
Homes rise to \$600,000

EXCLUSIVE
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THE price of the average Gold Coast home has hit the \$600,000 mark, despite a dramatic fall in sales volumes in the six months to June.

Figures released yesterday show the average detached home has soared to its highest level in almost 30 years, calculated from just over 2000 sales.

But real estate agents are doing it tough, with the figures representing an average of just 2.3 homes sold by

each of the 900-odd Gold Coast agencies in the past six months.

The data from the Queensland Department of Environment and Resource Management shows property prices rose by 12 per cent over the past 18 months and 4.2 per cent on the previous six months.

Property analyst and author of the Midwood Queensland Investment Report, Bill Morris, said the figures showed a 'peculiar trend'.

"Normally we see the average go up when demand is high and people are scrambling to buy a property," said Mr Morris.

"What we expect is that if prices are rising, demand is rising too.

"But this shows how much of a shortage of housing supply we have. Really, we have to look at a way to increase the capacity to build."

Data for the six months until June showed 2094 sales, with an average house price of \$600,110.

In the six months until June, 2009, the average property was worth \$534,924.

In that time, more than 5000 sales were recorded.

Mr Morris said pressure on the State Government and the council

to increase the urban footprint could help the issue, but the major problem was finance.

"The current level of house sales on the Gold Coast is the lowest since the 1981-82 recession," he said.

"It has affected real estate agents, conveyancing lawyers, removalists and all those businesses that rely on property sales.

"There are real problems getting finance... there is a credit squeeze - the banks aren't lending because there is not enough credit available offshore."

He said about half of the banks'

funding came from home-grown savings accounts, while the remainder was from overseas.

"This is it for a while. The only real way I can see something changing is if the RBA makes some radical changes," he said.

He said the average price had been pushed up by a small number of multimillion-dollar sales and median house price would be below \$600,000.

"The same situation does not apply to units, where prices are still falling to an average of \$476,614 in the June, 2010 half-year," he said.