



# The Holiday Home is Back

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## The Holiday Home is Back

After a decade in the wilderness, the holiday home is making a come back.

Hit by blow after economic blow, Noosa's holiday market went through what can only be described as the 'barren' years.

While the GFC hit Noosa and holiday properties particularly, there was a far more significant king hit that preceded it, and a couple of right hooks subsequently that together wiped 43% of capital value off Noosa Heads holiday units (slightly less for houses) in a few short years.

The most catastrophic of blows was the first: the withdrawal of Qantas from Sunshine Coast Airport, substituted with upstart airline, Jetstar.

The key market for holiday properties in Noosa - whether buying or renting - was Melbourne. Noosa was in fact built and supported by a stream of Melbourne money.

You might recall Noosa was famous for its single street of exotic and exclusive boutiques abutting the beach.

These individual stores all sold fabulously gorgeous clothing from international designers, and most importantly, Israeli and Italian designers you could not buy anywhere else in Australia.

It was our USP.

Predating the internet and the death-by-a-thousand cuts of bricks and mortar retailing in capital cities, Hastings Street was the high street of women's clothing for the country.

Each store stocked brands for which they had exclusive license to sell, in Australia.

And shoppers in Noosa were from across the country. They came here in droves for the weather, the food and the shopping.

In early 2004, Qantas decided certain regional destinations were not profitable enough, and without warning, dumped them.

The incomprehensible shunting of paying passengers from their Business Class seat on Qantas to Jetstar cattle class (remember that?) nearly bankrupted Noosa.

For decades, bejewelled ladies from Toorak flew in with husbands and/or friends for a long weekend of shopping and dining.

Seen throughout the year strolling Hastings Street in white linen and gold accessories with their hands full of large boutique bags, they filled shop tills, and restaurants with long profitable lunches.

And then they were gone.

Flying from a tin shed in Avalon with no Qantas lounge, walking across the tarmac to climb the stairs to unallocated seating, in a plane filled with bogans...they only ever did it once.

The immediate change in demographic of visitor had a dramatic impact. Within six months we had 16 empty shops on Hastings Street and it took years for some to get tenants.

Josephine's (where I bought not one but two \$400 swimsuits by an Israeli designer in 2002), Morag's, La Vida...all gone. Gone too are many of the restaurants that made Noosa famous.





It is a retail fact that high-end boutiques follow the affluent residents or tourists who are attracted to exclusive brands.

The link between high-end shopping and residential prices cuts both ways: high-end (thriving) boutiques are good for property prices (think Bondi Junction when Westfield Black Label arrived), but declining retail can also hit the value of property, as was the case in Noosa in 2004 and years following.

And into Hastings Street came Dotti, Just Jeans, Gazman - shops you would find at any Western Sydney shopping mall - to match the 'new' Noosa visitor.

And then we had the GFC.

Lifestyle investments are secondary investments not primary, and holiday stock flooded the market.

With the visitor demographic so downgraded, there weren't any buyers.

Our dollar leapfrogged the US what felt like three years of rain at peak season, a dreadful red algae showed up on the beach, and the property market bottomed in 2014.



dollar, we had

So there's the history.

But as happens in property, the market began to lift as more visitors returned to holidaying in Noosa, and most realised the bargain basement value represented by Noosa holiday properties.

I sold 11 holiday units in one complex alone in the two years 2014-2016, and mostly to Brisbane buyers - a buyer group near absent from the Noosa real estate market for many years.

Today, after our best Christmas holiday season in more than a decade, we are overrun with Brisbane and Sydney buyers with next to nothing available to buy.

Because many owners are waiting. They know the market has turned, and they understand supply/demand pressures will push prices upwards.

Why the acceleration in sales activity in the past six months?



Could not believe how clear the water was.

Qantas returned to the Sunshine Coast Airport with direct daily flights from Sydney.

More flights from around the country are expected to follow this year.

There is only good news on the horizon with regard to visitor numbers, and already an increase in international visitors - primarily from the USA, Europe and China - is visible in Hastings Street.

Expansion of the airport has been approved with a new runway and direct international flights to come.

So holiday homes are not only back in favour, they are being snapped up within days of listing, with some trophy homes being quietly traded in off-market transactions.

It's all about position, amenity and finishes.

Luxury is in demand - which is testament to the fact the demographic of visitor to Noosa is at last lifting.



*Great riding along the beach at sunset*

And when that Qantas Melbourne leg recommences, so will the upward pressure on property prices.

But with our visitor sources diversifying, we are not so dependent on the Melbourne market as we were and that too is a good thing.

It may take the year - but incomes at holiday properties that match holiday makers' criteria will return to the heady levels of 2002 and 2003 - which incidentally was when we last saw property values increase 20% year on year.

You know what to do...get yourself on my email newsletter and buyer alert list.

And if you would like to sell for the best possible result with a level of service and respect you have never experienced from a real estate agent before, please call me 0412 635 274.



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