

## INVEST CAREFULLY

Yamba valuer Bryce Ellis confirms that a recent lack of stock as well as strong buyer interest from southeast Queensland, historically low interest rates, and the quality of life on offer has helped fuel a price surge in Yamba. Nonetheless, he urges caution.

"People are always a little bit more careful after a change of government," he says, "especially in the current interest rate environment where we've seen some rises... there are certainly some volatile factors that people need to be aware of."

And, he says, investors looking at any rural area need to carefully examine the labour market and the services that are on offer.

"The availability of jobs and services will always be crucial," he says. "Some people, like self-funded retirees for example, may be put off Yamba by the prospect of having to travel to Lismore or Grafton for major medical facilities."

Similarly, he warns that the boom times may not last forever.

"I think prime property will always be highly sought after but if the economy does experience a downturn it will be the properties in the larger residential estates that will generally be the first to feel the pinch," he says. "I think an air of consolidation and caution would be very helpful at this time."

many locals want to retain their way of life and for Yamba to retain its seaside village atmosphere."

Nonetheless, the NSW State Government has recently given approval for the Blue Dolphin Tourist Resort caravan park to be developed and this will eventually mean more than 300 new apartments coming onto the market.

Interestingly, part of this development will comprise four-storey buildings, a situation some locals fear is the thin end of the wedge and could lead to higher and higher developments.

Tenders have also been invited for the purchase of 17 ha of prime waterfront land at what is northern NSW's last approved site for a canal subdivision. The State Government has now placed a ban on all canal subdivisions. Yamba Quays has an approval for 105 conventional

residential lots - all with water views, with 77 of the approved lots offering direct canal frontage.

"This parcel will suit a developer with a wide vision; one who can think outside the square and capture the next wave of prestige residential demand in Yamba," says town planner Steve Connelly. "Yamba is a truly special locality and this parcel is a truly special site."

The next big Yamba land decision facing NSW Planning Minister Frank Sartor is over the possible development of West Yamba, an area traditionally considered to be largely too low-lying for building. If he were to approve the land release it would mean 1200 new lots being slowly fed onto the market.

"That's the last of the possible land that could be developed in Yamba," says Cr Tiley, "and it will clearly have a big impact on the future of the place."

"Parts of this land are below sea level and so it would require raising the levels, which could have an effect elsewhere.

"The council is pretty much evenly split on the issue. We certainly do have a land crisis and a release of this size, even if done gradually, would probably slow the boom down... it's just the law of supply and demand."

Cr Tiley says, however, that if the minister doesn't approve the release there will be increased pressure from developers to be allowed to build upwards, with the only realistic alternative being to cap the population. The minister's decision is expected by the middle of this year.

"There are obviously a lot of people wanting to invest in Yamba and there are also a lot of people wanting to keep it as it is," Cr Tiley says. "Yamba has been left pretty much undisturbed for a long time with Coffs Harbour to the south and Ballina to the north developing busily, but now we're like a rabbit in the spotlights in terms of the focus that's being put upon us."

## It's booming alright

Grant Gillies, the sales manager at PRDnationwide Yamba, has seen up close and personal just how that

renewed focus is translating into a property price surge.

"These are very exciting times in Yamba," he says.

"We're seeing a huge amount of investors coming into town and they're certainly looking at long-term capital gain because in the short-term it's very difficult to make the yield stack up.

"In the residential market, properties in the \$300,000 to \$400,000 category are extremely thin on the ground and I can't ever remember that happening before. As soon as something in that bread-and-butter range comes onto the market, it goes."

Gillies says a three-bedroom place that may have cost \$360,000 to \$450,000 will achieve some \$250 to \$300 per week in rent.

He says the rental market is extremely strong and vacancy rates are low.

Interestingly, and almost certainly as a direct result of recent improvements to the Pacific Highway to the north, Gillies says the majority of investors are coming from the southeast corner of Queensland, with others from Sydney and inland NSW.

"We're seeing more and more people from Queensland who seem to be starting to prefer Yamba over Byron Bay and Noosa," he says. "We have people saying to us all of the time that Yamba is still comparatively affordable."

Gillies believes a lot of buyers plan to eventually retire in Yamba but want to get in before the market runs away from them. He says some of these people choose to rent out their property long-term, while others may use it themselves for four to six weeks of the year and holiday let it for the rest of the time.

"There are, of course, a lot of holiday lets in Yamba but you really need to have a place on the canals or waterfront," he says. "People want to park their boat out front for a couple of weeks and go fishing from there."

Well-located properties will achieve around \$2000 a week during the peak season.

Incidentally, Gillies is adamant that Iluka, Yamba's smaller neighbour to