

New home buyers hold key

Analyst says economy in need of bigger grant

By JO HALES

A GOLD Coast property expert says extending and doubling the Federal Government's new home-owners grant would be a catalyst for growing southern suburbs.

Mr Morris, author of the Midwood Queensland Investment Report, said raising the grant for newly built homes to \$42,000 and extending it beyond the June 30 deadline, would 'get the market moving' in locations such as The Observatory at Reedy Creek.

He said there was not enough incentive for new-home buyers wanting to purchase a Coast property, where house-and-land packages averaged \$500,000.

"First-time buyers generally don't have enough for a deposit for those amounts, so \$42,000 would be helpful," he said.


Mr Morris was responding to the latest Australian Bureau of Statistics housing finance figures which showed 90 per cent of first-home buyers were using the \$14,000 boost grant to buy existing homes.

In January \$187 million was paid in grants for used homes, with only \$12.7 million allocated for new homes.

However, Mr Morris said

High-rise price hit

BUYERS wanting to grab a bargain high-rise apartment should jump in now. Property expert Bill Morris, said prices were extremely low, after falling 30 per cent in the past year. "There is far too much stock out there - new and second hand," he said. Mr Morris said in tough economic times there was always an oversupply of apartments. "They are discretionary purchases, they are bought as an investment or holiday home and are offloaded quickly when the economy is in trouble."

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buying existing homes didn't do nearly as much for the local economy.

"A new-home owner engages most of the skilled trades, together with suppliers of items such as concrete, bricks, glass, carpets and curtains," he said.

However, Real Estate Institute of Queensland chairman Peter McGrath said an overhaul of charges on new developments would be a more effective way to increase new home sales.



Short-lived chance to snare a bargain

HOME-buyers hitting the Gold Coast market now can expect an average 30 per cent increase on their house's value by the end of next year, according to a leading property analyst.

Midwood Report author Bill Morris (pictured) said the market would start to 'bounce back' and home-buyers should purchase before the end of 2009 if they wanted a bargain.

"The market will stay flat for another six to nine months, but prices will start to rise early next year," he said.

He said when the market recovered, house-and-land prices would be up to 30 per cent more on present values.

This would take the median price of a Gold Coast house from \$440,000 to \$550,000.

Mr Morris said historical data confirmed the cyclical nature of the property market and its capacity to bounce back.

"Over the last 40 years we have had a regular seven-year cycle, regardless of interest rates and the state of the economy," he said.

Mr Morris said in the last boom in 2003 some prices rose 100 per cent in one year.

In the next boom he said suburbs near the ocean should do particularly well.

Location	Median House Sept'08	Forecast Median House Price 2010-11
Ormeau	\$445,000	\$525,000
Reedy Creek	\$605,000	\$700,000
Southport	\$467,000	\$585,000
Mermaid Waters	\$650,000	\$850,000
Tugun	\$510,000	\$650,000

Source: REIQ & Midwood QLD Investment Report