

Worst over as high-rise sales hit rock-bottom



Astute investor: Marissa Kucil bought her Southport unit for \$100,000 below the market value

Picture: Patrick Hamilton

LOFTY FALL

New apartment sales by region

High rise sales	May qtr 2008	May qtr 2009
Gold Coast	248	79
Brisbane	10	28
Sunshine Coast	25	1
Mackay	n/a	0
Townsville	18	7
Cairns	14	1
Total	315	116

Source: Midwood Queensland

Bridget Carter

SIGNS are emerging that the Gold Coast apartment market has stabilised, with a clearance sale of high-rise stock and first-home owner demand boosting activity.

According to the Midwood Queensland Investment Report, to be released this week, Queensland high-rise apartment sales in the May quarter were about half those of the previous corresponding period.

There were 116 high-rise units sold in Queensland in the May quarter, compared with 315 in the same period in 2008, with the Gold Coast hardest hit.

High-rise Gold Coast unit sales dived from 248 in the three months to May 2008 to just 79 for the same period this year, despite more stock on offer.

However, the latest result is an improvement on previous quarters. Bill Morris, author of the

Midwood Report, said he thought the worst was over, with just 37 and 49 sales in the previous two quarters respectively.

"We have probably hit the bottom of the market," he said.

Demand was strongest at the bottom end, with almost half of the recorded Gold Coast high-rise sales recorded at the Brighton on Broadwater complex by the Harry Triguboff-backed company Meriton.

Most buyers paid less than \$500,000 and a Meriton spokesman said 30 per cent were first-home buyers.

In a fire sale by listed developer Sunland, launched in December and concluded in March, apartments sold at discounts of up to 15 per cent in the \$650,000 to \$1.2 million range.

Sunland said it had now sold all of its units in its Circle on Cavill and Avalon towers, with 82 sales since late last year.

Industry sources said apart-

ments in residential towers that would normally sell for well over \$1 million have had their prices slashed by 25 per cent in the past year.

But they were not expected to decline further.

Falling interest rates have helped owners rent out high-rise apartments until the market improves, rather than sell at fire-sale prices.

While the Gold Coast rental market is also saturated, in most cases owners have been able to secure enough income to cover loan repayments.

"Sellers have been discounting, but they are reluctant to discount any further," said Larry Malan, director of Gold Coast real estate firm Location, Location.

"All of the desperate sellers have been shaken out of the market in the last six months."