

Property investors look to Brisbane

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A crackdown on lending to property investors hasn't dampened their appetite, with many looking to Brisbane as the next hot spot.

Almost two thirds of property investors are looking to buy a residential property in the next six to 12 months, according to a survey of more than 1,000 investors.

Property Investment Professionals of Australia (PIPA) chair Ben Kingsley said most survey respondents believe Brisbane is a more affordable alternative to Sydney and Melbourne, where prices have already boomed.

"Investors are seeing Melbourne and Sydney performing very well and they're looking for alternative markets that they think they can get in before the market starts to move," Mr Kingsley told AAP.

Sydney's market has started to slow and Melbourne is approaching the peak of the cycle, Mr Kingsley said.

"Probably over the last six months there has been some speculation in the Sydney market, and the Melbourne market is enjoying a good Spring but I suspect that will slow down into 2016."

Of the investors surveyed by PIPA, 58 per cent identified Brisbane as the capital city offering the best investment prospects, well ahead of the 17 per cent that chose Melbourne.

Just 11 per cent named Sydney, while six per cent chose Perth and five per cent selected Adelaide.

One fifth of investors admit they have put their investment plans on hold because of concerns about a property bubble.

Tighter lending conditions are the key concern for investors, as regulators seek to slow the growth of investor lending.

Price corrections, the removal of negative gearing, long periods of vacancy and oversupply of property are also in the minds of investors.

More than 40 per cent of the investors surveyed cited long term wealth benefits as the prime reason to buy property, followed by capital growth opportunities and low interest rates.