



## Coast property market 'to boom by 2012'

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**Nick Nichols, business editor | November 11th, 2010**

SHRINKING land stocks and continued population growth could be setting the Gold Coast up for another property boom towards the end of 2012.

Property researcher Bill Morris has revealed in the latest Prodap report that the Coast has only a nine-month supply of land, even though demand for housing has fallen to a 15-year low.

The report revealed there were just 1211 housing lots available on the Coast, while sales were running at 1951 for the year to the end of September.

This is the first time that land sales had slumped below 2000 since Prodap began keeping records in 1995, Mr Morris said.

But he said the slump in sales had more to do with bank lending constraints.

"(This) is causing pent-up demand, the normal pre-cursor to a property boom."

Forward supply figures of 3275 lots and homes were equally dire, with Mr Morris highlighting the Coast still attracted 15,000 new residents a year.

"We don't need an increase in demand to start getting price rises," he said. "When a region is not supplying the underlying housing needs of its population growth, the inevitable outcome is a high point in the property cycle and I predict that this will occur before the end of 2012."

"It won't be a boom like we saw in 2003-04 but still we will see demand and prices rising to a peak."

But Mr Morris warns that house prices on the Coast would continue to fall ahead of the expected boom.

He said the average Gold Coast house price had dropped by 11.5 per cent to \$552,023 in the six months to the end of September, partly skewed by low volumes.

"But this average price is still very high by world standards, compared to average income," he said. "The Gold Coast has reached a stage where it has maxed out on affordability."

"We're among the top three most unaffordable places in the world, behind Sydney and Vancouver, and that's not sustainable."

"There's still going to be a bit of a washout in the upper end of the market."

Mr Morris predicts house prices could rise as much as 20 per cent by 2012.