

## Rent costs set to soar in new year

---

**Melanie Pilling | October 14th, 2009**

GOLD Coast renters have been warned -- rents could soar early next year.

Figures released yesterday by Australian Property Monitors for the September quarter reveal the asking rent for houses and units has remained steady over the past 12 months.

The average rent for a three-bedroom house on the Gold Coast is \$420, the same as it was in the June quarter and in September last year.

The average rent for a two-bedroom unit fell \$5 a week from the June quarter to \$350, which was \$10 more a week than the same time last year.

But APM economist Matthew Bell warned renters would only enjoy the reprieve until the end of the year.

"In previous years we've seen rents increase by 10, 15 and 20 per cent a year but lately renters have been given a bit of a breather," said Mr Bell.

"It is not going to last much longer though. December might be the last quarter we see flat rents."

Despite the lull in rental growth, the Gold Coast remained the most expensive regional city.

Our average house rent of \$420 is higher than in Brisbane (\$360) and Melbourne (\$360).

Mr Bell said landlords had not increased rents over the past 12 months because interest rates had fallen and so too had mortgage costs.

"But interest rates are going up, which means mortgage costs are on the rise again."

The Real Estate Institute of Queensland also released figures on Gold Coast rents yesterday revealing Varsity Lakes, Southport and Labrador as the best suburbs to invest in.

A rental yield of more than 5 per cent is considered a good investment.

Varsity Lakes was the strongest performing unit rental suburb with a 5.9 per cent rental yield, based on a two-bedroom unit worth an average \$360,000 returning \$410 a week.

Oxenford, Southport and Labrador were the best suburbs to invest in for those wanting to buy a house, with a rental yield of 4.5 per cent.

REIQ Gold Coast regional manager Ray Milton said the potential for good capital gains and forecast growth in rents would spur on investors for the rest of the year.

Nationally, rents grew at 1.3 per cent in the year to September, the slowest pace of growth since 2005.

This compares to the 14 per cent average growth in rents in 2007 and 2008.