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High prices overshadow Gold Coast

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Sales of new houses and housing lots on the Gold Coast have fallen to record lows, according to the latest Prodap Report.

High prices, a crippled regional economy and rising interest rates have kept buyers on the sidelines.

Prodap, a Gold Coast property research house, reported yesterday that dwelling and land sales in the region totalled just 1764 in the 12 months to December, compared with 2257 in the 2009 calendar year.

The results correspond with the national RP Data-Housing Industry of Australia residential land figures that show the sector is struggling with record-low sales volumes.

Prodap reported that vacant-land sales fell to 175 in the December quarter, almost half the figures of the previous quarter and of the corresponding quarter in 2009.

Report author Bill Morris said it was the lowest quarterly land sales since 1994 and reflected a lack of activity by home builders.

"The fall in vacant-land sales in the latest December quarter reflects both diminishing activity by 'spec'



Gold Coast buyers are hampered by a low level of assistance. Photo: PHIL CARRICK

builders and the low level of assistance to first-home buyers in the Gold Coast compared with other regional Queensland areas and also Victoria," he said.

Mr Morris said not only was the median price of vacant land cheaper in Victoria, but its first-home buyers were also able to access grants of \$20,000 for a new home or \$26,500 for a new dwelling in a regional area.

The report said 795 vacant land lots were for sale on the Gold Coast, equivalent to 13 months' supply based on the current take-up rate.

There are almost 400 house and land packages.

The HIA said nationally the volume of sales in the September quarter had fallen 57 per cent compared with the same period in 2009, while median land prices had increased over the same period to \$185,629 as a result of poorly timed supply of land for residential development. Affordability is one of the biggest hurdles for home buyers – the Gold Coast's median lot price is the fourth most expensive in the country at \$230,000, behind the Sunshine Coast, Sydney and Perth.