



Market will be the eventual winner

Gold Coast Bulletin

Vanessa Jones | November 19th, 2011



THE Gold Coast property market will be a major beneficiary of the Commonwealth Games announcement, says Ray White Surfers Paradise Group's Andrew Bell.

"This decision will change the thinking people have about the future prospects of the Gold Coast, which will in turn create a healthy market," he said.

"Of late many people have been forced to leave the Gold Coast for employment which has had an impact on property prices here. But now there is more certainty. The key for us is population growth, which has traditionally driven property price growth in the city for the last 30 years, and we believe the infrastructure that will be needed to stage the Games will bring more people to the city and create more jobs."

In fact, Gold Coast Tourism CEO Martin Winter expected "an unparalleled period of new investment and development", with the State Government announcing \$500 million investment in infrastructure.

REIQ Gold Coast zone chair John Newlands said in the face of the overall poor economic conditions on the Gold Coast, including a decimated tourism sector, the Games announcement could not have come at a better time.

"The Games provide just the shot-in-the-arm that our economy and property market needed and at just the right time," he said. "The thousands of new jobs that will be created to prepare our city, especially within the construction sector, for the event will instil some much-needed confidence."

"This new activity will, of course, have a flow-on positive effect to our property market. The Games will also put the Gold Coast on the world stage and provide the sort of media coverage that will benefit our region for years before and after the event."

Stockland Gold Coast and northern NSW regional manager David Laner agreed, saying hosting the 2018 Commonwealth Games would boost the local economy and jobs and was therefore welcome news for the property market.

"As the region's largest provider of new home-sites, Stockland is really excited about the confidence boost the Games win is likely to have on our region," he said. "Property is not a short-term investment but it's especially welcome to have something as positive as the Games happening here and anyone already in the market will be well placed to take advantage of potential growth."

Mr Bell, who was chairman of the Gold Coast's Business and Community Consultative Committee for the bid, said the major beneficiary for the market in the shorter term would be the reduction in developer stock and the emergence of further international buyers.

"People who buy today will look back in six years when the Games are staged and realise how well they bought. People now believe there is a future and it's something pretty exciting," he said.

Lucy Cole, of Lucy Cole Prestige Properties, also agreed the Games would bring renewed confidence to the market.

"People will look at the Coast as a destination again," she said. "But it won't happen overnight." "We have to get the word out, to let people know about it. We need to capitalise on the promotion of it."

She said while construction costs were "pretty high" at the moment, the announcement would encourage people to start reinvesting in the property market. Further, if athletes were to relocate to make the most of sporting facilities and tradies returned to the Coast, that in turn would push the property market up.

"The banks will need to open their doors," Ms Cole said. "They will need to lend to build development sites and high-rises. With interest rates coming down and if the government also gives things a boost, that will also give us a great lift."

Barney McGrath, of McGrath Real Estate, believes the Games would be "good for us on a number of levels".

"It's fabulous news. Anything projected to create 30,000 jobs will bring people back to the Coast and create demand for rental accommodation, new houses, short-term property management and longer terms sales," he said. "But most beneficial is the impact it will have on perception and sentiment." "The market is starting to move and this will help it gain momentum."