



MeridienMarinas

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Forster investors' chance for a sea change

The world's financial markets may be struggling to remain afloat but Australians continued love affair with boating is making marina berths a recession proof investment.

Forster investors' will have the rare chance to hear about these solid investments with Financial Consultant Glen Killen, in conjunction with Meridien Marinas, visiting the region on Tuesday 24 February.

Director of Strategy Financial Consulting Glen Killen said he is happy to put his money where his mouth is when talking about investing in marina berths.

"After analysing the income and capital growth potential, as well as the tax advantage, of a Meridien Horizon Shores marina berth and comparing against other property investment options, not only was I happy to invest my money in one, but I was happy to see my wife invest as well," said Mr Killen.

Meridien Marinas CEO Warwick Bible said boat registration figures prove that berths represent a new wave of opportunity in these tough economic times.

"Queensland marinas, especially facilities like the Gold Coast's Horizon Shores, will be the primary beneficiaries with a lack of berths in both Perth and Sydney," Mr Bible said.

"In Queensland alone, total boat registrations rose above 225,000 (October 2008 figures), up 5% on an annualised basis.

"The figures show very promising signs for all marina developments with boat registrations over 10 metres growing by 8.3% compared to October 2007."

Mr Bible said even those who have never been on a boat should be interested in marina berths, especially with investors looking for strong capital growth and 8% rental yields.

"What's keeping the marina market buoyant in choppy times is the high demand for boats and the number of boats remaining greater than the marinas to moor them," he said.

"To some extent it's simple economics of demand and supply - places to park yachts or the family speed boat, whether its 10 metres or 30 metres, are in hot demand and marinas are in short supply.

"No vacancy signs hang from most marinas and with no room left in Sydney Harbour or around Perth boaties are looking to Queensland's warm waters to moor their boats."

Australian's growing desire to live on or near the water also keeps demand for boat berths on the increase.

Mr Bible believes the shortage of marina berths lies partly in the difficulty in developing them.

“There is so much tight regulation and years of rigorous approval processes to build a marina. Many developers believe marinas are just too difficult to build and as a result only a few large marinas dot our coastline. With increased environmental requirements and the cost of development it’s unlikely many new marinas will appear in Australia,” he said.

“This means those marinas that are built or nearing completion will be the only berths available possibly for many years.”

Meridien predicted the marina boom some years ago and had the vision and foresight to buy, build and improve marinas right across Queensland.

“We are now three years into a \$500 million re-development and expansion of Horizon Shores which will see the property grow from a few hundred berths to a 1200 wet berth marina,” Mr Bible said.

Port of Airlie is another marina that Meridien has currently under construction. It’s not just marina berths on offer at Port of Airlie, all 191 of the apartments released in Stage One were sold mid-2008 in just six weeks.

The integrated resort and marina will boast 141 luxury resort hotel suites, retail and 365 residential apartments when completed so filling the 240 berth marina will prove easy.

Mr Bible said Meridien Marina’s vision was to create a chain of marinas in popular boating hotspots. “Our marinas are in the most popular boating locations in Australia. This means we have excellent regular commercial and leisure use of our marinas but enjoy high demand for visiting boats as well,” he said.

“Even in the current economic times there is high rental demand with approximately 8% rental yields and strong capital growth.

“There is definitely a shift to marina berths as a solid long term investment. We had a retired couple walk in and buy four marina berths at Horizon Shores. They’re not boaties they simply bought the berths for their superannuation fund and to diversify away from the volatility of the stockmarket. “It makes sense when you look at the numbers.”

At Meridien Marinas Horizon Shores on the Gold Coast marina berths have achieved an impressive 31% growth per annum in the past six years.

Although investors should seek independent financial advice, they are eligible for tax benefits because marina berth ownership is based on a long term lease. The lease is a prepaid expense so an investor will benefit from a 10% depreciation over a 10 year period. Couple this with falling interest rates, berths offer attractive capital growth and solid returns.

A berth at Meridien Marina’s Horizon Shores starts from \$135,000 with a wide range of berth options available.