

## Rental property in southeast Queensland: Peregian Springs top gross rental yield performer

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**ONE** suburb rules them all when it comes to rental yields within the Sunshine Coast-Ipswich-Gold Coast "golden triangle".

And industry experts are also warning the odds were against Brisbane suburbs making the top performers' list any time soon.

The Sunshine Coast's Peregian Springs has emerged as the top gross rental yield performer within the highly populated triangle and was the only suburb to pull double digits, according to the RP Data CoreLogic Suburb Scorecard.

Peregian Springs' investors notched up 10.53 per cent gross rental yield over the past year. Anyone with units there was asking a rental midpoint of \$500 a week off units that could be bought at a median price of \$246,875 in the period.



Peregian Springs on the Sunshine Coast has emerged as the top gross rental yield performer, according to new data. Picture: Glenn Barnes  
Source: News Limited

Ray White Peregian Springs property manager Lorraine Boyer said there were not enough properties to meet demand.

"We're at 100 per cent occupancy. I rent them as quick as I get them," she said.

"If I had another 10 properties come on today, I could rent them in the next two days."



Ms Boyer said much of that was driven by families trying to get into the catchment area for Peregrine State School and to be close to St. Andrew's Anglican College, with the market about to hit peak demand.

Suburbs closer to Brisbane were unable to break into the Golden Triangle's top rankings, with experts now predicting it could be some time before the capital city can even compete at that level.

RP Data CoreLogic research analyst Cameron Kusher said capital city rental rates were now rising at their slowest pace in more than a decade — going up by just 1.8 per cent overall, a figure currently less than inflation.

Brisbane notched a gross rental yield of 4.5 per cent for the past year — its lowest level since September 2011 — with rents rising just 1.3 per cent compared to home value growth of 5.6 per cent.



Property Agent Lorraine Boyer. Picture: Glenn Barnes Source: News Limited

"Slow rental growth rates have a knock on effect for rental yields," Mr Kusher said.

"With a larger supply of new housing and low interest rates likely to drive further growth in home values, we anticipate that rental growth will remain subdued over the coming year. In fact we may see the rate of rental growth slow further as renters see more and more accommodation options being built."

The Scorecard found the highest gross rental yield within 40km of the Brisbane CBD came out of Logan's Hillcrest (8.1 per cent), which ranked fourth overall in the Golden Triangle behind Peregrine Springs, Yaroomba (8.7 per cent) and Sippy Downs (8.3 per cent).

Cheap and cheerful suburbs on Brisbane's fringe dominated the Triangle's top 10, including Logan's Beenleigh and Woodridge (both 7.7 per cent), Ipswich's Dinmore and Bellbird Park (7.6 per cent), Waterford West (7.5 per cent) and three suburbs coming in at 7.1 per cent (the Gold Coast's Highland Park, Moreton Bay's Bellara and Logan's Edens Landing).





Rental property owner Steven Hingst at his property in Hillcrest. Picture: Darren England. Source: News Limited

Steven Hingst, who owns an investment property in Hillcrest, said the rent on his three-bedroom house had grown from around \$250 a week four and a half years ago to \$340 a week now.

He said demand for rental properties in the area had grown, especially from young families.

"I put it down to people aren't as secure in their jobs anymore so they prefer to rent rather than buy," Mr Hingst said.

REIQ chief executive Antonia Mercorella said Logan and Ipswich were emerging as the southeast's rental hot spots, as tenants moved "further afield from inner-Brisbane in search of more affordable rents".

"For the rent you'd pay for a three-bedroom house in Brisbane, you can get a four-bedroom house in Brisbane's outlying areas for up to \$65 less a week."

#### **The Golden Triangle's Top 10 Gross Rental Yields:**

**(12 months to Oct. 2014)**

**1. 10.53%**

Peregian Springs (Sunshine Coast)

**2. 8.7%**

Yaroomba (Sunshine Coast)

**3. 8.3%**

Sippy Downs (Sunshine Coast)

**4. 8.1%**

Hillcrest (Logan)

**5. 7.7%**

Beenleigh (Logan)

Woodridge (Logan)

**6. 7.6%**

Dinmore (Ipswich)

Bellbird Park (Ipswich)

**7. 7.5%**

Waterford West (Logan)

**8. 7.1%**

Highland Park (Gold Coast)

Bellara (Moreton Bay)

Edens Landing (Logan)

**9. 7%**

Brookwater (Ipswich)

Blackstone (Ipswich)

**10. 6.9%**

Caboolture (Moreton Bay)

Bundall (Gold Coast)

Beerwah (Sunshine Coast)

**Source: RP Data CoreLogic**