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**Australian**

# Property Investor

JULY 2012

FOR HOMEBUYERS AND PROPERTY INVESTORS

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## Where to find **CASH FLOW** and **CAPITAL GROWTH!**



We uncover  
**63 locations**  
in our exclusive  
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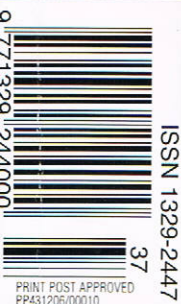
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**AUSTRALIA'S MOST TRUSTED AND HIGHEST SELLING PROPERTY INVESTMENT MAGAZINE**



Lomas says Gladstone can't be ignored because it's a "great, strong mining town". However, she cautions it's one of the riskier spots to invest in.

Harvey says, "It's an area which has estimates of over \$80 billion worth of infrastructure (planned for) over 10 years. That's a phenomenal number.

"Some people say, 'You've missed the boat', but the (new) workers aren't coming in all at once, they're coming in gradually.

"It's got a number of industries – aluminium smelting, coal export facilities, the LNG (liquefied natural gas) plants."

Harvey stresses the importance of research: "Know which parts of town are the good parts, away from the housing commission."

#### NUNDDAH\*

**LGA:** Brisbane City Council – [www.brisbane.qld.gov.au](http://www.brisbane.qld.gov.au)

Median house price	Median house rental	Rental yield (houses)	Median unit price	Median unit rental	Rental yield (units)	Vacancy rate
\$426,000	\$390	4.8%	\$348,000	\$390	5.8%	1.6%

Beck says there's a tight rental market in the Brisbane suburb of Nundah. It's within a reasonable distance to several major employment hubs of Brisbane – the airport and port, the CBD and Chermide.

Energex will also be moving a large number of workers to a new Nundah office shortly, which will bring a boost to local businesses.

A number of unit developments are planned for the area, so Beck recommends looking for a townhouse in this suburb as they'll provide better capital growth potential.

#### ROCKHAMPTON\*

**LGA:** Rockhampton Regional Council – [www.rockhamptonregion.qld.gov.au](http://www.rockhamptonregion.qld.gov.au)

Median house price	Median house rental	Rental yield (houses)	Median unit price	Median unit rental	Rental yield (units)	Vacancy rate
\$330,000	\$340	5.3%	\$289,000	\$260	4.6%	0.8%

Lomas suggests that if you want to cash in on Gladstone's boom but you don't want to take the risks associated with a mining town, it might be worth looking in surrounding areas, such as Rockhampton.

"It's less than an hour's drive away so it will get that influence from the mining. A lot of people are going to choose to live there and just commute to work," she says. "And you can get into Rockhampton really low – under the \$250,000 mark, with big blocks too, that you could always put a second dwelling on."

#### SHERWOOD\*

**LGA:** Brisbane City Council – [www.brisbane.qld.gov.au](http://www.brisbane.qld.gov.au)

Median house price	Median house rental	Rental yield (houses)	Median unit price	Median unit rental	Rental yield (units)	Vacancy rate
\$695,000	\$430	3.2%	\$327,000	\$340	5.4%	1.1%

"At the moment there's some really good opportunities in Sherwood," says Beck. She recently observed the purchase of a Sherwood home for \$490,000 which is now getting \$530 per week in rent.

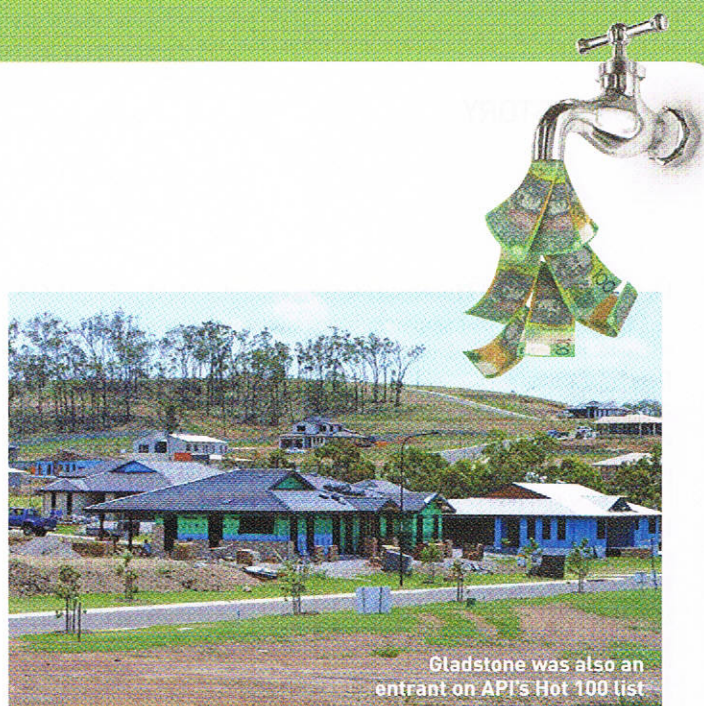
"There's some pretty distressed vendors – it's a good time to buy," she says.

There's also a limited rental supply in Sherwood, according to Beck.

She recommends townhouses and older houses in this suburb.

#### TOOWOOMBA\*

**LGA:** Toowoomba Regional Council – [www.toowoombarc.qld.gov.au](http://www.toowoombarc.qld.gov.au)



Gladstone was also an entrant on API's Hot 100 list

Median house price	Median house rental	Rental yield (houses)	Median unit price	Median unit rental	Rental yield (units)	Vacancy rate
\$305,000	\$285	4.8%	\$236,000	\$220	4.8%	1.2%

Lomas recommends the regional city of Toowoomba. "There's a huge amount of infrastructure both happening and planned in the area," she says.

The area has a diversified industry base. "But because of its (location) in the bottom part of the Surat Basin, it's also experiencing a spill over from the mining boom and a lot of mining companies are setting up their head offices in Toowoomba," she adds.

#### TOWNSVILLE\*

**LGA:** Townsville City Council – [www.townsville.qld.gov.au](http://www.townsville.qld.gov.au)

Median house price	Median house rental	Rental yield (houses)	Median unit price	Median unit rental	Rental yield (units)	Vacancy rate
\$370,000	\$370	5.2%	\$310,000	\$290	4.8%	0.4% (for region)

Harvey says the Townsville market is in the right stage of the property cycle for buyers, as it has started to take off after bottoming out.

It has diverse employment, with mining, defence and education. It also has a major cruise port facility. The city has a high average income and low unemployment. Harvey believes areas within five to 10 kilometres of the CBD will do well.

### SOUTH AUSTRALIA

Bart Quinn, SA manager for WBP Property Group, says Adelaide's market appears to be stabilising after a period of negative growth, however he expects only nominal growth, at best, over the next five years. "With discounted prices on offer and a generally stable rental market this is good news for investors as yields have increased," he says.

Those looking to hold property for the medium to longer term should consider the inner and middle ring suburbs which have performed well historically, he adds. "Outer southern beachside suburbs which will benefit from the duplication of the Southern Expressway will also make solid investments over the longer term."

Quinn says regional mining areas with population growth have the potential to do well in coming years.

#### HACKHAM WEST / HUNTFIELD HEIGHTS

**LGA:** City of Onkaparinga – [www.onkaparingacity.com](http://www.onkaparingacity.com)

Suburb	Median house price	Median house rental	Rental yield (houses)	Median unit price	Median unit rental	Rental yield (units)	Vacancy rate
Hackham West	\$245,000	\$270	5.7%	snr	snr	snr	0.9%
Hunthfield Heights	\$255,000	\$270	5.5%	snr	snr	snr	0.9%