

# Fast 50 boom suburbs

This year's *Fast 50* reveals the suburbs in Australia set to offer investors the biggest rewards in 2015

While 2014 was a bumper year for many property investors, there is mixed opinion in the marketplace about where prices and buying trends are headed in 2015. Whatever happens to the 'overall' market, smart investors know they can prosper and succeed in all market conditions. They just need to be fore armed with the best research and analysis out there. *Smart Property Investment's Fast 50* report showcases the locations the leading experts are tipping will take off in 2015

**M**any investors reject the idea of 'hotspots' - because as the much-espoused saying goes, once it's being called a 'hotspot', it's already too late.

Savvy investors are often hesitant to follow the crowd. Many get a kick out of hearing reports of a suburb "taking off", knowing that they purchased in that location well before everyone else realised its investment credentials.

*Smart Property Investment's Fast 50* report doesn't report on what's already happened. Instead, we've called upon some of the industry's leading experts to look forward and predict the areas they think will perform best for investors in 2015.

The six experts on our panel - Andrew Wilson, Louis Christopher, Margaret Lomas, Michael Fuller, Sam Sagers and Todd Hunter - are all heavily involved with property markets across the country, and their opinions and insights are respected by investors with portfolios of all shapes and sizes.

This year's list comes at an interesting time for property investors.

2014 saw many investors expand their portfolios, increase their equity and ultimately improve their bottom line. Indeed, last year, it was hard to escape stories about rising prices, changing affordability dynamics and the investor buying bonanza.

It wasn't all good news, however. The level of activity didn't just catch the attention of the media and commentators - but regulatory bodies and politicians as well. 2014 may have been the year of the investor, but a fair amount of blame was thrust their way.

All at once, investors were accused of forcing up prices, keeping would-be first-time buyers out of the market and over-exposing themselves to debt in the record-low interest rate environment - which could affect the country's financial stability when the cash rate inevitably rises again.

In addition, the future of negative gearing was debated, there were suggestions about lenders charging more on investor loans to "rebalance" the market, and the discussion about the impact, risks and future of foreign investors in Australia continued.

Moving into the New Year, opinion is mixed on whether the talk will continue, or whether it will actually translate into any action.

Experts and commentators are also divided about what will happen to prices in 2015 and beyond.

In December last year, CoreLogic RP Data head of research Tim Lawless said Sydney would move towards a more sustainable rate of growth in 2015.

"Housing market conditions [in Sydney] have been nation-leading over the current cycle, with dwelling values up by 31 per cent to date," he said at the time. "The rate of capital growth is slowing down, though, after the annual rate of growth peaked in April last year [2013] at 16.7 per cent.

"We expect the trend towards a more sustainable rate of capital gain to continue over 2015, due to national affordability constraints ... as well as a reduction in investor demand, which will likely be attributable to the low-yield environment, as well as tougher investment lending requirement from the banks."

Whilst many commentators agree that the best of Sydney's growth may be behind us, others have raised concerns that the over-activity and hype could end up harming prices in the long run.

Speaking at the launch of Genworth's *Home Grown* report in November, Paul Bloxham, chief economist at HSBC Australia and New Zealand, said investor activity in Sydney was becoming "a bit frothy" and warned that Australia's largest city faced a price correction if current growth levels continued.

"We're up 28 per cent over the past two years in terms of house prices, and investors account for 45 per cent of all new lending that's going on in the Sydney market," he said. "That's a higher level as a proportion of the total number of loan approvals than we saw back in 2003 or so, when we saw Sydney have a house price rise and then a house price fall."

Despite this chatter, all investors know that 'Sydney' isn't simply one big property market, and savvy buyers can prosper in most market conditions.

This is reflected in this year's list, with New South Wales once again dominating. The state accounts for 21 of the 50 suburbs this year (interestingly, the same number as last year).

Queensland was our experts' second most popular state, with 13 suburbs making the cut.

Western Australian suburbs appear six times, compared to 10 last year, and Victoria four - a repeat of 2014.

2015 could see investment activity in Tasmania pick up - with four suburbs on the *Fast 50* list compared to zero last year. No suburbs from the territories made it this year, or indeed last year.

Obviously no list is foolproof, but we've provided as much information as possible to help you understand why the experts believe these suburbs have strong growth fundamentals.

The list is certainly not intended to be a buyer's guide (and you may not agree with every selection), but the data we've provided, as well as each expert's reasoning for their selections, should give you an insight into how professionals pick their next locations.

We will keep you updated through the year about how this year's *Fast 50* perform, but in the meantime, *Smart Property Investment* would like to thank Andrew Wilson, Louis Christopher, Margaret Lomas, Michael Fuller, Sam Sagers and Todd Hunter for their assistance in compiling this report.



**"WE EXPECT THE TREND TOWARDS A MORE SUSTAINABLE RATE OF CAPITAL GAIN TO CONTINUE OVER 2015"**

## EXPERT PANEL 2015



### Andrew Wilson

One of Australia's leading housing market experts, Dr Andrew Wilson is the senior economist for Domain Group. He presents market intelligence to industry and investor groups, is a housing market presenter for CEDA and housing adviser to the federal government-funded Australian Urban Research Infrastructure Network. Dr Wilson holds a PhD and Masters by Research in Housing Market Economics along with graduate qualifications in Econometrics and Construction Economics.



### Louis Christopher

The SQM Research founder and head of research is one of the most respected property analysts in Australia. Mr Christopher provides regular reports through SQM - an independent property advisory and forecasting research house that focuses on accurate property-related advice, research and data.



### Margaret Lomas

Founder of property investment advisory firm Destiny Financial Solutions and board member of the Property Investment Professionals of Australia, Margaret is a best-selling author as well as producer/host of Sky News' popular shows for property investors, *Your Money Your Call* and *Property Success with Margaret Lomas*.



### Michael Fuller

Michael Fuller co-founded Hotspotcentral.com.au, which aims to help investors decide where and when to buy. He previously worked with leading credit bureaus in Europe and Australia. Michael writes about algorithmic research in his 'Hotspotting' column for *Smart Property Investment* and provides spider maps for our Boomtown Data.



### Sam Saggars

Positive Real Estate CEO and co-founder Sam Saggars has been buying property for more than 15 years and has personally brokered more than 1,600 property deals. His own property portfolio is worth \$10 million-plus. He has written several books, including *How To Be In Debt For Millions And Be Happy About It* and *How To Be A Part-time Property Millionaire*.



### Todd Hunter

As a professional investor with a portfolio comprising 46 properties, and founder of wHeregroup, Todd goes against the grain of every other buyer's agent/property company in the marketplace by investing in great locations during the worst part of the property cycle. Not to be selfish, Todd also lets his clients in on the secrets and gets them great deals in affordable markets.





## Alphabetical listing

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# NSW



Map © OpenStreetMap contributors

## About the data

The *Fast 50* is intended to be used as a guide for those looking to invest in 2015 and beyond. All locations have been carefully selected by our panel of experts and we have included the reasoning for each selection, as well as some helpful and noteworthy data about each suburb.

A suburb's inclusion in the list does not necessarily mean all properties in that location will perform well. *Smart Property Investment* encourages all investors to complete their own research before making a purchase.

Some suburbs may be missing certain components of the data. In most cases, this is because there was either a small volume of sales, making the statistics unreliable, or limited population trend data.

Sources: Australian Bureau of Statistics 2011 Census Data, CoreLogic RP Data, SQM Research, id  
Note: All statistics correct at time of publication

## Key

- **Median price:** Median property price as at December 2014
- **Growth rate:** 12-month median price change as at December 2014
- **Rental yield:** Gross rental yield as at December 2014
- **Household income:** Median weekly household income

### Ambarvale

Michael Fuller

01

	HOUSES	UNITS
Median price	\$394,500	\$269,000
Growth rate	20%	10%
Weekly rent	\$380	\$310
Rental yield	5.0%	6.0%
Days on market	23	33
Vacancy rate	1.0%	1.0%
Population	7,289	
Household income	\$1,193	

● All signs are looking positive for this south-western Sydney suburb which, according to Michael Fuller, is set to benefit from the ripple effect of Sydney's strong growth. Mr Fuller says properties in the area are being snapped up very quickly, and there has been low vendor discounting and strong rental growth over the past 12 months. In addition, he believes there is limited chance of a downturn or "bubble burst", because historically, prices haven't climbed significantly.

### Baulkham Hills

Andrew Wilson

02

	HOUSES	UNITS
Median price	\$856,000	\$615,000
Growth rate	20%	8%
Weekly rent	\$560	\$250
Rental yield	3.4%	4.3%
Days on market	24	31
Vacancy rate	2.3%	2.3%
Population	33,418	
Household income	\$1,907	

● Vacancy rates have been contracting in this region, with Real Estate Institute of New South Wales president Malcolm Gunning recently noting that outer Sydney (including Baulkham Hills) was seeing the largest declines in vacancies, hitting 10-month lows. Andrew Wilson, who selected this suburb, said mid-priced suburbs in the north west, as well as the inner west and upper north shore, would offer the best opportunities for price growth, "which should track above 10 per cent over the year".

## Berowra

Louis Christopher

03

	HOUSES
Median price	\$785,000
Growth rate	14%
Weekly rent	\$585
Rental yield	3.9%
Days on market	29
Vacancy rate	3.7%
Population	4,619
Household income	\$2,106

● This suburb currently has the lowest ratio of listings to established properties for any suburb across Australia's capital cities, according to SQM Research's head of research, who says this will inevitably drive capital growth. He also points to the proposed link between the M1 and M2, which should boost the appeal of this quiet, bushy northern suburb. He recommends investors in the area stick to houses, as the suburb traditionally attracts young families who want a backyard.

## Curl Curl

Louis Christopher

04

	HOUSES	UNITS
Median price	\$1,675,525	\$750,000
Growth rate	1%	27%
Weekly rent	\$1,248	\$625
Rental yield	3.9%	4.3%
Days on market	31	N/A
Vacancy rate	0.8%	0.8%
Population	5,928	
Household income	\$2,152	

● Sydney's property market recovery somewhat bypassed the northern beaches, according to Louis Christopher, and he says it's time for Curl Curl to catch up to the rest of the city. He points to the suburb's low vacancy rate as an indicator investors won't struggle to secure tenants, and says investors should target units with a view, or houses. Mr Christopher says the area's main problems centre around traffic.

## Chain Valley Bay

Michael Fuller

05

	HOUSES
Median price	\$347,000
Growth rate	0%
Weekly rent	\$360
Rental yield	5.4%
Days on market	57
Vacancy rate	0.7%
Population	7,254
Household income	\$891

● Nestled on the shores of Lake Macquarie, Chain Valley Bay is an "affordable coastal suburb within driving distance of Sydney", says Michael Fuller. In addition, the beauty spot has various indicators that suggest the supply-and-demand balance is tightening, favouring an impending price rise. He says there is a high proportion of owner-occupiers in the region (which is good for resales) and that houses are likely to offer better value than units.

## Dapto

Sam Sadders

06

	HOUSES	UNITS
Median price	\$370,000	\$299,500
Growth rate	11%	5%
Weekly rent	\$390	\$305
Rental yield	5.5%	5.3%
Days on market	51	41
Vacancy rate	0.6%	0.6%
Population	12,725	
Household income	\$1,069	

● This suburb in southern Wollongong is becoming increasingly attractive to renters, according to Sam Sadders. "It's an easy commute on the freeway system and the area is serviced by trains," he says, adding that the district is starting to shake off its 'lower socio-economic' stigma. "It's certainly becoming an attractive proposition if you can get the right property, and the area is beautiful." He recommends investors target new houses in this region.

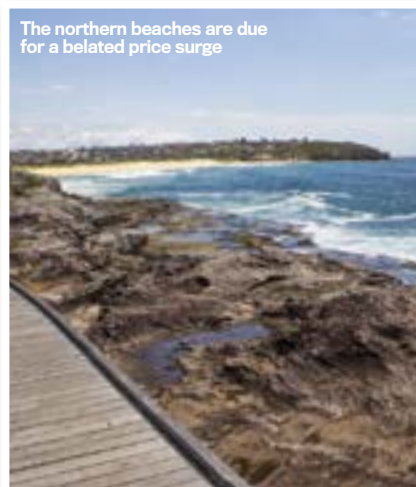
## Edgeworth

Sam Sadders

07

	HOUSES
Median price	\$358,750
Growth rate	7%
Weekly rent	\$370
Rental yield	5.4%
Days on market	48
Vacancy rate	2.0%
Population	6,251
Household income	\$1,015

● Positive Real Estate CEO Sam Sadders suggests that investors target new stock in Edgeworth, which he describes as a "housing market, not a unit market". Another Lake Macquarie suburb tipped to experience capital growth, residents of the Upper Hunter region are increasingly drawn to the Edgeworth area due to its access to roads and infrastructure.



## Erskineville

Andrew Wilson

08

	HOUSES	UNITS
Median price	\$978,000	\$673,050
Growth rate	10%	16%
Weekly rent	\$700	\$585
Rental yield	3.7%	4.5%
Days on market	38	31
Vacancy rate	1.2%	1.2%
Population	7,295	
Household income	\$2,222	

● Properties in this inner-west suburb a stone's-throw from Newtown are already moving quickly. With units selling within 31 days, it's the eighth-fastest mover of all suburbs on this year's list. Erskineville also attracts impressive rents, with the median rent for houses sitting at \$700, putting the suburb equal fourth with Strathfield when measuring the highest rents among this year's *Fast 50* contenders.

## Forestville

Michael Fuller

09

	HOUSES	UNITS
Median price	\$1,115,500	
Growth rate	23%	
Weekly rent	\$850	
Rental yield	4.0%	
Days on market	29	
Vacancy rate	1.2%	
Population	7,834	
Household income	\$1,731	

● All signs are pointing up for Forestville, according to Michael Fuller, who says the data shows properties are not staying on the market for long. The northern Sydney suburb is seeing low vendor discounting, high auction clearance rates, a good balance between owner-occupiers and renters, and a low percentage of stock on the market.

## Gosford

Margaret Lomas

10

	HOUSES	UNITS
Median price	\$427,500	\$315,000
Growth rate	22%	9%
Weekly rent	\$360	\$348
Rental yield	4.4%	5.7%
Days on market	90	41
Vacancy rate	1.0%	1.0%
Population	4,776	
Household income	\$976	

● Gosford is the business hub of the Central Coast and a short drive from holiday hot spots such as Terrigal. Many residents commute to Sydney via the frequent peak-hour train services. According to Margaret Lomas, the city is benefiting from improving council development processes. She points to an extended period of "little growth" and limited land supply, as well as future development, as key drivers of future capital growth.

## Hornsby

Andrew Wilson

11

	HOUSES	UNITS
Median price	\$905,000	\$545,000
Growth rate	21%	14%
Weekly rent	\$580	\$450
Rental yield	3.3%	4.3%
Days on market	31	28
Vacancy rate	1.4%	1.4%
Population	20,446	
Household income	\$1,482	

● Units in this well-established upper north shore suburb are selling particularly well, with the median days on market just 28. Houses are only slightly higher at 31 days, and have recorded a 21 per cent jump in median price over the past 12 months. According to Andrew Wilson, this suburb, which serves as a main transport hub, will continue to benefit from Sydney's nation-leading performance.

## Liverpool LGA

Sam Sadders

12

	HOUSES	UNITS
Median price	\$570,000	\$333,000
Growth rate	27%	14%
Weekly rent	\$423	\$340
Rental yield	3.9%	5.4%
Days on market	48	35
Vacancy rate	2.0%	2.0%
Population	195,355	
Household income	\$1,299	

● Despite warnings that this local government area (LGA) in Sydney's south west is almost at the peak of its property cycle, Sam Sadders says there are still opportunities for investors to profit from all dwelling types. He says there is limited supply and the area remains affordable by Sydney standards - factors which will continue to push up prices.

## Marrickville

Andrew Wilson  
Louis Christopher

13

	HOUSES	UNITS
Median price	\$925,000	\$562,000
Growth rate	10%	10%
Weekly rent	\$690	\$460
Rental yield	3.9%	4.3%
Days on market	57	42
Vacancy rate	1.1%	1.1%
Population	24,574	
Household income	\$1,435	

● Marrickville featured in our *Fast 50* in 2014, when Louis Christopher pointed out that it was set to benefit from the increasing popularity of nearby Newtown. This year, the suburb was selected by two of our experts, with Mr Christopher noting its "ridiculously low vacancy rate" of 1.1 per cent. He did caution, however, that the inner west has had a massive rise over the past 18 months and may be due for a pull-back.



## Merrylands

Margaret Lomas

14

	HOUSES	UNITS
Median price	\$650,000	\$395,000
Growth rate	14%	10%
Weekly rent	\$450	\$400
Rental yield	3.6%	5.3%
Days on market	53	48
Vacancy rate	1.2%	1.2%
Population	19,376	
Household income	\$1,046	

● Margaret Lomas says investors should target units in this suburb, which will benefit from neighbouring Parramatta's continued expansion and increased appeal while remaining a cheaper alternative. Merrylands also appeared on last year's list, when Andrew Wilson cited its proximity to Parramatta, affordability and road improvements as key reasons behind its inclusion. It also enjoys frequent express rail services to the city for an easy commute.

**THE INNER WEST HAS HAD A MASSIVE RISE OVER THE PAST 18 MONTHS AND MAY BE DUE FOR A PULL-BACK**

The best of Sydney's growth may be exhausted, but investment opportunities still exist in the city if you know where to look



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## Millers Point

Sam Sadders

15

	UNITS
Median price	\$1,392,500
Growth rate	N/A
Weekly rent	\$950
Rental yield	3.5%
Days on market	47
Vacancy rate	2.8%
Population	3,065
Household income	\$1,992

● In September 2014, McGrath chief John McGrath tipped Millers Point was “about to explode”. “With the top end of town as one neighbour, Barangaroo as another and Sydney Harbour at your door, it is the best located suburb in the country,” he said. The government’s sell-off of Department of Housing stock is also set to benefit investors. Sam Sadders, who selected the suburb this year, said investors should purchase terrace housing, with huge capital gains expected due to limited stock.

## North Parramatta

Andrew Wilson

16

	HOUSES	UNITS
Median price	\$825,000	\$481,500
Growth rate	24%	21%
Weekly rent	\$500	\$420
Rental yield	3.2%	4.5%
Days on market	50	23
Vacancy rate	1.3%	1.3%
Population	11,818	
Household income	\$1,294	

● In late 2014, real estate group Raine & Horne noted that buying activity was so strong in the Parramatta region that properties that were usually difficult to sell were moving quickly. Even units lacking parking or internal laundries were finding buyers in no time. This is reflected in the figures, especially when compared with the other suburbs on this list, with units in North Parramatta spending an average of just 23 days on the market.

## Shortland

Sam Sadders

17

	HOUSES	UNITS
Median price	\$355,000	\$392,000
Growth rate	9%	35%
Weekly rent	\$365	N/A
Rental yield	5.3%	N/A
Days on market	46	N/A
Vacancy rate	4.6%	4.6%
Population	3,705	
Household income	\$878	

● Sam Sadders says this area’s growth prospects are strongly linked to the investment fundamentals emerging in the city of Newcastle. The balance between supply and demand is beginning to tip in investors’ favour, he believes. Mr Sadders encourages investors to target townhouses or large blocks with decent-quality houses.

The government housing sell-off in Millers Point, part Sydney’s The Rocks, is creating big opportunities for hungry investors



## St Peters

Andrew Wilson

18

	HOUSES	UNITS
Median price	\$928,000	\$691,00
Growth rate	8%	31%
Weekly rent	\$675	\$510
Rental yield	3.8%	3.8%
Days on market	72	N/A
Vacancy rate	1.5%	1.5%
Population	3,887	
Household income	\$1,683	

● When looking at 12-month median price growth, St Peters units rank second amongst the *Fast 50* suburbs. The median price has increased by 31 per cent over the past 12 months. Another close neighbour of in-demand Newtown, the suburb is also a standout performer when it comes to rental returns, with houses attracting a median weekly rent of \$675, placing St Peters seventh on the list.

## Strathfield/Strathfield Sth

Louis Christopher  
Andrew Wilson

19

	STRATHFIELD UNITS	STRATHFIELD STH UNITS
Median price	\$630,000	\$525,000
Growth rate	15%	-3%
Weekly rent	\$520	\$450
Rental yield	4.3%	4.5%
Days on market	30	N/A
Vacancy rate	3.0%	2.9%
Population	17,004	3,213
Household income	\$1,752	\$1,452

● This year, Louis Christopher again selected Strathfield as one of his top suburbs, while Andrew Wilson tips Strathfield South. Mr Christopher points out that while Strathfield has run behind the greater Sydney average during this recovery, "signs are this is about to change". He says investors should bypass the high-priced houses and instead target units close to the station, which serves as a significant transport hub.

## Tempe

Andrew Wilson

20

	HOUSES
Median price	\$832,000
Growth rate	11%
Weekly rent	\$620
Rental yield	3.9%
Days on market	63
Vacancy rate	1.5%
Population	3,302
Household income	\$1,653

● Tempe, in Sydney's inner west, is located just nine kilometres from Sydney's CBD. It's located within the Marrickville Council LGA and could thus benefit from similar capital growth drivers to Marrickville, which also appears on this year's list. In addition to its close proximity to the city and Sydney Airport, the suburb is well serviced by public transport.

## Umina Beach

Louis Christopher

21

	HOUSES	UNITS
Median price	\$460,500	\$406,500
Growth rate	14%	16%
Weekly rent	\$380	\$375
Rental yield	4.3%	4.8%
Days on market	49	69
Vacancy rate	1.3%	1.3%
Population	16,032	
Household income	\$976	

● This well-serviced suburb on the NSW Central Coast is set to benefit from the "stronger domestic tourist scene", according to Louis Christopher. The property guru recommends investors look for units with water views or solid family homes, but does caution that downturns in this region can be "acute".

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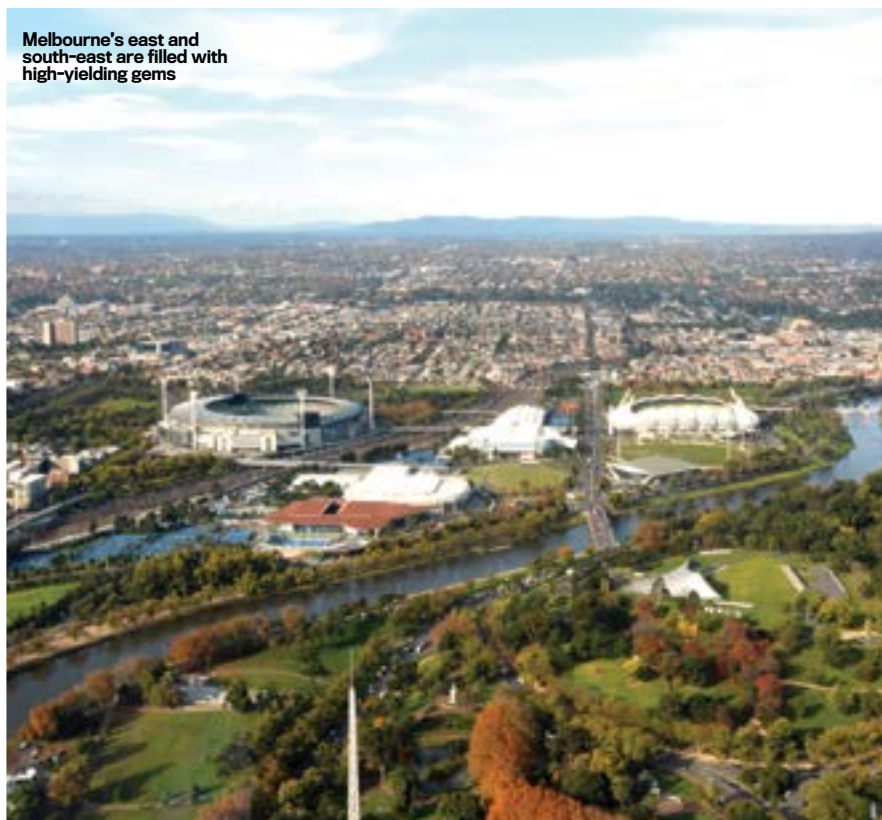
# VIC



Melbourne

Map © OpenStreetMap contributors

Melbourne's east and south-east are filled with high-yielding gems



## Carrum Downs

Margaret Lomas

22

	HOUSES	UNITS
Median price	\$342,750	\$298,000
Growth rate	5%	-4%
Weekly rent	\$330	\$315
Rental yield	5.0%	5.5%
Days on market	54	63
Vacancy rate	1.1%	1.1%
Population	19,091	
Household income	\$1,184	

● Carrum Downs' close proximity to the Mornington Peninsula makes it a desirable location, yet it remains \$50,000 cheaper than neighbouring Seaford, according to Margaret Lomas. The average gross rental yield for houses in the suburb is 5.0 per cent and climbs to 5.5 per cent for units – but Ms Lomas says investors should search for and secure yields upwards of six per cent.

**THE AVERAGE GROSS RENTAL YIELD FOR HOUSES IN CARRUM DOWNS IS 5% AND CLIMBS TO 5.5% FOR UNITS**

## Cranbourne

Margaret Lomas

23

	HOUSES	UNITS
Median price	\$325,000	\$255,500
Growth rate	4%	-2%
Weekly rent	\$310	\$270
Rental yield	5.0%	5.5%
Days on market	70	68
Vacancy rate	2.6%	2.6%
Population	18,612	
Household income	1,115	

● Another gem in Melbourne's south-east, Cranbourne's investment appeal lies in its relative affordability – especially compared to neighbouring Berwick, which can cost up to \$100,000 more, according to Margaret Lomas, who says the area has strong yields and a “strong family demographic”.



## Spotswood

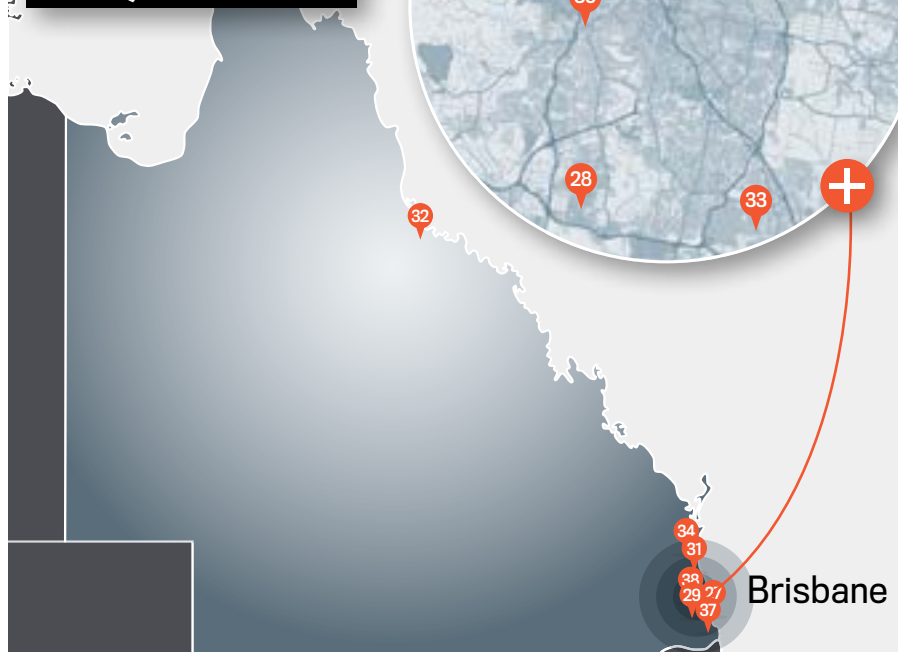
Sam Sadders

24

	HOUSES	UNITS
Median price	\$660,000	\$602,444
Growth rate	0%	26%
Weekly rent	\$430	\$310
Rental yield	3.4%	2.7%
Days on market	66	N/A
Vacancy rate	2.1%	2.1%
Population	4,169	
Household income	\$1,417	

● Traditionally known for being largely industrial, Spotswood, just over the West Gate Bridge from Melbourne's CBD, is undergoing significant urban renewal and gentrification. According to Sam Sadders, investors would be wise to do their due diligence on zoning changes, and savvy investors should target townhouses or warehouse conversions and units.

# QLD



Map © OpenStreetMap contributors

## Sunshine

Margaret Lomas

25

	HOUSES	UNITS
Median price	\$471,000	\$357,500
Growth rate	17%	12%
Weekly rent	\$320	\$240
Rental yield	3.5%	3.5%
Days on market	71	97
Vacancy rate	3.3%	3.3%
Population	8,728	
Household income	\$1,009	

● This suburb in Melbourne's west appeared in the *Fast 50* in 2014, when Andrew Wilson highlighted its population spike and new town plan that aimed to strengthen transport infrastructure and improve access to the CBD. Margaret Lomas selected it this year based on its proximity to the city, the possibility of securing rental yields of five per cent-plus, and its position as a "hub of a \$880 million regional rail project".

## Bracken Ridge

Michael Fuller

26

	HOUSES	UNITS
Median price	\$415,500	\$320,000
Growth rate	1%	2%
Weekly rent	\$420	\$365
Rental yield	5.3%	5.9%
Days on market	45	52
Vacancy rate	1.8%	1.8%
Population	16,089	
Household income	\$1,511	

● Although yet to experience a great deal of growth in property prices, Michael Fuller says this relatively new northern suburb of Brisbane is on the up and up. He says there has been large amounts of interest expressed by would-be renters and buyers online, so the suburb's stagnation looks "likely to end" soon.

## Broadbeach

Louis Christopher

27

	UNITS
Median price	\$430,750
Growth rate	-4%
Weekly rent	\$370
Rental yield	4.5%
Days on market	109
Vacancy rate	1.0%
Population	7,553
Household income	\$1,277

● Louis Christopher concedes that this area was "smashed" during the 2010-2012 downturn, but says the market is now in recovery. The Gold Coast suburb benefits from low vacancy rates and its desirable location away from the noise of the main drag of Surfers Paradise. He cautions investors about over-priced developments and says they should instead stick with established units with ocean views.

## Forest Lake

Margaret Lomas

28

	UNITS
Median price	\$397,500
Growth rate	4%
Weekly rent	\$380
Rental yield	5.0%
Days on market	61
Vacancy rate	0.9%
Population	19,146
Household income	\$1,597

● Investors in this region who pay in the mid \$300,000s should do well, according to Margaret Lomas, who says the area - which was the first master-planned community in Brisbane - attracts a strong family demographic. Forest Lake also benefits from its position close to main roads servicing Ipswich and Brisbane North and has a good selection of dwellings.

**THE BROADBEACH AREA WAS 'SMASHED' DURING THE 2010-2012 DOWNTURN, BUT THE MARKET IS NOW IN RECOVERY**

## Highland Park

Michael Fuller

29

	HOUSES	UNITS
Median price	\$419,500	\$245,000
Growth rate	0%	-20%
Weekly rent	\$445	\$340
Rental yield	5.5%	7.2%
Days on market	56	68
Vacancy rate	0.9%	0.9%
Population	8,472	
Household income	\$1,303	

● Highland Park, within the Gold Coast area of Nerang, could well be at the bottom of its price cycle, according to Michael Fuller. He says investors will have to move quickly if an opportunity becomes available, though, with "strong recent auction clearance rates, plenty of owner-occupiers, zero vacancies, decent yields and no stock on market".



The Gold Coast is sizzling with hot buys for investors who look beyond Surfers



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## Indooroopilly

Sam Sadders

30

	HOUSES	UNITS
Median price	\$735,000	\$475,500
Growth rate	2%	12%
Weekly rent	\$515	\$410
Rental yield	3.6%	4.5%
Days on market	65	50
Vacancy rate	3.2%	3.2%
Population	11,727	
Household income	\$976	

● This market is starting to venture into “fear of missing out” territory, according to Sam Sadders, with downsizers in particular looking to move in. These two factors should drive capital growth in the coming year, he says, but softening rents could be problematic. Mr Sadders says there are opportunities for both house and unit purchasers, but recommends investors stick to new stock.

## Kallangur/ Murrumba Downs

Todd Hunter

31

	KALLANGUR HOUSES	MURRUMBA DOWNS HOUSES
Median price	\$342,950	\$453,750
Growth rate	7%	7%
Weekly rent	\$370	\$410
Rental yield	5.6%	4.7%
Days on market	56	64
Vacancy rate	3.5%	3.5%
Population	20,437	9,392
Household income	\$1,233	\$1,619

● Todd Hunter says this area is set to benefit from north Brisbane's expansion and employment prospects. The suburbs offer easy access to North Lakes, but can be more affordable than the surrounding alternatives. “The houses in these two suburbs are a little older, but much larger, on bigger blocks, making them more desirable properties for both tenants and owners alike,” he says. Investors should steer clear of townhouses and units in the region, he cautions, “as they have much higher vacancy rates than houses”.

## Kirwan

Todd Hunter

32

	HOUSES	UNITS
Median price	\$350,000	\$280,000
Growth rate	0%	13%
Weekly rent	\$370	\$320
Rental yield	5.5%	5.9%
Days on market	91	N/A
Vacancy rate	3.2%	3.2%
Population	20,930	
Household income	\$1,538	

● This Townsville suburb is located about 12 minutes from the city centre “with lots of employment opportunities the whole drive in”, says Todd Hunter. As Townsville is “the North Queensland hub for all public servants and defence”, many residents have solid incomes. He urges investors to be wary of beachfront properties or those near the riverfront, due to flood risks, saying insurance and council rates can be costly as a result. He adds, “Stay west of Bamford Lane, unless your appetite for risk is a little higher.”



**“TOWNSVILLE IS THE  
NORTH QUEENSLAND HUB  
FOR PUBLIC SERVANTS  
AND DEFENCE”**

Investors should steer clear  
of flood-prone areas when  
looking at Townsville





## Logan Central

33

Margaret Lomas /  
Louis Christopher

	HOUSES
Median price	\$265,000
Growth rate	10%
Weekly rent	\$320
Rental yield	6.3%
Days on market	57
Vacancy rate	1.1%
Population	6,040
Household income	\$815

● Margaret Lomas and Louis Christopher both point to Logan's impressive rental yields as a strong reason to invest there. In addition, Ms Lomas says the area is experiencing gentrification and a housing undersupply, whilst continuing to appeal to families. Mr Christopher describes vacancy rates in the region as low and steady, and suggests investors target established houses.

## Morayfield/Caboolture Sth

34

Todd Hunter

	MORAYFIELD HOUSES	CABOOLTURE STH HOUSES
Median price	\$325,500	\$270,000
Growth rate	5%	5%
Weekly rent	\$325	\$290
Rental yield	5.2%	5.6%
Days on market	63	66
Vacancy rate	1.4%	1.3%
Population	19,440	4,857
Household income	\$1,193	\$840

● According to Todd Hunter, these suburbs are set to benefit from North Lakes infrastructure, including a recently-opened business park tipped to "employ over 13,000 people" once completed. "On top of this, a new train line is under construction, along with Bruce Highway upgrades. Combine that with great local employment opportunities and driving distance to Brisbane CBD by road or rail, and these will be the sneaky suburbs that benefit from all these offerings, but at a much cheaper price point," he says.

## New Farm

35

Sam Saggars

	HOUSES	UNITS
Median price	\$1,250,000	\$556,000
Growth rate	5%	3%
Weekly rent	\$650	\$440
Rental yield	2.7%	4.1%
Days on market	74	53
Vacancy rate	4.7%	4.7%
Population	11,201	
Household income	\$1,620	

● New units are the best buy in this inner-Brisbane suburb, according to Sam Saggars. He does warn that yield-hungry investors may be put off by softening rents, but says capital growth is set to continue. Late in 2014, Scott McGeever of Property Searchers also tipped growth, saying, "This area has been strong because of the lack of available land to develop. It is also well-serviced with amenities, parks and transport while being a convenient distance to the Brisbane CBD."

Inner Brisbane presents buyers with great investment opportunities across all dwelling types



## Paddington

Sam Sagers

36

	HOUSES	UNITS
Median price	\$900,000	\$492,605
Growth rate	13%	-3%
Weekly rent	\$575	\$430
Rental yield	3.3%	4.5%
Days on market	75	55
Vacancy rate	2.9%	2.9%
Population	7,986	
Household income	2,074	

● Another in-demand suburb of inner Brisbane, this market is increasingly attracting upgraders and DINKS (double income, no kids), Sam Sagers says. According to Mr Sagers, all dwelling types offer investors opportunities, but they should be cautious of the over-heating auction market.

## Reedy Creek

Michael Fuller

37

	HOUSES	UNITS
Median price	\$619,500	\$290,000
Growth rate	2%	9%
Weekly rent	\$673	\$355
Rental yield	5.6%	6.4%
Days on market	89	63
Vacancy rate	1.0%	1.0%
Population	6,880	
Household income	\$1,529	

● Despite warning investors to be wary of some future developments, Michael Fuller says owners in this part of the Gold Coast can be the beneficiaries of high yields. Indeed, when comparing yields for houses and units across all suburbs featured in this year's *Fast 50*, units in Reedy Creek placed seventh. At a median rental price of \$673 per week for houses, the suburb placed eighth in terms of highest rents.

## Springfield Lakes/ Redbank Plains

Todd Hunter

38

	SPRINGFIELD LAKES HOUSES	REDBANK PLAINS HOUSES
Median price	\$395,000	\$298,000
Growth rate	4%	4%
Weekly rent	\$380	\$325
Rental yield	5.0%	5.7%
Days on market	69	86
Vacancy rate	2.0%	2.0%
Population	10,255	14,967
Household income	\$1,758	\$1,264

● Brisbane residents are increasingly being attracted to this area due to its huge infrastructure investment and associated employment prospects, says Todd Hunter. He warns that not all properties in this region are created equally, with Redbank Plains having a few undesirable areas and Springfield Lakes offering blocks as small as 180 square metres. He advises sticking to houses and says investors shouldn't spend more than \$350,000 in Springfield Lakes and \$330,000 in Redbank Plains.



Map © OpenStreetMap contributors

## Marden

Michael Fuller

39

	HOUSES	UNITS
Median price	\$606,000	\$337,975
Growth rate	9%	8%
Weekly rent	\$408	\$295
Rental yield	3.5%	4.5%
Days on market	68	73
Vacancy rate	2.1%	2.1%
Population	2,338	
Household income	\$857	

● “The long, dry patch in terms of growth seems to be about to end” for Marden, according to Michael Fuller. He says the suburb recently experienced “a perfect auction clearance rate” as well as “very high rental growth over the past 12 months and a large number of people showing interest in the market compared to the number of properties available” - which all points towards imminent capital growth.



## Salisbury

Margaret Lomas

40

	HOUSES	UNITS
Median price	\$275,000	\$200,000
Growth rate	3%	7%
Weekly rent	\$290	\$228
Rental yield	5.5%	5.9%
Days on market	82	120
Vacancy rate	1.3%	1.3%
Population	7,447	
Household income	\$785	

● Low land supply is set to drive prices higher in this northern suburb of Adelaide, according to Margaret Lomas. Salisbury also has strong rental yields, and investors could secure themselves solid returns if they buy in the mid-\$200,000s, she says. Ongoing gentrification in the area will also boost its appeal and property prices.



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High rental yields are a strong possibility in the many low-priced areas of Hobart

## Clarendon Vale

Louis Christopher

41

	HOUSES
Median price	\$126,000
Growth rate	-13%
Weekly rent	\$210
Rental yield	8.7%
Days on market	93
Vacancy rate	0.9%
Population	1,348
Household income	\$641

● Parts of the Tasmanian market could be on their way to recovery, and Louis Christopher points to this northern Hobart suburb's cheap entry point and strong rental yield as drawcards. He warns that the Hobart economy still has long-term issues, but says investors who do their due diligence (and stick to houses) could do well in this suburb.

**"WHEN THE HOBART MARKET GOES QUIET, IT SHUTS OFF COMPLETELY, SO MARKET TIMING IS CRUCIAL"**

## Gagebrook/ Bridgewater

Todd Hunter

42

	GAGEBROOK HOUSES	BRIDGEWATER HOUSES
Median price	\$125,000	\$162,500
Growth rate	11%	14%
Weekly rent	\$220	\$250
Rental yield	9.2%	8.0%
Days on market	80	145
Vacancy rate	0.7%	0.7%
Population	1,567	4,124
Household income	\$622	\$680

● Todd Hunter describes these as his cheapie suburbs of choice. "Although there are more social issues and unemployment, the yields on offer make these two suburbs very attractive," he says, adding that if you can nab a property for under \$140,000, you can secure a solid rental yield. He does warn, "When the Hobart market goes quiet, it shuts off completely, so market timing is crucial for purchasing, as well as selling."

## Hobart Central

Louis Christopher

43

	HOUSES	UNITS
Median price	\$478,750	\$500,000
Growth rate	17%	16%
Weekly rent	\$395	\$450
Rental yield	4.3%	4.7%
Days on market	N/A	94
Vacancy rate	1.9%	1.9%
Population	2,102	
Household income	\$1,099	

● Rents in the centre of the Tasmanian capital are on the rise, according to Louis Christopher, who says investors would be advised to target units in Hobart's inner city. Although there are signs of increased economic activity and development, he says the biggest risk facing this market (like most Tasmanian suburbs) is the state's long-term economic prospects.



Map © OpenStreetMap contributors

## Mornington

Michael Fuller

44

	HOUSES
Median price	\$258,000
Growth rate	1%
Weekly rent	\$303
Rental yield	6.1%
Days on market	72
Vacancy rate	0.5%
Population	2,185
Household income	948

● Another suburb north of the Tasman Bridge, high yields are a strong possibility for investors here, and Mornington is an affordable option compared to neighbouring suburbs. Houses represent better value than units, says Michael Fuller, given they boast the ninth-highest yields compared to other suburbs listed in this year's report.

## Bayswater

Michael Fuller

45

	HOUSES	UNITS
Median price	\$644,000	\$324,500
Growth rate	11%	13%
Weekly rent	\$460	\$350
Rental yield	3.7%	5.6%
Days on market	41	81
Vacancy rate	2.1%	2.1%
Population	60,268	
Household income	\$1,336	

● Bayswater's affordable entry price, strong auction clearance rates and low percentage of stock on the market indicate it could be set for capital growth in 2015, Michael Fuller says. Even though the suburb doesn't appear among the top 10 for rental yields compared to other suburbs in this year's report, Mr Fuller says Bayswater has strong yield potential for those who purchase well.





'Cleaned-up' suburbs in Perth can attract high rents and quality tenants



## Glen Iris/Eaton

Todd Hunter

46

	GLEN IRIS HOUSES	EATON HOUSES
Median price	\$340,000	\$352,500
Growth rate	6%	0%
Weekly rent	\$370	\$370
Rental yield	5.7%	5.5%
Days on market	107	76
Vacancy rate	3.0%	1.1%
Population	15,212	8,156
Household income	\$2,880	\$1,438

● Due to price drops across WA, investors can grab cash flow-positive properties for under \$330,000, says Todd Hunter. Glen Iris, he says, has cleaned up considerably, which has enabled investors to charge higher rents and attract quality, long-term tenants. He cautions investors to be wary of room sizes. "In 2000 to 2006, there were house and land packages for four-bedroom houses, but bedrooms two, three and four were tiny. Both tenants and owner-occupiers avoid these, and so should you. It will be reflected in your sale price in the future."

## Greenfields

Todd Hunter

47

	HOUSES	UNITS
Median price	\$330,000	\$289,000
Growth rate	6%	17%
Weekly rent	\$350	N/A
Rental yield	5.5%	N/A
Days on market	66	N/A
Vacancy rate	1.6%	1.6%
Population	9,939	
Household income	\$842	

● This area of Mandurah is starting to recover from a downturn in prices from the end of 2007, says Todd Hunter. Astute investors can still find good buys in the suburb, and he recommends four-bedroom, two-bathroom houses on good-sized blocks with renovation potential. Mr Hunter says you shouldn't pay more than \$360,000, and should avoid Coodanup, a suburb to the south with "too many tenant issues".

## Medina

Margaret Lomas

48

	HOUSES
Median price	\$287,000
Growth rate	9%
Weekly rent	\$325
Rental yield	5.9%
Days on market	46
Vacancy rate	2.0%
Population	4,009
Household income	\$806

● Last year, Kwinana appeared on the *Fast 50* list, largely due to its proximity to the Perth CBD and a state government project tipped to create 10,000 jobs (which would also see a doubling of the population within the coming decade). This year, Margaret Lomas points to neighbouring Medina as an alternative, due to its relative affordability and the fact that it is "well serviced and near a major arterial freeway and the coast".



## Safety Bay

Margaret Lomas

49

	HOUSES	UNITS
Median price	\$426,000	\$302,500
Growth rate	4%	8%
Weekly rent	\$380	\$330
Rental yield	4.6%	5.7%
Days on market	68	112
Vacancy rate	1.2%	1.2%
Population	7,435	
Household income	\$1,191	

● Safety Bay, in Perth's outer southern suburbs, is benefiting from the "extremely well serviced Rockingham", Margaret Lomas says, while remaining the more affordable alternative. She says investors should try to target properties in the mid-\$300,000s.

**INVESTORS WHO GET IN QUICKLY BEFORE PRICES START TO RISE SHOULD SCORE A GOOD DEAL FOR UNDER \$350,000**

## Seville Grove/Brookdale

Todd Hunter

50

	SEVILLE GROVE HOUSES	BROOKDALE HOUSES
Median price	\$387,000	\$326,500
Growth rate	3%	9%
Weekly rent	\$400	\$368
Rental yield	5.4%	5.9%
Days on market	47	45
Vacancy rate	1.7%	1.7%
Population	9,210	2,827
Household income	\$1,456	\$1,256

● The LGA of these two suburbs (City of Armadale) is experiencing population growth of over five per cent, which puts significant pressure on quality rentals, according to Todd Hunter. The release of commercial and industrial land is boosting local employment. Investors who get in quickly before prices start to rise should score a good deal for under \$350,000, says Mr Hunter, who recommends free-standing houses that are "neat and tidy" and properties with subdivision potential. ■



There are still opportunities in Perth for savvy investors

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