

## SUBURB SNAPSHOTS TORQUAY

**A**LONG with its status as Victoria's surfing capital and popular holiday resort, Torquay is also home to a growing population of permanent residents. It's an hour-and-a-half drive to Melbourne and a half-hour to Geelong at the beginning of the Great Ocean Road. It has family beaches and surf beaches, a thriving surf-wear industry and an expanding shopping centre that is making it a regional centre in its own right.

Median prices fell last year from \$563,000 to \$516,000 for houses, and from \$530,000 to \$450,000 for apartments and townhouses, but prices vary enormously depending on which part of Torquay the property is in and how close it is to the sea. Blocks in old Torquay near the Esplanade will put you back at least \$1 million, while land in the newly developed Ocean Views estate is around \$300,000.

## ARTHURS SEAT

As a dramatic backdrop to the popular Mornington Peninsula beach resort of Dromana, Arthurs Seat has a combination of views and a rural aspect plus easy access to the beaches along this pleasant part of Port Phillip Bay.

The median house price in the township, at \$500,000 (a fall of 3 per cent since last year) is more expensive than Dromana's \$400,000, owing to its larger blocks and better views. But it's a bargain compared with nearby Red Hill, where median prices are still over \$600,000 even after a 40 per cent fall in prices last year. Prices vary enormously depending on if the property has views across the bay and to the city skyline — these sell for more than \$1 million — or whether they are on the forested southwestern side of the "Seat".

## COASTAL

# Commuters drive demand

A two-track coastal market this year saw the top end in decline while the lower end held strong, reports **Karin Derkley**.

**H**OPES that the coastal property market would follow the city residential market on the road to recovery may have to wait until next summer. Sales in many coastal areas were lacklustre last year, and evidence suggests markets haven't sparked up over the important summer break.

High-priced coastal properties were hit hardest by the global financial crisis last year. "That top end dropped dramatically," said Peter Hay, of Hay Property Group. "It really suffered from the uncertainty in the economy and with jobs, and it doesn't seem to have recovered strongly as yet."

At the prestige end of the Mornington Peninsula, for instance, median prices in Portsea, Blairgowrie and Sorrento dropped by 20-30 per cent, said Chris Kirkland, of WBP Property Group, Mornington Peninsula. "Properties were sitting

on the market for six months before selling well below their vendor's expectations," he said, adding that it's an area susceptible to economic cycles. "Last year people at that level were too worried about jobs and the health of the sharemarket to be thinking about buying holiday houses."

On the Surf Coast, Lorne was the hardest hit, said Simon Edwards, the Geelong regional manager of WBP Property Group, although it was more of a case of properties being taken off the market after failing to sell, than forced sales below vendor expectations. "Lorne peaked early in the

2000s and got ahead of itself and it's never had that same level of growth since," he said.

While Flinders bounced back in the last few months of the year, with a few big sales, Cape Schanck, Sorrento and Portsea all finished the year well behind. The median price in Red Hill and Red Hill South, along with Merricks, in the Mornington Peninsula hinterland, also fell sharply, by more than 40 per cent.

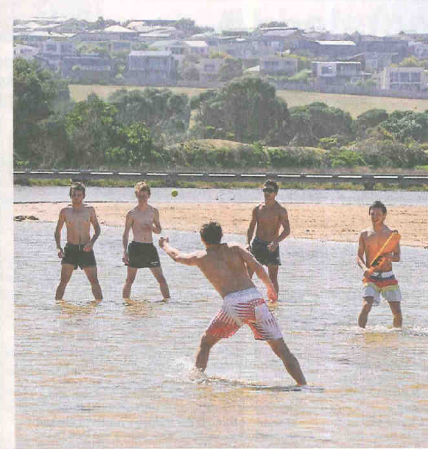
But for the more affordable coastal properties and areas close enough to commute to Melbourne, it's been a different story. In the strip between



The view from up here (from right): Arthurs Seat, and splashing around Torquay.

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PETER HAY, Hay Property Group

Dromana and Rye, and in Hastings and Crib Point, prices held up strongly, Mr Kirkland said. With EastLink cutting travel times to the city, and prices well below the median price for a house in the metropolitan area, the area benefited from an influx of first-home buyers, along with those relocating for lifestyle reasons.

It's a similar story in the lower to medium segments of the Surf Coast market, where properties up to \$600,000 in areas close to Geelong — such as Ocean Grove, Torquay and Port Lonsdale — also held up well, Mr Edwards

said. The area has benefited from sea-changing retirees and demand is strong among first-home buyers commuting to Geelong and Melbourne a couple of days a week, he said. He particularly likes Portarlington, where comfortable houses for \$550,000 are attainable.

On the Bass Coast and South Gippsland, the market peaked in late 2007 and has "trundled" along since then, according to Stephen Miles, of Westport Property Consultants. Phillip Island remains a very popular area, particularly with retiree sea-changers, and San Remo on the mainland side of the bridge remains the pick of the area, he said. "It's 20 to 30 minutes closer to Melbourne than Phillip Island, it has hills and a protected beach and a nice little township, and you can get older shacks on the beach in the \$200,000s or more modern homes with views for up to \$600,000." He also likes Harmers Haven, near Wonthaggi. "It's a beautiful spot, and very tightly held."

REIV president John Grabyn believes the coastal market will improve over the next couple of years. "The economy is strong and I think we'll see a turnaround." Commuters will continue to drive the demand for properties in the beachside areas around Geelong and the Bellarine Peninsula, he said. "The upgrade in the freeways is making it very easy to get to a nice beach lifestyle in places like Ocean Grove and Portarlington. You can get from the beach in Ocean Grove to the CBD in under an hour and a half."

Mr Hay recommends "anywhere with a water view within an hour and a half of Melbourne" as having the ingredients for long-term growth. That includes anywhere on the Mornington Peninsula, he said, but he also recommends the west coast as far as Airey's Inlet and the Gippsland coast as far east as Cape Patterson. "And Phillip Island of course — that's always a good buy."

The REIV statistics quoted throughout this article track house and apartment price movements over the 12 months to December 31, 2009.