
Property values set to rise

TANYA WESTTHORP
westthorpt@goldcoast.com.au

A SHORTAGE of land for development is expected to cause land prices to surge once buyers re-enter the market, says a research firm.

The latest Prodap report says new developer stock is down to an extremely low 1206 land and dwelling lots which is equal to just seven months supply at today's take-up rates.

While sales volume was 2041 for the year ended June 30, 2010 – on a par with the past three years – the real estate market is now showing signs of increasing again.

Buyers who left the market during the global financial crisis are expected

to return in coming months, which will spark a significant land supply shortage.

Prodap report author Bill Morris said sales volumes needed to be about 6000 a year to sustain the Gold Coast's population growth of about 15,000 new residents a year.

"There is currently pent-up demand occurring, which eventually will lead to a rise in average prices for new product," he said.

"We have already seen the mean average house price reach \$600,000 on the Gold Coast and it will get higher.

"The low level of stock will stimulate demand in the coming months, leading to rising prices and a peak in the property cycle in late 2011 or early 2012."

He said supply was less than demand.