

# City's housing supply 'critical'

**T**HE Gold Coast residential market is critically undersupplied and needs about 35 new dwellings built per working day to cater for the population boom, according to an independent analyst.

Speaking recently at Hope Island, Brisbane-based Michael Matusik said drastic measures need to be taken by local authorities to stimulate development to house the 16,700 new people a year calling the city home.

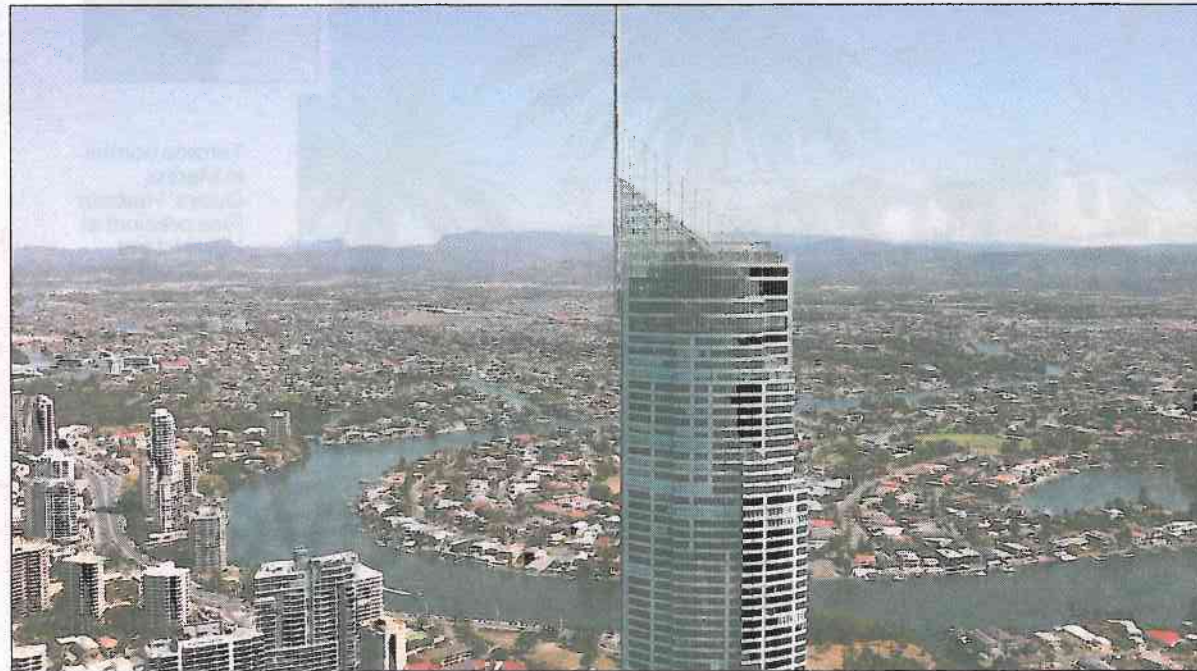
"The Gold Coast is currently undersupplied by 43 per cent when the number of dwelling starts for 2008/09 is matched with the projected underlying demand," he said.

"Translated, this means 8500 new dwellings need to be built each year, or about 35 per working day, to cater for the city's rapidly expanding population.

"As it stands now, on average only 550 new dwellings have been approved per month on the Gold Coast since July 2006 – a shortfall of almost 2000 (a year) when compared to what needs to be built."

Mr Matusik said despite these 'astonishing' figures there was a flipside for investors.

"Demand, given the rapid decline in interest rates, is strong and will get stronger over the next six to 12 months, meanwhile supply



is weak and will only get worse in the months ahead," he said.

"The Gold Coast's housing shortage is perpetuated by strong population growth and a lack of new developments as a result of the economic downturn and increased infrastructure charges.

"Astute investors are realising there is a golden opportunity in the market to pick up a bargain and

position themselves to benefit from the Gold Coast's housing shortage."

Mr Matusik said buyers, including owner occupiers and investors, were seizing the opportunity created by the downturn and were snapping up existing stock, creating major benefits for the new projects currently in the market.

"The reality is that there are very

few new property developments either under construction or ready to commence on the Gold Coast as a result of the economic downturn, this will create an environment for ongoing price growth," he said.

"Developers who are forging ahead will be in a unique position when their product is released to the market as demand for dwellings will far exceed supply as confidence

continues to return to the market.

"The projects which are either under way or in the planning stages are set to become the major beneficiaries of the Gold Coast's supply shortage as they will be the only ones delivering new product to the market for some time."

Mr Matusik said the city's infrastructure charges had increased 90 per cent in the past five years.

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