

Office market 'needs rethink'

DEVELOPERS need creativity in marketing office space in light of new figures highlighting a blowout in vacancy rates across the Gold Coast, according to a market analyst.

Colleen Coyne, of Colleen Coyne Property Research, said the Property Council finding that the city's overall vacancy rate was at 18 per cent meant developers should not proceed with planned office buildings without precommitments.

She said developers would need to be willing to negotiate with buyers and meet the market.

"As the majority of the Coast's office space is strata-titled, there is an opportunity for small business to take advantage of low interest rates and high vacancy levels," said Ms Coyne.

The city's 18 per cent vacancy rate

for January was up from just 8.1 per cent in July, and compares with Brisbane at 4.2 per cent. It is also almost three times the 6.3 per cent rate recorded at the beginning of last year.

Ms Coyle said the vacancy blowout was compounded by high-profile development companies going into receivership or administration, 'adding to the vacancy problem created by new space being added'.

Some 25,271sqm of office space will be added to supply this year.

Ms Coyle said the market for homes up to \$500,000 was strengthening.

"Builders and developers targeting the lower-end segment can expect to increase sales and employment.

"Higher-price brackets will continue to experience tough conditions for some time to come."