

Coast tempts cashed up

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EAGER investors are continuing to flock to the Gold Coast, as strong population growth drives up demand for residential property.

A report by PRDnationwide Gold Coast research manager, Lynda Campbell, shows key fundamentals of the Gold Coast such as population growth, low unemployment and a strong tourism sector have helped shield the area from detrimental effects of the global financial climate and a slowdown in the property market nationally. Rob Sainsbury, PRDnationwide director of residential property, said the Gold Coast property market had its own dynamics when compared to the rest of Australia, and was considered to be very stable.

"For those that have finance, now is the perfect time to invest in the region with over \$15.6 billion of infrastructure development planned or under construction to meet expected future growth," he said.

"This spending includes roads, public parks, health and shopping facilities between Ormeau and Murwillumbah.

"The Gold Coast is the fastest growing municipality in Australia with the city currently growing at a rate of 3.6 per cent per annum, compared to national growth of just 1.6 per cent and Queensland's 2.2 per cent.

"By the year 2031, the Gold Coast is projected to be home to over 785,000 residents.

"Unemployment remains low at 3.6 per cent 0.1 per cent under the Queensland rate.

"Based on current selling rates, there is around 15.7 months supply of new apartments across the high, medium and low rise sectors, and 13.6 months supply of new house and land packages.

"We would expect these levels to increase as the current economic conditions start to have an effect.

"There have been no median price drops in the residential market up to the end of June but this may change towards the end of the year.

"The median cost of a home is currently \$500,000 and apartments \$375,000, representing an increase of 61 and 63 per cent respectively in the last five years.

"Vacant blocks of land again shows the strongest capital growth increasing 71 per cent to a median price of \$265,000."

The Gold Coast's retail leasing market has not been affected by the market slowdown with a record-breaking leasing rate being achieved in Cavill Mall at \$5088 per sq m, showing that quality tenants will still pay a premium for quality space.

Mr Sainsbury said prime residential sites in first-class locations were holding their value as the availability of sites in more central locations dried up.

"Beachfront has always been hot property and we expect to see more site amalgamations as central Gold Coast land becomes scarce and developers take control of prime beachfront and esplanade sites," he said.

"The Gold Coast's northern corridor is where the most site sale activity has occurred and it is where there are still large parcels of land available."