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POPULATION
EXPECTED TO REACH

9,000

Survivor warns of next wave

TANYA WESTTHORP

westthorpt@goldcoast.com.au

INVESTORS have been told to beware the aftershocks of the global financial crisis.

Crisis survivor Sahba Abedian – boss of success story Sunland – warned the property troubles had not yet settled.

“We are not even through the cleansing process,” he said.

“The first wave of the crisis saw the highly-g geared companies like City Pacific, Babcock & Brown and MFS fall victim. The next wave, which is coming through now, is the private environment where they’ve had 12 months (to deal with their debt).

“There will be a third wave ... a lot of debt needs to be refinanced.”

The Midwood Queensland Investment Report labelled Sunland as the shining light in an otherwise devastating period for Gold Coast property development.

The report says business confidence has hit all-time highs for the first time since the global financial crisis hit with 56 per cent of Gold Coast businesses reporting a return to confidence, particularly for the second half of 2010.

The major obstacle to recovery was that banks were still not lending, leaving businesses without the catalyst to start projects that would inject more capital into their cashflow, said Midwood Report author Bill Morris.

“A solution is to lower the required capital adequacy ratios of the top four banks (now 8 per cent capital to assets) to 6 per cent for a limited period, in order to free up more capital for lending to specific economic sectors,” he said.