

# Recovery is on the way

**G**OOD news has arrived for those anxiously trying to predict Townsville's residential property market — the market has bottomed and a recovery is now underway. The news comes from data prepared by PRDnationwide Townsville.

Research manager Dean Dederer compiled the information and said figures for settled sales up until March 2009 clearly showed sales volumes bottomed during 2008, with a slight recovery occurring in the latter part of 2008 and early 2009.

"This information indicates that the market has passed the bottom of its current cycle and we are now in the recovery stage," Mr Dederer said. "However, this is not to say that there will not be further volatility."

"We do expect this upward trend to flow through the balance of 2009, propped up by first home buyers and bargain hunters."

"Further, investors who have not been as active in the market in recent times have already re-entered the market in increasing numbers. No doubt more will join the market as the year progresses."

"Historically, median price movement lags sales volume movement and this suggests the median house price will recover any lost ground during the latter part of 2009."

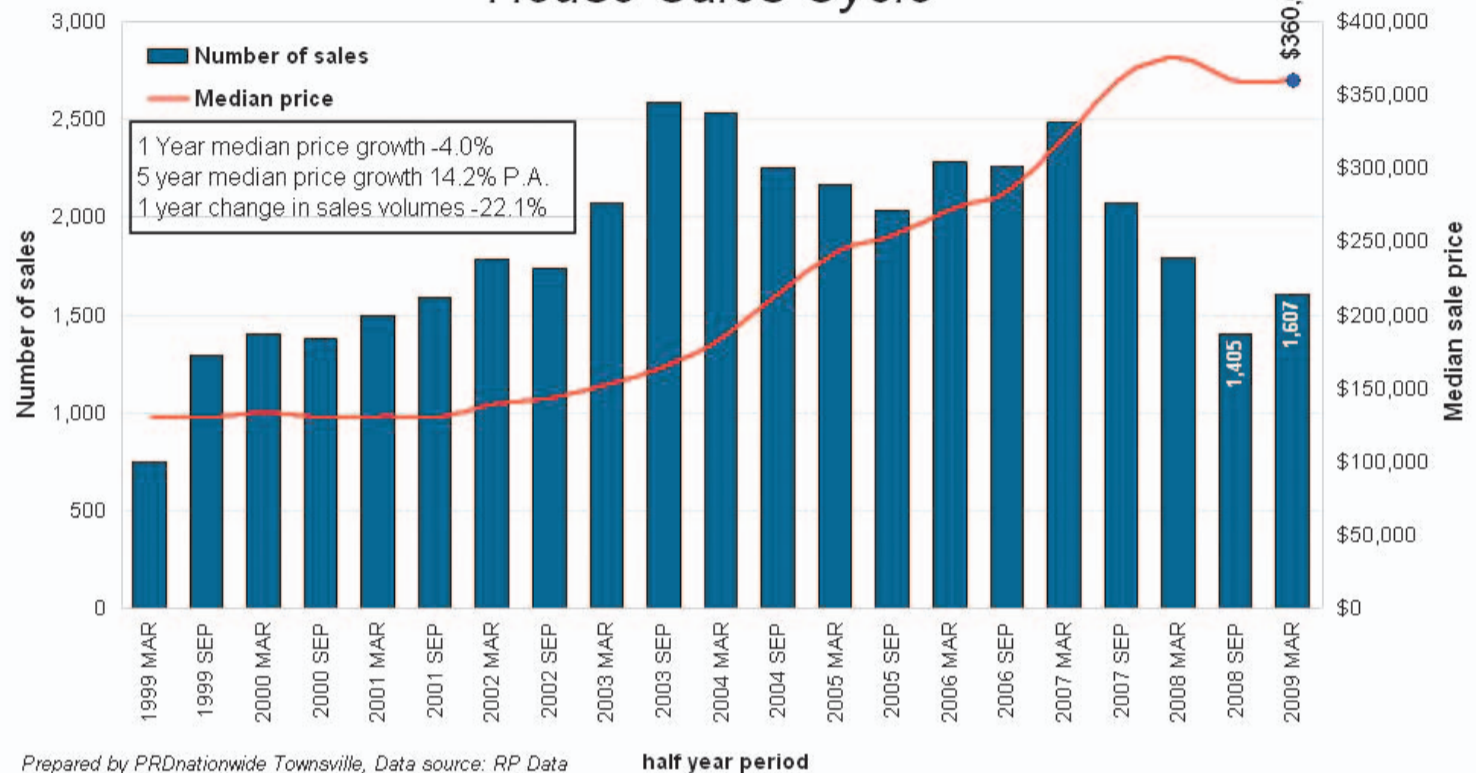
Mr Dederer said the extreme level of current activity in the bottom end of the market may skew median prices until the boost to the First Home Owners Grant phases out from September 30 and expires altogether on December 31, before reverting back to the normal level.

During the six months ending September 2008, 1405 house sales were recorded in the Townsville City Local Government Area.

In the following six month period ending March 2009, the number of house sales increased by 14.4 per cent to 1607.

## Townsville City LGA House Sales Cycle

PRD nationwide



Prepared by PRDnationwide Townsville, Data source: RP Data

The 10 year average is 1911 sales every six months.

"This trend of increased sales since the latter part of 2008 was also mirrored for unit sales, with 346 sales recorded during the six months ending March 2009."

"This is up 9.8 per cent from the 315 sales achieved in the previous six month period."

This increase in sales activity shows buyer confidence has largely been restored.

Mr Dederer said land sales figures showed a different trend, with volumes not increasing over the six months to March 2009.

"This is largely due to builders and developers cleaning up existing stock that had been in the pipeline. However, I believe a recovery in the

volume of land sales is also now underway and the next set of data should support this.

"Overall, the message is clear; the market has bottomed."

Mr Dederer said to those sitting on their hands wondering if it was safe to enter the market, there was no better time than the present to start researching and signing a contract.

## Sizzling auction of hillside property winds back the clock

NEARLY 50 people packed into a hillside unit this month to watch one of the most hotly contested auctions in more than a year.

The excitement that surrounded Townsville's real estate market in 2007 returned momentarily when 11 registered buyers placed 20 separate bids for the two-bedroom Hale St unit.

The property was eventually sold for \$501,000 to Townsville resident John Force.

The unit, which is located in a large complex and has sweeping ocean views from Cape Cleveland to Cape Pallarenda, was sold off as part of a deceased estate.

The property was sold by RE/MAX Excellence real estate agents Rohan Banning and Lyn Griffiths.

Mr Banning said that more than 50 groups of people had inspected the property in the four weeks leading up to the auction.

"The level of inquiry for this unit was

very surprising because most of the people interested were second-home buyers or investors," Mr Banning said. "Obviously when you can attract that kind of attention from investors it gives a good indication that confidence in the market's long-term performance is returning."

"The result also goes to show that unique and well-priced properties are still in healthy demand and attract heated interest."

The unit included two bathrooms,

two car parks and a large open-plan living area that opens on to a balcony. The complex has a pool, gym, tennis court, sauna and barbecue areas. Ms Griffiths described the atmosphere at the auction as similar to what she experienced in the lead up to November 2007, when Townsville real estate prices and sales activity peaked.

"As soon as the first person placed their bid it started a healthy bidding war amongst other registered

buyers," Ms Griffiths said.

"This auction was very exciting because there hasn't been a lot of urgency shown by buyers over the past 18 months."

"We don't expect this kind of activity or result every weekend at the moment, but we believe that it was a terrific step forward for Townsville's real estate market."



### Ray White's First Home Buyers and Investors Auction

Tuesday 04 August, 6:00pm – Southbank Convention Centre, Palmer Street

- Lot 1 60 St Albans Road, MOUNT LOUISA
- Lot 2 6/108 Mitchell Street, NORTH WARD
- Lot 3 6/56 Armstrong Street, HERMIT PARK
- Lot 4 49 Goldring Street, HERMIT PARK
- Lot 5 5 Carmen Close, YABULU
- Lot 6 28 Minstrel Court, BUSHLAND BEACH
- Lot 7 7 Buell Court, ALICE RIVER
- Lot 8 11 Colby Court, KELSO
- Lot 9 3/66 Tenth Street, RAILWAY ESTATE
- Lot 10 10 Andrew Crescent, CONDON
- Lot 11 5 Doncaster Way, MOUNT LOUISA
- Lot 12 134 Framara Drive, KELSO
- Lot 13 23 Gatton Street, KIRWAN
- Lot 14 5/102 Cook Street, NORTH WARD
- Lot 15 1006/75 The Strand, NORTH WARD
- Lot 16 26 Allambie Lane, KELSO
- Lot 17 150 Francis Street, WEST END
- Lot 18 109/75 The Strand, NORTH WARD
- Lot 19 15 Rosewood Avenue, KELSO
- Lot 20 86 Railway Avenue, RAILWAY ESTATE
- Lot 21 14 Alan John Street, KELSO

Please note: Order of sale subject to change.

- Naomi Theodossio 0407 573 358
- Danny Cody 0404 077 102
- Malcolm Thomson 0400 545 664
- Michael Andrews 0414 886 294
- Chris Orr 0413 642 584
- Simon Clayton 0415 196 270
- Chris Orr 0413 642 584
- Michael Andrews 0414 886 294
- Kimberley Orr 0415 038 321
- Kelly Woodroffe 0406 996 727
- Dianne Rippon 0417 003 053
- Kelly Woodroffe 0406 996 727
- Shay Bell 0410 436 924
- Kimberley Orr 0415 038 321
- Danny Cody 0404 077 102
- Kelly Woodroffe 0406 996 727
- Julie Crisp 0408 212 019
- Danny Cody 0404 077 102
- Kelly Woodroffe/Michael Andrews 0406 996 727
- Simon Clayton/Kimberley Orr 0415 196 270
- Marysel Charol/Tara Stokes 0439 983 570



Call the team who make Auctions Work:  
 Townsville City 4781 0500  
 Thuringowa 4755 6100

**Ray White**

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