



Marinas buoyant in choppy investment seas

The world's financial markets may be struggling to remain afloat but Queenslanders', especially Gold Coast residents, continued love affair with boating is making marina berths a recession proof investment.

Meridien Marinas CEO Warwick Bible said the most recent Queensland boat registration figures are further proof that Berths represent a new wave of opportunity in these tough economic times.

At the end of October 2008, total boat registrations in Queensland rose above 225,000, up 5% on an annualised basis. A large percentage of these boats were registered on the Gold Coast, up 7.4% on an annualised basis compared to the same time last year.

"A further breakdown of the figures also shows very promising signs for all marina developments with boat registrations over 10 metres growing by 8.3% compared to October 2007," Mr Bible said.

The Meridien CEO said even those who have never been on a boat are 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 demand for boats and the number of boats remains greater than the marinas to moor them," he said.

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

"No vacancy" signs hang from most marinas and with no room left in Sydney Harbour 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.

"Top-dollar waterfront properties are continuing to sell in the current market conditions and while there's a thirst for waterfront real estate, marina berths will stay in demand," he said.

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 navigate 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.

"In fact, it's the high rental demand, even in the current economic times, with approximately 8% rental yields and strong capital growth. Special finance packages are also on offer through the Commonwealth Bank.

"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.

Abel Point has a range of 12 metre to 30 metre berths available with prices starting from \$140,000 and the lease terms vary based on price.

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

For more information on investing in berths call: Meridien Marinas Airlie Beach Dave Alcock or Andrew Forster on 1800 086 019 or for Meridien Marinas Horizon Shores call Chris Seage on (07) 5546 2300.

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