

Coast rents top Sydney

Jenny Rogers 05Apr08 - Excerpt from Gold Coast Bulletin

GOLD Coast rents are higher than Sydney. The average rent for houses on the Gold Coast is now \$400 a week and in Sydney it's \$390.

Only Canberra (\$410) and Darwin (\$420) have higher weekly rents than the Gold Coast, according to figures released yesterday by Australian Property Monitors.

The Gold Coast also has the highest rents in Queensland and is well ahead of Brisbane where \$330 is the average weekly rent. Rental prices on the Gold Coast have skyrocketed 8 per cent in the past year and show no sign of slowing.

The rental crisis is as bad around the country; median asking rents for the nation's capitals have all risen by double digits in the past year and property experts said conditions for renters were only going to worsen.

APM is predicting rents to rise by a massive 50 per cent in the next four years.

Property expert Bill Morris, author of the Midwood Report, said this was the first time the Gold Coast had overtaken Brisbane as the most expensive city to rent. "That is largely because there have been no new areas designated in the Gold Coast for development while Brisbane is providing more low-cost housing in places like Ipswich which has alleviated some of the rental pressure," he said.

"The Gold Coast is not getting that new supply of affordable housing so the rental crisis will only get worse." He said State Governments needed to match Federal Government initiatives and provide incentives for developers to build affordable rental housing product.

The Gold Coast is also in dire straits in terms of rental vacancy rates. "Housing vacancy rates are only about 2.4 per cent and units about 3 per cent," said Real Institute of Queensland chairman Peter McGrath. "That is the lowest we have ever had and has been that way for the past year. "But it wouldn't surprise me if the next figures released show the rental market getting even tighter.

"There are a lot more people staying in their rental accommodation because they can't afford to buy because of interest rate rises. "Unfortunately that situation will just get worse."

DJ Stringer Property Services at Kirra, which has one of the largest rental rolls on the Coast, said there was a critical lack of rentals. "We manage about 700 properties and have only four units vacant at the moment," said principal David Stringer. "We have houses we could rent 10 times in the same day."

Rising mortgage rates would continue to create disincentives for renters to move into home ownership, said Michael McNamara, Australian Property Monitors general manager.

He said rental supply was critical around the country.

"The Real Estate Institute of NSW recorded a rental vacancy rate under 1 per (0.9 per cent) for the first time in recorded history for the month of February," he said. "The available amount of rental stock is very low. Our count of advertised rental listings is the lowest seen in five years.

"As Gen Y leaves home and strong migration patterns take effect, our construction sector struggles to keep up the supply of well located, affordable property to accommodate a growing population of renters.

"Given the lag from approval to completion in building construction, the flow-on effects are likely to continue throughout the rest of this decade and beyond."