

It's a done deal with luxury apartments

GEELONG buyers have jumped at the chance to purchase luxury apartments in an inner-city \$50 million private residential development.

More than 80 per cent of the 110-apartment development, on the site of the old St Mary's school, has sold since the opening in September last year.

G1 Apartments, a Sinclair Brook development, is the only one of its type in Geelong.

Castran Projects director Lachlan Castran said the vast majority of buyers were from Geelong, with only a few Melbourne buyers.

"This building here was built for, bought by and designed by Geelong ... the

overwhelming majority of sales to date are all Geelong-based," Mr Castran said.

Mal and Deb Stewart signed contracts for a rooftop terrace apartment on Wednesday.

The Geelong couple have been living in apartments for seven years after selling in Waurin Ponds.

"We like apartment living

and buying off the plan seems the way to go because you get the opportunity to make some changes," Mr Stewart said.

They weren't looking to buy a new apartment, but after walking past the site and learning about the development, they were sold.

TESSA HAYWARD



GOING FAST: An artist's impression of the view from the Geelong 1 Apartments. Inset top right, Deb and Mal Stewart sign up to buy an apartment with Castran director Lachlan Castran. Picture: DAVID CROSLING

\$600,000 Geelong median tipped by 2020 with first-home buyer plan

House prices to surge

NAVARONE FARRELL

GEELONG'S median house price could hit \$600,000 in three years as first-home buyers and investors fight for stock, a financial expert predicts.

Allen Wargent Property Advisory co-founder Pete Wargent said increased demand for property created by the first homeowners' grant could push median prices up by \$170,000 to around \$600,000 by 2020, rivalling Melbourne's median sales price today.

Geelong's median house price is now \$422,000.

Under the FHOG stimulus package from July 1, first-home buyers will enjoy a \$20,000 cash-in-hand bonus for new houses and all first-time buyers will not pay any stamp duty until 2020.



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These incentives would create a demand for affordable stock, resulting in a spike in prices, Mr Wargent said.

"Historically, these sorts of things tend to stimulate the market from the bottom up. With more first-home buyers entering the market, it helps to push up entry level prices," he said.

Mr Wargent said he believed spruiking the changes could see opportunistic investors snapping up properties and onselling when the first-

home buyer incentives came into play.

"One of the problems with telegraphing tax changes in advance is that it changes behaviours and people try to capitalise on it. There will be a slew of interest in that entry level price range and more investors coming into that market," Mr Wargent said.

With the cash bonus, buyers will also have a larger borrowing capacity.

"Not only do people need a lower deposit, they have lower

MOST AFFORDABLE SUBURBS

For houses		For units	
Norlane	\$231,750	Whittington	\$174,500
Corio	\$250,000	Corio	\$210,000
Breakwater	\$277,500	Herne Hill	\$220,000
Whittington	\$277,750	Norlane	\$277,750
Thomson	\$309,500	Newcomb	\$250,000
Newcomb	\$310,000	St Albans Park	\$260,000
St Albans Park	\$330,000	Lara	\$276,250
North Geelong	\$338,500	Manifold Heights	\$280,000
Bell Post Hill	\$355,000	Belmont	\$295,000
Bell Park	\$360,000	Grovedale	\$295,000

SOURCE: CoreLogic, based on median sale price for the 12 months to December

stamp duty, and more money to spend on a deposit and leverage that up so the impact can be multiplied with that extra borrowing capacity," Mr Wargent said.

"Between now and 2020 it

will have quite an impact on the Geelong market with low interest rates.

"The flip side of the stimulus measures are if you're a first-home buyer, in three years' time (entry level prices)

will be higher." Maxwell Collins Geelong director Nick Lord said most first-home buyers would be looking to take advantage of the cash bonus and snap up house-and-land packages.

"We'll see the stamp duty reduction improve things, but not overnight. Having \$20,000 to build a new house, the focus will move to land purchases in the short term," he said.

Mr Lord said such drastic growth over three years was possible, with Geelong's appeal also a factor. More buyers would mean prices would increase, with first-home buyers providing extra stimulus.

"We've seen it before, it's a small portion of the first-home buyers who enter the market for 12 months, cash in with an increase in sales price, and take out the \$20,000 cash, and re-enter the market," he said.

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