



# Bypass to spur expansion

**T**HE completion of the \$543 million Tugun bypass will spur property price growth on the southern Gold Coast, says independent property market analyst Michael Matusik.

He said the southern Gold Coast, particularly in new property beachfront hot spots such as Kirra, was set to reap the benefits enjoyed by other areas of the Gold Coast that had already been the subject of major infrastructure upgrades.

Mr Matusik said southern Gold Coast beachside suburbs such as the transforming seaside village of Kirra are expected to be the major beneficiaries of the completion of the Tugun bypass because of the greater accessibility to the region by Brisbane commuters.

The bypass is scheduled for completion in 2008.

Mr Matusik cited the upgrade of the Pacific Motorway in the late 1990s and the ensuing price growth in some northern Gold Coast suburbs is an example of infrastructure-upgrade benefits.

"Research we have undertaken previously has shown that major transport infrastructure improvements can translate to a higher rate of sale, increased land values, a wider target market and greater development yield," said Mr Matusik.

"For example, median-house prices within the northern suburbs of the Gold Coast rose by around 13 per cent in the year just after the completion of the eight-lane M1, compared to general house price increases of just under 4 per cent over the same period.

"Annual sales volumes have nearly doubled in this area since the late 1990s and residential-buyer inquiry from Brisbane increased after the M1 upgrade."

Mr Matusik said buyer profiles had also

dramatically changed from investors to owner-occupiers on the northern Gold Coast during this period and suggested the same would occur on the southern Gold Coast, an area where supply levels for new apartments were dramatically low.

"We believe the Tugun bypass road will ultimately have a significant positive impact on southern Gold Coast property prices," he said.

"The 7km route will separate local traffic from tourist and mostly heavy-vehicle traffic, reduce congestion, travel times and air pollution along the existing highway, as well as providing opportunities for improved public transport."

Mr Matusik said greater overall accessibility to Coolangatta, Kirra, Bilinga and the rest of the southern Gold Coast would ultimately have major spin-offs for the area, including a change in the demographic profile of buyers.

"While Kirra has been characterised by mainly low-rise, older apartment blocks, the suburb and its surrounds are well placed to capitalise on the desire of many buyers to escape from the glitz of Surfers Paradise and the heavy number of tourists in that part of the Gold Coast," he said.

"With its attractive and north-facing beach and quick access to the Gold Coast Highway and Coolangatta Airport, Kirra has the potential to become the jewel in the Gold Coast's crown.

"Buyers in new projects at Kirra and the southern Gold Coast are more likely now to come from Brisbane and as far afield as Sydney and Melbourne, given the proximity to Coolangatta airport."

He said Kirra had easy access north to Brisbane and south to Byron Bay.

"In fact, it takes less time to travel to Brisbane from Kirra than it does from Surfers Paradise, despite Surfers Paradise being closer to Brisbane," he said.

"This is due to traffic congestion that

afflicts the central and northern parts of the Gold Coast.

"Expats are also likely to be attracted to the climate, lifestyle and natural beauty on offer at Kirra and the southern end of the Gold Coast because of easy airport access."

Mr Matusik's research shows that Kirra is already enjoying above-average price growth as the southern Gold Coast suburb enjoys its resurgence, but the completion of the Tugun bypass would further enhance property prices in an area that was already tightly held by investors.

Price growth has accelerated as the area's potential is realised, with re-sales in apartments rising by up to 45 per cent between 2004 and 2005.

Average apartment re-sales in the beachside suburb, which is currently on the cusp of a major transformation, showed an annual gain of 13.3 per cent in 2005, higher than the average apartment price growth of 11.3 achieved in apartments across the entire Gold Coast.

Kirra is already on the move with more than \$300 million in development that's planned or under way, including the luxury \$70 million Elysee Residences at Haig Street; the newly launched Kirra Surf apartments, linked to former Gold Coast councillor Peter Turner and Macquarie Bank; the re-development of the Kirra Hotel; an approved multimillion-dollar residential project at Douglas Street planned by Niecon and a range of residential and mixed-use projects valued at between \$10 million and \$40 million.

Plans are also under way to transform the southern Gold Coast and Tweed CBD into a dynamic, 15km long beach promenade rivaling some of the best beach precincts in the world.



The Tugun bypass is expected to have a significant impact on southern Gold Coast property prices



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