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## Gold Coast enters growth phase, but is it really a good place to invest?



There's no doubt the Gold Coast residential market is entering a growth phase. After five bad years, in which prices went backwards, the Gold Coast is moving again.

Sales activity is rising strongly across the region and the latest figures from the Real Estate Institute of Queensland suggest prices are moving in the right direction.

But we remain opposed to investment in this market.

Here's an example of why. On 12 June, the *Gold Coast Bulletin* published a news article under this headline: '104-storey Southport tower poised to steal Q1 crown of Southern Hemisphere's tallest residential high rise'.

Apparently a three-tower complex called Imperial City is planned for Southport. The building will be 75, 85 and 104 storeys, dwarfing the 78-storey Q1 which is currently tallest high-rise on the Gold Coast, as well as in Australia and Southern Hemisphere.

Imperial City will contain 2,200 apartments, as well as 200 student rooms and a 200-room hotel.

The *Gold Coast Bulletin* reported:

*"The project has been welcomed by city leaders, with area councillor Dawn - Crichlow declaring Imperial City would be the jewel in Southport's development crown. "This is one of a range of Southport developments before the council at the moment and the number, as well as the size of this project, are a real show of faith," she said.*

*"Southport MP and Assistant Planning Minister Rob Molhoek said he was "incredibly excited" by the proposal. "There are more than 17 major development approvals in line for Southport right now which is a testament to the fact that the CBD is on its way back to its former glory," he said*

*"If this gets approved and built it would be a symbol of everything we are trying to achieve right now."*

That pretty much sums it up. This latest monument to a developer's ego is seen on the Gold Coast as "a symbol of everything we are trying to achieve".

Presumably Molhoek and Crichlow like oversupply and falling property values. The mentality of civic leaders and business people on the Gold Coast never seems to change. The place lurches from boom to bust, relentlessly and repeatedly, because this is how they think. They see the Gold Coast as a theme park for foreign tourists and property speculators, rather than as a city with families who needs services and jobs. If it reaches for the sky, it has to be good.

Just when the Gold Coast has soaked up its surplus of apartments, a process that took five agonising years, its developers and politicians are sowing the seeds of the next calamitous glut. The Imperial City monstrosity is one of many mega proposals for the glitter strip. New ones are announced weekly.

If you must buy on the Gold Coast, avoid the highrise. Buy houses in an inland suburb.

These are the areas of the Gold Coast market that really stand out in the research I've just completed for The Price Predictor Index.

Rising markets include [Nerang](#), [Mudgeeraba](#), [Coombabah](#), [Arundel](#), [Ashmore](#), [Carrara](#), [Coomera](#) and [Varsity Lakes](#) – all housing markets inland, away from the skyscraper insanity.

Lest you forget, the latest edition of the REIQ's quarterly

