

BUSINESS PROPERTY

Airlie on the rise as next growth hot spot

Weak land supply and strong tourist demand – the perfect recipe for a boom, writes **Lisa Allen**.

Property gurus correctly tipped Townsville as the next Queensland growth area five years ago.

These days those in the know say Airlie Beach, the jumping-off point for the Whitsundays tourist region, will be the next town to record strong growth – even though Australia's domestic tourism sector is slumping.

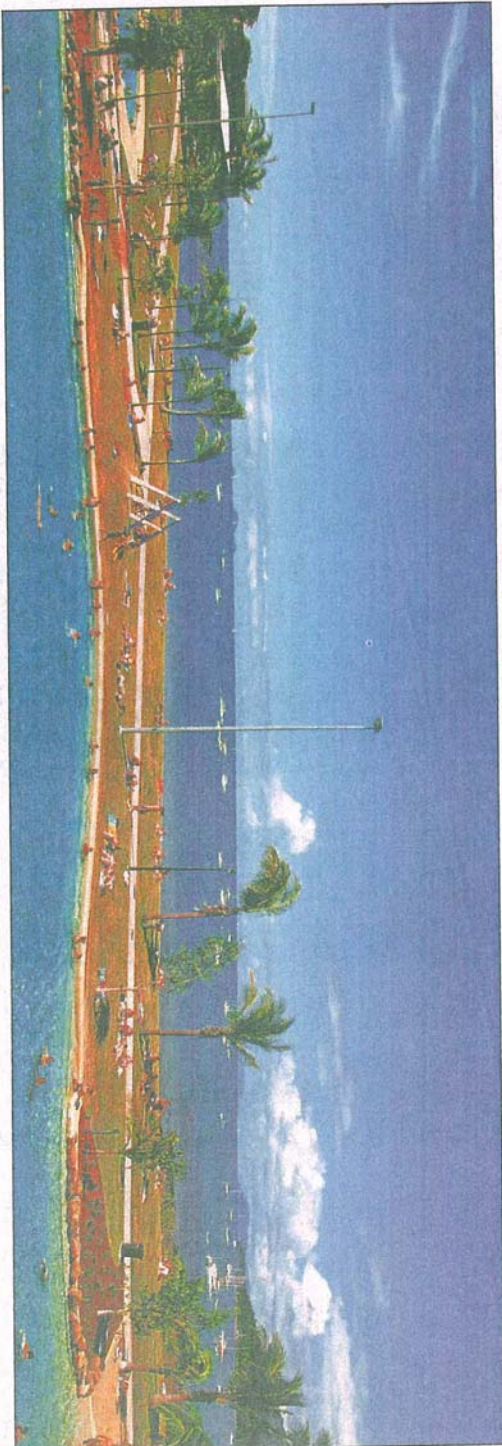
Finite land supply, coupled with up to \$3 billion worth of residential, marina and tourist development, is driving the expected boom.

Real Estate Institute of Queensland president Peter McGrath says it's a simple case of limited supply, given Airlie Beach is surrounded by national parks.

"Airlie Beach has one great advantage going for it, despite being a beautiful place to live. They have basically run out of land. There is very little developable land left there. So the place is getting very close to built out. The people who are holding the land are waiting for the right time to develop it.

"It's like anything else in real estate – where you have a shortage of supply [and] demand through that region, prices will go up."

McGrath says Airlie Beach's proximity to Hamilton and Daydream islands is a drawcard. Latest REIQ figures state that Airlie Beach's apartment prices



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jumped nearly 53 per cent over the past five years. The REIQ does not supply data on house sales in Airlie Beach, given there were only four sales in the September quarter. But house prices through the Whitsunday region grew 12.3 per cent over the past year.

Despite some Queensland regional areas slumping in price in the past year, Airlie Beach apartment prices jumped 26.4 per cent over the last quarter. The median price in the September quarter was \$467,500. Over the past year the average price jump has been more than 6 per cent.

PRDnationwide Whitsunday principal Christie Leet is so confident about the area he recently bought out LJ Hooker at Airlie Beach and Cannonvale.

According to Leet there are at least three reasons for Airlie Beach's expected growth: good air access, massive development and affordability.

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Proserpine with direct services to Sydney, Melbourne and Brisbane.

"Property is still very affordable compared with places like the Gold Coast," says Leet. "Airlie Beach is about two-thirds the price of the Gold Coast. There is a

very finite supply, it's surrounded by national parks, and there's \$2 billion to \$3 billion worth of development happening at the moment."

Two golf courses are being developed, at Hamilton Island and Airlie Beach. Brisbane-based Merdlen is developing a \$900 million marina, hotel and residential project at Muddy Bay in Airlie Beach, and has just bought Abel Point Marina, consolidating its control of marinas in the Airlie Beach township.

Resort Corp is completing plans for a resort development on Waterson Way and has development approval for a \$600 million development at Funnell Bay. According to PRDnationwide research, the release of new land

lots on Mount Whitsunday and Airlie Summit is opening up the final tracts of land between the town and the national park.

But not all developments are going so smoothly. The \$1 billion FKP property group, Queensland's largest property developer, has long proposed to build a tavern and multi-storey hotel at Airlie Beach. But it has faced strong opposition from the local community over the site, which it acquired by public tender four years ago.

PRDnationwide research says there is a definite trend towards purchasing units off the plan. In the past 18 months, 42 units in the Peninsula development and 46 units at Marina Shores have sold.

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