



19 SEP, 2020

## A LIFESTYLE INVESTMENT

Townsville Bulletin, Townsville



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A new survey has revealed that investors are now looking more favourably at regional property markets in the wake of COVID-19, writes Samantha Healy

INVESTORS are turning their sights to regional property markets, citing lifestyle factors and changing work habits as among their top considerations.

The 2020 PIPA Annual Investor Sentiment Survey, which quizzed almost 1100 investors nationally, found that the majority were now reconsidering where to buy and where they too wanted to live.

Further, the survey found that the proportion of investors looking at opportunities in metropolitan areas had fallen in many capital cities.

However the proportion of investors that believed regional markets now offered the most appealing prospects had increased to 22 per cent, up from 15 per cent in 2019.

"The survey found for those investors considering relocating the main reasons for doing so were improved lifestyle factors (78%), working from home in the future (46%) and housing affordability (40%)," PIPA chairman Peter Koulizos said.

"And it seems that regional locations are set to benefit from plenty of new residents with investors indicating their top locations to migrate to are regional NSW (21%), regional Queensland

(18%), Brisbane (16%) and regional Victoria (14%)."

Mr Koulizos said interstate investing had been

growing in popularity over recent years as investors became more educated.

The survey revealed that about 77 per cent of the respondents were not concerned about potential falling house prices, with about 44 per cent looking to purchase a property in the next six to 12 months.

"Plus, about 71 per cent of investors have indicated that the pandemic has made it less likely they will sell a property over the next year, which is another factor that will help to underpin property prices," Mr Koulizos said.

But the pandemic has shaken the confidence of some investors.

"Indeed, about 67 per cent of investors believe that now is a good time to invest in residential property ... which is down from 82 per cent in 2019 and no doubt a direct impact of the pandemic," Mr Koulizos said.

The survey comes as returning expats and interstate buyers looking for more space and a better lifestyle were tipped to drive increased demand in the property market.

During a webinar this week, John Fitzgerald,



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Custodian CEO and author of 7 Steps to Wealth, and social demographer Bernard Salt, discussed the impact of expats on the Australian property market.

“Expats are often early- to mid-career which means they have the means to enter the property market to rent or buy in Australia,” Mr Salt said.

Custodian’s Spring Quarterly Market Update predicts that returning expats will have an immediate impact on the property market.

Custodian managing director James Fitzgerald said the return of expats and the unexpected postponements by those who had planned to leave Australia to work overseas had kept vacancy rates low.

“The majority of vacancy rates in capital cities throughout Australia are now well below three per cent which normally reflects a balanced rental market,” he said.

“Those figures are good news for investors. It means their properties will rent and the demand should keep weekly rents steady, if not pushing them higher.”

In Townsville, rental vacancies fell to just 1.7 per cent in the June quarter, the city’s lowest ever vacancy rate, according to the REIQ Vacancy Rate Report.

That was down from 2.9 per cent in March, and the record high for the city of 7.1 per cent in September 2016.

REIQ chief executive Antonia Mercorella said that about 70 per cent of Queensland’s rental market was facing “extremely tight conditions”.

“In fact, the tightest conditions seen in Queensland since the global financial crisis,” she said.

### INVESTMENT OPPORTUNITIES:

1. With a front residence and a rear townhouse on its 1037sq m block, 4 Queens Rd at Railway Estate offers a 5.7 per cent return when fully tenanted

2. Listed for \$480,000 negotiable, this full furnished three bedroom unit at 704/68 Mcllwraith St in South Townsville has ‘guaranteed rental return’ of six per cent.

3. On the market for \$425,000, this Bohle Plains house has a current long-term Defence Housing Australia lease with ‘excellent rental returns’, achieving \$450 a week.  
(Source: realestate.com.au)

Mr Salt said Australians had every reason to feel confident.

“Ultimately, I think we will return to strong levels of immigration and strong levels of demand for residential property in Australia,” he said.



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