

Property investors flood back

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June 28th, 2009

INVESTORS are flooding back to the property market as Gold Coast unit and townhouse rental returns show strong growth.

The latest Real Estate Institute of Queensland figures show units and townhouses at Reedy Creek, Varsity Lakes, Labrador and Southport as some of the highest rental return properties in Queensland.

Reedy Creek and Varsity Lakes, with an average median house price of \$359,063 and a weekly rent of \$410, were the fifth best rental suburbs in the state behind Port Douglas, Woree in Cairns, Kingston and Spring Hill.

They had a gross rental yield of 5.9 per cent.

The traditional strong rental hub of Southport and Labrador also continued to return solid yields of 5.5 per cent.

REIQ chairman Peter McGrath said investors, stung by the stock market crash, were choosing to invest their cash into the safer property market.

"With the start of the new financial year, and changes to superannuation limiting tax concessions on superannuation contributions, investors are certainly revisiting the real estate market," he said.

"Property remains a reliable investment vehicle over the medium to long term with its potential for capital growth and rent returns."

Mr McGrath said the emerging popularity of Reedy Creek and Varsity Lakes was due to affordable rents and proximity to the Robina Town Centre employment hub.

"Rentals come up with where the employment is," he said.

Southport and Labrador continued to fare well because of proximity to the Gold Coast's CBD and many of the older-style houses being replaced with modern, affordable duplexes.

"When it comes to unit sales, it is always Surfers Paradise number one, Southport number two and Labrador number three ... it's the way it's been for a long time," said Mr McGrath.

Coomera and Upper Coomera also produced the best rental yields on the Coast, mainly because it was again close to employment and the M1 and the townhouses were mostly modern but affordable.

The Gold Coast failed to rate in the top 20 best rental yields for houses in Queensland -- not surprising according to Mr McGrath who said the Coast's traditional base was apartment living.

"We have a lot more variety of units and a lot more units than other areas in the state," he said.
"Tenants like unit living because they get security and a lot of other facilities including swimming pools and tennis courts."

George Nowak, director of EZ Residential, a member of the Charterhill Group of Companies, has been in property investment for 25 years and since a year ago has seen investors turning back to the property market.

His team specialises in locating strong yielding rental properties for investment portfolios, and has property sources scattered across the Gold Coast and other states.

"Bank interest rates are down but rents are high," he said. "If an investor has a deposit, they can get into the market without it costing them a cent out of their weekly cashflow."

"A lot of investments turn out to be cash flow positive at the moment."