

A whole new

Unit market shrugs off uncertainty as boomers, Gen X and Gen Y eye same prizes. Erle Levey reports

BABY boomers are downsizing, Gen X are unlikely to follow their parents into a big house and garden in suburbia and Gen Y are much more at home in units or apartments, providing they are at the centre of activity. Little wonder that Queensland's unit and townhouse market has shrugged off this year's natural disasters and the current economic conservatism to record mostly positive results over the June quarter, according to the Real Estate Institute of Queensland (REIQ). The REIQ June quarter median unit and townhouse report found the preliminary number of sales rebounded robustly across most of the State with median prices also holding firm. REIQ managing director Dan Molloy said unit and townhouse sales were up about eight per cent compared to the March quarter courtesy of increased first home buyer and investor demand particularly. "The affordability of units and townhouses, especially in times of economic uncertainty, is certainly helping to drive this segment of the market," he said. "First home buyers and investors are also making a return after being fairly absent from the market for more than a year and their increased activity is partly behind the increase in the number of sales in the \$350,000 to \$500,000 price bracket, especially in the southeast."

The Sunshine Coast's unit market fared better than its housing market over the period. The median unit price was up 1.4 per cent to \$355,000. The June quarter figures for units show a positive message with an increase in sale numbers as astute buyers take advantage of settled prices, REIQ Sunshine Coast zone chair Lloyd Edwards said. "For once all the generations are in agreement as to the value of buying units and apartments but for quite different reasons. "Baby Boomers are downsizing and travelling more and see this shift as part of the process of living the best that they can within their means. "These same means have been tightened by the shrinkage in the share market and a rise in cost of living. Hence the median price of a unit on the Coast at \$355,000 allows the boomers to put more money in their pocket after this downsize. "Proximity to coffee shops, restaurants and entertainment are important lifestyle decisions for the boomers while they discuss how the weak American dollar brings more travel opportunities. "Gen X and Y have a different spin on things. They haven't bought into the belief that a quarter acre and a picket fence is their Australian dream just yet and are more content on living in tight confines to enjoy their social life now rather than later.

"Distance to a coffee shops and favoured activities are important. Easy to clean, small but fashionable and affordable are the main drivers for them, leaving plenty of time to enjoy life outside of work. "So again, the more budget pricing of the unit/apartment plays to the X and Y's belief structure." Mr Edwards said the drivers were increased demand for the same affordable unit over the home, all parties looking to live in the moment and still the search for the best value within their search area as the defining agenda. "As to the future, increased demand within any one area eventually leads to a shortfall and price rises and this is the hidden story within these figures," he said. "As sales numbers increase there will be pressure back on rentals, investors will come back into the market and a new property cycle begins. "One day the X and Y's choice of \$5 for a coffee gives way to the up-marketed pram and then you have a whole new world." Activity in the unit market has certainly increased over the past 8-10 weeks, according to Century 21 on Duporth principal Damien Said. "Investors who have been sitting on the sidelines over the past 12 months watching the market with interest are again entering the market with confidence which is a pivotal sign for the local unit market," he

Singles look to settle down

The Sunshine Coast is seeing a lot of young singles entering the unit market at the moment, according to Mark McGill of Amber Werchon Property, particularly for lifestyle reasons. "Being close to the beach is the major drawcard," Mr McGill said, "along with the convenience of not having to maintain the exterior of the property and facilities such as pools and barbecues which are typically included in the body corporate. "I have seen a lot of activity from single male's working in the mines, looking for a low maintenance and well-located place to come to when they fly in, fly out. One-bedroom apartments in particular. "They know what they want and are prepared to make a decision very quickly. If they cannot buy it there and then they have gone. "They work in the mines and work for two weeks straight. They are ready for a mental break. A lot have family and friends close by. They are often ex-Sunshine Coasters who know the area and want to invest where they see value."



Mark McGill of Amber Werchon property at 18 Camfield Street, Alexandra Headland.

Mr McGill said most are Gen X and Gen Yers were looking for beachside properties close to the cafes and shops so they could have a fitter, healthier, walkable lifestyle. There have been two-bedroom units selling as low as the high \$200,000s now, with body corps of only \$1500pa. "Buying a beachside apartment in the golden triangle under \$300,000 was unheard of last year,

now there are some exciting opportunities. We have also seen the number of units on the market shrink in the area, with many people choosing to hold on to them now. If one comes up then it needs to be acted on quickly. "Good rentals are still underpinning the values, so in many cases the rental income is covering the mortgage repayments which is now seeing the return of the investors back to the blue chip suburbs."

