

Tough banking conditions dampening market for spec homes

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HARD-nosed bankers have almost killed the "spec home" market on the Gold Coast with the latest figures showing sales for the March quarter at their worst in 17 years.

The Prodap Report has revealed just 71 packaged housing sales were recorded across the Coast in the first three months of this year. This is the lowest number of house-and-land packages sold since 1994, despite a recovery in vacant land sales.

Prodap author Bill Morris has blamed tough bank lending rules for the downturn in spec-home construction, rather than a slide in demand.

"No one's producing any spec homes - the builders can't get finance," he said.

The news comes on the heels of record interim profit results this week from Westpac and ANZ Bank.

While packaged home sales dived on the Coast, vacant land sales surged 21.6 per cent over the March quarter.

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Prodap said there were 292 vacant housing lots sold in the March quarter, up from 240 in the December

quarter. The December figure formerly stood at a 16-year low of 175 lots, but Mr Morris yesterday said this had since been revised to 240 following some late sales data received by Prodap.

Mr Morris said the March sales figures reflected a surge in incentives such as free landscaping being offered to buyers, particularly by major players such as Stockland and Devine.

"It's very competitive out there," Mr Morris said.

Most of the 292 lots sold were on

the city's northern fringe, the last frontier for broadacre development on the Coast. The hot spots included Upper Coomera (with 90 sales), Willowvale (42), Coomera (39) and Ormeau (28).

Mr Morris said average prices in the Coomera-Pimpama region had softened by 10 per cent over the past three years, "but this should recover over the next couple of years, particularly when the Coomera Town Centre gets going".

He said he hoped the March quarter land sales showed a turnaround.