

Coast market remains strong

THE Gold Coast market is set to perform well throughout the 2008 first half, according to a nationwide study released by property services company Herron Todd White.

HTW Gold Coast director Tod Gillespie said this buoyancy was borne out by the fact that agents were reporting limited supply levels in most property sectors across the city and there was good inquiry from local and interstate buyers.

"We saw good rental growth in 2007 with some investors returning to the market," he said.

However, Mr Gillespie said, the possibility of further interest rate movements could push investors out of the market in 2008.

He said the Gold Coast's northern corridor between Oxenford and Beenleigh continued to be the market leader for availability of new vacant land that was still reasonably affordable.

The corridor encompasses a swag of growth suburbs including Gaven, Helensvale, Coomera Pimpama, Ormeau, Stapylton and Yatala, the primary area for industrial expansion.

Mr Gillespie said land supply in general is down from the levels seen in late 2006 and early 2007.

However, he said, the preparation of future land supply was well advanced and the northern corridor would continue to account for most

of the growth occurring in the city.

"Surfers Paradise continues to be the market leader in the supply of investment-style units with this market being the most likely to soften first in a rising interest rate environment," said Mr Gillespie.

As to the city's southern end, he said the Tugun bypass, to be completed in mid 2008, would provide better access to the Tweed coast and benefit the suburbs of Tugun and Bilinga which would quickly establish themselves as areas that offered quiet and desirable lifestyle options.

Mr Gillespie said the beachside and waterfront suburbs continued to outperform other areas of the Gold Coast and the Tweed coast, with recent record sales including a \$11.15 million deal for a Hedges Avenue mansion on a single 405sqm lot and a \$4.7 million transaction involving a canal-front house on the Isle of Capri.

Mr Gillespie said that owner-occupiers had been a dominant purchasing force on the Gold Coast over the past few years and that many new office buildings had been aimed at this market in the form of strata-title product.

Office vacancy levels still remained low at around 6 per cent.

Overall, Mr Gillespie forecast a stabilisation of the Coast market with rises in interest rates impacting on small and 'mum and dad' investors.

● The investment-style units market is most likely to soften first in a rising interest rate environment ●