

Sunshine Coast commercial property strengthens

by Colliers International

New research has revealed that, of the three Sunshine Coast shires, Maroochy captured almost half the recorded commercial sales in the third quarter of 2006. The majority of sales activity occurred in the districts of Palmwoods, Woombye and Nambour. Forty per cent of sales value occurred in Maroochy (\$12.7 million) and Noosa (\$12.2 million) and Caloundra contributed 19 per cent or \$5.7million.

Colliers International Sunshine Coast managing director Nick Dowling says sales were dominated by under utilised land holdings (such as nurseries, caravan park and tourist attractions) to be converted into residential developments.

"In Noosa, 35 per cent of the quarter's settled sales occurred mostly in the light and general industry sector. In Caloundra – where only four sales settled in the quarter – there was activity in several sectors," Mr Dowling said.

Regional sales activity and value

Shire	Number of Sales	Sector Share	Sales Value	Sector Share
Caloundra	4	17%	\$ 5,715,000	19%
Maroochy	11	48%	\$12,678,500	41%
Noosa	8	35%	\$12,245,158	40%
Total	23	100%	\$30,638,658	100%

Source: NRM & Colliers International Sunshine Coast.

"Those areas where significant sales activity occurred over the year to date include the regions of Nambour, Palmwoods, Warana, Kunda Park, Caloundra West, Maroochydore and Noosaville. Settled sales of light and general industry premises provided a solid driving force for the Sunshine Coast market."

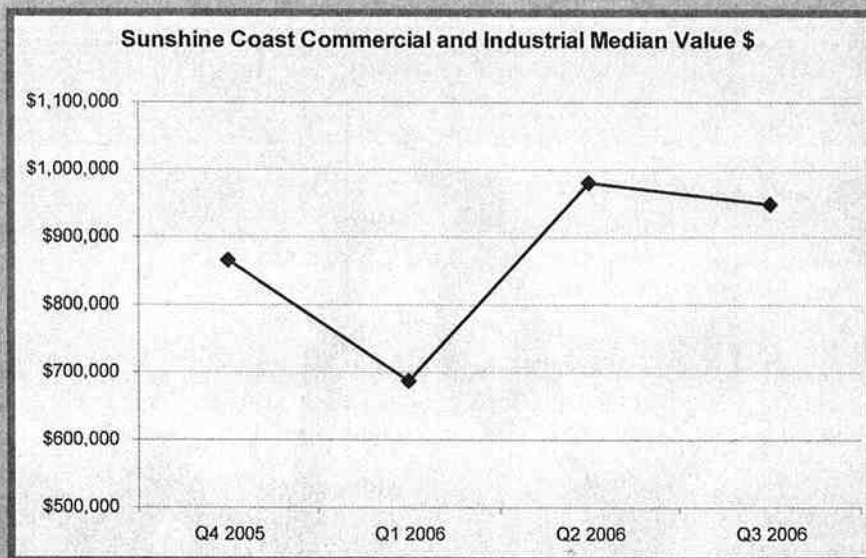
Mr Dowling said he was surprised to learn of the high volume of sales located in hinterland areas.

"Most of the attention is being paid to developing coastal communities of Kawana, Coolum and Maroochydore and it was surprising to see the volume of sales in what would be considered a non-traditional market," he said.

Other Colliers International research also revealed the median price paid for industrial and commercial property in Sunshine Coast in the third quarter of 2006 nudged close to \$1 million with continuing interest in the top end of the market.

"The median price paid for commercial property in the third quarter 2006 for the Sunshine Coast was \$950,000, an annual change of almost 10 per cent. Average net rental returns remain strong hovering between 7.5 per cent and 8 per cent. It was also found that median prices paid for commercial property on the Sunshine Coast decreased by 3 per cent over the last quarter," Mr Dowling said.

Median Commercial Property Price Sunshine Coast



Source: NRM & Colliers International Sunshine Coast.

Mr Dowling said the market continues to be characterised by tight supply and robust demand. In addition to this, local investors are contributing strongly to the top end of the market, with seven out of the top 10 settlements involving local investors.

"Economic factors such as population growth, employment conditions, interest rates and environmental balances remain the keys for the Sunshine Coast industrial and commercial markets. While economic factors continue to be favourable and the Sunshine Coast's ability to attract developments continues, this market will remain buoyant." ■