



Iconic destination still luring buyers

NOOSA remains a shining light of the Australian real estate market in the midst of economic uncertainty, according to a new report by leading property analyst Michael Matusik.

Its idyllic location, prestige seaside village character, the exclusivity of 'Brand Noosa', limited new housing supply, tightly-held property market, along with a relatively strong tourism economy and the area's growing appeal with financially secure retirees and empty-nesters, combine to make Noosa a rare safe investment haven, says Mr Matusik.

A Matusik Property Insights analysis of the Noosa property market has revealed ongoing capital gains, with house prices almost doubling between 2004 and 2008 and strong apartment price growth of up to 18 per cent last year.

While Noosa has not been immune from the impacts of the financial crisis and property market slowdown, Mr Matusik said, it had to a significant extent been quarantined.

"Noosa, because it is Noosa and the unparalleled lifestyle that it represents, stands as something of a beacon amid the economic gloom and doom," he said.

"In a review of Australian cities and towns a few years ago, the *Australian Financial Review* listed Noosa Heads as one of the best five places in Australia to live - and that remains very much the case today.

"Indeed, Noosa Heads and its iconic main thoroughfare - Hastings Street

- have a recognition factor second-to-none when it comes to prestige living, shopping and holiday fun.

"Holiday accommodation in Noosa Heads achieves some of the best occupancy rates and returns in all of Queensland destinations and our research confirms that Noosa Heads is also a great place to invest, with its waterfront opportunities."

According to Mr Matusik, house prices in Noosa Heads between 1990 and 2008 achieved impressive average annual growth of 10.7 per cent, from \$360,000 to \$2.23 million.

Vacant land values during the same period rose an even more spectacular 18.2 per cent, from \$50,500 in 1990 to \$1.03 million last year. Apartment prices increased a healthy 6.5 per cent, from \$187,500 to \$585,000.

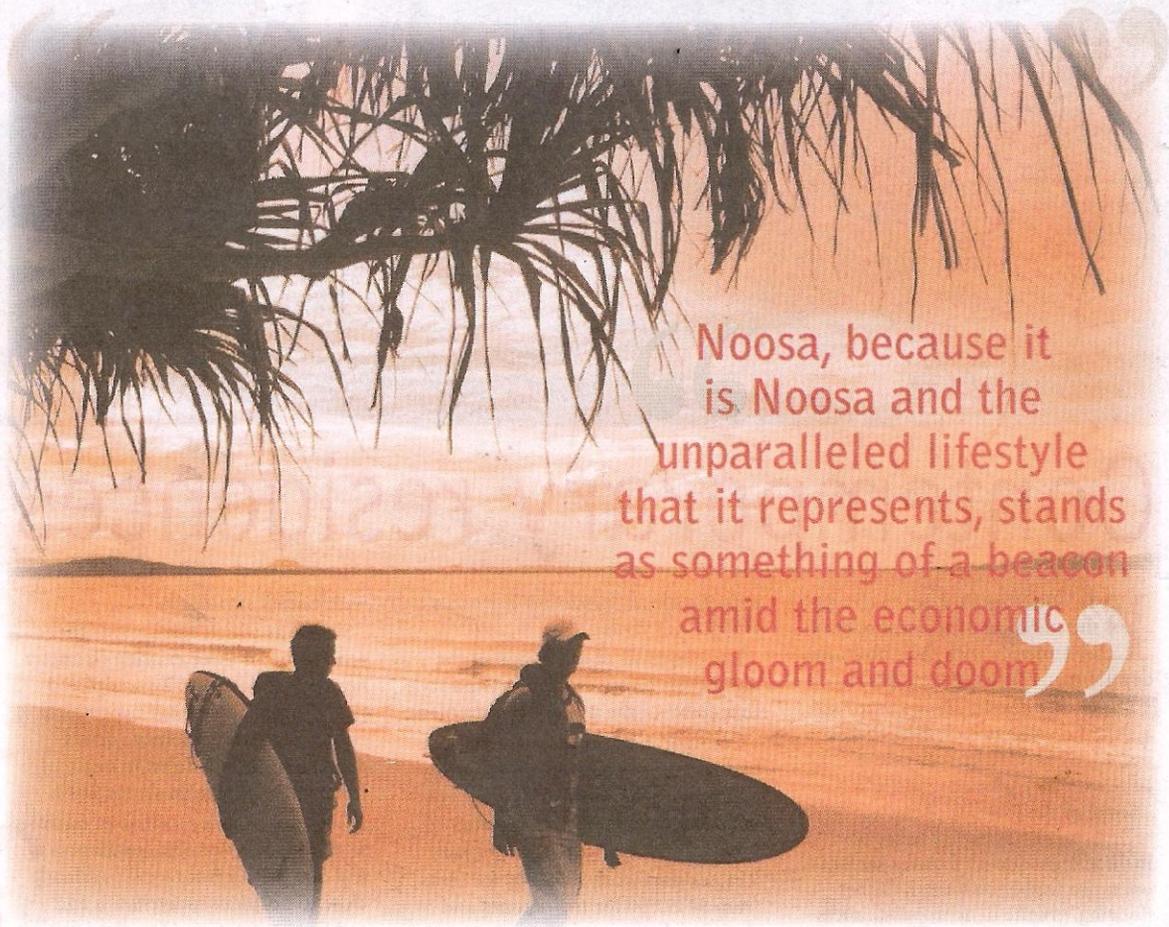
There were only 17 detached house sales in Noosa Heads last year, about half the number sold in 2007.

Mr Matusik said this reflected not only the slowdown in the wider real estate market, but also the tightly-held nature of the Noosa market.

Noosa's median house price fell by 17 per cent last year to \$2.23 million, but as Mr Matusik noted: "The median sales price of houses has almost doubled since 2004, when it was just \$1.2 million."

Mr Matusik said Noosa's 93 apartment sales last year, while down from 174 in 2007, also reflected a shortage of new product and the superannuation concessions introduced by the Federal Government.

"Anecdotal reports suggest that much



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of the increased demand in 2007 was due to owners selling properties by the deadline for the superannuation concessions," he said.

"The rush to sell properties by the deadline may also have contributed to the decline of the median sale price in

2007. The fact that the number of sales in 2008 was only marginally lower than the number of sales in 2006 suggests that this theory is correct."

Against the backdrop of a slowing economy, Noosa's median apartment price still rose a respectable 6.5 per cent

last year to \$585,000; the vacant land gain was 18.2 per cent but analysed on very small sales volumes because of a lack of supply.

Mr Matusik said the prestige, owner-occupied market had been a major growth sector of the Noosa market.