

LUXE

COMMERCIAL SUNSHINE COAST

MARKET UPDATE

JULY – SEPTEMBER
2016

THE FIRST QUARTER OF THE NEW FINANCIAL YEAR GAINED TRACTION AND FINISHED ON A HIGH NOTE.

The first financial quarter of 2016 was sluggish, defined by the colder than average winter, global uncertainty and drawnout election campaign. Both vendors and buyers were cautious over concerns about potential changes to super annuation and negative gearing. The impasse was short lived and the market gathered momentum throughout the quarter, returning to normal, and then surpassing expectations in August, as pent-up demand, strong business indicators and historically low interest rates lured buyers and tenants off their respective fences.

Yields in all commercial sectors continued to improve,

consistently hitting 6% to 7% on quality properties, as buyer interest improved with Sydney and Melbourne parties now entering the market. The Sunshine Coast's business conditions - the increase in infrastructure spend, buoyant tourism industry and positive residential markets as well as the lifestyle appeal, have been the overwhelming drivers for interstate parties.

There is some quality stock available, with existing national tenants in place, however it is limited and that is helping maintain prices and yields, which are comparatively strong compared to the interstate and CBD markets.



Recent transaction
49 Enterprise Street
Leased by Chris Sales and the Luxe team for
\$180,000 + outgoings + GST

Retail

This sector remains steady with renewed confidence from tenants releasing or moving to bigger premises in high traffic and central areas. Ongoing strength in the tourism industry, bolstered by the Sunshine Coast's phenomenal event calendar in 2016, has underpinned the retail sector. National retailers are moving into high street beachfront areas such as Caloundra, Mooloolaba, Maroochydore and Noosa, while boutique or new market entrants are taking the opportunity to purchase a premises due to the historically low interest rates.

Industrial

South east Queensland's industrial sector has been a consistent performer for the past 12 months. There is limited quality stock

available compared to consistent demand from local businesses looking to expand and in need of extra space and newcomers to the market who view the region as a great location to do business. The low interest rates, space and connectivity as well as the region's lifestyle factors make it very attractive to anyone looking for an affordable option.

Office

The Sunshine Coast's office vacancy rate has been slowly shrinking in line with the national non-CBD figures. The steadily falling unemployment figures (now 4.94%) for the Sunshine Coast is less than the national average and a positive sign for the region's business sector, which is heading into its peak season in a confident position.



LUXE FAST FOUR

- 1 POSITION**
Identifying a vendor's needs such as timeframe, price and motivation, then comparing similar properties, is the critical first step to selling.
- 2 PACKAGE**
First impressions are everything with a buyer. Before launching a campaign it's essential to have everything ready to grab their attention and answer questions, including professional photos, outgoings and floorplans.
- 3 DISTRIBUTION**
Work out the best method of exposure and marketing for the property is essential for budgeting and final success. Every property is different and needs a combination of avenues such as signboards, print advertising or direct canvassing to your database.
- 4 NEGOTIATION**
Positioning a property, packaging all the information and distributing it via the correct avenues will attract buyers, create competition and allow you to achieve a premium price.

CONTACT US

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