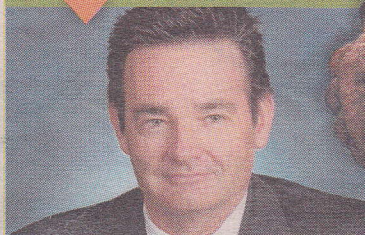


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— Property veteran and former city councillor Max Christmas



Cash stops Coast reaching for sky

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CASH-strapped developers are abandoning Gold Coast projects.

Dozens of approvals exist on sites across the city, but industry insiders say developers do not have the money or the confidence to build.

The city's skyline will soon be empty of cranes when the Soul and Hilton are completed and industry leaders fear it will stay empty.

"The biggest concern for the industry, the economy and Gold Coast families right now is that development will come to a halt in the city," said Urban Development Institute of Australia DIA Gold Coast president Steve Harrison.

"To turn the city's economy

around the council needs to do whatever it can to stimulate activity, the banks need to lend money and developers can't landbank.

"A lot of developers used to get finance from City Pacific, but since it went bust they have had to turn to the big four banks, where it is harder to secure money."

Mr Harrison said tens of thousands of Gold Coasters were out of work and the construction industry was hardest hit.

"Apprentices are being laid off after only one year, effectively increasing the time for new tradies to become qualified," he said.

"There is, for now, no light at the end of the tunnel, but a successful Commonwealth Games bid could pull us out of the rut."

The property development industry was worth \$11.9 billion to the city in 2007-08.

He said he did not have the latest figures but was confident they would be halved by now.

Property veteran and former city councillor Max Christmas said the 'show was over for construction' on the Gold Coast. "I can't see the construction industry making a comeback on the Coast for at least five to seven years," he said.

Sustainable Development Gold Coast president Greg Short said developers sitting on applications had become a trend in the city.

"Developers are unable to secure finance, or they know buyers won't pay the prices they need to make a development stack up," he said.

Westpac head of property Geoff Dick said the bank had not made changes to its lending requirements because of the economic downturn.

"Our requirements stay the same, but the developer's ability to meet them could be influenced by the economy," he said.

"Whether we lend to a developer is influenced by whether there are any guaranteed tenants or purchasers, the level of debt a project can support without external assistance and the ability of the applicant to undertake repayments."

Mr Dick said Westpac was in the process of stepping up its presence in property and development in southeast Queensland.