

Population to drive recovery

July 31st, 2009

THE Gold Coast property market is tipped to make the strongest recovery of all major Australian cities, according to a leading realtor.

Andrew Bell, CEO of Ray White Surfers Paradise, said confidence in the Gold Coast property market had grown in the first half of this year, including the top end of the market which had taken a battering.

Mr Bell said the Gold Coast had the edge over other Australian cities because of a combination of strong investment and leisure interest from Australia and overseas.

"The Gold Coast in particular has one of the nation's fastest growing populations and the lifestyle attributes of the area will continue to spur interstate migration over the next decade," said Mr Bell.

"It's a simple concept -- people will always need a roof over their head. The by-product of rapid population growth is demand for property."

The Gold Coast population stands at 630,000, with predictions it could hit 1.2 million people by 2050.

He said sales figures from Ray White Surfers Paradise were indicative of an improving Gold Coast property market with more than \$378 million in sales -- a 32 per cent increase from the last half of 2008.

Mr Bell said \$152 million worth of those sales had been for top-end properties of more than \$1 million.

"The \$378 million we have sold since January is a real barometer for the financial year ahead," said Mr Bell.

"Volumes certainly aren't what they were at the market's peak but properties are still steadily changing hands at the right price.

"The green shoots are appearing throughout the southeast property sector but we are still in a very early stage of the recovery.

"It is a new beginning for the property sector."

More affordable properties -- those priced below \$500,000 -- were continuing to grow, having dominated market activity at the end of last year, with \$129 million in sales this year.

Auction clearance rates were also improving. Last Saturday, Ray White Broadbeach sold 85 per cent of properties at auction -- 15 out of 20 properties under the hammer and another three properties after the auction.

The sales netted \$7.2 million.