

QUEENSLAND SPECIAL: SUNSHINE COAST Stephen Lacey

Endless summer

Developers are hoping the cachet of Noosa Heads helps them ride out the financial storm.

'We have reduced our prices as a result of the current market conditions.'

Gary Godfrey, Settler's Cove

Wandering along Hastings Street, you could be forgiven for thinking the world financial crunch was just a bad dream.

The ritzy boutiques seem as busy as ever, the expensive restaurants are doing a roaring trade and the cafes are packed with punters sipping four-dollar lattes. Crisis? What bloody crisis?

Then there's the cranes rising over the irrepressibly golden shores and luxury apartments climbing skywards.

Peter Butt, of Richardson and Wrench Noosa, says the bottom of the market for beachfront in Hastings Street is \$1.5 million for a one-bedroom apartment and \$2 million for a two-bedder.

Indeed, a Hastings Street penthouse apartment held the record residential price in Noosa, (until recently snipped by a waterfront house), selling for \$8.2 million in 2007.

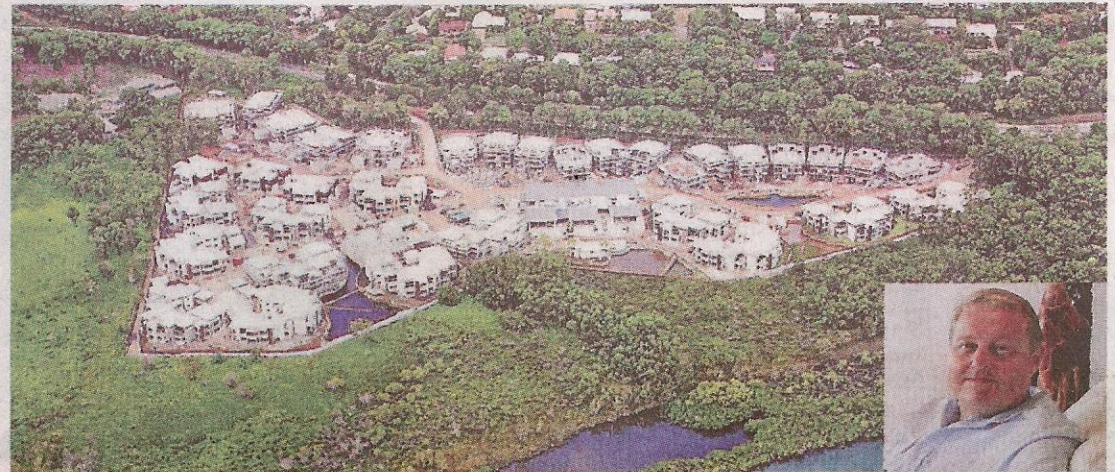
But not everything is as sunny as it seems, especially for vendors. According to RP Data, as at the end of last year, median unit prices sat at \$505,000, 30 per cent less than their peak median price of \$725,000 two years earlier.

Sales volumes have slumped to 74 per cent below the 10-year average, RP Data says.

During the December quarter, there were just 17 sales and 151 units advertised for sale.

Michael Matusik, the director of Matusik Property Insights, says this is unusual for Noosa, where quality stock has been limited, until now.

Matusik believes that, like a haute couture label,



The long view ... Harry Bronn (inset) bought off the plan in Quay West, Noosa.

DUAL KEY AT QUAY WEST A SUPER IDEA, SAYS HARRY

Harry Bronn and his wife, Charmaine, of Vaucluse, bought adjacent one- and two-bedroom apartments in Quay West. They bought them off the plan in July 2007, paying \$510,000 and \$920,000 respectively.

The Bronns intend to use the apartments for a couple of weeks in the colder months and then let Mirvac manage them for the rest of the year.

"The dual-key structure allows for a flexibility for letting arrangements," Bronn says.

Being a financial adviser (independent of this development), Bronn researched the project and Noosa in general, before committing.

"I believe Noosa is a good investment in the medium to long term," he says.

"I think in 10 years time, I'll get quite a handsome return on these apartments, which is why I've put them into my super fund. I won't attract capital gains tax and the returns will be tax-free."

the Noosa Heads brand continues to be strong.

"Noosa has cachet and more than an air of exclusivity," he says.

Noosa has a population cap of 60,000 permanent residents. About 35 per cent of the shire is national park. And it has a stunning beach dotted with world-class facilities.

QUAY WEST

Construction on the \$210 million Noosa Sanctuary will be finished in September. The

project, overlooking Noosa Sound and a protected conservation reserve, will incorporate 108 one, two- and three-bedroom "lagoon" apartments, 26 four-level villas and 15 homes.

The 15-hectare site, developed by the Gold-Coast based Resort Corp, will be managed by Mirvac as the Quay West Resort Noosa.

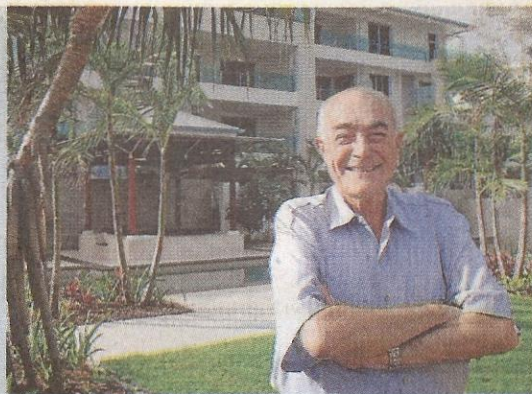
Resort Corp's marketing director, Graham Staerk, says 30 per cent of the development has sold. "We've had huge interest from empty-nesters in the local Noosa market and even

LIFESTYLE MEANS GETTING IN ON THE GROUND FLOOR

Retired deputy manager of AMP, Kerry Roberts, 71, and his wife, Maureen, are from Sydney's Upper North Shore. They bought a ground-floor apartment off the plan in Settler's Cove "Riverlight" in Noosa six months ago, paying \$1.6 million.

"The apartment is house-sized ... because our family and friends from Sydney will be staying with us," Roberts says.

"I also think the apartment is a good investment, however for us it was about the lifestyle, we have no intention of selling."



Settled in ... "Riverlight" resident Kerry Roberts.

interest from a few American expats living in Hong Kong, accounting for six sales."

And despite the downturn in the market, Staerk says prices have not been cut.

He says a 200-delegate convention centre will provide "year-round occupancy" and there will be a pool, gym, tennis centre, restaurant, deli, day spa and children's club.

Prices start at \$490,000 for one-bedders (50 sq m), with three-bedders (153 sq m) starting at \$1.27 million. Strata fees start at \$3848 a year.

SETTLER'S COVE

Empty-nester retirees and semi-retirees will want to check out the super-luxurious Settler's Cove, developed by Perth-based Cape Bouvard.

The 36-hectare site will have 132 three-bedroom, three-bathroom apartments, ranging from 200 sq m to a monster 248 sq m internal. Penthouses stretch to a mansion-sized 340 sq m, plus 224 sq m balconies and roof terraces.

Stages one (Elandra, 15 apartments) and two (Riverlight, 22) are finished and all sold off the plan in 2007-08, with prices from \$1.6 million to \$3.1 million. You need very deep pockets to live at Settler's Cove, with strata fees hovering about \$10,000 a year.

"Our buyers were people who have known and visited Noosa over a period of time," says senior development manager Gary Godfrey. "A third of our buyers are from the Sunshine Coast. The rest

are evenly divided between Sydney, Melbourne and Brisbane. We've also had 10 buyers from New Zealand."

Godfrey says there has been only one resale. An Elandra apartment bought off the plan in 2007 for \$2.85 million sold on completion early last year for \$3.15 million. While slow to shift since being launched in April 2008, the third stage has generated \$14 million in off-the-plan sales and one cashed-up buyer snared the \$4.5 million, 340 sq m penthouse in Emerald. Prices in stage three start from \$1.8 million.

But there are deals to be had. "Yes, we have reduced our prices as a result of the current market conditions," Godfrey says. "I'm referring specifically to the one- and two-level apartments in stage three, where you'll save \$100,000 to \$150,000. It's less than 10 per cent of the total purchase price but it reflects the cooling-off at the top end of the market."

If you're going to retire, this is one way to do it in style. All apartments have travertine floors, three-metre ceilings, large living-dining areas flowing to spacious entertainment decks and jacuzzis as standard. Most bedrooms have walk-in robes and full-height tiled bathrooms. A media room is also standard, as is a gourmet kitchen with butler's scullery.

Each stage gets its own landscaped recreation zone with gym, resort pool, yoga deck, 25-metre lap pool and barbecue pavilions.