

Downturn? What downturn?

Gold Coast Bulletin

12th April 2008

GOLD Coast and Tweed Coast apartment market has not slowed during the last quarter, despite interest rate rises and the decline in the stock market, according to the latest research.

The Gold Coast and Tweed Coast Apartment Report, compiled by Colliers International Gold Coast research analyst Matt Haney, shows more than 430 unconditional sales were recorded during the December quarter, barely altered from previous reports.

A total of 433 unconditional sales were achieved during the September quarter compared with 432 in the June quarter.

Colliers International director of project marketing Queensland Brinton Keath said sustained population growth and investor interest continued to spur on sales.

“With a significant number of people moving to the Gold and Tweed Coasts each year, the demand for property in the region has not wavered,” he said.

“Strong interest from investors, both nationally and internationally, is also supporting the Gold and Tweed Coast apartment markets, particularly in Surfers Paradise, as, like the capital cities of Melbourne and Sydney, it is globally recognized.

“Low and medium rise product has continued to sell strongly, particularly with local owner-occupiers and investors, while high-rise apartments in popular beachside areas, such as Broadbeach, are also tracking well.

“As a result of this, the availability of new apartments is dwindling, with just 12.9 months' supply on the market across the high, medium and low rise sectors, which is also ensuring strong capital growth is being achieved.”

The latest sales were recorded across 73 projects; with three new developments entering the December quarter survey Zone at Mermaid Beach, and Town Centre Residential and the French Quarter at Robina.

In the high rise sector, Niecon Development's The Oracle, in Broadbeach, was the star performer, achieving 30 sales across its two towers, totaling more than \$37 million.

Meriton's Brighton on Broadwater achieved 21 sales across its Shores and Marina towers, totaling more than \$11.397 million, and Sunland's Avalon, in Surfers Paradise, recorded 17 sales totaling \$10.183 million.

In the medium rise sector, Robina Land Corporation's St Kilda achieved 37 sales totaling \$21.386 million and Feng Shui-designed Harmony Broadwater, being developed by Usher Powell Developments and Zen Lifestyle at Runaway Bay, achieved 25 sales totaling \$18.143 million.

Peppers at Salt Village, developed by Ray Group, performed strongest in the low rise sector, with 25 sales totaling \$13.3 million, followed by Nifsan's Town Centre Residential, which achieved 21 sales totaling \$9.7 million, and Azzura Construction's Azzura Greens, which achieved 20 sales totaling \$12.2 million.

Mr Keath said once again sales in the higher and lower price points performed best, with the \$1 million to \$1.5 million and \$400,000 to \$499,000 the most in demand.

“The high end of the market has once again performed well, with this sector buffered from economic factors, such as interest rate hikes, which has a more significant impact on the lower end of the market,” he said.

“Modern apartment dwellers are looking for spacious units, which offer all the luxury of a home but without the hassles.

“These apartments are typically offered in the high-end sector of the market.

“There is also a trend towards unique projects, which offer a point-of-difference and therefore typically have strong capital growth potential, and these are also typically offered in the higher price points.

“Harmony Broadwater, built on feng shui principles is an example of a unique development, which is performing well.

“In the lower priced sector of the market, sales remain strong with owner-occupiers and local, interstate and international investors keen to snap up more affordable property.”