



MARKET THAWS: Kawana health precinct at Birtinya, including Sunshine Coast University Public Hospital, is helping to drive the region's growth. PHOTO: ERLE LEVEY

Spring selling season generates optimism

By ERLE LEVEY

THE strongest national winter sales since 2007 have the Sunshine Coast property market thawing.

Traditionally the best selling period, spring, is tipped to see an increase in new properties coming on to the market.

Demand for housing has steadily increased in 2014, leading to a shortage of supply.

This has put pressure on prices.

The lift comes on the back of most Australian capital cities seeing the biggest rise during the winter months since 2007.

Market analysts have warned the Coast not to expect the same increases as being experienced in Sydney (16.1%) and Melbourne (11.7%).

On the Sunshine Coast, RP Data's review of house prices has shown the market is emerging from the post-GFC slump.

House values on the Coast have increased by 6% in 2014, the highest annual growth since the 12 months to April 2010.

This follows a rise of 1.2% for the year to November 2013. Yet they are still 1.6% below the five-year average.

Unit prices are up 5.6% for 2014 at \$359,657 but down 6.8% on the five-year figure.

Annual growth in prices came in at 10.9%, more than double the gain of the 12 months to August 2013, but the gains were not evenly spread across the country.

RP Data research director Tim Lawless said Sydney and Melbourne were driving a two-tier market.

The RP Data figures show Sydney home prices rose by 16.1% in the past year, while Melbourne's were up by 11.7%, he said.

The next strongest markets were Adelaide, Brisbane and Darwin, with price rises averaging between 5% and 6%. Mr Lawless expects a rise in listings of properties for sale in the next

Coast headed right way: valuer

IF THE first quarter fails in property sales then the rest of the year will be terrible.

Fortunately for the Sunshine Coast it is looking good, with total sales up 26%.

Speaking at the Australian Property Investment seminar at Maroochydore recently Peter Degotardi, of valuers HTW, said the Coast was going in the right direction.

House sales under \$500,000 were up 15.2% while \$500,000-\$1m showed an increase of 49% and the \$1m-upwards sector increased by 88%.

"That tells us we are on the improve," Mr Degotardi said. "Housing was on the rebound in 2012 and that is continuing now."

"Sales volumes are below the peak yet the median price is only \$5000 under the peak at \$455,000."

"Listings remain hard to get under \$600,000."

"The luxury market is location specific. 'I'm feeling pretty confident of the Coast,'" he said.

"Yet let's not get ahead of ourselves."

few months. Meanwhile, RP Data research analyst Cameron Kusher, in Noosa for The Business of Real Estate conference, said growth was Sydney and Melbourne-centric because of a number of factors: low interest rates and that those cities were the strongest to recover from the GFC.

"They have equity and they are looking to upgrade or be investors in their own cities," Mr Kusher said.

"The confidence is stronger there. Big business and financial services are based there."

"Since the GFC we are not seeing the traditional outflow of people from NSW and Victoria to south-east Queensland,

"The next step is the affordability of properties when Sydney has seen 30% growth in two years and Melbourne 20% in two years."

"At some point people will not be able to afford that, especially once you adjust for inflation and no wages growth."

RP Data estimates that there were 8879 homes sold on the Sunshine Coast in the 12

months to November 2013, which is 19.4% higher than the same period one year earlier.

Andrew Garland, of Ray White Caloundra, has seen the number of sales go up while the number of days a property is on the market go down.

"Sales are very encouraging. We have certainly seen good recovery of prices from the dark days of 2012 where some people were under stress," he said.

"Today there is a solid foundation under the market. There is no doubt the reconnect with Brisbane is growing."

Amber Werchon, of Mooloolaba-based Amber Werchon Property, said she did not get caught up in speculation but focused on the feel and signs of change in the market.

"Statistics are lag indicators," she said.

"We know the lead indicators and overall things are positive."

"Based on this year's winter sales the outlook for October is very optimistic for the spring selling season, into summer and beyond."

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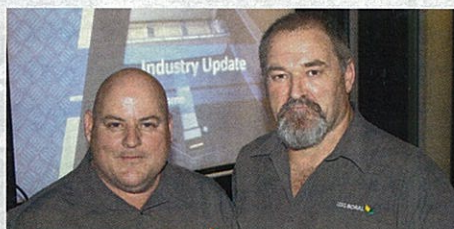
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Builder night 38

Master Builders Sunshine Coast held its industry update night on the back of data showing a good trend upwards in the industry



Range home 51

Immerse yourself in nature and watch the sun rise over the ocean from this renovated home on 4.42ha