

Adding fuel to the already blazing Gladstone property market.

Queensland Premier Anna Bligh recently opened the highly anticipated \$780 million expansion to Gladstone's R G Tanna Coal Terminal, with the suggestion that the State's coal exports could almost double by 2030.

"Growth has been impressive, rising from 200,000 tonnes in 1960 to now, where export capacity is about 200 million tonnes per annum," Bligh said at the opening.

"This milestone is expected to be hit in the next 18 months and there are forecasts it will hit 370 million tonnes per annum in 20 years."

This exciting new development is just another notch on the belt for the Gladstone region, adding to an already impressive list of more

than \$32 billion worth of industrial, commercial, retail and residential projects either recently completed, under construction or under investigation in the city.

To put this into perspective, investment in Gladstone represents ¼ of the State's and just over 4% of Australia's wealth, according to Gladstone Area Promotion and Development Limited (GAPDL); the Gladstone region's peak tourism and economic development body.

Queensland's Department of State Development, Trade and Innovation predict further state-wide benefits resulting from Gladstone's resource boom:

"If all the proposed projects proceed, they will create 9000 jobs at the peak of the construction phase and countless business and flow-on opportunities."

With Gladstone's resource sector looking to continue on its upward surge, the region's property market must follow suit, as the increase in employment opportunities and subsequent population growth puts added pressure on the existing residential accommodation in the region.

Brisbane based property development company, Merranda Pty Ltd, have recently instigated a number of residential and commercial projects in Gladstone, including the Avion Place townhouse development and sister project Avion Centre, a neighbourhood convenience and medical services centre, both located in Gladstone's 'greenfield' suburb of New Auckland. These undertakings endeavour to answer the area's increasingly severe demand for quality, sustainable property alternatives.

"With major industry projects like the RG Tanna Coal Terminal expansion now in operation and the Rio Tinto Alumina Refinery underway, and with many other projects planned, the population of Gladstone and the surrounding areas is just going to skyrocket and we need to be prepared for that", says Merranda's Co-Director, Mark Dindas.

With Brisbane now topping the nation's polls in the "most unaffordable" stakes (when compared to local wages) and mortgage stress, high interest rates and general economic uncertainty top of mind for most investors, the city of Gladstone is sounding more attractive by the minute.

Particularly considering that the region has enjoyed a 30 year run of low unemployment rates and, coupled with the fact that the working populace benefits from exceedingly high wage earnings (with most

suburbs well above the State average), investors can feel confident that Gladstone is no 'flash in the pan' – is, in fact, around for the long haul, and such sustainable growth is likely to deliver very attractive returns over the long term.

True, Gladstone has seen significant property value increases since 2000, (similar to most other Queensland markets), but in 2006, while most Queensland markets experienced single-digit growth in residential values, most suburbs and localities around Gladstone delivered price growth between 15 and 20% according to recent Real Estate Institute of Queensland (REIQ) figures.

Despite this, most sections of the city remain very affordable by capital city, and even Brisbane standards. So considering today's purchase prices are currently well below replacement costs, due primarily to the continual impact both globally and locally from ever increasing construction, transportation, energy and mining costs (the consequence of which can only be high cost increases affecting building materials and thus housing prices), the clear message is to buy now whilst you can afford to do so to avoid the anticipated property price blow-out.

For more information on Gladstone properties available from Merranda Pty Ltd, visit www.merranda.com.au.