



Boom time by the seaside

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Home Editor

WATERFRONT land continues to defy recent trends, clearly outperforming other property sectors in the past 12 months.

Figures from the Real Estate Institute of South Australia show our leading coastal suburbs easily outstripped the inland metropolitan area.

In the past five years median house prices in Brighton leapt from \$171,000 to \$315,000; Glenelg from \$240,000 to \$399,000; Aldinga Beach \$82,000 to \$210,000 and Hindmarsh Island from \$150,000 to \$355,000.

The median metropolitan

price increased from \$125,000 to \$255,000.

In 2004, re-sales of waterfront allotments at The Marina Hindmarsh Island fetched an average of 28.7 per cent a year more than the original price, showing that capital gains on waterfront allotments were holding firm at a time when the real estate market had generally consolidated.

In the past 12 months 11 land allotments have sold for more than \$500,000.

Developer of The Marina Hindmarsh Island, Andrew Chapman, said that in the past 10 years waterfront allotments had risen from \$40,000 to more than \$200,000.

"Capital gains are continuing due to the eagerness of

South Australians to enjoy a coastal lifestyle and the area's popularity among the increasingly affluent baby boomers," he said.

"We believe there is further upside at The Marina and it lies in the finite number of residential allotments that can be developed and the pressure that applies to prices as those allotments sell and the project matures."

Land sales averaged more than \$1 million a month at the development in 2004 with the most valuable allotment fetching \$288,000.

REISA president Robin Turner said today's prices for waterfront land would have seemed astronomical several years ago.

"There is very little supply

of genuine waterfront land compared to a huge demand," he said. "Coupled with low interest rates, people will buy these properties if they have the means."

He said a significant portion of waterfront home owners were highly geared and could face problems if there were unexpected rises in interest rates.

"This would be the only aspect that would affect the current supply and demand levels," he said.

"The figures we are seeing today, such as regular \$1 million properties, would seem incredibly high but maybe in the future these same properties will sell for \$5 million."



CLASSIC:

This three-bedroom bungalow at 5 Tallala Tce, Myrtle Bank, sold for \$613,000 yesterday. More than 40 people attended the auction. The home was sold by Peter Brown of Toop & Toop