilitated, survey participants were asked to identify regions across Australia that they considered to have been most successful in attracting investment.

There was a natural bias towards regions in Queensland influenced by the proportion of Queensland based participants. Of those Local Government authorities identified as being the most influential in attracting investment, Ipswich City Council was nominated the most times followed by the Gold Coast.

Ipswich was seen as having a “can do” attitude and strong leadership in attracting investment, notably from Mayor Paul Pisasale. It was noted as being pro-active in attracting business and supported growth. As noted previously Ipswich rated more highly in terms of its investment attraction success than it does as a favourable region for investment. This tends to indicate Ipswich has a strong investment attraction framework. Consistent with this view was the example that one participant gave where their business had been approached by an investment attraction team from Ipswich who was well informed of their business requirements including their suppliers and their requirements. An attractive incentive package was offered to entice the organisation to relocate however investment in existing equipment made relocation difficult and the offer was turned down. This example is indicative of the initiative that an investment focused Local Government Authority will pursue to attract investment to its region. This included having a skilled team, doing appropriate and detailed background research, and having a strong enthusiasm for investment attraction.

The Gold Coast was viewed as being “open for business”. It was noted that there is a difference between saying your region is open for business and actually demonstrating that you are open for business. In this sense the Gold Coast is perceived as “delivering on its promises”. This is supported by a Planning environment with limited constraints. This is a significant turn around from several years ago where investment to the Gold Coast had stalled. The announcement of the successful Commonwealth Games bid, development of the Gold Coast Light Rail project, and relaxation of its infrastructure charges regime appears to have re-invigorated investment interest in the Gold Coast economy. Notably the Gold Coast City Council has a substantial team involved with Economic Development and Investment Attraction. Significantly larger than competing local government authorities.

RANKING	REGION	MOST INFLUENTIAL
1	Ipswich	22%
2	Gold Coast	15%
3	Gladstone	11%
=4	Logan	7%
=4	Rockhampton	7%

Gladstone was identified as being supportive to inward investment on the strength of the resource activity underpinning the economy. Logan and Rockhampton then headed a long list of other regions that were nominated by a single participant. This included the Sunshine Coast:

- Sunshine Coast
- Townsville
- Rockhampton
- Toowoomba
- Surat
- Darwin
- Hunter Valley
- Mandurah/Bunbury.

Logan City Council rated highly in terms of its investment attraction success in contrast to it not being identified as a favourable region for investment currently or in the near term. Like Ipswich it would appear to have developed a supporting framework for investment attraction and/or being successful in promoting itself as an investment location.

11 The Sunshine Coast Regional Council as an Investment Facilitator

Having confirmed the importance of Local Government Authorities in regional investment attraction and identified those Authorities that have performed well at this, the final component of the survey investigated how well the Sunshine Coast Regional Council (SCRC) has performed in attracting and facilitating inward investment. Participants were asked to rate the SCRC against five elements of investment attraction and facilitation:

- Investment Facilitation Assistance
- Availability & openness of Councillors
- Attitude & investment understanding of staff
- Timeliness & responsiveness in decision-making
- Investment Incentives

Participants were asked to rate the SCRC on a six point scale as such:

1. Very High
2. High
3. Moderate
4. Low
5. Very Low
6. Not Applicable

The results indicate that on four of the five components 50% or more of respondents rated the Council as Very Low. The exception was Availability and Openness of Councillors where 29% of respondents rated the Council as Very Low and 14% as Very High. Overall 57% of respondents rated the Availability and Openness of Councillors as either Moderate or Very High. This is an encouraging factor though this is not supported by the other elements of investment attraction.

Of concern is the lack of perception of **Investment Incentives**. 89% of respondents rated Investment Incentives as Low or Very Low with the remaining 11% unable to comment due to lack of knowledge of what is available. Discussions with respondents indicated that Council advertised an investment incentive package but there was little detail or substance to this when pressed on what this would entail. It was noted that the Council had a limited budget for business attraction which prompts the question of where does this sit in Council's priorities?

The perception of the **Attitude and Investment Understanding of Staff** where 88% of respondents rated Council staff as Low or Very Low is worrying. The ability to "Walk the talk" was noted as a strength of competing Local Government Authorities in their success in attracting investment. Investment attraction staff are the personal conduits to securing inward investment and this requires an extremely positive attitude and in depth understanding of investors requirements.

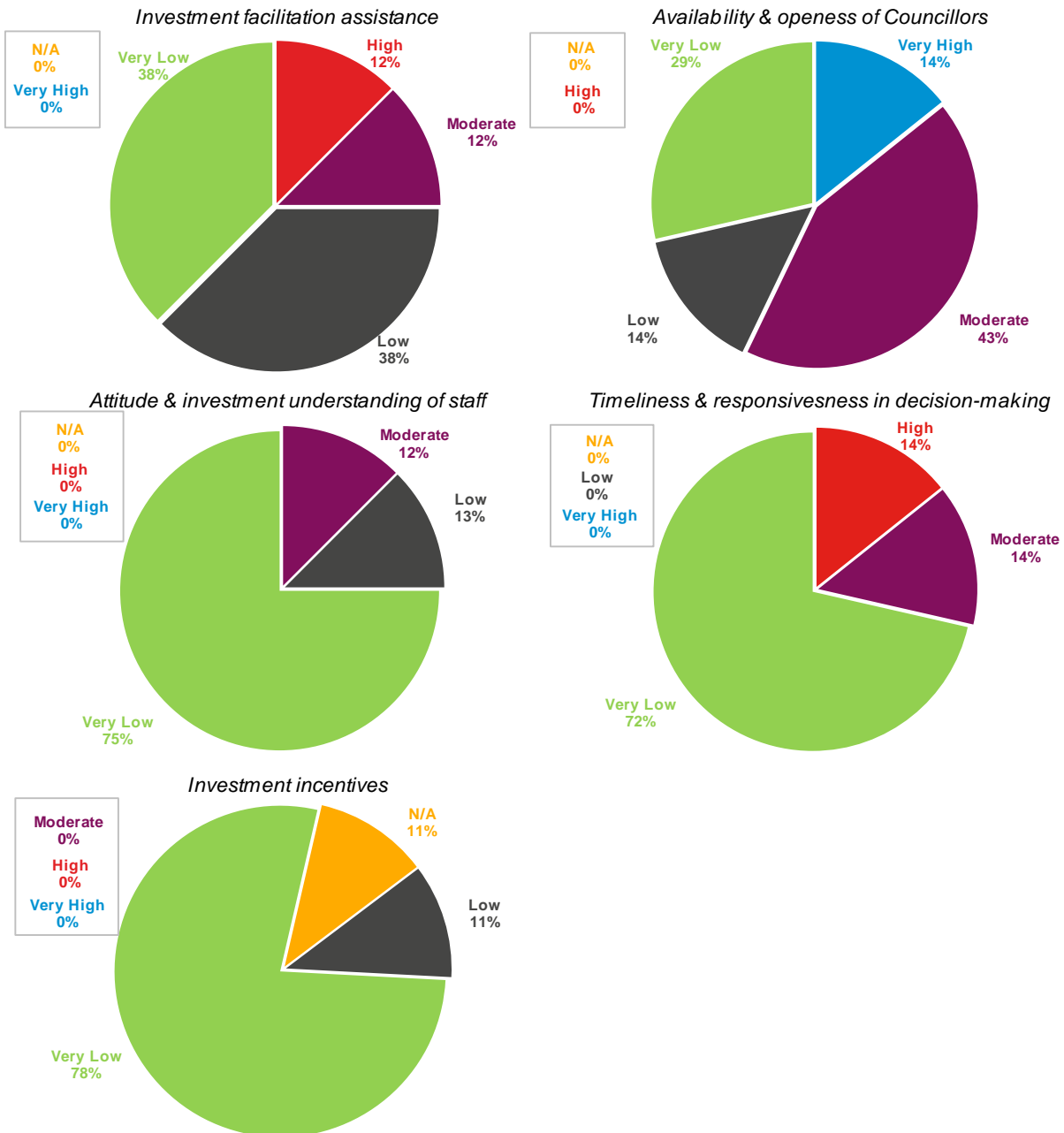
The **Timeliness and Responsiveness in Decision Making** can be a major turn off for investors if this is perceived as a negative in relation to an investment decision. The majority of survey respondents (72%) rated the Council as Very Low in relation to this investment attraction competency. On the positive side 28% of respondents rated the Council as Moderate or High providing an indication that some investors have had or perceive the Council positively in relation to this competency.

Overall **Investment Facilitation Assistance** was rated as Low or Very Low for 76% of respondents with 24% rating the Council as Moderate or High on this competency. Council's recent focus on the Health sector appears to have been a positive experience for some investors in this field.

Sunshine Coast Investment Facilitation Performance

SUNSHINE COAST BUSINESS SURVEY

CHART 3



Source : Sunshine Coast Business Survey ; Urbis

With respect to the current position of the Sunshine Coast Council to investment attraction the general view from the survey participants is that there is a genuine desire to attract investment however more action needs to be taken. It was noted that “every Local Government Area is open for business” however saying it and doing something about it are two quite different things. The comment “the jury is out” was noted in reference to this. There was a view that there was no clear offer from the Sunshine Coast to attract investment. Associated with this was a lack of knowledge of which sectors the Council was targeting for investment. Health would appear to be the exception to this.

12 Key Findings and Conclusions

This Sunshine Coast Investor Survey represents a qualitative assessment by current and potential investors in the Sunshine Coast Region. These investors represent a substantial amount of investment funds overall and in excess of \$10 billion for the Sunshine Coast. The Key Findings in relation to regional investment attraction and how the Sunshine Coast is perceived as an investment location are:

12.1 INVESTMENT CRITERIA

- The most important criteria that investors consider when making investment decisions is the Strength of the Local Economy. This is the case whether they are considering capital city investment or regional investment. This was not viewed as a strength currently for the Sunshine Coast Region in comparison to competing regions such as the Gold Coast, Gladstone and Ipswich.
- The strength of the Local Amenity is of only minor consideration for investors in making investment decisions. Thus whilst this is an acknowledged strength of the Sunshine Coast, it will not be an influencing factor if the more significant criteria of Strength of the Local Economy does not compare favourably with other regions competing for the same investment dollars
- Some Institutional investors (large funds and trusts) have investment criteria that restrict their ability to invest in many regional projects and businesses due to minimum capital investment thresholds and risk levels (outside capital cities). Thus investment attraction strategies need to be cognisant of this when aligning investment opportunities with Investor targets

12.2 REGIONAL INVESTMENT OPPORTUNITIES

- Investment sectors that are currently in favour with major investors that are most relevant for the Sunshine Coast include the Hotel sector, Retail sector, and Residential sector. These are supported by population growth expectations and a recent lack of investment in hotel infrastructure across the country. Other sectors relevant to the Sunshine Coast were Health, Industrial, and Infrastructure. The Sunshine Coast Airport was noted as being of significant interest to a number of the survey participants
- The survey participants considered regional investment in a general positive light noting that it gave them opportunities to take stronger market positions, obtain higher yields (associated with higher risk), and gain local government support at more significant levels than in capital city markets. Downsides to regional investment included the greater economic downturns, and higher levels of uncertainty in relation to sustainable demand

12.3 THE SUNSHINE COAST AS AN INVESTMENT REGION

- The Sunshine Coast was viewed as Moderate to Moderately Low (57%) in terms of investment attractiveness with a notable proportion of participants (21%) having no interest in investing in the region. Sectors that view the Sunshine Coast most positively as an investment location include the Health, Retail, Tourism, and Business sectors on the basis of the perception of good buying opportunities, access to affordable professional staff, anticipated strong population growth, and an understanding of the market.
- Sectors expressing a low attractiveness for investment in the region operate across the Residential, and Mixed Use sectors. This is of concern as a number of these sectors were regarded as sectors of investment interest currently and in the near future. Reasons for the low investment attractiveness ratings include the inability to attract and service private investment, a level of over regulation, the lack of significant investment drivers, and that Council is not viewed as driving an investment agenda and commitment to economic development.
- Large investment interest in the Sunshine Coast Region is restricted to major Retail projects, Hotels, and major infrastructure such as the Airport, Light Rail, and Hospital. The smaller investment market (\$1m-\$20m) is focused on the Commercial, Industrial, Mixed Use, and Medical markets

12.4 LOCAL GOVERNMENT AS AN INVESTMENT FACILITATOR

- Local Government is viewed as being highly important in regional investment decision making by the survey participants, specifically in relation to planning approval support; creating a supportive investment

environment; the ability to facilitate supporting infrastructure and development; and its ability to influence market supply through its planning policies

- Ipswich City Council and the Gold Coast City Council were identified by the survey participants as the most successful local government authorities in attracting investment to their regions. These Councils were noted as not only being “open for business” but following this up with proactive investment attraction strategies, incentives, well resourced investment attraction teams, and high profile investment attraction advocacy campaigns
- The Sunshine Coast Regional Council was identified in a third tier of Councils in terms of its investment attraction success. Council’s strongest aspect in relation to investment attraction was considered to be the availability and openness of its Councillors
- Notably the Council was rated lowly in comparison to competing regions against the majority of investment attraction components including Investment Incentives, Attitude and Investment Understanding of Staff, Timeliness and Responsiveness in Decision Making, Investment Facilitation Assistance.

12.5 CONCLUSIONS

This investment survey provides many useful insights on how the Sunshine Coast could improve its investment attraction performance. With respect to this we provide the following Recommendations:

- The Sunshine Coast Regional Council's investment attraction resources need greater investment. This could be in the form of more staff, more marketing tools and materials, employment of leading experts in the field
- Planning Approval support from Local Government was seen as a key area of influence by Council and area of risk for investment attraction. This needs to be an area of review for Council if it is aiming to increase investment to the region. This could be in the form of a Major Projects Planning Facilitation team or similar unit that can streamline the planning process for major investments
- Regionally an investment story needs to be created for the Sunshine Coast. The survey results note that local amenity is not a major factor in investment decision making so more work needs to be done in crafting a more compelling investment attraction story for the region. This needs to be supported by significant effort in selling the story and backing it up by “walking the talk”. The new Sunshine Coast Council has indicated it is “open for business” but it needs to follow this up with serious investment attraction initiatives and actions

Appendix A Survey Form.

Sunshine Coast Investor Survey

Background

The Sunshine Coast Business Council (SCBC) has requested Urbis to undertake an Investor Survey focused on Investment in the Sunshine Coast. The purpose of the survey is to better understand the strengths and weaknesses of the Sunshine Coast region as an investment location and its ability to attract investment. Of specific interest are the investment criteria for different forms of investment and how the region performs against these criteria in comparison to other regions in competing for investment.

A range of organisations have been contacted to participate in this survey from Investment Managers, Lending Institutions, Institutional Investors, Property Developers, and Investors in significant Businesses or Services. Your organisation has been selected to participate in this survey due either to your current investment in the Sunshine Coast Region or the potential for future investment (or the role you may play in the investment decision). All information will remain confidential with survey information being compiled into a single piece of analysis with discretion maintained for all participating organisations.

Participant Information

Contact Name: _____

Position: _____

Organisation: _____

Investment Fields: _____

1. What are the key investment criteria you use when evaluating your investment decisions (in priority order)

RATING	CRITERIA
1	
2	
3	
4	
5	
Other	

2. How do your investment criteria vary when considering investment in regional parts of Australia?

RATING	CRITERIA
1	
2	
3	
4	
5	
Other	

3. Which regional locations and sectors do you consider most favourable for investment currently and in the near future?

RATING	REGION	SECTOR(S)
1		
2		
3		
4		
5		

4. What advantages and disadvantages do you see in investing in Regional Locations?

a. Advantages _____

b. Disadvantages _____

5. How do rate the Sunshine Coast, Queensland, as an investment location and why?

RATING	X	REASONS
Extremely Attractive		1.
Highly Attractive		2.

Moderately Attractive		3.
Low Attraction		4.
No Interest		5.

6. Would you consider investing on the Sunshine Coast in the future?

Yes:

LOCATION	SECTOR	SCALE	REASONS
1			
2			
3			
4			

No (Reasons): _____

7. How important a factor do you consider the Local Government Authority in influencing whether you invest in a regional location?

RATING	X	WHAT ARE ITS AREAS OF INFLUENCE?
Very Important		1.
Moderately Important		2.
Of Minor Importance		3.
Not Important at all		4.

8. In your experience which Regional Local Government Authorities in Australia have had the greatest influence in attracting investment to their region?

REGION	REASONS
1.	
2.	
3.	
4.	

9. How do you rate the Sunshine Coast Regional Council as an investment attraction facilitator compared to other regional investment facilitation organisations in Australia?

INVESTMENT FACILITATION PERFORMANCE	RATING				
	Very High	High	Moderate	Low	Very Low
Investment facilitation assistance					
Availability & openness of Councillors					
Attitude & investment understanding of staff					
Timeliness & responsiveness in decision-making					
Investment Incentives					
Other (specify)					

Comments: _____

Any Other Comments:

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