

Subject to Copyright. See Copyright information at the end of this article.

Keen interest lifts spirits at Soul Tower

Lisa Allen

The Australian Financial Review | 27 Sep 2008 | Page: 17 | Property

The collapse of Gold Coast companies Octaviar and Asset Loan Co, plus the partial failure of property developer Raptis, is hurting south-east Queensland's luxury residential sector and overall apartment sales are down 30 per cent this year.

But at least one developer, the Juniper Group, which is building the \$850 million, 77-level Soul Tower at Surfers Paradise, has been buoyed by the sale during the week of two adjoining apartments to a Papua New Guinea-based businessman for nearly \$7 million.

That sale follows the recent purchase by a Sydney doctor of a whole floor in the Soul tower for \$8.6 million.

All up, 189 apartments have been sold in Soul, of the total 288 on offer. Completion of the tower is not expected until mid-2011.

"We are seeing buyers wanting to make Soul their own home rather than a beachside investment," said Soul sales and marketing manager David Kortlang.

Mr Kortlang said 17 apartments had sold for more than \$4.5 million, and the penthouse sold in October 2006 for a then Australian record of \$16.85 million.

The penthouse buyer remains anonymous.

"Our sales are proving that, despite the difficult times for global sharemarkets, investors are still turned on by first-class property and Soul Surfers Paradise is tailor made for the top-end buyers," he said.

Andrew Bell, chief executive of Ray White Surfers Paradise group, said there was limited stock on the Gold Coast market.

"We are still selling properties," he said. "But one of the problems we have is there is not a lot on the market for sale. People have the perception that next year will be a better year to sell.

"There is no question that sales have slowed this year - they are down 30 per cent - but interestingly, since the middle of August, there has been substantial increase in sales activity and our sales numbers."

Subject to Copyright. See Copyright information at the end of this article.

However, Mr Bell conceded that prices had eased this year.

"It varies by location," he said. "Some locations are still achieving record prices. Some really key properties are getting great results, but others are down 20 per cent. There has been a flight to quality and position."

Mr Bell believes rising fuel and parking costs are driving buyers, particularly locals, to apartments in the heart of the Gold Coast.

"People like the concept of mixed developments . . . where you just go downstairs for your shopping," he said. "There's been a noticeable shift in the number of baby boomers, particularly, to areas like Broadbeach and Main Beach."

KEY POINTS

Juniper Group has sealed two sales totalling \$7m in its Soul Tower at Surfers Paradise during the week.

Agents report a flight to quality.

They say sellers are holding out and there is a shortage of stock.

© TM ® | afr.com material is copyright & is published by Fairfax or under licence. Except for the temporary computer cache copy & a single permanent copy for personal reference, it may not be used, copied, reproduced, published, distributed, sold or resold, stored in a retrieval system, altered or transmitted in any form or by any means in whole or part or otherwise disseminated to others (except by fair dealing) without the prior written approval of Fairfax or the relevant licensor. AFR, afr.com, the AFR logo & the newspaper mastheads are trademarks or registered trademarks of Fairfax & its related bodies corporate. Other trademarks & logos of a third party may be displayed from time to time, but no display grants any licence or right of use of any such trademark or logo without the express written permission of the relevant owner.