

Investors revisiting property market

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Rental yields of more than five per cent and changes to superannuation tax concessions from 1 July are attracting investors back to the property market, according to the Real Estate Institute of Queensland (REIQ).

The REIQ March quarter rental yield report by postcode has found that yields of between 5 and 7 per cent are achievable in dozens of suburbs across the State.

"This report pinpoints where the returns are the greatest and highlights that there are many opportunities out there for astute investors," REIQ chairman Peter McGrath said.

"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.

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

The top three locations for gross rental house yields in Queensland all had yields of more than 6 per cent over the March quarter.

Sarina in Mackay was number one with a yield of 7.1 per cent; Mount Morgan in Rockhampton was next at 6.5 per cent and third was Oakey in Toowoomba with a yield of 6.1 per cent.

Sarina is located about 35km south of Mackay and just inland from the Sarina Beach, and is a farming community that has also embraced mining over recent years. The region is home to the Hay Point and Dalrymple Bay coal terminals which are the largest coal export facilities in the world.

New entries in the top 10 list for houses were Cooran on the Sunshine Coast; Howard on the Fraser Coast, Allentown in Rockhampton; and Waterford in Logan.

The number one spot for unit and townhouse gross rental yields was again Port Douglas at 7.9 per cent; next was Woree and White Rock also in Cairns at 6.4 per cent; and third was Kingston, Woodridge, and Logan Central in Logan with 6.3 per cent.

"The performance of the Logan Central area is really testament to its affordability with a unit and townhouse median of \$189,000."

New entries in the top 10 list for units and townhouses were Reedy Creek and Varsity Lakes on the Gold Coast; Tingalpa in Brisbane; Marcoola on the Sunshine Coast; and Maryborough in the Fraser Coast Regional Council area.