

## Property re-look on the rise among investors

Investors are paying increasing attention to Australian property for several important reasons, The Australian Financial Review says in a story of February 13.

Michelle Singer's analysis says record low vacancy rates, strong buyer demand and a lack of supply are promising signs. And recent share market volatility is contributing to a greater desire among some to park their money in bricks and mortar.

She wrote that anecdotal evidence from real estate agents indicated a re-look at property began late 2007 as capital growth improved and yields rose along with strong rental prices.

This was underscored by double-digit price growth in 2007 in Adelaide, Brisbane, Melbourne and Canberra.

She quoted JP Morgan economist Jarrod Kerr as saying he expected growth appreciation again this year and into 2009.

At the same time he agreed with other analysts that higher interest rates would hurt and make affordability worse, though 'the market wouldn't buckle.'

Meanwhile property analyst Michael Matusik, who conducted research in January among 300 investors, found there was a distinct difference between desire and actually putting money into the property market at this time.

He reportedly said entry prices were high and while gross rental yields were rising there were 'stable at best' in the light of rising interest rates.