

Coast rents hit the roof

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It costs more to rent a property on the Gold Coast than it does in four Australian capital cities.

It now costs an average \$420 a week to rent a house on the Gold Coast and \$340 a week to rent a unit.

Only Darwin, Sydney and Canberra have more expensive rents, according to the latest RP Data rental research.

Gold Coast median housing rents increased by \$40 a week from December, 2007, to December, 2008, and units jumped by \$25 during the same period.

Gold Coast rents soared past those in Brisbane, where the median weekly rent for a house is just \$350 and \$335 a week for units.

RP Data senior research analyst Cameron Kusher said that although median values had fallen in many areas across Australia during 2009, there had been 'exceptional growth' in nationwide weekly rental rates. The Gold Coast was one of the most expensive rental regional cities.

"All property types (houses and units) recorded growth in weekly rental rates through 2008," said Mr Kusher.

"On average, rents increased by \$41 a week for houses and \$35 a week for units, indicating strong rental growth."

Gold Coast-based Real Estate Institute of Queensland chairman Peter McGrath said while the tight rental market was a positive move if it drew investors back to the beleaguered Gold Coast property market, it was tough for anyone forced to be a tenant.

He has previously warned that the Gold Coast needs to be careful it doesn't price itself out of the market for renters and continues to provide a diversity of rental product.

"Otherwise we will lose these people to other areas and it should be remembered that every renter is a potential buyer," he said.

Of the capital cities, Darwin was the standout performer in terms of rental growth in 2008 and surprisingly was also the best performer in terms of property value growth over that period.

Mr Kusher said he anticipated rental growth would continue to be strong throughout 2009, 'although it may not be as strong as that witnessed during the last year'.

He said the tight rental market was highlighted in recent data from the Real Estate Institute of Australia which showed that vacancy rates throughout all Australian capital cities except Perth (2.4 per cent) and Canberra (2.3 per cent) were below 2 per cent.

On the Gold Coast, the rental vacancy rate is also under 2 per cent.