

House and land sales surge

Kathleen Donaghey/GOLD COAST BULLETIN

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LOWER interest rates have fuelled a surge in sales of vacant blocks and house-and-land packages on the Gold Coast, surprising property analysts who are now tipping the end of the bust cycle.

Sales of vacant land rocketed 78 per cent to 383 in the March quarter and there was a 103 per cent rise in house-and-land package sales to 159, according to a Prodap Property Research Market Report released yesterday.

The report warns though that sudden turnaround in demand could lead to another 'under-supply crisis' in early 2011, with developers not expected to release enough new land because of tight financing.

Prodap report author Bill Morris was surprised by the new figures which came on the back of December's record low quarter when sales bottomed out.

Mr Morris said it was not only first-home buyers but a spectrum of purchasers who were taking advantage of market conditions.

He said the lowest interest rates in 40 years was the main stimulant drawing people back to the market, particularly around Gaven and Upper Coomera.

The Reserve Bank's official cash rate target is 3 per cent.

"It's a remarkable situation where we're supposed to be in the middle of a recession but interest rates are so low it's causing interest, finally, in people investing," he said.

"To say it's just due to first-home buyers is not an accurate assessment. It's across the board but still in the lower price range under \$500,000."

The highest land sales were at Stockland Trust Group's five projects Pacific Pines (114), Jacobs Ridge (59), The Observatory (34), Highland Reserve (27) and Riverstone Crossing (25).

Stockland secured 67 per cent of the Coast's land market during the March quarter, with 259 sales.

Newlyweds Joanna and Stuart Voigt, who bought in Pacific Pines, said with interest rates low, developers offering deals and the market near the bottom, now was the time to buy.

The couple bought their 806sqm block from Stockland in February, married in March and started building their first home eight weeks ago.

The cost of their four-bedroom house in the Forest Edge estate was in the high \$400,000s and worked out cheaper than buying 30-year-old established houses in Paradise Point or Labrador.

Visiting their dream home yesterday to inspect its progress, Mrs Voigt, who works for Remax at Robina, said she and her builder husband had been looking to enter the market for 12 months.

"Interest rates played a huge part in the decision to step into the market when we did," she said. "We'd been watching them go up, up and then they came down."

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