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# Property Investor

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FOR HOMEBUYERS AND PROPERTY INVESTORS

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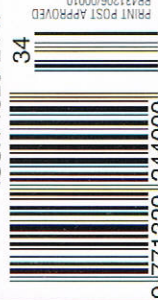
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**A \$73 000 GAIN IN JUST 1 MONTH! FIND OUT HOW ONE INVESTOR COUPLE DID IT**



For a full insight into Rockhampton, turn to our Queensland section on page 104.

- **Where to look:** Close to the university, shopping centre and hospital.
- **Where to avoid:** Depot Hill because it's low lying and is most prone to flooding.
- **What to buy:** A Queenslander house on a large block with renovation and development potential.

Source: Margaret Lomas, Destiny Financial Solutions; Graham Gross, Herron Todd White

## 76. ROMA, QLD

**Median price:** \$300,000 (H)  
**Distance from Brisbane:** 431km northwest  
**Population:** 6,504  
**Median rent:** \$480 (H)  
**Rental yield:** 8.3% (H)  
**Capital growth (12 months):** 1.5% (H)

**Local council:** *Average.*

**Accessibility:** *Average.* Water damage to the Warrego Highway is a problem and needs to be improved. The airport is well serviced by QantasLink with six flights to and from Brisbane daily.

**Services and amenities:** *Good.* Schools are up to standard and there are plenty of local businesses plus a Woolworths and IGA.

Source: Digby Makim, Herron Todd White

### Key drivers:

- Mining activity nearby
- Major job boost
- Tight housing market

Roma is a rural town traditionally known for its strong \$620 million per year agricultural industry. More recently it has become a destination for fly-in, fly-out mine workers operating from one of the town's many projects, says Aaron Maskrey of PRDnationwide.

Mining projects in Roma are either in operation, development or in planning, and major urban reform is under way due to unprecedented housing demand and price growth, says Maskrey.

"The Queensland Resource Council estimates more than 18,000 new jobs will be created in coal seam gas and liquefied natural gas industries, placing immense pressure on regional towns like Roma to accommodate an expanding workforce."

Already Roma is a well connected and serviced regional hub with schools, retail, pubs, recreational and community facilities, and of course its own airport, says Maskrey.

The flood in February hasn't helped investor confidence, however it has further tightened the rental vacancy rate.

- **Where to look:** The flood-free areas to the south and west of Roma.
- **Where to avoid:** The flood-affected

areas where historically the more desirable pockets are.

■ **What to buy:** A four-bedroom, two-bathroom house-and-land package in a newer estate for around \$450,000. Rents on this dwelling type can reach up to \$800 per week if fully furnished and rented to oil and gas-related entities. For the investor with a smaller budget, three-bedroom timber houses start from \$220,000 and can be rented from \$300 per week.

Source: Digby Makim, Herron Todd White

## 77. ROXBY DOWNS, SA

**Median price:** \$415,000 (H); \$270,000 (U)  
**Distance from Adelaide:** 500km north  
**Population:** 4,055  
**Median rent:** \$460 (H); \$360 (U)  
**Rental yield:** 5.8% (H); 6.9% (U)  
**Capital growth (12 months):** 7.2% (H); -3.6% (U)

**Local council:** *Average.* Roxby Downs doesn't have a local council, it's more of a local governing body. There are no elections either.

**Accessibility:** *Good.* The road between Port Augusta and Roxby Downs will soon be widened and there are plans to upgrade the Olympic Dam airport. There are daily flights to Adelaide.

**Services and amenities:** *Good.* There's a tavern, a club and various sporting bodies, including bowling and golf.

Source: Rick Treloar, C&G Group and Leicester Management Services

### Key drivers:

- Mining boom town
- Population and employment growth
- Olympic Dam expansion
- Low vacancy rates

John Lindeman of Property Power Partners has picked Roxby Downs for API's Hot 100. He says if it wasn't for Olympic Dam, the largest copper and uranium mine in the world, Roxby Downs wouldn't exist. Its housing market fortunes have been tied to the demand for uranium and copper, as well as the mine's future, but exciting plans should help the market boom.

"If approved, the Olympic Dam Project will be an economic driver for South Australia over the next 40 years," he says.

The Olympic Dam expansion project would create one of the world's largest open-cut pit mines with the potential to increase copper production from around 180,000 tonnes per annum to 750,000 tonnes per annum. The project has received approval from the SA and Federal Government and at the time of writing, a final decision by BHP Billiton was expected to be made around Easter.

Lin Andrews agent Lorraine Aubrey adds lease renewals are currently going up about \$50 per week and rental properties are being snapped up within 24 hours.

"If things continue like this, this town will boom. It will become very hard to rent and very hard to buy," Andrews says.

■ **Where to look:** Newer areas and subdivisions which will provide a higher rental income.

■ **Where to avoid:** Older, more rundown stock.

■ **What to buy:** An upgraded property that will attract younger families or a better quality tenant.

Source: John Lindeman, Property Power Partners

## 78. SHERWOOD, QLD

**Median price:** \$710,000 (H); \$338,000 (U)  
**Distance from Brisbane:** 8.3km southwest  
**Population:** 4,763  
**Median rent:** \$420 (H); \$325 (U)  
**Rental yield:** 3% (H); 5% (U)  
**Capital growth (12 months):** 7.6% (H); -20.4 (U)

**Local council:** *Good.* Infrastructure upgrades are planned and development allowing increased density is permitted.

**Accessibility:** *Very good.* The train line cuts through Sherwood, which is also serviced by buses. Road infrastructure is being upgraded.

**Services and amenities:** *Very good.* There are plenty of shops on Sherwood Road and restaurants and cafés in the suburb, as well as plenty in neighbouring suburbs including Graceville.

Source: Scott McGeever, Property Searchers

### Key drivers:

- Public transport
- Upgraded road infrastructure
- Development

The Brisbane property market was hit by floods early last year and Sherwood was impacted by this natural disaster, but its prospects for the future are still bright.

Australian Property Monitors notes that while prices in Brisbane fell over 2011, strong economic growth generated by export revenue from the central Queensland coalfields will now filter through to Brisbane, with increased demand for labour and rising wages improving consumer confidence. It names Sherwood as a suburb that's likely to do well this year, as the Brisbane market rebounds.

Buyers agent Scott McGeever also believes Sherwood has good potential for both rental and capital growth in the future. He says public transport is the main growth driver in Sherwood, given that the train line cuts through the suburb, and other drivers will be upgraded



road infrastructure, medium-density development and increased amenity, including commercial and recreational facilities.

■ **Where to look:** The best potential for growth, due to a lower entry point, is east of Honour Avenue and then more so east of Oxley Road and south of Sherwood Road coming from the Ipswich Motorway. There'll be some gems in the more established areas of Sherwood west of the rail.

■ **Where to avoid:** Buying too close to the rail or adjoining rail is a no-no wherever you're buying because it's hard to sell. The main roads that cut through the suburb are very busy and should be avoided. Low-lying areas should be avoided too – check the council flood information.

■ **What to buy:** Buying new or newish townhouses close to amenities like the café-style precinct in the suburb are good, as is detached housing with value-adding potential and property with development potential for the more brave.

Source: Scott McGeever, Property Searchers

## 79. SMITHTON, TAS

Median price: \$198,000 (H)

Distance from Launceston: 182km northwest

Population: 4,203

Median rent: \$210 (H)

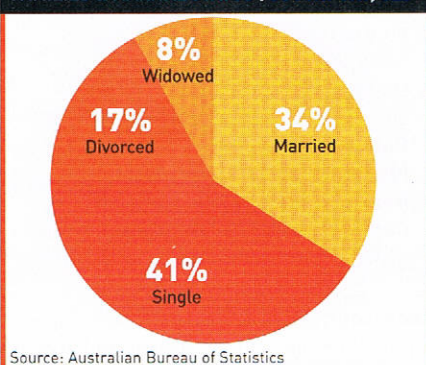
Rental yield: 5.5% (H)

Capital growth (12 months): 8.2% (H)

**Local council:** *Average.* Council is looking to redevelop the Smithton aquatic centre, as well as future development opportunities for three of Smithton's major recreation venues. There's also some residential development in the town.

**Accessibility:** *Average.* There's an airport in

## FAMILIES & MARITAL STATUS | SOUTHPORT, QLD



Source: Australian Bureau of Statistics

Wynyard and from there, it's around a 50-minute drive to Smithton, but the area is considered a little remote. The closest major centre is Burnie, around 70 kilometres away, and then Devonport.

**Services and amenities:** *Average.* Smithton is only a small town, but it's self-sufficient, with supermarkets and shops, schools and a hospital. A golf course may be built.

Source: Local property valuers and real estate agents

### Key drivers:

■ **Affordability**

■ **New industry**

There's no doubt the market in Smithton has weakened considerably over the past couple of years, especially since the global financial crisis and industry closure in the area. But this means prices in the area have dropped back and are now much cheaper, which, along with some new industry in the area, is presenting opportunities for investors.

Herron Todd White property advisers admit the market is currently oversupplied, with around two years' stock available. They say the recent announcement of a \$70 million dairy in the area and associated employment may spark the turnaround in the market.

There are other projects in the pipeline in the area, such as mining exploration and

development applications for mines, as well as a \$180 million expansion of dairy farms by the Van Diemen's Land Company in nearby Woolnorth. These projects and others will all create employment in the area.

■ **Where to look:** Near the Duck River and in elevated pockets with good views of the river.

■ **Where to avoid:** Any lower socioeconomic/former housing commission pockets.

■ **What to buy:** There are mostly houses in Smithton, as well as rural properties; it will depend on the investor.

Source: Local property valuers and real estate agents.

## 80. SOUTH BRISBANE, QLD

Median price: \$635,000 (H); \$419,000 (U)

Distance from Brisbane: 1.6km south

Population: 4,285

Median rent: \$545 (H); \$490 (U)

Rental yield: 4.5% (H); 6.1% (U)

Capital growth (12 months): -4.5% (H); -6.6% (U)

**Local council:** *Very good.* There's an emphasis on developing South Brisbane to provide an alternative commercial and residential area.

**Accessibility:** *Very good.* Buses, trains and the CityCat ferries are all easily accessible, as well as pedestrian bridges to the CBD.

**Services and amenities:** *Very good.* The Mater Hospital is in close proximity, as well as St Laurence's College, Brisbane State High School, Somerville House College and the South Bank Institute of TAFE. South Bank Parklands is also close providing restaurants, cafés, shops and entertainment.

Source: Herron Todd White

### Key drivers:

■ **Infrastructure spending**



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