



AUSTRALIA'S **HOTTEST 50**

INVESTMENT DESTINATIONS

EXCLUSIVE REPORT WITH



NextHotSpot.com.au
the hottest address in property

NextHotSpot **50** **HOTTEST**

In this exclusive *Hottest 50* report, *Your Investment Property* has teamed up with NextHotSpot.com.au, one of Australia's leading commentators on emerging property markets, to reveal the 50 best areas for property investing during 2013 and beyond

There are many ways to identify a potential property hotspot but, when it comes to predicting long-term sustainable growth, the past does not always provide an accurate picture of the future.

Understanding a location's history is certainly useful, but understanding current and future dynamics and how these will shape an area's future performance is far more important.

Unlike many 'hotspot' reports that focus on what has already happened to justify investing in a certain area, *Your Investment Property* Magazine readers now have the unique opportunity to look into the future. In this exclusive insight into 50 of Australia's best areas to invest in, investors will be able to understand how and why each area has been included.



LUKE BERRY
NextHotSpot
founder



**YOUR INVESTMENT
PROPERTY
MAGAZINE**

How markets were identified

When gauging how 'hot' a market is, the NextHotSpot doesn't simply look at what has sold in the past six months or where the best rental yields are.

While these factors are definitely considered, there is a greater emphasis on 10 key indicators of growth, which allow the analysis of property markets to consider a wider range of data. These key indicators are based on current and future trends that were used to determine a score out of 100 for assessing an area's potential as an investment destination.

Regardless of whether an area is within a fringe area of a major city or in a regional centre, the focus is on growth and areas where large-scale infrastructure investments are underway.

This approach reviews private and public spending on infrastructure; population growth, key demographics, demand and supply dynamics; and, most importantly, ensures areas will have a strong and diverse economy that will support growth going into the future.

As you read through each suburb snapshot, you might notice that not all key indicators are 'hot' on their own. Instead, it is the combination of indicators that ensures an area has the right mix to justify its selection as a hot area.

Something to consider

Investing in a hotspot location does not guarantee success. Remember that this report is simply a guide to areas that the NextHotSpot and *Your Investment Property* Magazine believe have the potential to outperform the overall market.

Some areas are already 'hot'. Others are included dependent on proposed developments or projected considerations.

Always perform your own due diligence. Research is essential. It is always a good idea to have your own conviction about a specific investment – take advice from trusted sources, but make your own decision. Only you know your goals, resources and tolerance of risk.



ABOUT NEXTHOTSPOT.COM.AU

NextHotSpot.com.au is one of Australia's fastest-growing investment portals and supports over 25,000 investors in researching property markets nationally. Each week we review the national property market and provide a FREE weekly update on what's Hot & Cold in the Australian property market. NextHotSpot membership is FREE; visit NextHotSpot.com.au for more details.



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Icon definitions

The 50 suburb snapshots correspond to a sun icon giving the area a score out of 100. This is an estimation of the effect that our 'key indicators' will have on the future performance of residential real estate in the nominated location.

Keep in mind that much of the 'hard' data is lagging (tells us what has happened), and current data is liable to change without notice. As each location has many different characteristics, it is

impossible to formulate an empiric number for each. These estimations are consistent with the principles of profitable property investment and remain an educated, yet subjective, judgment based on thorough research and conservative projections.

We have offered our thoughts here based on both hard and soft data. We will be publishing more of our research as data is collated during the year.

KEY INDICATORS



INFRASTRUCTURE INVESTMENT

The degree to which related infrastructure supports growth in this area. This can include investment in transport, industry or community facilities and does not need to be local. As an example, much of the industrial investment in Gladstone and the Surat Basin is interrelated.



POPULATION GROWTH

The degree to which expected population growth supports property growth in this area. The extent to which this is driven by job creation and the type of jobs created is critical, as is supply and demand for housing.



PROJECTED RENTAL GROWTH

The likelihood of an area maintaining worthwhile rental yields. Population flow and supply of housing are critical factors, with a 5% gross rental yield a desirable minimum. Very high yields do not necessarily mean a better investment, as has been demonstrated by many 'mining only' towns.



DIVERSITY OF ECONOMY

The depth of industry in the area. It is preferable for an area to have at least five 'pillars' of industry, and a location that is overly dependent on one or two industries should in general be avoided. This is again on a 'case by case' basis, influenced by population and geography, among other factors.



SUPPLY & DEMAND

The extent to which the identifiable supply of dwellings will match the future needs of the local population. Council policy and capacity are critical, as is an understanding of local needs – as in the example of fly-in, fly-out (FIFO) and drive-in, drive-out (DIDO) workers.



VACANCY RATES

Provide an indication of current supply and demand and a basis for measuring the likely future effects of housing construction and population flow on the performance of residential investment property.



PROJECTED CAPITAL GROWTH

The extent to which the value of residential property is likely to appreciate over an economic cycle or more. Property investment is a long-term consideration, and so a long-term view needs to be taken on influencing factors such as supply and demand, job and population growth, inflation, and the relative wages of any significant body of incoming workers.



ESTIMATED RENTAL YIELDS

The extent to which rental yields and growth will correlate. Using 5% as a benchmark gross rental yield, to what extent will capital growth and rental yield track each other? A strong positive correlation is a sign of a mature property market and is potentially more secure.



AFFORDABILITY

This needs to be assessed in the context of local demographics as well as the wider community. A clear organising principle is that cheaper property tends to outperform more expensive property in both capital growth and rental yields.



COUNCIL PLANNING

Australia has a wide variation of geography, industry and demographics, with a similar divergence in the size and capabilities of local councils. Council policies and infrastructure should enhance your property investment.

GET THE FULL REPORT

Each *Hottest50* report includes over 60 pages of information on the area and why it qualifies as a Property HotSpot. Complete with council surveys, infrastructure and industry overviews, maps of the local area and the latest statistics, these reports are perfect to help you review these markets and their investment potential.



TO GET THE FULL REPORT GO TO:
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QLD

↑ **9.8%** AVERAGE GROWTH P.A. BRISBANE HOUSES

↑ **9.3%** AVERAGE GROWTH P.A. REGIONAL QLD HOUSES

↓ **3.7%** REGIONAL QLD UNIT PRICE (YEAR TO MARCH 2013)

KEY POINTS

- Brisbane is tipped to be one of the fastest-growing commercial property markets in the world
- Massive ongoing investment in resources projects
- Cities with port infrastructure have a strong advantage, particularly as major projects move into production mode
- FIFO workers tend to spend their money where they live, not where they work
- The Gold Coast is still a concern, but investment in education and medical facilities is a positive for the Sunshine Coast

• Southeast Queensland is Australia's strongest population growth corridor, with Ipswich continuing to perform, parts of Brisbane looking primed for growth, and the Gold Coast still problematic. Queensland's massive resources sector offers benefits to Brisbane and Mackay property as FIFO workers continue to spend where they live. Port capacity is key to industry, and cities with this facility and lifestyle appeal have bright futures.

Mackay has emerged from Gladstone's shadow over the past couple of years and is an excellent investment destination in its own right.

Obviously, no two areas or properties are identical, but there are strong similarities in investment and infrastructure. Port cities have a walk-up start on other areas because of the expense and time involved in creating an effective port. Export income depends on being able to get your goods to market, and without port facilities this could not happen.

There are few straight lines in property investment, and even strong markets will experience peaks and troughs in what is an overall upward trend. While we generally advise against trying to pick these short-term movements, we are seeing ebbs and flows in Gladstone, Mackay and Bowen – all key ports in the massive Queensland coal supply chain. Of these centres, Bowen has the most fragile property pricing, given its small

population, and we recommend holding off on the town until later this year. Typically, the construction phase of major projects will employ significantly more workers than are required to operate them, and we're seeing major projects in transition in all these centres. Combined with the influence of new housing coming onto the market, there appears to be a relatively short-term dip in demand. As production starts to create export income, all these areas offer the promise of more growth, but we can afford to watch them for a few months yet.

FIFO and DIDO workers are an important component of the Queensland mining workforce, and the recent federal government report on FIFO named Brisbane and Mackay as the centres that benefit most from this dynamic. Townsville, Rockhampton and Toowoomba all look good this year – and a case is emerging for a revival of sorts on the Sunshine Coast and the Whitsundays.

NT

↑ **12.8%** DARWIN HOUSE PRICE (YEAR TO MARCH 2013)

5.7% MEDIAN YIELD DARWIN UNITS

5.6% MEDIAN YIELD DARWIN HOUSES

KEY POINTS

- The strongest regional economy in Australia
- Inpex project and others virtually assure ongoing growth
- Second most expensive capital-city property in Australia
- Relatively small population and a fast-moving property market
- Palmerston suburbs continue to expand and grow

• The highest per capita investment in resources of any state or territory around the country has helped make Darwin property more expensive than Melbourne's. A small population with very strong employment and more workers coming contributes to a compelling case for the 'Top End'. Darwin and Palmerston should be the focus for property investors.

Strong employment, low rental vacancies, and the prospect of thousands of incoming workers required to support massive investment have resulted in a Darwin median house price that is second only to Sydney's, among large Australian cities. That's right.

The stats say median Darwin is more expensive than median Melbourne!

Somewhere between booming frontier towns and emerging provincial capital cities, Darwin and Palmerston have unique dynamics. With around 3,000 construction workers expected to start arriving this year for the Inpex gas project, Palmerston seems the logical place for them to live. How the FIFO game plays out at the top end is hard

to predict, given the different factors involved here. Many will initially be housed in a camp, but we expect more than a few to stay.



VIC

3.8% MEDIAN YIELD
MELBOURNE HOUSES

5.1% MEDIAN YIELD
REGIONAL VIC HOUSES

↑ 0.2% MELBOURNE HOUSES
LAST QUARTER

KEY POINTS

- Parts of inner Melbourne are critically oversupplied
- Mornington Peninsula and Geelong are set to perform well
- Major rail upgrade supporting Ballarat and Bendigo
- Less industrial stimulation than most other states
- Western Port development will be key infrastructure

Inner Melbourne's oversupply is becoming chronic, with the Reserve Bank of Australia taking the unusual step of warning investors of ongoing weakness. Critical projects such as the Regional Rail Link and the development of Western Port are influencing areas at a distance from the capital, and this is where the best investment opportunities will be found. It will be worth keeping an eye on any infrastructure development related to the Kipper Tuna Turrum project.

Despite Victoria's many wonderful lifestyle options, with 'hand on heart' and comparing it with the resources powerhouses of WA and Queensland, it's hard to find much that is positive to say about this state from a macro perspective early in 2013.

Melbourne's oversupply of housing has attracted plenty of comment in the press, and amazingly enough they keep building. One of the areas of greatest concern is inner Melbourne around the CBD, Southbank and Docklands. A quick search of property for sale in these areas throws up large numbers of units on the market at a significant discount to their (relatively recent) sale prices.

Ballarat, Bendigo and Warrnambool are among the centres promoted as regional alternatives for investment, but even these seem to be moving more slowly than hoped due to a general lack of resources to create new infrastructure. The Kipper Tuna Turrum project in Bass Strait is an exception, and centres between Sale and Western Port are likely to see some benefits.

One area that looks set to grow steadily, if not spectacularly, is Wodonga. Along with twin-city Albury, Wodonga is at a key transport juncture and set to benefit from the billions of dollars being spent on improvements to our national road and rail systems.

WA

↑ 11% AVERAGE GROWTH P.A.
PERTH HOUSES

↑ 10.5% AVERAGE GROWTH P.A.
PERTH UNITS

5% MEDIAN YIELD
PERTH UNITS

KEY POINTS

- Focal point of investment in Australian resources
- Perth is where FIFO workers tend to spend their money
- Confidence and growth remain strong
- Expensive 'mining only' towns are not appropriate for investors
- Nearly half of Australia's best long-term capital growth suburbs are around Perth, and broadly this looks likely to continue

Perth continues to be the capture point for the benefits of WA's resources revolution. The workforce demands of the Pilbara and other areas have created towns with pricing beyond the threshold of sound investment strategy that should be avoided by most investors. Recent news confirms that Perth leads the nation's property markets – no surprise at all, given that it is also the leading centre of population growth on the back of mining-related investment.

In dollar terms, WA attracts far more resources investment than any other state or territory in Australia. According to RP Data, 24 of the top 50 long-term capital growth performers of the last decade were found in WA. Of these, 14 were affordable suburbs in and around Perth, which is an even stronger capture point for the wages of FIFO mining workers than Brisbane is in Queensland.

We like affordable areas around Midland, Murdoch and Rockingham, but there are many well-priced areas with strong growth prospects. The consumer confidence returning to parts of Sydney has always been present in Perth. The retail trade is a good example of this: while turnover has been flat or dropping in much of eastern Australia, it continues to grow at around 1% per month in WA.

Remote mining areas such as Port



Hedland and Newman in the Pilbara have attracted attention for their outrageous prices. Perth was identified in the federal government report on FIFO workers as the area in WA where these well-paid transient workers spend their dough, and that's where you can take advantage.

SA

↓ **1.3%** ADELAIDE HOUSE PRICE
(YEAR TO MARCH 2013)

↓ **1.7%** ADELAIDE UNIT PRICE
(YEAR TO MARCH 2013)

↑ **9.6%** AVERAGE GROWTH P.A.
REGIONAL SA HOUSES

KEY POINTS

- Stalled investment in massive projects has kept property markets subdued
- When development proceeds, SA will join WA and Queensland as resources 'boom' states
- Other parts of the economy are solid but unlikely to create strong growth in the short term
- SA has a relatively small regional population, and the long-term benefits of resources development will see the Eyre Peninsula towns flourish in the future
- Rail and road improvements have made some lifestyle areas around Adelaide more accessible

The spectre of last year's postponement of BHP's Olympic Dam development has continued to keep the SA economy relatively subdued and real estate markets along with it. The tide will inevitably turn one day, but it's difficult to predict when this will be. Areas of Adelaide with infrastructure enhancements in transport, education and medical facilities present opportunities for investors to prepare for impending growth.

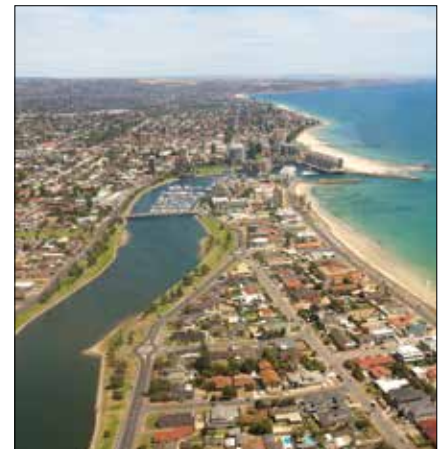
At the macro level, BHP's Olympic Dam project has long been seen as the 'make or break' issue for the entire SA economy. While this has been proven to be not entirely correct, there is no doubt that the decision by BHP to delay development of this massive resource has restrained short-term growth.

Ironically, the delay has prompted action that makes the long-term future appear more secure, but the benefits are some way off yet. Rio Tinto has started exploring the Vulcan site virtually next door to Olympic Dam, and the SA government has opened up the Woomera area for resource exploration. Even disregarding Rio's current issues, the process to begin construction, let alone see production benefits, takes time.

We think SA will come good, but

we're waiting for the signs of when.

Parts of Adelaide stand to perform well in the long term, typically areas with lifestyle appeal, recent transport improvements and, most critically, affordability.



NSW

↑ **8.1%** SYDNEY HOUSE PRICE
(YEAR TO MARCH 2013)

↑ **4.3%** SYDNEY UNIT PRICE
(YEAR TO MARCH 2013)

↑ **8.2%** REGIONAL NSW
HOUSE PRICE
(YEAR TO MARCH 2013)

KEY POINTS

- Consumer confidence is returning to the Sydney Basin
- Top-end property still lags behind the overall market
- Many regional centres are performing better than Sydney
- Newcastle and the Lower Hunter are the industrial powerhouse of NSW
- Transport infrastructure is a major influence across the state

Sydney property is showing a return to confidence across the board – western Sydney still offers the best long-term investment opportunities and there has been even more activity at the top end of the market. Newcastle and the Lower Hunter remain the strongest capture point for investment, with growth continuing along the corridor to the state's emerging new centre of resources activity in the Gunnedah Basin.

Things are looking more positive for property in the nation's most populated state in 2013. Consumer confidence seems to be returning and property pricing is picking up, with the Sydney basin recently hitting record-high median pricing at \$656k. Auction clearance rates have remained steadily above 60% for some months – the level generally seen to be reflecting a 'balanced' market. In other words, for the first time in a couple of years, conditions are slightly in favour of sellers, not buyers. We expect the greatest growth to be in western Sydney, with significant new employment hubs in places like Minchinbury and Hoxton Park.

Several regional centres continue to promise stronger growth than most parts of Sydney. Newcastle and the Hunter service one of the industries in NSW that is definitely growing – thermal coal production – and, like it or not, the reality is that the coal seam gas to liquefied natural gas (CSG-LNG) industry is on its way. Towns like Gunnedah and Narrabri look set to benefit from this process. Remember that the smaller the town the more patchy the growth tends to be.

All the 'Evocities' (Armidale, Tamworth, Bathurst, Orange, Dubbo, Wagga and Albury) have a good story, and both state and federal governments are pursuing decentralisation policies.

ACT

5.5% MEDIAN YIELD
CANBERRA UNITS

↑9.0% AVERAGE GROWTH P.A.
CANBERRA UNITS

↑8.6% AVERAGE GROWTH P.A.
CANBERRA HOUSES

KEY POINTS

- Strong employment market but could be affected by outcome of the September federal election
- Average household income is higher than most parts of Australia, although house prices and the cost of living are high too
- How the federal election will affect the cost of housing remains uncertain, though forecasts are largely negative

The national capital is more or less seeing the inverse of Sydney's current surge of consumer confidence. Historically strong and almost certain to come good again, the market stands a chance of weakness after this year's federal election. A Liberal National Party (LNP) victory, which looks probable at the time of writing, would see the loss of thousands of public service jobs and areas of weakness in real estate pricing.

Canberra's residential property market has been one of the most consistent performers of any major city in Australia over the long term. It is a city purpose built for the business of government, and one long-standing quip is that there "are no recessions in bureaucracy".

About as close as Canberra gets is when there are large-scale retrenchments in the public service. It's a widely held view that the Howard government's sacking of over 10,000 public servants in 1996-97 was largely responsible for a drop in house prices of up to 20% in some areas over that time.

Potential LNP Prime Minister Tony

Abbott has recently affirmed his view that Australia has around 20,000 too many public servants.

Whether or not property prices in some areas were dropping towards the end of Keating's term as prime minister or not, the Howard government's cuts to the public service were clearly a contributor to the process. It's also likely that many public servants could see the writing on the wall in the twilight of the Keating government.

This is not political comment, just investor reality. Pricing is unlikely to run off anywhere in a hurry, and there's a strong chance of cheaper stock being available later this year.

TAS

↓2.5% HOBART UNIT PRICE
(OVER YEAR TO MARCH)

↓1.5% HOBART HOUSE PRICE
(OVER YEAR TO MARCH)

↓5.6% TAS COUNTRY UNITS
(OVER YEAR TO MARCH)

KEY POINTS

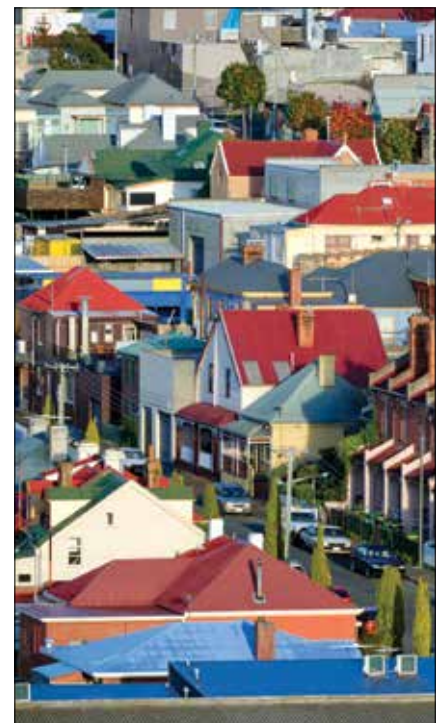
- The state unemployment rate is still the highest in the country
- Population growth is slowing as local residents move to mainland Australia in search of work
- The state economy is currently weak and does not look set to improve soon
- The market has not reached the bottom yet, and prices are still going down in many parts of Tasmania

Tasmania has little to recommend in the form of emerging property hotspots. The high value of the Australian dollar is crippling many of the state's key industries, and until it falls back the property market will mirror the struggles of the economy. Investors should ultimately keep in mind that there are few supply-and-demand drivers to push up property values at the moment.

We love Tasmania as a place to live or visit. In fact, we've been lucky enough to visit the Apple Isle twice in the last three months. Investing is a different story, and one that demands a cold absence of emotion. In the big picture, Tasmania has been an economic struggler, and the signs are that this won't be changing in a hurry.

Recent reporting from Deloitte Access Economics has confirmed a grim outlook. Tasmania is essentially an export economy and, apart from any other factors, a high AU\$ hurts. Even the potential 'bright spots' of the state economy (dairy, aquaculture and tourism) are export based and therefore likely to continue to swim against the tide.

If you are a local and know your area well enough to identify opportunity, fair enough, but we see better areas of growth for most investors.



LOW
MEDIAN PRICE
\$390K

ALBURY THURGOONA



Albury is situated on the northern bank of the Murray River, 555km south of Sydney on the border between NSW and Victoria. The Murray River separates Albury from its twin city of Wodonga in Victoria. Albury is home to around 47,000 residents, with 6% from non-English-speaking countries. Its population is forecast to increase gradually, with families attracted to suburbs such as West Albury and Lavington. Sturt University is in the suburb of Thurgoona, an area also expected to attract families seeking to upgrade their dwellings.

KEY INDICATORS

INFRASTRUCTURE INVESTMENT COLD HOT

Transport upgrades lead infrastructure spending, which comes from state and federal funds. Plenty of new projects are initiated every year.

VACANCY RATES COLD HOT

The market is just about balanced, with rates around the 3% mark.

POPULATION GROWTH

Albury benefits directly from the NSW Evocities policy, a move to encourage capital city residents to migrate to regional NSW.

PROJECTED CAPITAL GROWTH

Growth looks solid rather than spectacular, since the region is without a 'super project'.

PROJECTED RENTAL GROWTH

Rents remain highly affordable and have plenty of room to increase further.

ESTIMATED RENTAL YIELDS

Demand for housing is likely to drive up current rental yields.

DIVERSITY OF ECONOMY

Multiple industries tap into a prime transport location, varying the economic landscape.

AFFORDABILITY

This is the area's strong point, with medians about 60% of those in Melbourne.

SUPPLY & DEMAND

Increased construction activity has resulted in a higher level of properties for sale, despite strong population growth.

COUNCIL PLANNING

The council is actively encouraging investors to purchase here, aided by the Evocities campaign.

WHY IT'S HOT

Government investment in rail and road grids across the country is a major benefit to Albury. The main overland link between Sydney and Melbourne trades on its position to operate as a sort of logistics hub for several industries and is characterised by a strong and wide base of commerce rather than any major projects.

-NextHotSpot

Albury looks great as a capital growth play. Its attractive mix of affordability and growing population bodes well for future value increases, but current rental returns on houses remain a little soft. Investors should be very selective in what they purchase and perhaps aim for properties that can be renovated to improve their cash flow.

-Your Investment Property

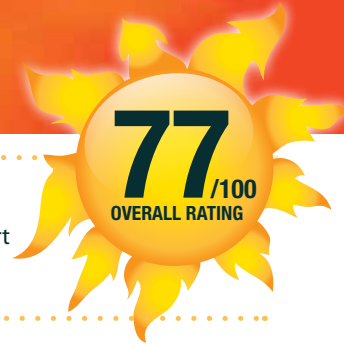
STATS & FACTS

- NSW's second-largest inland city with ongoing population growth
- Diverse local economy with agriculture, manufacturing, retail and a wide range of business services
- Long-term growth rate of around 7% and median price still at \$390k in Albury itself
- Cheaper properties are available with similar long-term performance
- Transport and logistics hub benefiting from government spending
- Thurgoona-Wirlinga area expected to grow by 50,000 people over the next 30 years
- Upwards of \$120m spent locally on new projects each year
- \$200m retail and entertainment centre under development

7%
LONG-TERM
GROWTH

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FULL REPORT GO TO:
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BLACKTOWN ROPES CROSSING

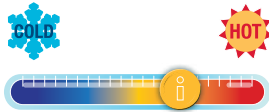


The multicultural suburb of Blacktown is situated 34km west of the Sydney CBD on the Cumberland Plain. It is administered by the City of Blacktown local government area (LGA). The population of approximately 44,000 consists of a significant number of residents who were born overseas. Public transport is a prominent issue, with the majority of employed people travelling to work by car. Blacktown has many retail, sporting and cultural facilities, with the Blue Mountains accessible to the west.

KEY INDICATORS



INFRASTRUCTURE INVESTMENT



Enhancements to railway and road links will benefit the region.



POPULATION GROWTH



Blacktown is Sydney's fastest-growing LGA, though the rate of population growth is not as high as in regional areas.



PROJECTED RENTAL GROWTH



The LGA covers a wide area, and rents will vary depending on each submarket's access to key infrastructure and amenities.



DIVERSITY OF ECONOMY



This area of Sydney is exposed to a wide range of employment growth centres.



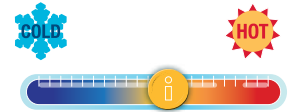
SUPPLY & DEMAND



A good choice of transport options and affordable prices feed strong demand.



VACANCY RATES



Rates are tight for an outlying city region and within the range of 1–1.5% in most suburbs.



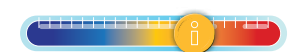
PROJECTED CAPITAL GROWTH



Pretty good for Sydney, but weaker than in areas with resource stimulation.



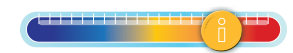
ESTIMATED RENTAL YIELDS



Affordability and improving access will lift the appeal of this area for tenants, driving up yields.



AFFORDABILITY



Prices are cheap at \$390k, within the context of Sydney.



COUNCIL PLANNING



It's progressive, but there is a massive area to cover and diverse dynamics to manage.

WHY IT'S HOT

A growth area in northwest Sydney with a variety of suburbs and price point options. Transport infrastructure is improving values, and as a principle we suggest that aspirational residents look to the value-prices suburbs. Avoid the problem suburbs in the shadow of Mt Druitt and the more expensive areas, on the basis of investment fundamentals. Ropes Crossing is a good option.

-NextHotSpot

Investors familiar with this part of Sydney will be no strangers to some of the highly affordable property prices on offer, made all the more attractive by the high rental returns that usually come attached. The drawback in times past has been lacklustre capital growth prospects, but this part of Sydney's west is really starting to open up now, thanks to the improving infrastructure and Parramatta's growing importance.

-Your Investment Property

STATS & FACTS

- Aspirational family-orientated LGA with a wide range of properties
- Will be a major beneficiary of the North West Rail corridor development
- Main road link to Sydney CBD expanding – to double in some places
- Access to growing western Sydney CBDs Parramatta and Penrith
- Major job creation in nearby Minchinbury and Hoxton Park
- Several desirable suburbs with pricing well under the Sydney median
- 12 industrial estates over 786ha with potential to develop another 380ha
- Low vacancies, along with high and rapid turnover of property, underline demand

TO GET THE FULL REPORT GO TO:
nexthotspot.com.au/YIP

CANTERBURY

HIGH RENTAL YIELDS
6%+

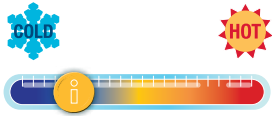


Canterbury is located 17km southwest of the Sydney CBD and governed by the City of Canterbury LGA. It is known for its cultural diversity, scenic parks and sporting and recreational facilities. Canterbury Park Racecourse is the venue for regular horseracing meetings. Canterbury's proximity to Sydney Airport, Port Botany and major arterial roads makes it a hub for transport services. The City of Canterbury LGA recorded one of the highest levels of new residential approvals in the southern Sydney region in 2009-10.

KEY INDICATORS



INFRASTRUCTURE INVESTMENT



This is a potential weak point for Canterbury. The suburb remains bound to Sydney's inadequate transport grid.



POPULATION GROWTH



Growth is close to average for a Sydney area.



PROJECTED RENTAL GROWTH



Strong demand for affordable housing that is close to the CBD will keep rents in balance with price growth.



DIVERSITY OF ECONOMY



The region is exposed to Sydney's full range of services.



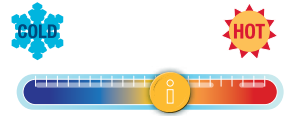
SUPPLY & DEMAND



Supply will remain limited because there is little potential for development. Demand is strong due to proximity to the CBD.



VACANCY RATES



Vacancy rates are tight at 1.32%. With no additions to the supply of rental properties on the horizon, this should continue.



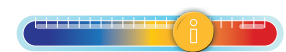
PROJECTED CAPITAL GROWTH



There will be some benefit from a 'ripple effect', where buyer activity (and high growth) in nearby areas transfers to Canterbury.



ESTIMATED RENTAL YIELDS



Demand for rental properties will keep pace with buyer demand, maintaining the current high yields of over 6%.



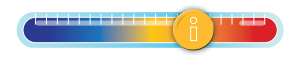
AFFORDABILITY



Prices are good for a Sydney suburb; however, they're still high at \$720k (Canterbury).



COUNCIL PLANNING



The council strongly promotes its competitive advantages, resulting in an attractive environment for investors.

WHY IT'S HOT

With consumer confidence returning to Sydney and property pricing on the rise early in 2013, suburbs around Canterbury are among the best performers. Auction clearance rates of 100% are common and rental vacancies are low. Sydney has long traded on a 'ripple effect', with property values tending to decrease with distance from the CBD. Suburbs like Lakemba and Roselands look to be on the cusp of this ripple at the moment.

-NextHotSpot

It's hard to argue with rental returns of over 6%, and the fact that this region of Sydney is affordable, yet still fairly close to the inner city, should guarantee that buyers stay interested in the area. Still, Canterbury encompasses many suburbs, and investors should stick to the basics: make sure you're purchasing close to a train line and within walking distance of supermarkets.

-Your Investment Property

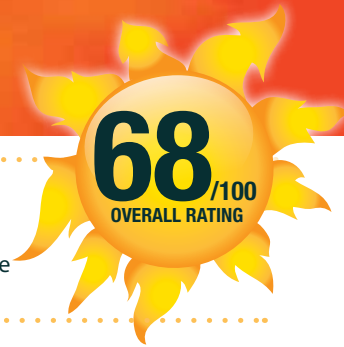
STATS & FACTS

- One of the best-performing areas as Sydney property warms up in 2013
- Ideally positioned to take advantage of Sydney's 'ripple effect'
- Median house price in Lakemba, which is part of the Canterbury LGA, is \$505k, and in Roselands it is \$612k
- Unit prices in Lakemba and Roselands are about half that, with 6% rental yields
- Wide range of local industry and employment over at least 18 sectors
- Canterbury LGA has a competitive advantage in manufacturing and retail
- Canterbury LGA's Gross Regional Product is over \$3bn
- Close to Sydney Airport, Port Botany, and major arterial roads

\$3BN+
GROSS REGIONAL PRODUCT

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EDMONDSON PARK

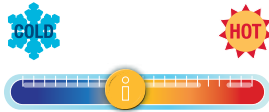


Edmondson Park is 40km southwest of Sydney's CBD and governed by the City of Liverpool. It is bounded by the M5 freeway to the south and east, Camden Valley Way to the north, and Zouch Road to the west. The release of land is expected to result in residential accommodation for 25,000 people. The South West Rail Link will include a new station at Edmondson Park, expected to be operational by 2016. The town centre supports a mix of retail and higher-density residential development. Currently the population is less than 500.

KEY INDICATORS



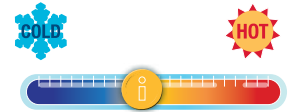
INFRASTRUCTURE INVESTMENT



The level of upgrades is fairly average, except for railway improvements that will connect Edmondson Park to the Sydney grid.



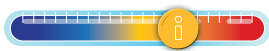
VACANCY RATES



The vacancy rate is not bad at 3.45%, but bear in mind that this is a new area.



POPULATION GROWTH



Being a new suburb dominated by new dwellings, population growth has been high. Expect it to continue.



PROJECTED CAPITAL GROWTH



New suburbs, if they are in the right area, deliver solid growth, and Edmondson Park should be no exception.



PROJECTED RENTAL GROWTH



New housing and transport links have heightened demand, boding well for rent increases.



ESTIMATED RENTAL YIELDS



As the suburb becomes more established, rental returns will stabilise at around 5%.



DIVERSITY OF ECONOMY



The economy is exposed to a wide range of employment growth centres.



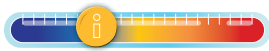
AFFORDABILITY



Prices are more expensive than in some neighbouring areas, but properties are also more desirable.



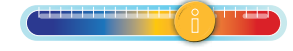
SUPPLY & DEMAND



Supply currently meets demand, a great investment sign for a new suburb.



COUNCIL PLANNING



The local council is managing greenfield development reasonably well.

WHY IT'S HOT

An excellent example of government planning successfully addressing population growth in a way that benefits all stakeholders. With potential for around 6,000 dwellings in close proximity to job creation centres like Hoxton Park and the expanding ed-med facilities in Liverpool, Edmondson Park offers investors an opportunity to participate in house and land development in a growth channel of the Sydney basin.

-NextHotSpot

There is currently a high amount of stock on the market, and this looks set to increase. Until this supply of properties is lapped up by the market, there might be a limit on the potential for short-term capital growth. The advantage is that investors can afford to be picky and shop for high-quality investments, knowing that the mid- to longer-term prospect for growth in property values is good.

-Your Investment Property

STATS & FACTS

- Edmondson Park was one of the first precincts to be planned in the South West Growth Centre
- It has the potential for 6,000 new dwellings, as well as local shops, services and jobs
- Part of the southwest Sydney growth corridor and close to job creation centres like Hoxton Park
- NSW's South West Growth Centre policy plans for 100,000 new dwellings to accommodate 300,000 new residents
- Work on the South West Rail Link commenced in August 2009. A new rail station and bus/rail interchange is planned for 2016
- New town centre with supermarkets, specialty shops and office space
- Planning allows for 150ha of regional parkland

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GOULBURN

HIGH RENTAL YIELDS
6%+
IN SOME SUBURBS

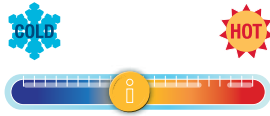


Located 195km southwest of Sydney in the Southern Tablelands, Goulburn has a population of about 22,000. The city is 90km northeast of Canberra, enabling many residents to commute to the capital. Ideally situated for businesses in IT, communications, engineering, distribution and renewable energy, Goulburn also has several mining projects, wind farms, and a station on the drawing board for the high-speed rail project. It is home to the 'Big Merino', the world's largest concrete sheep, reflective of the surrounding pastoral activity.

KEY INDICATORS



INFRASTRUCTURE INVESTMENT



There has been some industrial development, and further development should hinge on strong road connections into Sydney and Canberra.



POPULATION GROWTH



If Canberra falls out, population growth could be radically affected. The results of the federal election will be critical.



PROJECTED RENTAL GROWTH



Again, this will depend on Canberra, which has some short-term uncertainties.



DIVERSITY OF ECONOMY



The local economy has traditionally been limited, but it is starting to pick up.



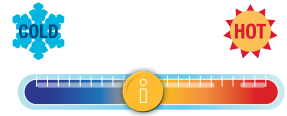
SUPPLY & DEMAND



Supply and demand is firmly in investors' favour at the moment but could change. Uncertainty about Canberra is obscuring the longer-term view.



VACANCY RATES



Rates are tight but influenced by Canberra.



PROJECTED CAPITAL GROWTH



Pricing alone gives Goulburn a chance at capital growth.



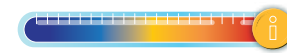
ESTIMATED RENTAL YIELDS



Cheap property prices mean yields are good, upwards of 6% in some Goulburn suburbs.



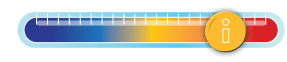
AFFORDABILITY



This is the entire reason the market captures Canberra overflow and is perhaps its strongest attribute.



COUNCIL PLANNING



The local council is organised and has a good awareness of economic development.

WHY IT'S HOT

For some time the main driver of Goulburn's property market was an overflow from expensive Canberra – with a growing pool of workers prepared to trade off daily travel for the lifestyle and price benefits of Goulburn. There has been a much-needed uplift in local industrial activity with Boral and others expanding in the region, and while the Canberra effect is diminishing, the outcome of this year's federal election may have a ripple effect on Goulburn.

-NextHotSpot

Canberra remains one of Australia's most expensive places to live, and Goulburn will undoubtedly benefit from that as buyers come to the area in search of more affordable living that is still within reach of where they work. Rental returns have also skyrocketed over the last year, and a property in Goulburn could line an investor's pockets quite nicely.

-Your Investment Property

STATS & FACTS

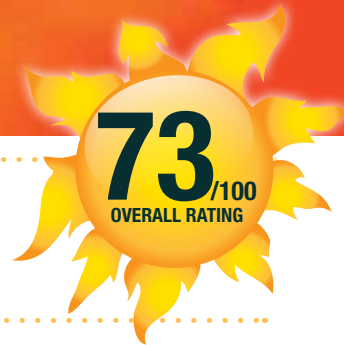
- Regional service centre for NSW's Southern Tablelands
- On growth corridor between Sydney and Canberra
- Long-term growth around 8% and houses can still be bought for \$270k
- Historically low rental vacancy rates cap at 2%
- Captures some overflow from Canberra, looking for value and lifestyle
- Industrial activity in the region is growing as Boral and others expand
- Leader in development of effective renewable energy via wind farms
- 81km pipeline completed in 2011 secures city's water supply



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MUDGEE

ESTIMATED 5-YR POPULATION GROWTH
25%

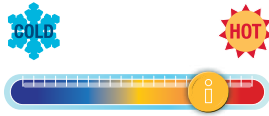


Mudgee is set in the Cudgong River Valley in central-west NSW, three and half hours' drive northwest of Sydney. Mudgee is a charming, historic town and a popular destination for wine and food enthusiasts. It falls under the Mid-western LGA and has a town population of around 9,800, with the Mudgee region (Gulgong and other similar towns) supporting over 18,000 people.

KEY INDICATORS



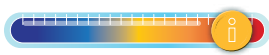
INFRASTRUCTURE INVESTMENT



Investment in the local mining industry and supporting services can be summed up in one word: massive.



POPULATION GROWTH



Mudgee's population is expected to grow by 25% over the next five years.



PROJECTED RENTAL GROWTH



Some 3,000 well-paid workers are expected to arrive in Mudgee over the next few years, encouraging rental increases.



DIVERSITY OF ECONOMY



For a smallish regional centre, the diversity is quite surprising. Investors shouldn't be concerned.



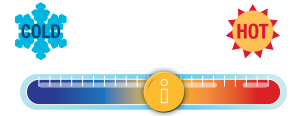
SUPPLY & DEMAND



This was soft in the early part of 2013 but is about to tip well into the realm of low supply/high demand.



VACANCY RATES



There has been a slight seasonal weakness, but rates will tighten over the year. The current vacancy rate is 2.7%.



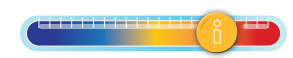
PROJECTED CAPITAL GROWTH



If you understand the numbers, capital growth is almost a certainty.



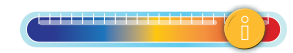
ESTIMATED RENTAL YIELDS



The strength of population growth will see rental demand run ahead of price growth, initially creating high yields.



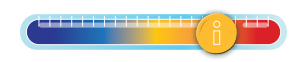
AFFORDABILITY



Property is expensive for a country town but cheap in the context of what is coming.



COUNCIL PLANNING



Mudgee is one of the best-organised councils in the country.

WHY IT'S HOT

A wonderful blend of appealing lifestyle complemented by resources investment, adding a layer of cream to an already diverse economy in an isolated centre. Local council is well organised, and with something like another 1,000 workers required for emerging resources projects over the next 12 months, continued pressure on Mudgee property looks virtually assured.

-NextHotSpot

We are loving Mudgee properties at the moment. Rental yields are excellent, and the town, though quaint by capital city standards, is not the kind of mining centre where nobody would want to live for long. Local amenities are good, and the historic buildings and surrounding wineries keep the place interesting. The kicker: Sydney is just over two hours away by car.

-Your Investment Property

STATS & FACTS

- Regional population approximately 18,000 and Mudgee about 9,800
- Four major industry sectors: agriculture, viticulture, tourism and mining
- Over 2,000 jobs expected in resources sector in 2012-16
- Council expects 1,000 direct resources jobs in next 12 months
- Over 460,000 tourists visit the Mudgee region every year
- Region hosts more than 50 events and festivals annually
- 37% of local businesses are in agricultural sector
- Award-winning wine region with 40 cellar doors



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NEWCASTLE CBD

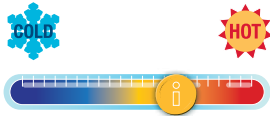


Newcastle is 160km northeast of Sydney at the mouth of the Hunter River, and is known for having the largest coal-exporting harbour in the world. As well as the large coal deposits in the area, Newcastle is home to a metropolitan population of around 155,000 people. The City of Newcastle LGA has prioritised revitalisation of the city centre. The Hunter New England Area Health Service and the University of Newcastle are the two largest single employers. The National Stock Exchange of Australia is also based in Newcastle.

KEY INDICATORS



INFRASTRUCTURE INVESTMENT



Port expansion, road and railway enhancements and industrial growth make this one of Newcastle's strengths.



POPULATION GROWTH



Some 160,000 new residents (roughly half of the greater city's current size) are expected in Greater Newcastle by 2031.



PROJECTED RENTAL GROWTH



Population growth and demand for smaller dwellings signal positive rental growth.



DIVERSITY OF ECONOMY



Newcastle offers a full range of services tilted toward industrial support.



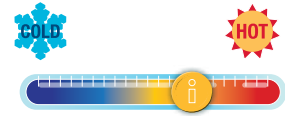
SUPPLY & DEMAND



The city will require double the number of units over the next 20 years.



VACANCY RATES



Already-strong demand for inner-city stock is getting stronger. The current vacancy rate in the CBD area is 1.7%.



PROJECTED CAPITAL GROWTH



The CBD is the demand segment within this NSW industrial muscle city. Capital growth will be consistently good.



ESTIMATED RENTAL YIELDS



The strong trend towards smaller dwellings supports growth in yields from a base of about 5% currently.



AFFORDABILITY



The CBD is an expensive and relatively exclusive part of the city.



COUNCIL PLANNING



Newcastle council has forward-looking development policies, but it needs to improve certain systems.

WHY IT'S HOT

Newcastle is shaking its old 'steel town' image without losing its roots in the coal industry. In fact, the world's largest coal export port continues to expand but is now complemented by growing health, education and tourism sectors. With a strong trend towards smaller dwellings and urban renewal spreading, the Lower Hunter Regional Strategy calls for around double the number of smaller dwellings in the city over the next 20 years.

-NextHotSpot

Parts of NSW's Hunter region are expanding nicely, and commercial activity in Newcastle's CBD, the gateway to the area, should benefit handsomely. Rental yields on units are among the best you will get within 1-2km of a major city's CBD, and this alone should be enough to pique investor interest.

-Your Investment Property

STATS & FACTS

- World's largest coal export port – current annual target is 119 million tonnes
- Australia's seventh-largest urban conglomerate after mainland state capitals and the Gold Coast
- Regional strategy expects 66,000 jobs to be created by 2031
- This will equate to an additional 166,000 residents
- 115,000 additional dwellings are expected to be needed by 2031
- Unit demand in inner Newcastle is expected to double over that time
- Current level of housing indicates a growing undersupply
- Newcastle University is expected to expand to 40,000 students by 2020

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NORTHWEST NSW GUNNEDAH & NARRABRI

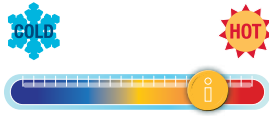


Gunnedah, with a population of around 10,000, is 475km north of Sydney and 75km west of Tamworth. Gunnedah is primarily a farming community and exports cotton, coal, meat and grain. It hosts Australia's largest annual exhibition of agricultural equipment and primary industry field days, AgQuip, in August. Gunnedah has claimed to be the 'Koala Capital of the World', but this title is also claimed by a few other towns.

KEY INDICATORS



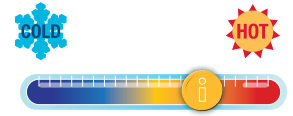
INFRASTRUCTURE INVESTMENT



Expanding railway links to Newcastle augur well for the region's future.



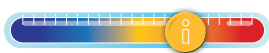
VACANCY RATES



Parts of the region have shortages of rental accommodation.



POPULATION GROWTH



Mining activity is bringing more people into the region.



PROJECTED CAPITAL GROWTH



Property prices will keep pace with growth in the regional infrastructure and population.



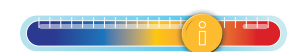
PROJECTED RENTAL GROWTH



As the population increases, the rental market will see some pressure in the years ahead.



ESTIMATED RENTAL YIELDS



Yields are currently good and hover around the mark of about 6%.



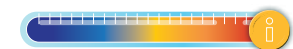
DIVERSITY OF ECONOMY



Fairly strong for a regional area, but future economic growth will depend almost entirely on the mining sector.



AFFORDABILITY



With a median price of \$273k, there are plenty of good buying opportunities.



SUPPLY & DEMAND



The housing market is well supplied at the moment but should tighten as demand intensifies.



COUNCIL PLANNING



The local council will have to meet the challenges brought on by the entry of mining companies.

WHY IT'S HOT

One of the main reasons for the massive expenditure on road and rail in the Hunter Valley is to create supporting infrastructure for the huge Gunnedah Basin coal reserves. Despite some teething problems, Whitehaven continues to expand its assets, and Santos and Shenhua (the world's biggest coal mining company) have opened offices in the region. It will also be the NSW extraction centre for the emerging CSG-LNG industry.

-NextHotSpot

Investors will have to think about the bigger picture when investing in this area. At the moment, both Gunnedah and Narrabri appear like typical country towns, and being able to see them as future growth spots will require a lot of investor imagination. It's worth remembering that the local coal deposits are vast – to the point of spurring a turn of fortune for the area over the next decade.

-Your Investment Property

STATS & FACTS

- The Gunnedah Basin has significantly more coal than the Hunter Valley
- Gunnedah has the second-largest stock saleyards in NSW
- Narrabri is Australia's 'cotton capital'
- Road and rail links to Newcastle are being significantly expanded
- Narrabri is the access point for NSW's largest CSG fields
- Shenhua, the world's largest coal mining company, has opened an office in Gunnedah
- Gas specialist Santos has opened an office in Narrabri
- Whitehaven has large long-term coal-haulage contracts starting in 2015



PARKES

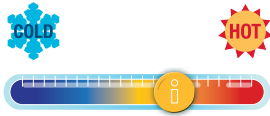


Over the Blue Mountains and 355km west of Sydney, Parkes is known internationally as the location of the radio telescope at Parkes Observatory, used by NASA on several occasions. Agricultural activities include wheat and wool, and there is a gold and copper mine north of the town. Its population is around 10,000. The governing body, Parkes Shire, encourages families and businesses to relocate to Parkes for its education, health and aged care, telecommunications infrastructure, and cultural and recreational facilities.

KEY INDICATORS



INFRASTRUCTURE INVESTMENT



Parkes is developing into a national transport logistics hub, with plenty of investment to come.



POPULATION GROWTH



Strong employment in a small centre is a positive sign.



PROJECTED RENTAL GROWTH



It should be good, but population growth and, by association, rental growth in smaller towns can be patchy.



DIVERSITY OF ECONOMY



The economy is good for a small centre, but the small size is also a limiting factor.



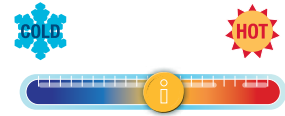
SUPPLY & DEMAND



It's probably balanced. Demand is picking up strongly, but some supply is coming onto the market.



VACANCY RATES



The current vacancy rate is 1.6%, but fluctuations are to be expected in a town of this size.



PROJECTED CAPITAL GROWTH



The long-term capital growth has been relatively strong at 9% over the past 10 years. Indicators show this should continue, though patchy in places.



ESTIMATED RENTAL YIELDS



Industrial dynamics and some transitory workers keep the rental market alive. Yields are decent.



AFFORDABILITY



With the median price sitting at just \$225k for a house, Parkes rates high on the affordability stakes.



COUNCIL PLANNING



The council knows what its doing but has limited resources.

WHY IT'S HOT

A wonderful example of a town maximising its location benefits to create a niche and sustainable competitive advantage in industry. Parkes has mining, agriculture, retail and tourism but does not overly rely on any of these industries. The town has recently established a National Logistics Hub, supported by major transport players such as Linfox, taking advantage of poor inland infrastructure – it can service 82% of Australia's population within 12 hours.

-NextHotSpot

Investors would do well to focus on three-bedroom houses, which, aside from attracting the most demand from buyers, have had the highest rental growth in recent times. The cost of houses is low, too (most deals are under \$250k), making it a good choice for investors with this figure in mind.

-Your Investment Property

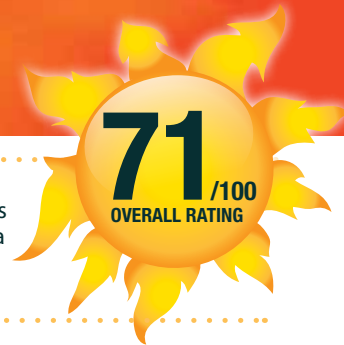
STATS & FACTS

- Diverse economy with a competitive advantage due to its location
- Strong sectors include agriculture, retail, mining, government, tourism and transport services
- No. 1 rental region in NSW in May 2012, according to *Your Investment Property*
- Rents rose 27% in 12 months to October 2012
- Home of the National Logistics Hub supported by Linfox and others
- 82% of the Australian population can be serviced with freight in 12 hours
- Northparkes Mines has extended its operational horizon to 2030
- 130,000 tourists visit each year for the Elvis Festival, The Dish, and more



RUTHERFORD

MEDIAN HOUSE PRICE
\$335K

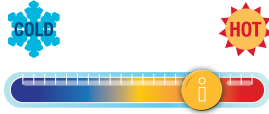


Rutherford, a suburb of Maitland in the Hunter Valley, is 130km north of Sydney and 40km northwest of Newcastle. It has a population of 10,200 and is governed by the Maitland City Council. Maitland Airport is a general aviation airfield located beside the New England Highway in Rutherford. Tourists can experience a scenic joy flight in a historic tiger moth.

KEY INDICATORS



INFRASTRUCTURE INVESTMENT



Like the rest of Maitland, the suburb will be a major beneficiary of the newly completed Hunter Expressway.



POPULATION GROWTH



The population has been growing rapidly in Maitland over the past few years, and this is now one of the fastest-growing cities in Australia.



PROJECTED RENTAL GROWTH



Rents have lagged behind the rest of Maitland and are due some catching up. Expect good things.



DIVERSITY OF ECONOMY



Maitland is a popular service and support centre for a wide range of industries.



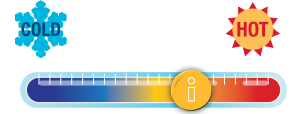
SUPPLY & DEMAND



Due to population growth, Rutherford needs more dwellings every year. Demand outstrips supply.



VACANCY RATES



Vacancies are almost non-existent in the suburb due to high demand and low supply.



PROJECTED CAPITAL GROWTH



Property prices are expected to grow solidly and beat the national average.



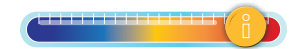
ESTIMATED RENTAL YIELDS



Proximity to a robust employment market promises ongoing growth. Rental yields are currently sitting at around 6%.



AFFORDABILITY



Property prices are cheaper than the rest of Maitland in general and have lagged lately.



COUNCIL PLANNING



The council is actively promoting investment in the city.

WHY IT'S HOT

Rutherford is shaping up as a prime suburb in the Lower Hunter – the focal point of industrial development in NSW. Maitland is perhaps Australia's fastest-growing inland city, partly due to its strong transport links, which will be further enhanced when the Hunter Expressway opens later this year. It's an affordable centre with ongoing job growth flowing through to rental and price growth in residential real estate.

-NextHotSpot

Rutherford's vital stats might look impressive now, but we probably haven't seen the best of it yet. The supply of properties on the market is low, while demand for them is intensifying. The suburb is a good bet for investors on the hunt for a jump in equity over the next two to three years. Rental yields on houses are also excellent: think positive cash flow.

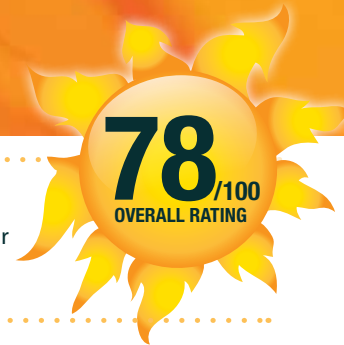
-Your Investment Property

STATS & FACTS

- A suburb of Maitland, Australia's fastest-growing inland city
- Major industrial service provider for both Newcastle and Hunter Valley
- Strong diversity of industry and employment, with retail, health and manufacturing prominent
- 66,000 jobs are expected to be created in the Lower Hunter by 2031
- The \$1.65bn Hunter Expressway will be completed later in 2013
- Low unemployment rate and median housing approximately \$335k
- Two large-scale industrial parks have recently been created
- Maitland City Council is actively seeking more industrial investment

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WEST NEWCASTLE FLETCHER

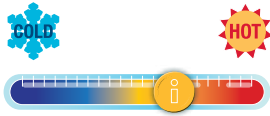


Fletcher is a residential suburb of Newcastle, located on the western edge of the City of Newcastle LGA in the Hunter Valley region. The population of 2,800 is made up mostly of young families. Facilities such as shopping, sport and recreation are to be found in neighbouring areas, such as Maryland to the east. Fletcher is 16km from the Newcastle CBD and 150km north of Sydney.

KEY INDICATORS



INFRASTRUCTURE INVESTMENT



The high level of infrastructure investment in the Newcastle and Lower Hunter area is set to continue, fuelling economies of suburbs like Fletcher.



POPULATION GROWTH



As a new suburb, there are already signs of strong population growth.



PROJECTED RENTAL GROWTH



There is a lot of demand in the Lower Hunter region for family suburbs, and growth in Fletcher rents will leverage off this.



DIVERSITY OF ECONOMY



Newcastle offers a full range of services, supported by one of Australia's biggest industrial cities.



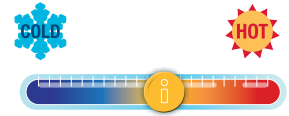
SUPPLY & DEMAND



Demand is currently outstripping supply. West Newcastle needs more dwellings every year.



VACANCY RATES



Low to no vacancies due to high demand and the high proportion of owner-occupiers in the suburb.



PROJECTED CAPITAL GROWTH



Ongoing strong demand and low supply are set to push prices higher in the near to medium term.



ESTIMATED RENTAL YIELDS



With yields currently at around 6%, the tightness of the rental market and solid demand will drive rental returns higher in the future.



AFFORDABILITY



Prices are great value for a high-quality family suburb.



COUNCIL PLANNING



The council could probably improve its development management processes, but a new mayor may help.

WHY IT'S HOT

As the Lower Hunter continues to grow and Newcastle's economic star rises, family suburbs located between the two are some of the best-performing real estate markets in NSW. Fletcher and Cameron Park are two examples offering a wonderful blend of access to work, services, shopping and lifestyle benefits, including Newcastle's CBD and fabulous beaches. They have recently been listed by RP Data as the best capital-growth suburbs in NSW over a decade.

-NextHotSpot

The local economy and property market in Newcastle are doing well at the moment, and across the city there's a growing sense of confidence among Novocastrians. As one of the city's most affordable areas, the western sections of Newcastle hold a lot of appeal for buyers, and there could be plenty of capital growth ahead.

-Your Investment Property

STATS & FACTS

- Excellent access to Newcastle, Hunter Valley and main roads
- Lower Hunter region expects 66,000 new jobs and 160,000 new residents by 2031
- Site of NSW's two best long-term capital growth suburbs, according to RP Data
- Family suburbs are around 20% more expensive than the Greater Newcastle average
- Owner-occupier ratio is 10% higher than in Greater Newcastle
- Current housing level shows growing undersupply
- 75% of future development will be on new sites
- Only major NSW housing market at "start of recovery"

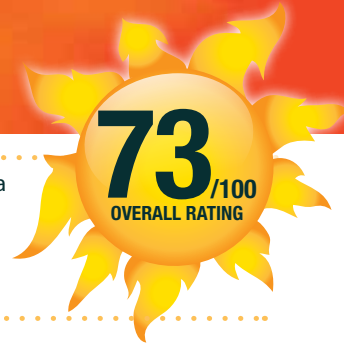


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ALBION

RENTAL YIELD
6%

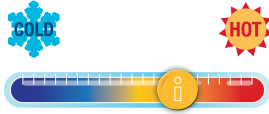


Albion is a small inner northeastern suburb of Brisbane with a population of about 2,700. With a total area of 1.5km², Albion is home mainly to single professionals and young families, and small to medium-sized businesses. The rental, hiring and real estate services industry has the largest number of businesses in the area. Features of Albion are Albion Park Raceway for harness racing, and the greyhound racing track in the south of the suburb.

KEY INDICATORS



INFRASTRUCTURE INVESTMENT



There are seven major roadway projects underway or recently completed in this part of Brisbane.



POPULATION GROWTH



New employees are flocking to Brisbane's growing CBD.



PROJECTED RENTAL GROWTH



Growth will be strong by national standards, and average for Brisbane.



DIVERSITY OF ECONOMY



Brisbane is a major world city tipped to be one of the fastest-growing commercial centres on the planet. Albion will be a part of this.



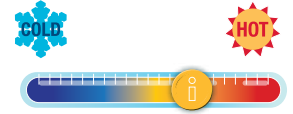
SUPPLY & DEMAND



Rampant development across Brisbane's CBD will mean increasing supply.



VACANCY RATES



As a popular area close to the CBD, the supply of rental dwellings is limited.



PROJECTED CAPITAL GROWTH



Likely to leverage off being next door to one of the world's fastest-growing commercial property markets.



ESTIMATED RENTAL YIELDS



Yields are expected to rise above average as potential buyers are priced out of the market.



AFFORDABILITY



There are cheaper Brisbane entry points available, but prices are still pretty good.



COUNCIL PLANNING



Planning is benefiting from an effective council.

WHY IT'S HOT

Albion is priced close to Brisbane's median but is far from a median area in Brisbane. It is relatively close to the CBD, next door to the expensive and popular 'inner north', and stands to benefit from massive transport enhancements that will both improve access to the suburb and remove through traffic. Pricing is still deflated after 2011's flooding, but it can't stay still for long.

-NextHotSpot

Investor tip: look for a unit. They are considerably cheaper, more in demand from Albion buyers and tenants, and rent for pretty close to what houses rent for. Avoid complexes on major connecting roads – there are quite a few in this part of Brisbane – because this will undoubtedly limit the appreciation of your investment over time.

-Your Investment Property

STATS & FACTS

- Affordable inner-city precinct with prices still deflated from 2011 floods
- Major beneficiary of Brisbane's transport grid enhancements
- \$4.8bn Airport Link, \$3bn Clem7 Tunnel, \$8bn Cross City Rail and others having impact
- 135,000 vehicles use the nation's biggest privately funded roadway daily
- Young demographics and a high number of renters, at around 46%
- Trend is smaller dwellings with unit price of around \$350k and 6% rental yields
- Both houses and units tend to show long-term growth of around 9%, including post-2011 flood dips
- Plans for urban renewal at Lutwyche and Windsor

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BOWEN

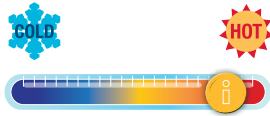


Bowen falls under the auspices of the Whitsunday Regional Council and is located on the Queensland coast, 1,160km north of Brisbane. With a population of roughly 10,000, Bowen's economy is based on agriculture (small crops such as rockmelons), fishing (coral trout, barramundi), tourism and mining. A picturesque seaside town situated on a square peninsula, Bowen is surrounded by the ocean on three sides. Water activities such as snorkelling, diving and fishing are a huge tourist attraction.

KEY INDICATORS



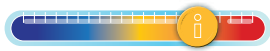
INFRASTRUCTURE INVESTMENT



Investment is huge, incorporating the Abbot Point coal terminal and supporting railways.



POPULATION GROWTH



Strong employment will encourage population growth in the long term, but Bowen remains a small centre.



PROJECTED RENTAL GROWTH



Rental growth will pick up later this year as new workers come into the area.



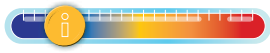
DIVERSITY OF ECONOMY



The spin-off from mining activity helps, and the economy is pretty good for a small centre.



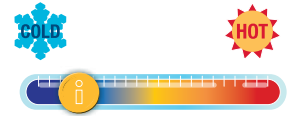
SUPPLY & DEMAND



Properties are oversupplied for the moment, but expect the market to balance out late in 2013.



VACANCY RATES



The current rate is over 4%, indicating a slight oversupply in rental property.



PROJECTED CAPITAL GROWTH



Once the market passes through its short-term wobbles, the weight of investment activity will make capital growth almost certain.



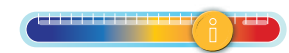
ESTIMATED RENTAL YIELDS



Yields are likely to dip for a while but will rebound and keep pace with strong capital growth expected in the area.



AFFORDABILITY



Median prices are low, and affordability is likely to improve as the workforce transitions into a higher paid one.



COUNCIL PLANNING



The council is managing this issue quite well, considering the scale of changes.

WHY IT'S HOT

The closest coal port to Asia has a compelling case to support growth, but there are some concerns due to its smallish size. Underwriting the town's long-term future is the Abbot Point coal terminal, already a significant facility with potential to triple its capacity. In the short term, varying workforce numbers on related construction projects may mean property sees some wobbles this year, but from late 2013 Bowen should have an enviable run.

-NextHotSpot

A Bowen investment is probably better suited to investors who've made it past their first or second property purchase. The sheer scale of mining-related activity in the area means an investment there is likely not as risky as many might believe, but investors need to realise that risk is still there. As always, prudent property selection will be required.

-Your Investment Property

STATS & FACTS

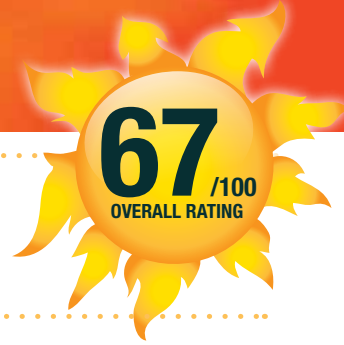
- Diverse local economy with strong agriculture, tourism, fishing and tourism sectors
- Abbot Point coal terminal expanding from 25mtpa to 160mtpa capacity
- Plans shelved to expand export capacity to 385mtpa
- Expansion to that capacity would make it the world's biggest coal export port
- Services Galilee Basin and Bowen Basin coal mines
- Benefits from massive investment by Adani, Hancock, BGC, and others
- Queensland Rail and Adani building multibillion-dollar rail links to Abbot Point
- Short-term fluctuations in construction to operational workforces over 2013

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BUNDABERG

REGIONAL GDP
\$3.5BN

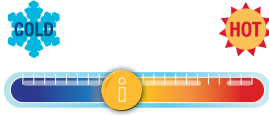


Situated on the Burnett River approximately 385km north of Brisbane, Bundaberg has a population of about 85,000. The local economy depends on the sugar industry, not just the canefields but also the milling, refining, packaging and distribution of sugar. Raw sugar is exported via a bulk terminal on the Burnett River, east of Bundaberg. Tours of the Rum Distillery are popular with tourists. The 'Southern Gateway to the Great Barrier Reef', Bundaberg also attracts tourists because of its nearby national parks.

KEY INDICATORS



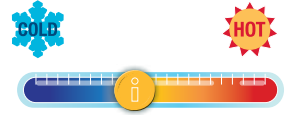
INFRASTRUCTURE INVESTMENT



The city's port capacity is growing, and road and rail links are rapidly improving.



VACANCY RATES



The rental market is currently balanced, but rates will tighten over the next year.



POPULATION GROWTH



Benefits from Queensland's so-called 'coastal drift': state residents moving to coastal areas.



PROJECTED CAPITAL GROWTH



Bundaberg won't be a star by Queensland standards but will beat the national average.



PROJECTED RENTAL GROWTH



Population growth and a low price will support solid rental growth in the near to medium term.



ESTIMATED RENTAL YIELDS



The market is likely to remain relatively balanced, resulting in average yields.



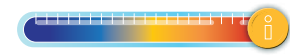
DIVERSITY OF ECONOMY



The economy has almost the full range of industries but could use some more services.



AFFORDABILITY



Affordable at around \$300k for a house.



SUPPLY & DEMAND



Demand is solid by national standards but weak for a Queensland port city.



COUNCIL PLANNING



The council is under heavy pressure to deal with recent flood damage.

WHY IT'S HOT

The city presents an affordable alternative to expensive and undersupplied areas on Queensland's southern coast. While it is fair to say that Bundy is being swept along in the volume of activity directed at Queensland port cities, this process looks likely to continue for some time. It has some industry in its own right, and its port and related infrastructure ensure it will maintain a level of importance.

-NextHotSpot

Tragic as recent floods have been, they may serve as a great opportunity for investors to get into the Bundaberg market at a more affordable entry point than they would have a few years ago. There's no doubt the city will surge back to life at some point, and investors who are in the market before the return to growth will benefit handsomely.

-Your Investment Property

STATS & FACTS

- Affordable port and large sugar centre with local lifestyle appeal
- Property tipped by Herron Todd White to be at bottom of market in June 2011
- Major flooding has stalled the process and growth has been flat
- Median price of housing across the city ranges from mid-\$200k to \$300k, with 6% rental yields
- Important tourism centre as Southern Gateway to the Great Barrier Reef
- Regional GDP \$3.5bn, with agriculture and manufacturing the largest sectors
- Bundaberg Technology Park becoming an innovation centre for Queensland
- Nearby coastline has eight national parks and several boutique lifestyle areas



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CAPALABA



Governed by the Redland City LGA, Capalaba is 19km south of Brisbane. Redland's major business and retail centres are located in Capalaba, which has a population of about 17,000. Capalaba has a range of retail, commercial and community facilities, including the Redland Youth Plaza, the biggest skate and BMX facility in southeast Queensland. The main bus terminal is in Capalaba. Semi-rural properties are found along the Tingalpa Creek corridor in the west, and significant bushland in the area is a home to wildlife.

KEY INDICATORS

INFRASTRUCTURE INVESTMENT COLD HOT

Like Albion, Capalaba will benefit from the seven major roadways under construction or recently completed in Brisbane.

POPULATION GROWTH COLD HOT

Capalaba is a growth area within a growing city.

PROJECTED RENTAL GROWTH COLD HOT

Rental growth should be strong by national standards, but is relatively average in Brisbane.

DIVERSITY OF ECONOMY COLD HOT

The local economy is excellent. Brisbane is a major city tipped to grow rapidly.

SUPPLY & DEMAND COLD HOT

Demand is increasing, but so too is the supply of properties.

VACANCY RATES COLD HOT

There is strong demand for rental property, but a lot of new supply is coming. The current vacancy rate is tight at 0.7%.

PROJECTED CAPITAL GROWTH COLD HOT

The suburb's blend of appealing lifestyle and attractive price points makes it a great prospect.

ESTIMATED RENTAL YIELDS COLD HOT

Population growth is likely to exceed growth in the supply of properties, pushing up yields.

AFFORDABILITY COLD HOT

Housing stock is diverse and at different price points, but there are affordable opportunities on offer.

COUNCIL PLANNING COLD HOT

A dynamic new council is committed to lifting the region's profile.

WHY IT'S HOT

A bayside suburb well positioned to take advantage of the growth coming Brisbane's way. Cheaper than more centrally located suburbs but with travel times to the CBD and airport lessened by improved road links, Redland City has a progressive, relatively new council that is open for business. Throw in the fact that it's one Brisbane area relatively unaffected by flooding and you've got a winner.

-NextHotSpot

Capalaba is another market worth considering if you're looking for a unit investment. That said, there's strong demand for houses and some good deals on offer, although, generally speaking, the rental returns on units are much better. Over the last 10 years, units have also outperformed houses in terms of capital growth.

-Your Investment Property

STATS & FACTS

- Affordable bayside suburb popular with families and long-term residents
- Feeds into Mount Gravatt interchange and benefits from Brisbane's massive infrastructure advances
- Gaining popularity with young professionals due to transport enhancements
- CBD employees are a key market, with Brisbane predicted to be one of the world's fastest-growing commercial real estate centres
- New council is actively promoting development of services, industry and housing
- Median price of houses is \$415k (5% yield) and units \$281k (6%)
- Two new shopping centres with over 100 stores
- Relatively little area is directly affected by flooding



EMERALD

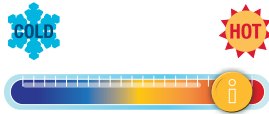


Established in 1879 as a base for the building of the western railway, Emerald is now considered the gateway to the Sapphire Gemfields, the largest sapphire fields in the Southern Hemisphere. Governed by the Central Highlands Regional Council, Emerald is at the junction of the Capricorn and Gregory highways, about 275km west of Rockhampton and 920km northwest of Brisbane. Extensive coal mining operations and agricultural activities such as cotton, citrus and grain are carried out here. About 13,500 people live in the area.

KEY INDICATORS



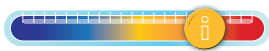
INFRASTRUCTURE INVESTMENT



This is a major strong point. Emerald remains the centre of Asian investment in Australian resources.



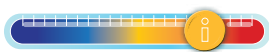
POPULATION GROWTH



Emerald is a major resources employment centre capable of absorbing growth.



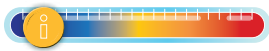
PROJECTED RENTAL GROWTH



The supply of rental properties is limited relative to the number of well-paid workers – a great environment for rental increases.



DIVERSITY OF ECONOMY



Emerald's biggest weakness is an overdependence on mining.



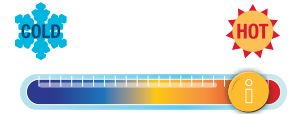
SUPPLY & DEMAND



Supply is meeting demand, but continuing resources growth will keep supply under pressure.



VACANCY RATES



Vacancies are almost zero but will be prone to the fluctuations of mining activity.



PROJECTED CAPITAL GROWTH



Value appreciation is almost certain, and soon, but reliance on mining will keep the market somewhat volatile.



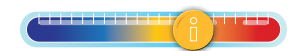
ESTIMATED RENTAL YIELDS



Yields will be strong, but price growth is likely to be strong as well, keeping yields close to current levels of around 6%.



AFFORDABILITY



Prices are still affordable, considering the high wages of arriving workers.



COUNCIL PLANNING



The council could potentially be overwhelmed by the scale and speed of change.

WHY IT'S HOT

A remote town of around 13,500 people that is so dependent on mining for its growth would normally be an investment 'avoid'. In Emerald's case the investment numbers are too compelling to be ignored, and the sheer volume will underwrite property values for some time. It's certainly at the riskier end of the scale, but further growth looks highly likely and median house pricing is still around the national average.

-NextHotSpot

It's hard to say anything bad about the property market in Emerald. Property is affordable and in high demand, and values have been skyrocketing over the last couple of years. Mining-related growth should ensure that values continue to increase, and a diversified economy will help insulate Emerald from a lot of the volatility present in other mining-affected towns.

-Your Investment Property

STATS & FACTS

- Centre of Galilee Basin and service provider to Bowen Basin mines
- Strong agricultural sector, particularly cattle, with a history of mining
- Hancock Coal, Waratah Coal, Adani, GVK and others are investing billions of dollars in Galilee Basin
- Home to one of the largest integrated coal development projects in the world
- Over 6,000 workers expected over next two years
- Several private and government-funded railways planned to connect with Bowen and Mackay
- Emerald will capture overflow from capacity-challenged Alpha and Barcaldine
- Housing still affordable (high \$400k) but rising fast; strong rental yields of around 6%

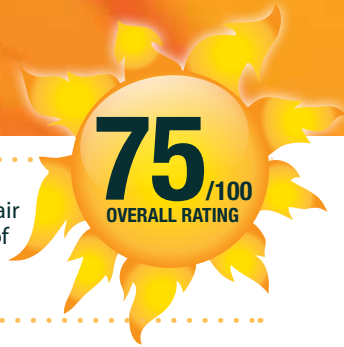


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ANNUAL POPULATION GROWTH
2.8%

IPSWICH GOODNA



Ipswich is centrally located in southeast Queensland, about 40km west of Brisbane and an hour from the Gold Coast. Connected to Brisbane by an electrified rail line, with access to domestic and international air and sea ports, Ipswich City LGA has a population of about 172,000 and an annual growth rate of 2.8%. One of Queensland's oldest provincial cities, Ipswich is renowned for its architectural, natural and cultural heritage. The University of Queensland has a campus here, and the RAAF Base Amberley is located in Ipswich.

KEY INDICATORS

INFRASTRUCTURE INVESTMENT COLD HOT

Ipswich Motorway opened in May 2012 – a positive development.

VACANCY RATES COLD HOT

With the level of new housing construction going on, the market may be slightly oversupplied with rental properties for a while.

POPULATION GROWTH

The area benefits from being between the growth areas of Brisbane and Toowoomba.

PROJECTED CAPITAL GROWTH

Strong infrastructure investment and population growth are set to support solid growth in prices.

PROJECTED RENTAL GROWTH

The improved access to Brisbane has heightened the area's appeal, promising rent increases.

ESTIMATED RENTAL YIELDS

As a large, established area, yields are approaching equilibrium. Current returns are around 4%.

DIVERSITY OF ECONOMY

The local economy is benefiting from its accessibility from Brisbane and southwest Queensland.

AFFORDABILITY

This is one of the reasons for its ongoing success. Property prices tend to be well below \$400k.

SUPPLY & DEMAND

Ipswich is a strong growth corridor but also a target for new housing construction projects, resulting in slight oversupply.

COUNCIL PLANNING

It has a progressive and proactive council.

WHY IT'S HOT

Goodna is the Brisbane region's best rental suburb in early 2013 (according to RP Data) and is benefiting from the massive transport enhancements to Ipswich City. Ipswich has been a recent standout performer for property investors, and the important drivers remain. Critically, it remains an affordable area with access to growing job markets in a strong economic region with recently improved transport links.

-NextHotSpot

There's no arguing Ipswich's potential, but perhaps there's an insurance aspect to consider. After Queensland's so-called 'once-in-a-lifetime floods' in 2011, it seemed like déjà vu earlier this year when massive flooding occurred again – and Ipswich was one of Greater Brisbane's worst-affected areas. Don't assume lightning won't strike twice, and consider purchasing a fair distance from the Bremer River banks.

-Your Investment Property

STATS & FACTS

- Strong growth region historically, adding more than 5,000 residents per year
- Population projected to reach 350,000 by 2026
- Growth estimated at 9,000 people per year requiring 4,000 new homes
- \$2.8bn Ipswich motorway upgrade opened in May 2012
- Over 95,000 cars use the facility, compared to 70,000 in 2007
- \$1.2bn Darra-to-Springfield railway line due to complete in 2013
- 90% of dwellings are houses, with more units needed
- Billions of dollars of investment in Springfield community, ICON Ipswich, Citiswiv business park and others

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MACKAY OORALEA

REGIONAL INVESTMENT
\$107BN
AND RISING

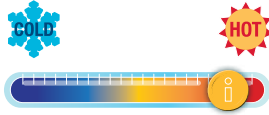


Situated on the banks of the scenic Pioneer River in central Queensland, Mackay is known as the sugar capital of Australia. More recently, the coal mining industry has become the mainstay of the local economy, due to Mackay's proximity to the mines of Bowen Basin, and to major highways and train lines. About 970km north of Brisbane and 240km south of Townsville, the city is governed by the Mackay Regional Council. Around 166,000 people live in the region, which has an annual growth rate of about 1.3%.

KEY INDICATORS



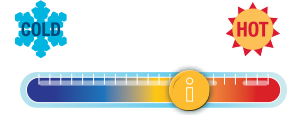
INFRASTRUCTURE INVESTMENT



Investment is going the full monty, including road, rail and air enhancements, and Mackay is also becoming the world's largest coal export port.



VACANCY RATES



Rates have gone up recently but should tighten again in the future.



POPULATION GROWTH



The huge investments in the resources sector will continue to drive strong population growth in the near to medium term.



PROJECTED CAPITAL GROWTH



Property prices are set to rise off the back of the strong population growth, resources investments and tightening market.



PROJECTED RENTAL GROWTH



Rent increases will be supported by ongoing popularity with fly-in, fly-out [FIFO] workers.



ESTIMATED RENTAL YIELDS



Rental returns are expected to rise as the market tightens further.



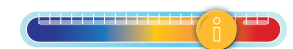
DIVERSITY OF ECONOMY



Mackay is a major service centre and port, and has it all for a city this size.



AFFORDABILITY



The market has seen massive capital growth but is likely to see a flat spot this year, offering investors a window of opportunity.



SUPPLY & DEMAND



There have been a few recent wobbles to the balance of supply and demand, but the area will need more stock for years to come.



COUNCIL PLANNING



The council is dealing well with massive changes, including housing stress.

WHY IT'S HOT

Mackay is one of the emerging powerhouses of the Australian economy. Newcastle's impressive growth on the back of the coal industry is well known; less so is Mackay's imminent takeover of the mantle of the world's largest coal export port. Massive investment in a diverse economy that is also Australia's sugar capital is creating some teething problems in a centre with virtually guaranteed ongoing growth.

-NextHotSpot

Your Investment Property has been trumpeting the merits of investing in Mackay for years. The market has grown significantly over the last decade, and sure, prices are a lot higher than they used to be, but it is not too late for investors to get in. Mackay is still a great choice for both cash flow and capital growth.

-Your Investment Property

STATS & FACTS

- Strong and diverse local economy, notably in agriculture, tourism, mining and retail
- Australia's 'sugar capital', producing around a third of national output
- Gateway to the Bowen Basin mines and also services Galilee Basin
- Expansion of Hay Point terminals will make them the world's largest coal export facility
- Regional investment greater than Gladstone, at \$107bn and rising
- Mackay's population has been growing at 3% p.a., resulting in a tight market and rising rents
- Consumer confidence reflected in strong retail and luxury spending
- Expanding health, retail, construction and government industry sectors

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MOUNT GRAVATT

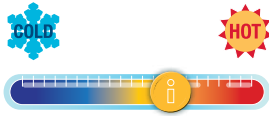


Mount Gravatt is a suburb of Brisbane, and lies southeast of the city centre on a hill with a view north to the city. Mount Gravatt is governed by the City of Brisbane LGA. Its current population numbers about 14,700, and projections do not indicate any significant increase. The largest employment group is the professional sector, and the business sector comprises mostly small to medium-sized businesses. The main campus of Griffith University is in Mount Gravatt.

KEY INDICATORS



INFRASTRUCTURE INVESTMENT



Mount Gravatt will benefit from the major road projects underway in Brisbane.



POPULATION GROWTH



The suburb is identified as a growth corridor, meaning robust population growth is expected in the medium to long term.



PROJECTED RENTAL GROWTH



This will be strong by national standards but relatively average in Brisbane.



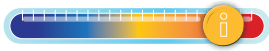
DIVERSITY OF ECONOMY



The Brisbane economy has a great future and Mount Gravatt will enjoy the ride with it.



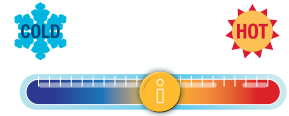
SUPPLY & DEMAND



Demand is set to outpace supply, which will benefit investors over the medium to long term.



VACANCY RATES



Mount Gravatt is a strong growth area that is slightly undersupplied. Vacancies are currently tight.



PROJECTED CAPITAL GROWTH



Future housing demand is currently being planned for; however, the suburb's strong fundamentals are set to support solid growth ahead.



ESTIMATED RENTAL YIELDS



The rapid population growth expected will surely exceed any growth in the supply of rental properties, spiking yields.



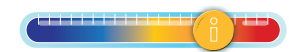
AFFORDABILITY



There are pockets of expensive stock, but as a whole the market is very affordable.



COUNCIL PLANNING



This is one of the focal points of Australia's largest councils.

WHY IT'S HOT

Named as a key hub around which to develop the city as it grows into a world-class commercial centre, Mount Gravatt offers some of the best of Brisbane for investors. Growing services, major transport enhancements, and a range of well-priced opportunities among pockets of more expensive properties are reasons for stock in Mount Gravatt spending less time on the market than in any other Brisbane suburb – an average of just 27 days.

-NextHotSpot

The Mount Gravatt area got a ranking of 21 in *Your Investment Property's* Top 100 Suburbs Guide last year – and with good reason. Capital growth prospects are solid, and the high proportion of ageing properties on the market is resulting in some stellar opportunities for renovating.

-Your Investment Property

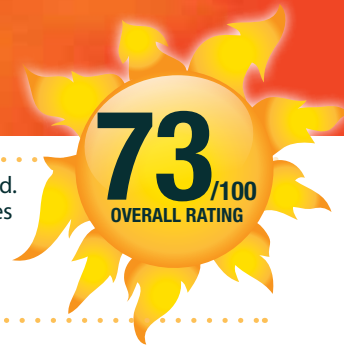
STATS & FACTS

- State government focal point as southeast Qld grows from a population of 2.8 to 4.4 million in next 20 years
- Projected need for an additional 156,000 homes in Brisbane by 2031
- Named by RP Data in March 2013 as one of Brisbane's five fastest-selling suburbs for houses
- Brisbane City Council announced the Mount Gravatt Corridor Neighbourhood Plan in November 2012. Vision is to have the Corridor "recognised as a highly accessible, environmentally and economically sustainable hub"
- Transport links include the South East Freeway and South East Busway
- Westfield will commence building a centre in 2013
- Site of two Griffith University campuses supporting 19,000 students

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ROCKHAMPTON NORMAN GARDENS

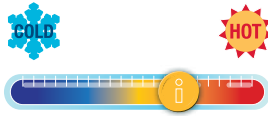


Rockhampton lies just north of the Tropic of Capricorn on the banks of the Fitzroy River in central Queensland. It is 636km north of Brisbane and governed by the Rockhampton Regional Council. Rockhampton promotes itself as the 'Beef Capital of Australia'. Agricultural activity in the area consists primarily of grazing, supported by abattoirs and saleyards in Rockhampton. A significant workforce of QR National lives in this important transport hub linking the Central Highlands, the major coalfields in the west, and the Capricorn Coast region.

KEY INDICATORS



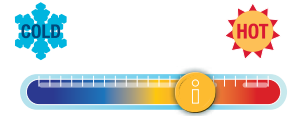
INFRASTRUCTURE INVESTMENT



\$3bn in transport and health spending is on the cards.



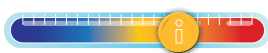
VACANCY RATES



Vacancy rates are tight at 1.13% and will tighten further.



POPULATION GROWTH



Developing industry and a desire to live within easy reach of the coast will attract people to the city.



PROJECTED CAPITAL GROWTH



There is no 'super project' to ignite runaway capital growth, but local values will get swept along in Queensland growth.



PROJECTED RENTAL GROWTH



Growth has lagged but looks certain to catch up with population growth.



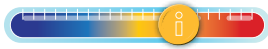
ESTIMATED RENTAL YIELDS



Current yields are at around 7%, which could rise further as vacancy rates tighten.



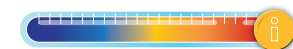
DIVERSITY OF ECONOMY



As a one of Queensland's biggest port cities, Rockhampton has a strategic place in the state economy.



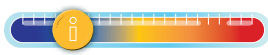
AFFORDABILITY



Excellent. Values look like Gladstone prices a decade ago.



SUPPLY & DEMAND



The ratio of supply to demand is good by national standards and not so good by state standards, but demand will improve.



COUNCIL PLANNING



Council is coming to terms with the scale of local issues.

WHY IT'S HOT

Rockhampton has recently emerged from under the investment radar as a good example of a city with diverse services becoming of great value to the mining industry due to its location and facilities. With strong agricultural, manufacturing, tourism, retail, education and health sectors, only 5% of Rockhampton's residents work in mines, yet the mining sector is expected to send \$125bn per year of exports through the city within a year or two.

-NextHotSpot

Rockhampton's lifestyle offering is the key. It's one of regional Queensland's more attractive places to live because the local economy is strong, it's affordable, and the climate, moderated by the nearby ocean, is mild. This is a contrast to some of Queensland's emerging mining centres, which are typically hot and expensive. The FIFO crowd are an economic reality these days and Rockhampton has much to attract them.

-Your Investment Property

STATS & FACTS

- Nominated as a primary service centre for central Queensland in state government's Qld Infrastructure Plan
- Regional service centre with diverse local economy and port capacity
- Australia's 'beef capital', with tourism, manufacturing, defence and mining
- Regional GDP exceeds \$5bn, servicing the 450,000 residents within 3.5 hours' catchment
- Queensland Rail maintains a large workforce as region acts as a rail 'interchange'
- Many local areas have seen 10%+ yearly capital growth and are still affordable
- Regional population expected to grow by 125,000 by 2031
- \$3bn+ spend on health and transport infrastructure



SOUTH BRISBANE

RENTAL YIELD FOR UNITS
6%



Located on the southern bank of the Brisbane River, South Brisbane is an inner-city suburb with a population of 5,500. Although heavily industrialised in its early history, South Brisbane grew into a fashionable, high-density, modern residential area during the 1990s, with good public transport links. It has a number of heritage listed buildings, and prominent features include the South Bank Parklands, Brisbane Convention and Exhibition Centre, Queensland Maritime Museum and Griffith University.

KEY INDICATORS

INFRASTRUCTURE INVESTMENT COLD HOT

Investment mirrors some of the transport improvements going on in the rest of Brisbane.

POPULATION GROWTH COLD HOT

The area looks set to house new employees in Brisbane's growing CBD.

PROJECTED RENTAL GROWTH COLD HOT

Probably average for a Brisbane suburb, but rent increases will beat the national average.

DIVERSITY OF ECONOMY COLD HOT

South Brisbane's close proximity to Brisbane's CBD means the suburb is benefiting from the CBD's projected strong growth.

SUPPLY & DEMAND COLD HOT

Demand continues to rise solidly, thanks to the suburb's proximity to the city centre.

VACANCY RATES COLD HOT

Vacancy rates at 1.83% indicate an undersupplied market. Ongoing strong demand is likely to see this tighten further.

PROJECTED CAPITAL GROWTH COLD HOT

Capital growth is expected to be strong on the back of strong demand and relatively low supply.

ESTIMATED RENTAL YIELDS COLD HOT

Yields are currently sitting at around 6% on average; however, this level may soften a bit as prices continue to rise.

AFFORDABILITY COLD HOT

Prices are high, but within the realm of affordability because of growing incomes. Punters pay up.

COUNCIL PLANNING COLD HOT

South Brisbane is a major beneficiary of the nation's largest urban renewal programme.

WHY IT'S HOT

In the big picture, Brisbane in general has much to look forward to, including reputable independent expectations that it will be one of the fastest-growing commercial real estate markets in the world over the next decade. With growth in inner-city jobs, Woolloongabba is a suburb with a flat recent past in an overall strong history and is primed for performance.

-NextHotSpot

As Australia's cricket team's fortunes have floundered, Queensland's home of cricket, Woolloongabba, has been taking off. This region of Brisbane offers excellent amenities and appeals to all sorts, from families and students to young professionals. This is a blue-chip real estate market at its finest.

-Your Investment Property

STATS & FACTS

- Inner-city access to one of the world's fastest-growing commercial property markets
- 10ha Woolloongabba Urban Development Area (UDA) was declared in April 2010
- Part of the Queensland Infrastructure Plan proposing \$134bn development between 2010 and 2031
- The UDA "will be the most compact and accessible transit oriented community outside the Brisbane CBD"
- Median unit price dipped 3% year on year to \$460k, but yields remain healthy at 6%
- Transport infrastructure and urban renewal are making the district a desirable urban fringe precinct
- Strong long-term capital growth performer, racking up 14% over the past three years
- Home to Boggo Road Gaol and Boggo Road weekend markets

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SPRINGWOOD

SUBURBAN
APPEAL
9%
PARKLAND

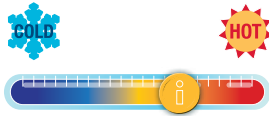


Springwood is a suburb of, and is governed by, Logan City. It is located only 21km south of Brisbane and has a population of 9,300. Originally planned as a satellite development located at the end of the Pacific Motorway, Springwood is now an established residential area with several schools and two major shopping centres.

KEY INDICATORS



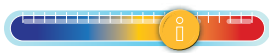
INFRASTRUCTURE INVESTMENT



Investments in transport developments are ongoing and consistent with the rest of Brisbane.



POPULATION GROWTH



More people are expected to make Springwood their home in the near future, lured by the strong economic activity in the area.



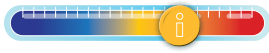
PROJECTED RENTAL GROWTH



This won't be as strong as many similar suburbs across Brisbane but will be much better than the rest of Australia.



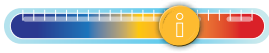
DIVERSITY OF ECONOMY



Springwood's proximity to Brisbane, which is considered one of the fastest-growing CBDs in the country, means it's poised to benefit economically.



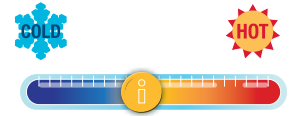
SUPPLY & DEMAND



This is a desirable part of the Logan area and will remain in high demand.



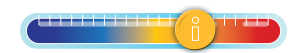
VACANCY RATES



Vacancy rates are currently sitting at 0.83% for units, indicating a massively undersupplied market.



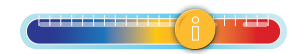
PROJECTED CAPITAL GROWTH



The suburb is perceived as a step up from Logan. This will spur buyer activity, applying pressure on capital growth.



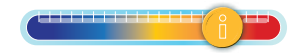
ESTIMATED RENTAL YIELDS



Lower prices and strong appeal to tenants ensure solid yields of 6% will continue and are likely to rise.



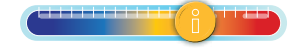
AFFORDABILITY



Among Brisbane suburbs with good potential, Springwood has about the best entry point possible.



COUNCIL PLANNING



Council is providing stimulus to a strong growth corridor.

WHY IT'S HOT

The suburb of Springwood itself, alongside neighbours Daisy Hill and Rochedale South, offers many of the same benefits as Mount Gravatt. With more expensive surrounding suburbs feeding off the same infrastructure hub at Springwood, the suburb is showing the strong growth signs that have historically seen Brisbane suburbs on train lines grow at around 2% more per year than those that aren't.

-NextHotSpot

Grow it might, but Springwood's amenities are already top-notch. The suburb is abundant with cafes, restaurants and shopping options, and the public transport connections are good for an area so far away from the centre of Brisbane. The parks and outdoor areas in the suburb also boost the suburb's appeal, suggesting strong demand for property is going to last.

-Your Investment Property

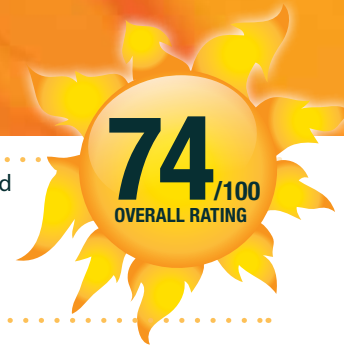
STATS & FACTS

- Growth suburb of Logan City in the southeast Qld growth corridor without Logan's social issues
- Located between growth centres of Logan City and Mount Gravatt
- Well serviced by Pacific, Logan and Gateway motorways
- 17 parks in the suburb, comprising around 9% of the total area
- Wide range of property is available, with median house price currently at \$410k
- Predominant age group is in the 20-29 bracket
- Typical residents are couples with small children, and they tend to work in clerical occupations
- Town centre is a main activity hub of Logan with a major bus station, three shopping malls and abundant services

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TOWNSVILLE DOUGLAS



Situated on the northeastern coast of Queensland, adjacent to the Great Barrier Reef, Townsville is considered the capital of tropical North Queensland. It lies on the shores of Cleveland Bay, and the Ross River flows through the city. Attractions include idyllic Mission Beach, Magnetic Island, Hinchinbrook Island National Park, rainforests and beaches. Townsville is 1,300km north of Brisbane and 350km south of Cairns. It is governed by the City of Townsville LGA and has a population of around 210,000.

KEY INDICATORS

INFRASTRUCTURE INVESTMENT COLD HOT

Townsville has been and continues to be Queensland's largest service centre after Brisbane, benefiting from massive infrastructure investments.

VACANCY RATES COLD HOT

Solid population growth tightened vacancy rates to almost 0% at the time of writing.

POPULATION GROWTH

Strong growth across multiple industries is feeding healthy population increases.

PROJECTED CAPITAL GROWTH

A powerful blend of diverse economic growth drivers and affordability suggest attractive capital growth is coming.

PROJECTED RENTAL GROWTH

A strengthening employment market is pushing the rental growth button.

ESTIMATED RENTAL YIELDS

Yields are currently at around 6% and are set to outpace the national average.

DIVERSITY OF ECONOMY

The local economy packs a punch. It is probably the strongest and most diverse regional market in Australia.

AFFORDABILITY

Prices remain affordable at around \$350k for houses.

SUPPLY & DEMAND

The supply of properties is probably meeting strong ongoing demand.

COUNCIL PLANNING

The job of managing population growth in a large regional centre is being done well.

WHY IT'S HOT

Over the last two decades Townsville has emerged as North Queensland's most important city. With a wide diversity of industry and fulfilling some government functions, it will continue to blossom. However, there have been growing pains, particularly around the luxury end of the market, and suburbs at the Thuringowa end of town look preferable, with Douglas a good example.

-NextHotSpot

Townsville might fly under the radar of many investors, and that's a pity. There are indeed big plans to develop the north of Queensland, and as the region's largest city Townsville will be first in line to benefit from future growth. Investors should bear in mind that the central parts of Townsville are likely to perform the best.

-Your Investment Property

STATS & FACTS

- Queensland's strongest regional economy and de facto second state capital
- Strong diversity in industry, with at least 10 strong sectors
- Population growth very strong, with annual average of 2.2%
- Population should exceed 200,000 this year, with a population of 256,000 projected by 2026
- Major spending on infrastructure, commercial, retail and residential development
- Over 100 local schools and over \$500m in hospital development
- 1.8 million air passengers annually; 20% FIFO workers
- Strong capital growth and rental yields in outer suburbs



TOOWOOMBA WESTBROOK



Known as 'The Garden City', Toowoomba is 127km west of Brisbane in southern Queensland. With an estimated district population of 131,258, Toowoomba is Australia's second-most populous inland city and the most populous non-capital inland city. It is the gateway to billions of dollars worth of investment in both mining and agriculture, and is one of Australia's best-performing regional cities.

KEY INDICATORS

INFRASTRUCTURE INVESTMENT COLD HOT

\$3bn is being spent on transport upgrades.

VACANCY RATES COLD HOT

Vacancy rates are tight for a regional city of this size (roughly 1%), and tightening.

POPULATION GROWTH

Expect 10% population growth over the next few years.

PROJECTED CAPITAL GROWTH

Growth will be slow initially and will remain steady for an inland service centre.

PROJECTED RENTAL GROWTH

Mining workers can outbid most others, pushing up rents in the process.

ESTIMATED RENTAL YIELDS

Because the incoming population is likely to exceed housing supply, yields should have a good run.

DIVERSITY OF ECONOMY

The city has fewer services than Brisbane but has important agriculture and mining sectors.

AFFORDABILITY

Price growth hasn't yet recovered from the 2011 flooding, presenting awesome buying opportunities.

SUPPLY & DEMAND

There are more mine workers coming in over the next few years than there are houses for.

COUNCIL PLANNING

There are multiple issues for the council to manage, but it is doing a reasonable job.

WHY IT'S HOT

Traditionally the gateway to the rich Darling Downs agricultural region, this is now the gateway to the Surat Basin coal and CSG fields. Property pricing has not moved significantly since the floods of 2011 despite many problems being resolved and the arrival of thousands of resources workers imminent. Bear in mind that the Surat Basin serviced by Toowoomba will be the main supplier to Gladstone's massive CSG-LNG projects.

-NextHotSpot

Toowoomba as a whole has a great future, but be wary of some of the city's lower-priced suburbs. Units in these areas have lost a lot of value in recent times and arguably have the greatest danger of falling into oversupply, precipitating further price falls. The best Toowoomba performers, historically, have been suburbs with good public transport.

-Your Investment Property

STATS & FACTS

- Queensland's 'Garden City' and gateway to Darling Downs and Surat Basin
- Surat Basin is the key supplier for Gladstone's massive LNG projects
- 'Enterprise Area' at Charlton, which supports mining services, is expected to employ 12,000
- Australia's largest regional Chamber of Commerce, expecting GDP to increase over 30%
- Over \$3bn of rail and road infrastructure in development
- Pricing still at pre-2011 flood levels, with many houses under \$300k
- Over 15,000 additional workers expected in region over next three years
- Over \$350m expansion of retail centres underway



STAFFORD

LONG-TERM GROWTH TREND
7.5%

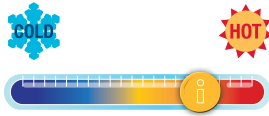


Stafford is a northern suburb of Brisbane located about 11km from the CBD. It is a tree-lined residential suburb with a large number of 'Queenslander' and post-war housing commission homes on large quarter-acre blocks. This has made the area very attractive to young families who want to live close to the city but still have enough room for a backyard.

KEY INDICATORS



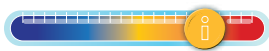
INFRASTRUCTURE INVESTMENT



There are close transport links, but no major projects are within Stafford's boundaries. Even so, it will still benefit from wider investments in Brisbane infrastructure.



POPULATION GROWTH



Stafford is attractive to young families, so its population should grow. At the worst, growth will remain stable into the future.



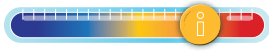
PROJECTED RENTAL GROWTH



As the area continues to evolve and the housing market improves, rents will increase.



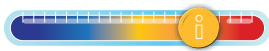
DIVERSITY OF ECONOMY



The suburb's proximity to the Brisbane CBD means it has direct access to the city's economic drivers.



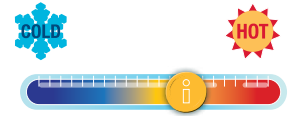
SUPPLY & DEMAND



As an established suburb, there are limited oversupply issues, stacking firmly in favour of investors.



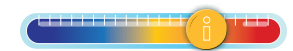
VACANCY RATES



Vacancy rates are fairly tight at 1.58% but may increase slightly as more supply hits the market.



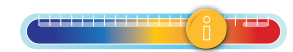
PROJECTED CAPITAL GROWTH



Don't expect prices to start doubling overnight, but they should perform well in the context of Australia as a whole.



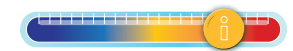
ESTIMATED RENTAL YIELDS



Rental yields currently at around 5% are expected to improve further.



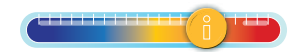
AFFORDABILITY



Even with its close proximity to the CBD, the area is still affordable for both renters and investors. Median price for houses is currently \$447,250, with units at \$389,080.



COUNCIL PLANNING



Part of the Brisbane LGA, Stafford will benefit from its proactive approach to investments in infrastructure.

WHY IT'S HOT

As Brisbane continues to grow, its northern suburbs like Stafford are set to benefit. This area has great transport links and can still be classified as 'affordable' by the owner-occupier market. It's a good bet for an investor wanting a strategic location that will grow in value over time.

-NextHotSpot

This is another strong investor area within Brisbane, reflecting on the city's growing importance within the Australian economy. As the city grows, people will be looking for quality inner-city suburbs with excellent amenities, but they will want this at an affordable price. Stafford offers just that.

-Your Investment Property

STATS & FACTS

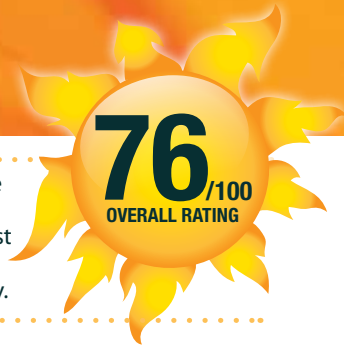
- A consistently growing suburb that is close to the CBD but flies under the radar of investors
- Median house price is under \$500k, so it's a great entry price point for the Brisbane market
- With a long-term growth trend of 7.5%, the potential for future growth is great
- Only 24% of properties are rented. This low supply of rentals is a great benefit for investors
- With close proximity to the CBD, Stafford will benefit greatly from improvements in transport infrastructure
- A large number of professional couples with young children target this area and will be premium tenants
- Rental yields are around 5%, but they have great potential to increase

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BALGA

MEDIAN HOUSE PRICE
\$350K



Balga is 13km north of Perth's CBD and governed by the City of Stirling LGA. Developed during the 1960s, the area required urban regeneration by the 1990s. Rezoning allowed medium-density housing and increased its desirability. The population is now about 11,000. The Balga-Westminster-Nollamara Local Area Plan is the first comprehensive community-based plan Stirling has produced for this locality. It considers social, economic and environmental issues and integrates outcomes of community engagement with strategic objectives of the city.

KEY INDICATORS

INFRASTRUCTURE INVESTMENT COLD HOT

Balga taps into Perth's transport grid and benefits from industrial growth of its own.

VACANCY RATES COLD HOT

Vacancies are very tight and speak volumes about what is going on with Perth rental properties right now.

POPULATION GROWTH

The area is popular with low socio-economic migrants and is set to grow solidly in the near to long term.

PROJECTED CAPITAL GROWTH

Strong population growth in a genuinely cheap area bodes well for property values to increase strongly in the future.

PROJECTED RENTAL GROWTH

As the area is very affordable and popular at the lower end of the market, rents have a lot of room to move upward.

ESTIMATED RENTAL YIELDS

Rental yields at 5% are decent but have the potential to rise sharply in the medium to long term.

DIVERSITY OF ECONOMY

It's perhaps less diverse than most of Perth, but there are emerging signs of local economic development.

AFFORDABILITY

The median price is around the \$350k mark, and there is plenty of good stock on the market.

SUPPLY & DEMAND

The ratio of supply to demand suits investors at the moment, but there is plenty of space for new construction projects.

COUNCIL PLANNING

The council has many social issues to manage so it is less focused on quality development.

WHY IT'S HOT

Balga is yet another Perth suburb that looks to be perfectly positioned if we see similar property outcomes in this version of the mining boom as we saw in the last. Affordable pricing is a key driver of property growth, and Balga remains at an appealing price point for investors. Given similar drivers and greater affordability, Balga stands out as one of the better performers on the north side of Perth.

-NextHotSpot

Sure, there's no such thing as a low-risk, high-reward investment, but Balga comes fairly close. The suburb is likely to enjoy evergreen demand from buyers, keeping it safe from massive price falls, but the promise of strong rental returns is where the reward comes in. Of course, investors lucky enough to buy under the market will benefit most.

-Your Investment Property

STATS & FACTS

- Affordable suburb 13km north of Perth CBD
- Diverse demographics and young average age at 31 years
- Five-minute drive from Reid Highway and 10 minutes from Mitchell Freeway
- Median house price is \$350k, with opportunities available under \$300k
- Median unit price is \$240k, with 5% rental yield and development opportunities
- One of Perth's suburbs leading the nation for long-term capital growth
- 71.2% of dwellings are detached houses and 7.5% are units
- 79% of dwellings contain three or more bedrooms



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BELMONT CLOVERDALE

AVERAGE ANNUAL GROWTH
10%



The City of Belmont LGA is located about 7km east of Perth's CBD on the southern bank of Swan River. Belmont has 11km of pristine Swan River frontage. It offers close proximity to air, rail and road networks. International and domestic airports are easily accessible via the Graham Farmer Freeway. Landmark locations include Ascot Racecourse and Kewdale Freight Terminal. Belmont offers many commercial opportunities. The population is just over 35,000.

KEY INDICATORS

INFRASTRUCTURE INVESTMENT COLD HOT

As this is a major road, rail and air travel hub, infrastructure development has been significant.

VACANCY RATES COLD HOT

FOR LEASE

Reflecting how constrained the Perth rental market really is, the Cloverdale vacancy rate is now 0.2% and has the potential to tighten further.

POPULATION GROWTH

This is a capture point in Australia's fastest-growing state capital, so population growth has been robust.

PROJECTED CAPITAL GROWTH

Value growth will be better than the Perth average. Translation: a big national star.

PROJECTED RENTAL GROWTH

Growing rental demand from well-paid workers looks set to push rents up.

ESTIMATED RENTAL YIELDS

Rental demand is so strong that renters are buying properties of their own. This has cooled yields down a bit, currently at 4.6%.

DIVERSITY OF ECONOMY

In the context of a suburb within an international city, the economy may be a little over-reliant on the air transport industry.

AFFORDABILITY

Don't be fooled by a median price exceeding \$500k. In Perth terms, prices are a bargain.

SUPPLY & DEMAND

Good for investors. As a genuine growth channel, the area needs a continuous supply of stock.

COUNCIL PLANNING

The council is trying to integrate industrial development and has a number of issues to tackle.

WHY IT'S HOT

While seeing a predictable rise in pricing, this area is so well located within Perth that it's surprising it hasn't grown more already. Across the river from the CBD and on the way to the airport, this location is a natural for both permanent residents and Perth's many transitory workers. As this is a more established area, property tends to be more tightly held and best opportunities may be the few parcels of vacant land in Cloverdale.

-NextHotSpot

Cloverdale presents investors with a way to think smart. The number of FIFO workers living in Perth and flying out to WA's mining regions is on the up, and a place like Cloverdale, so conveniently close to the airport, is an extremely attractive area for them to live in.

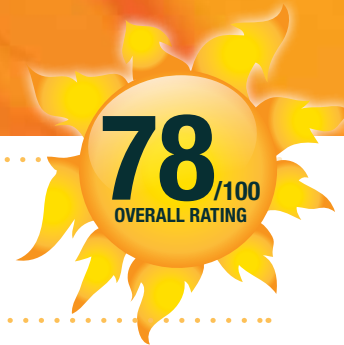
-Your Investment Property

STATS & FACTS

- Excellent Perth location on Swan River between CBD and airports
- Major road, rail and air transport hub servicing both passenger and freight demand
- Perth airport grows at over 9% per annum, putting strain on local infrastructure
- Major beneficiary of \$1bn Gateway WA project announced in May 2012
- All air visitors to Perth pass through Belmont, which provides 10% of passenger beds
- Rental yields of about 4.6% reflect 10%+ annual capital growth over a decade
- Urban renewal around river and racing industry have created unique local character
- High proportion of renters (39%), and popular with FIFO workers

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COCKBURN CENTRAL



Cockburn Central is a small suburb of Perth, 24km south of the capital's CBD. It is governed by the City of Cockburn LGA, and accessible via the Kwinana Freeway and Cockburn Central train station. The town is one of Perth's first major 'activity centres' under the state government's 'Directions 2031 and Beyond' initiative to address urban sprawl and promote jobs, connectivity, community and environmental benefits. Housing is in a range of styles, from apartments and terraces to larger family homes. The population sits at around 700.

KEY INDICATORS

INFRASTRUCTURE INVESTMENT COLD HOT

Cockburn is designed as a hub for southern Perth and gets all the investment that comes with such status.

VACANCY RATES COLD HOT

For a new residential area, vacancies are particularly low and will get lower. Currently it's at 0%.

POPULATION GROWTH COLD HOT

The suburb is an emerging hub for southern Perth's potential 200,000 residents.

PROJECTED CAPITAL GROWTH COLD HOT

All the drivers necessary for excellent capital growth are there. Investment in WA will further support value increases.

PROJECTED RENTAL GROWTH COLD HOT

Rents should mirror the good performance of Perth as a whole.

ESTIMATED RENTAL YIELDS COLD HOT

The strength of the location makes it highly likely that yields will improve at its current level of 5.4%.

DIVERSITY OF ECONOMY COLD HOT

The suburb enjoys a diverse economy being so close to Perth and nearby Murdoch.

AFFORDABILITY COLD HOT

House prices have crept up, yet prices in the unit market still look appealing. At \$419,000, it's still affordable.

SUPPLY & DEMAND COLD HOT

The supply of properties coming onto the market is high, but demand is greater.

COUNCIL PLANNING COLD HOT

This is probably less relevant than the state government influence in this case.

WHY IT'S HOT

Another emerging suburb where investors from all over Australia can take advantage of WA's booming investment. With the strong influences seen in the Murdoch to Rockingham belt in play (excellent transport links; access to ed-med and other services; beaches nearby), a wide range of property is available and affordable units located adjacent to transport have strong appeal.

-NextHotSpot

Cockburn's strength as an investment hotspot depends heavily on its development as a hub within Perth's south. Many homebuyers and tenants in Perth's older suburbs might not yet have considered this location as a place to live, but as the area develops it will certainly attract their attention. Consider this a long-term play.

-Your Investment Property

STATS & FACTS

- Emerging and affordable suburb in Perth's booming south
- Benefits from proximity to Murdoch University campuses and medical facilities
- Excellent rail and road links offer 16-minute commute to the CBD
- Originally industrial and commercial; now has a residential precinct
- Planned hub for southern Perth's expected population of 200,000
- One of WA government's first major activity centres
- Access to beaches and Kwinana industrial centre
- Median unit price \$419k, and housing entry points available under \$500k



SPEARWOOD

VACANCY RATE UNDER 1%



The Perth suburb of Spearwood is 18km south of the CBD and falls within the City of Cockburn LGA. Housing development began there in the post-war years. A number of areas within the suburb have been rezoned for further residential development. The population is currently around 9,000. Phoenix Shopping Centre is the main shopping centre.

KEY INDICATORS

INFRASTRUCTURE INVESTMENT COLD HOT

Millions of dollars in investment funds are being directed into surrounding suburbs, ensuring long-term growth.

VACANCY RATES COLD HOT

The vacancy rate is under 1%, kept tight by a 9,000-strong population horribly short of quality rental accommodation.

POPULATION GROWTH COLD HOT

As nearby premium suburbs Fremantle and Coogee become more expensive, people will increasingly look at Spearwood.

PROJECTED CAPITAL GROWTH COLD HOT

The area has established infrastructure, and developers are targeting the market. It will be good for long-term growth.

PROJECTED RENTAL GROWTH COLD HOT

Population growth and demand for smaller dwellings will provide an ongoing boost to rents in the area.

ESTIMATED RENTAL YIELDS COLD HOT

Due to an already low supply of rentals, yields will remain strong; currently units are achieving 7% yield.

DIVERSITY OF ECONOMY COLD HOT

Spearwood is home to one of Perth's largest industrial parks as well as an array of established businesses.

AFFORDABILITY COLD HOT

Median house price at \$451,000 and units priced at just \$230,000 make Spearwood an attractive market.

SUPPLY & DEMAND COLD HOT

The suburb will require double the current supply of units over the next 20 years because of ongoing demand.

COUNCIL PLANNING COLD HOT

As part of the Cockburn LGA, the local council is progressive and good for investment.

WHY IT'S HOT

Another suburb that should attract investors from across Australia Spearwood benefits from WA's strong investment dynamics. As the blue-chip suburbs of Fremantle and Coogee continue to grow and price out the owner-occupier market, Spearwood's close proximity ensures it will benefit in the future. A wide range of property is available, and affordable units adjacent to transport have strong appeal.

-NextHotSpot

Investors should ignore Spearwood at their peril. This is emerging as a highly desirable place for Perth residents to live, but there is a severe shortage of places for them to rent. The prospect this offers investors is a market that will only strengthen as the rental market develops. Consider Spearwood one that ticks all the boxes: great fundamentals, low supply, high demand, and plenty of growth.

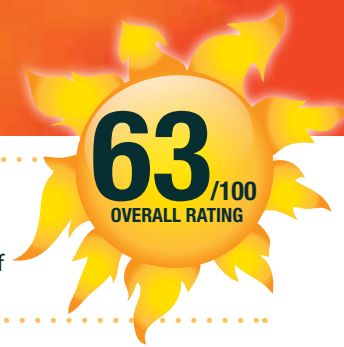
-Your Investment Property

STATS & FACTS

- With a population of roughly 9,000, there is a constant shortage of properties to rent – a great situation for investors
- Over 50% of local workers are employed elsewhere, including at the Kwinana Industrial Area
- There is a strong diversity of demographics, housing, employment and industry
- Recent improvements to road and rail infrastructure have created an excellent transport grid
- Only 18km to Perth CBD and within a few minutes' drive from Fremantle's blue-chip suburbs and the Coogee Marina complex, great for future growth
- The area has a major shopping centre and is close to one of Perth's largest industrial parks
- A wide selection of affordable housing, low vacancy rates, growing employment hubs

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FREMANTLE

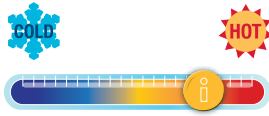


Fremantle is situated at the mouth of the Swan River, 19km southwest of Perth. It is known for its harbour, which acts as the port of Perth, handling the majority of the state's imports and exports. Fremantle's population is about 34,000. It is an established residential area, with substantial maritime and industrial areas and some commercial land use. The city is known for its historical colonial buildings and prisons. Landmarks of note include the University of Notre Dame, Fremantle Hospital, and the John Curtin Performing Arts Centre.

KEY INDICATORS



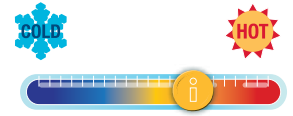
INFRASTRUCTURE INVESTMENT



As this is a port area, there are excellent road and rail links. Infrastructure is world class.



VACANCY RATES



Rental market is tight at less than 1% vacancy rate.



POPULATION GROWTH



This Perth region has morphed into a highly desirable place to live, driving more people to it.



PROJECTED CAPITAL GROWTH



Capital growth will be strong, as a result of the port and the diversity of demand: lots of people like the area.



PROJECTED RENTAL GROWTH



Rental growth will follow seasonal patterns, but there should be steady rent increases on the horizon.



ESTIMATED RENTAL YIELDS



The high median price of houses and units is keeping returns down, currently at 5% for units and 4% for houses.



DIVERSITY OF ECONOMY



All of Perth's services and industries are within reach, and Fremantle has port facilities of its own.



AFFORDABILITY



Fremantle is a victim of its own success. Its great appeal has made it relatively expensive.



SUPPLY & DEMAND



The cost of property has meant that demand, while still good, is currently a little subdued.



COUNCIL PLANNING



The council has done a good job for incumbent residents. However, more could be done to support investor growth.

WHY IT'S HOT

Once an ugly port town, Fremantle has blossomed into a desirable residential extension of Perth, with some wonderful lifestyle features. Many suburbs surrounding the Fremantle hub have become comparatively expensive, but one standout is the emerging suburb of Spearwood – relatively affordable and exposed to the benefits of both Fremantle and Murdoch University. Hamilton Hill looks well priced for investors too.

-NextHotSpot

Fremantle is becoming increasingly trendy, owing to its great cafes, shops, restaurants and chic urban surroundings. The fact that its popularity is supported by a strong employment market makes its position as a great investment spot even stronger. The suburb is likely to be a Perth rendition of the story of Newtown in Sydney or Melbourne's inner north: regenerated urban areas with fierce appeal.

-Your Investment Property

STATS & FACTS

- Long-term port for Perth, with tourism and manufacturing sectors
- Now a popular lifestyle and entertainment precinct and relatively expensive with pockets of opportunity
- An expensive but appealing area; this is creating demand for smaller dwellings
- Hamilton Hill offers affordable entry price for houses; median price is around \$475k
- Urban renewal plans and higher-density housing plans under consideration
- Low supply levels and seasonal demand result in vacancy rates under 1%
- Around 85% of resident workforce are employed between Fremantle and Perth
- Major employment in manufacturing, health, retail, education and tourism

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LOCKRIDGE

HIGH PERCENTAGE OF FAMILIES
64%



Lockridge is a suburb of Perth in Western Australia, located in the City of Swan LGA. Its strategic position near Midland will see it benefit greatly – both these areas continue to receive significant private and public investment, which is transforming their property markets. Lockridge is just 14km from the Perth CBD and is proving popular with young families.

KEY INDICATORS

INFRASTRUCTURE INVESTMENT COLD HOT

Infrastructure is excellent. Lockridge is close to highways and Perth Airport.

VACANCY RATES COLD HOT

More rental accommodation is needed. The current vacancy rate is 0.3%.

POPULATION GROWTH

New housing and job growth in the area will bring new residents into the suburb.

PROJECTED CAPITAL GROWTH

Lockridge has the same capital growth drivers as Midland, a suburb with a great future, but is even more affordable.

PROJECTED RENTAL GROWTH

Rental increases in new housing areas tend to be varied among individual properties, but generally solid.

ESTIMATED RENTAL YIELDS

Rents will keep growing, but so too will prices.

DIVERSITY OF ECONOMY

There are signs of local development, although the employment market is probably not as strong as the rest of Perth.

AFFORDABILITY

The median price of houses is \$324k; for units it is \$260k, which rates Lockridge high in affordability stakes.

SUPPLY & DEMAND

Current figures look adequate for investors. The potential for more supply is significant.

COUNCIL PLANNING

Challenging pressures on growth have been managed reasonably well.

WHY IT'S HOT

Located close to Midland and with most of the same drivers, such as population growth and location, Lockridge stands out on price. Based on the principle for residential real estate that cheaper property tends to outperform more expensive investments, Lockridge is at the right end of the scale, which makes the suburb potentially even more appealing than Midland.

-NextHotSpot

Families love Lockridge. With the majority of purchasers being in the market for a home, not an investment, properties will change hands a lot faster in this suburb. This will keep the market buoyant and relatively safe from massive price falls. And don't forget the tenants. Renters in Lockridge are not scared to pay a premium to live in this suburb – current rental yields are excellent.

-Your Investment Property

STATS & FACTS

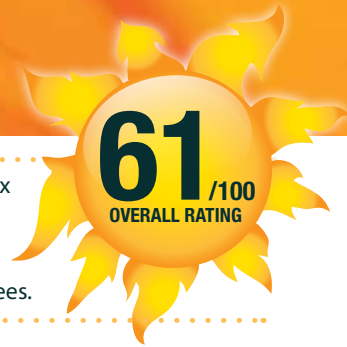
- Very affordable area of Perth, with median house price at \$324k
- Access to transport links, including airport and major highway
- High percentage of families at 64%, and mortgagees at 38.4%
- Possesses the characteristics of Australia's best capital growth suburbs over a decade
- Listed by News Ltd in March 2013 as the most searched property location in Perth
- Access to Swan Valley tourism and lifestyle region
- Manufacturing, retail and healthcare employ more than 10% of local workforce
- 38% of households are made up of couples with children

0.3%
VACANCY RATE

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MANDURAH

MOST PROPERTIES UNDER \$300K



Situated on Western Australia's beautiful coastline about 72km south of Perth, Mandurah prides itself on its mix of inner-city and semi-rural living between the Indian Ocean, the expansive waterways of the Peel-Harvey Estuary, and the lower reaches of the Serpentine River. Economic activity is centred on tourism, manufacturing, and retail. The Halls Head Indirect Water Reuse Project is based in Mandurah. Land use is limited by infertile soils due to poor water retention of the sandy dunes. Mandurah is a popular lifestyle alternative for Perth retirees.

KEY INDICATORS

INFRASTRUCTURE INVESTMENT COLD HOT

Road and railway links are being upgraded, causing a flurry of investment activity.

VACANCY RATES COLD HOT

The rental market is also recovering from oversupply issues created in the last decade.

POPULATION GROWTH

The area brings in lots of retirees and FIFO workers.

PROJECTED CAPITAL GROWTH

Once the remaining supply has been picked up, capital growth will have a healthy future.

PROJECTED RENTAL GROWTH

Well-paid FIFO workers will put pressure on rents. Expect high increases.

ESTIMATED RENTAL YIELDS

Rental yield is currently at 5% for homes, but this is set to grow solidly in the near to medium term.

DIVERSITY OF ECONOMY

Services and industries are good for a city of Mandurah's size but not necessarily a strong point.

AFFORDABILITY

Most properties are priced under \$300k, even near the beach. Median house price sits at \$290k.

SUPPLY & DEMAND

Much of the chronic oversupply that plagued the city has finally been soaked up.

COUNCIL PLANNING

The council has encouraged urban renewal but is having to tackle big issues that are mostly beyond their control.

WHY IT'S HOT

A lifestyle area to the south of Perth, Mandurah has seen recent ups and downs as a wave of mining-related wealth over the last decade has given way to levels of mortgage distress. Property prices remain appealing as this lifestyle area starts to see a new wave of wealth emerging – in part due to its popularity with a sector of the state's large FIFO mining workforce.

-NextHotSpot

Mandurah could be a solid choice for investors who feel priced out of Perth. Like the WA capital city, it too has benefited strongly from the state's soaring economic growth, but because property prices are still low while household incomes are rapidly increasing, Mandurah prices could probably hike up considerably before they are even close to a level considered 'unaffordable'. Translation: property prices should be able to go up unhindered for quite some time.

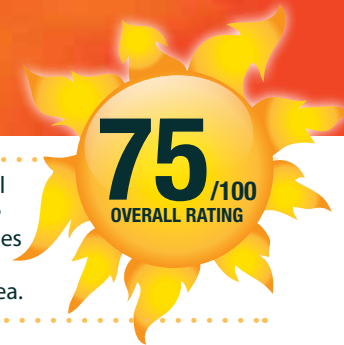
-Your Investment Property

STATS & FACTS

- A 'canary in the coal mine' for property trends around Perth
- Leading property performer prior to the global financial crisis and saw price declines after
- Excellent road and rail links to Perth; popular with seachangers and FIFO workers
- Massive population growth over the last 20 years and is now WA's second-largest city
- Offers a wide range of lifestyles and dwellings; a high proportion of retirees
- Strong tourism sector with growing education, hospitality and services industries
- Affordable housing with median price across region under \$500k
- Council planning for population to about double by 2031

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MIDLAND

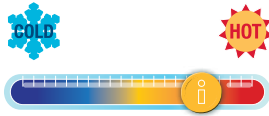


Midland, with a population of around 4,000, falls within the City of Swan LGA. Only 16km northeast of central Perth, Midland is often regarded as a suburb of Perth. An urban renewal program has strengthened its role as a strategic metropolitan centre. The iconic state government railway workshops have been revitalised. Facilities include WA's largest police complex. A new general hospital is to open in 2015. New commercial and residential land subdivisions have been created, and landscaping, street furniture and public art have enhanced the area.

KEY INDICATORS



INFRASTRUCTURE INVESTMENT



Urban renewal has given the area a new lease of life, and infrastructure includes good access to two highways.



POPULATION GROWTH



Once considered 'ugly', rejuvenation has made Midland popular with FIFO workers.



PROJECTED RENTAL GROWTH



Rents will increase steadily and be strong by national standards.



DIVERSITY OF ECONOMY



Perth's high-flying CBD is within reach, although there is little employment within the area close to the suburb.



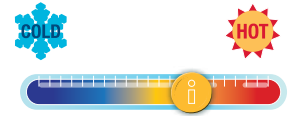
SUPPLY & DEMAND



Demand for properties is strong, and there is plenty of space left to meet that demand.



VACANCY RATES



Properties are affordable, and the suburb is well located within Perth, which will keep vacancies tight. Currently it's at 0.77%.



PROJECTED CAPITAL GROWTH



Growth will mirror the strong increases on the cards for Perth as a whole, with the extra advantage of affordable prices.



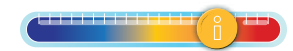
ESTIMATED RENTAL YIELDS



An active buying market will push prices up, limiting potential yields.



AFFORDABILITY



Prices are low, at or around \$330k for units, considering the success of urban renewal projects.



COUNCIL PLANNING



Council is managing the urban renewal process and other development issues well.

WHY IT'S HOT

As Australia's mining boom evolves, it is worth remembering the lessons of the last decade. Throughout the boom and bust cycle, 14 of Australia's top 50 capital growth suburbs were affordable Perth suburbs between 10km and 30km from the CBD. Midland fits the characteristics well, has good airport access, and prices are on the move.

-NextHotSpot

Many Midland properties are on large blocks and offer opportunities to make money through subdivision projects or small developments. Low levels of stock on the market should further support property price increases, because people want to live in Midland but competition for listings is stiff. That means buyers will start to purchase at higher prices to get what they want.

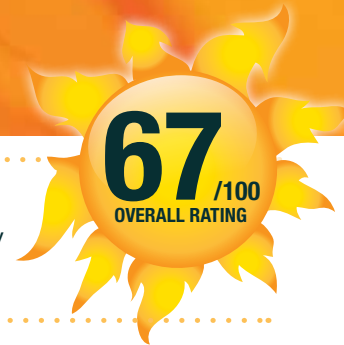
-Your Investment Property

STATS & FACTS

- Affordable service centre with wide catchment to northwest of Perth CBD
- Urban renewal is supporting new residential and commercial subdivisions
- Excellent road and rail links, including the intersection of the Great Northern and Great Eastern Highways
- One of Perth's fastest-growing LGAs and gateway to the Swan Valley wine district (480,000 day tourists per year)
- 69% family households, with a diverse mix of white- and blue-collar workers
- 95% of businesses are small; 24% in the manufacturing sector
- Swan District Hospital, Midland Health Campus, TAFE campus and police centre are all expanding



MOUNT LAWLEY



Perth's inner northern suburb of Mount Lawley lies on the north foreshore of the Swan River. Mount Lawley comes under the jurisdiction of the City of Vincent, the City of Stirling and the City of Bayswater LGAs. Facilities of interest include a campus of Edith Cowan University, and the Western Australian Academy of Performing Arts. The population of just over 10,000 is serviced by a number of schools, a train line, and bus services. The median house price in Mount Lawley is higher than in the Perth metro region.

KEY INDICATORS

INFRASTRUCTURE INVESTMENT COLD HOT

Infrastructure includes the Midland railway line and the Mitchell and Kwinana freeways.

POPULATION GROWTH

Population is set to grow solidly as Perth continues to flourish.

PROJECTED RENTAL GROWTH

Houses will see steady rental growth. Units will probably move a little faster.

DIVERSITY OF ECONOMY

The economy is as diverse as other outperformers in Perth.

SUPPLY & DEMAND

Properties are tightly held. Demand, while high, could be limited by high median prices.

VACANCY RATES COLD HOT

The suburb is popular with Perth's well-paid and growing professional tier. Demand for rental properties is considerable. Vacancies are low at 0.9%.

PROJECTED CAPITAL GROWTH

Units look to be a good bet, especially in light of the phenomenally tight vacancy rate.

ESTIMATED RENTAL YIELDS

Gross rental yield for houses is quite low at 3% but units achieve 5% gross yield.

AFFORDABILITY

Median unit price at \$387k is quite attractive.

COUNCIL PLANNING

Council actions haven't affected investors much – the area is too well established.

WHY IT'S HOT

While Mount Lawley and neighbouring Maylands have become well-established and desirable suburbs just to the north of the Perth CBD, much housing in the area has moved beyond a desirable investment threshold. Opportunities do exist in smaller dwellings and in some available older housing stock.

-NextHotSpot

Mount Lawley offers an awesome chance to get into Perth's growing unit market without blowing the budget. Units are affordable and yield well, while local amenities provide residents with pretty everything a tenant would want: excellent shopping choices within walking distance, good public transport links, and plenty to keep young professionals entertained.

-Your Investment Property

STATS & FACTS

- Desirable and relatively expensive riverside suburb in Perth's inner north
- Units offer value at \$387k median price against \$1m houses
- On Midland railway line and five minutes from Mitchell and Kwinana Freeways
- Next door to Northbridge precinct and 2km to Perth CBD
- Residents unemployment rate is very low at 4.3%
- Over 50% of residents list their occupation as 'manager' or 'professional'
- 55.5% of dwellings are detached houses; 28.5% are units
- 29% of dwellings are owned outright and 38.7% are rented



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MURDOCH

LOW VACANCY RATE
0.4%

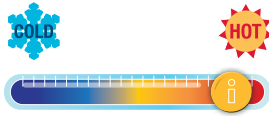


Within the City of Melville LGA and 12km south of Perth's CBD lies suburban Murdoch. The population is just on 3,000. Murdoch University is located here, as are two major hospital complexes (St John of God Hospital and Fiona Stanley Hospital), police and fire stations, and a juvenile detention centre. South Street runs through Murdoch, with the residential area mainly on the northern side, while the university, hospitals and commercial enterprises are located on the southern side of South Street.

KEY INDICATORS



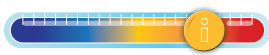
INFRASTRUCTURE INVESTMENT



Probably the best thing the region has going for it: a university, medical facilities, road and railway infrastructure – the works.



POPULATION GROWTH



Expanding education and medical facilities are strong draws for residents.



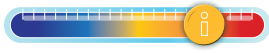
PROJECTED RENTAL GROWTH



Students and workers like to be close to the action. This should propel demand for rental properties and nudge up rents.



DIVERSITY OF ECONOMY



The local economy has all the diversity associated with Perth, plus the added benefit of medical and education facilities.



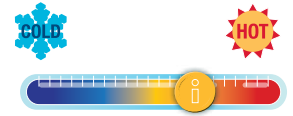
SUPPLY & DEMAND



Demand is significant and remains ongoing. Demand currently trumps supply.



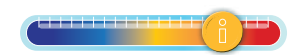
VACANCY RATES



There are a vast number of rental properties; nonetheless, demand is so strong that vacancies are few, which is currently at 0.48%.



PROJECTED CAPITAL GROWTH



The suburb quite possibly has the best all-round prospect in Perth.



ESTIMATED RENTAL YIELDS



Rents will keep growing but so will prices. Yields currently at 4% will balance out to the national average.



AFFORDABILITY



Many pockets are expensive, but bargains are available. Median house price is currently at \$738k.



COUNCIL PLANNING



Planning has been adequate. The council has more issues to face than most.

WHY IT'S HOT

One factor that has an obvious effect on residential real estate is the creation of educational and medical facilities. The suburb of Murdoch itself is quite expensive, but neighbouring areas like Bibra Lake remain affordable. The whole southern side of Perth is worth looking at carefully as affordable opportunities in the triangle created by Fremantle, Murdoch and Rockingham will be worthwhile.

-NextHotSpot

The Murdoch area has a nice mix of everything, and there are plenty of nearby industries and commercial hubs where potential tenants could be employed. Getting to the CBD is a bit of a slog compared to some of the other suburbs in this list, such as Wembley and Mount Lawley, but it is still relatively easy. It's a location that ticks all the traditional boxes for a good property investment spot.

-Your Investment Property

STATS & FACTS

- Just south of Perth, a growth corridor influenced by a significant education and medical presence
- Several Murdoch University campuses and WA's largest building at Fiona Stanley Hospital, among other facilities
- Across the precinct, university attendance is three times the Perth average
- Young demographic is comprised of both family units and visiting students
- Wide range of property; Murdoch, Bateman and Winthrop are expensive and 50% owned outright
- Cheaper properties could be found around Kardinya, Coolbellup and Bibra Lake, particularly for units
- Accesses the excellent transport corridor from Perth to Rockingham
- Vacancy rates low – 0.4–0.9%

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ROCKINGHAM



Rockingham is a city and primary centre in Western Australia, southwest of the Perth city centre and south of Fremantle. It has a beachside location at Mangles Bay, the southern extremity of Cockburn Sound. To its north stretches the maritime and resources-industry installations of Kwinana and Henderson. Offshore to the northwest is Australia's largest naval fleet and submarine base, Garden Island, connected to the mainland by an all-weather causeway. To the west and south lies the Shoalwater Islands Marine Park.

KEY INDICATORS

INFRASTRUCTURE INVESTMENT COLD HOT

Infrastructure is excellent, especially road connections and public transport.

VACANCY RATES COLD HOT

Affordability keeps rental demand strong. Vacancy rates are low, especially for units: 0.15% in central Rockingham.

POPULATION GROWTH

Rockingham's population has been boosted by its popularity with young families and the promise of space to grow.

PROJECTED CAPITAL GROWTH

Value increases will be supported by a growing population and popular beachside settings.

PROJECTED RENTAL GROWTH

Rent increases will be high by national standards.

ESTIMATED RENTAL YIELDS

A diverse range of housing stock and new supply have historically kept yields in pace with the national average. Currently units and houses are achieving 5% gross rental yields.

DIVERSITY OF ECONOMY

The suburb itself lack diverse employment sources.

AFFORDABILITY

Median house price at \$377k and \$280k for units makes for an attractive market for buyers.

SUPPLY & DEMAND

There's still plenty of space to meet strong demand, which might not work entirely in investors' favour.

COUNCIL PLANNING

The council is organised and is effectively managing the release of land.

WHY IT'S HOT

There's something for everyone in this evolving suburb. Less than 50km from Perth's CBD (about the same distance between Penrith and Sydney), it is a half-hour commute to the city and has a well-organised council and wide range of available property.

-NextHotSpot

The beaches around Rockingham are popular, and this ensures that Rockingham remains popular as well. Many of the properties on offer are affordable, and there's a great opportunity for investors who don't mind getting their hands dirty to add value through renovation. Rockingham is a winner.

-Your Investment Property

STATS & FACTS

- Southern Perth service centre in an Indian Ocean beachside location
- Strong diversity of demographics and housing
- Population of about 100,000, growing 4% per year
- Traditionally a retiree centre; now a favourite area for FIFO workers
- Over 50% of local workers are employed elsewhere, including in the Kwinana industrial zone
- Recent improvements to road and rail have created an excellent transport grid
- Benefiting from development of Kwinana and Rockingham industrial zones and Murdoch University
- Much affordable housing, low vacancy rates, growing employment hubs



WEMBLEY

MEDIAN UNIT PRICE
\$296K

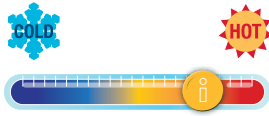


Located within the town of Cambridge, Wembley is about 5km northwest of Perth's CBD. It is an upper middle class, medium-density residential suburb with a population of 10,500. Wembley lies between Herdsman Lake and Lake Monger and thus provides residents with access to wetlands, wildlife via the viewing centre, grassed parklands, and numerous walking and cycling tracks. Herdsman Lake Regional Park is popular with birdwatchers. Permanent open water is ensured by the dredged moat encircling the 300ha lake.

KEY INDICATORS



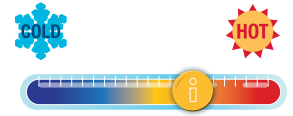
INFRASTRUCTURE INVESTMENT



Facilities are among the best in WA. The suburb is a five-minute drive from the nearest freeway and the Perth CBD.



VACANCY RATES



Vacancy rates are tight at 0.7% for both houses and units.



POPULATION GROWTH



A suburb strength. Wembley is a popular suburb and leads the population growth charts.



PROJECTED CAPITAL GROWTH



Resident professionals will compete for the buying opportunities, pushing up prices.



PROJECTED RENTAL GROWTH



The unit market is probably due some growth in median rents. The growth rate for houses will remain steady.



ESTIMATED RENTAL YIELDS



Returns are not good on houses, owing to very the high median price. Yields on units are better, exceeding 5%.



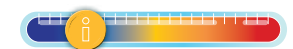
DIVERSITY OF ECONOMY



Wembley is one of the suburbs closest to the Perth CBD and its employment nodes.



AFFORDABILITY



Houses are not affordable. Unit prices range from the lower to the higher end of the market and reflect property size.



SUPPLY & DEMAND



Supply and demand are fairly balanced in relation to one another, but could tighten as population grows.



COUNCIL PLANNING



It's a well-established area. Council decisions tend to impact on investors a lot less.

WHY IT'S HOT

As a desirable suburb within easy reach of both the Perth CBD and its famous beaches, Wembley has seen strong price growth for housing but offers well-priced opportunities to enter the unit market. Perth has been slower than capitals in the eastern states to embrace a strong trend towards smaller dwellings with good CBD access. Wembley is a prime location to benefit from any similar movement in Perth.

-NextHotSpot

Wembley has it all, and that's why we like it so much. The combination of easy access to the CBD, beaches and Perth's trendy Subiaco, mixed with affordable unit prices, makes it one of Perth's best investment hotspots. Residents tend to have high disposable incomes too – that's property investment speak for great tenant material.

-Your Investment Property

STATS & FACTS

- Desirable inner-western suburb of Perth, bordering Subiaco
- 4km to Perth CBD and 6km to beaches
- Five-minute drive to Mitchell Freeway and easy walk to Subiaco train station
- Unit median price is cheap at \$296k, against \$885k for houses
- 40% of population are employed in healthcare, professional scientific and technical services, and education
- 52% of residents are single or couples without children
- 22% of residents live in medium- or high-density housing
- 29% of residents earn more than \$1,500 per week

29%
EARN \$1,500+
PER WEEK

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BALLARAT

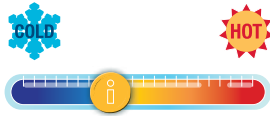


Ballarat has a population of 95,000 people. It is approximately 105km west-northwest of Melbourne and best known as the site of the Eureka Rebellion, which occurred on the goldfields in 1854. Historical landmarks abound and attract history buffs to the city. Tourism plays a significant role in the economy, and the most notable attraction is Sovereign Hill (a recreated 1850s gold-mining settlement). Several international manufacturers have operations located in Ballarat, eg Mars and McCain Foods.

KEY INDICATORS



INFRASTRUCTURE INVESTMENT



Ballarat is a major beneficiary of the Regional Rail Link and all the perks that come with it.



POPULATION GROWTH



It's becoming a commuter suburb for Melbourne, and this is the primary driver of population growth.



PROJECTED RENTAL GROWTH



Better than Melbourne, though may lag behind other growth areas across Australia.



DIVERSITY OF ECONOMY



Ballarat is definitely a strong centre, though it doesn't have a mining sector to boost its economy.



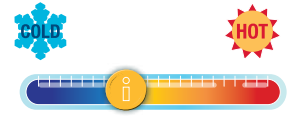
SUPPLY & DEMAND



The supply and demand situation is currently balanced and no concern for investors.



VACANCY RATES



The vacancy rate is sitting at 3.2%, indicating slight oversupply, but should tighten in the medium term.



PROJECTED CAPITAL GROWTH



The fundamental requirements for capital growth are all present, so the potential for prices to rise is solid.



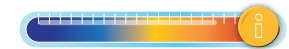
ESTIMATED RENTAL YIELDS



Returns are balanced and in line with the national average at just over 4%.



AFFORDABILITY



This is the city's drawcard and the reason it is growing into a Melbourne commuter suburb.



COUNCIL PLANNING



Council is managing economic development relatively well.

WHY IT'S HOT

With oversupply concerns in several areas of Melbourne hindering property performance in the city, the appeal of affordable housing an hour and a quarter away is strong. Government policy aimed at decentralisation, and supported by projects such as Victoria's Regional Rail Link, is boosting the Melbourne 'refugee' market and Ballarat's emergence as a satellite IT centre.

-NextHotSpot

Ballarat remains a diverse housing market, with a lot going for it. Its mix of education and health industries keeps the local economy strong, ensuring a reliable base of potential tenants. It also lacks the volatility seen in a lot of other markets, and property investors should have a bright future in this leading Victorian city.

-Your Investment Property

STATS & FACTS

- Victoria's original growth centre and once the "richest city in the world"
- Third-largest city in Victoria, with around 100,000 residents
- Population predicted to reach 113,500 in 2021 and 130,000 by 2032
- Cheap housing, job creation, lifestyle, and planning to manage growth
- A major beneficiary of the state's \$5bn Regional Rail Link
- Now a commuter suburb of Melbourne – 75 minutes away by rail
- Strong agricultural base and a growing IT and 'knowledge' hub
- Over 200 manufacturing businesses in the city

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BENDIGO



The city of Greater Bendigo is situated 150km northwest of Melbourne and has a population of around 90,000. Established during the gold rush era, Bendigo is known for its architectural heritage and gold-mining history. Major industries are tourism, commerce and primary agriculture (grazing, wine). There is some manufacturing, eg Thales Australia and Australia Defence Apparel. La Trobe University has a campus here. The Bendigo Easter Festival and Parade is held each year, a highlight of which is the Chinese dragon.

KEY INDICATORS



INFRASTRUCTURE INVESTMENT



Like Ballarat, Bendigo is a major beneficiary of the Regional Rail Link.



POPULATION GROWTH



Melbourne residents moving to the city are fuelling population growth.



PROJECTED RENTAL GROWTH



Rental increases will be better than in Melbourne due to cheaper prices and strong demand.



DIVERSITY OF ECONOMY



The economy is strong for regional Victoria and has many industries supporting its local economy.



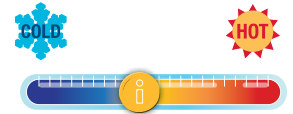
SUPPLY & DEMAND



More housing stock is coming on line, but hardly meeting current demand.



VACANCY RATES



Rental demand has been pretty well managed. Vacancy rates are near balanced at just under 3%.



PROJECTED CAPITAL GROWTH



Further investment in infrastructure could unlock more capital growth.



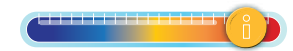
ESTIMATED RENTAL YIELDS



Current yields are sitting at just under 5% and are expected to strengthen.



AFFORDABILITY



Excellent affordability at \$315k median house price is bringing Melbourne workers into the city.



COUNCIL PLANNING



Much-needed infrastructure development is underway.

WHY IT'S HOT

Victoria's third-largest city is also benefiting from the Regional Rail Link, and Melbourne is less than an hour and a half away by rail. It has solid manufacturing, strong agriculture, and a history of above-average capital growth for property. Plans for a new highway, a new hospital, and airport upgrades all contribute to a healthy outlook for Bendigo.

-NextHotSpot

As a prominent hub within regional Victoria, Bendigo has a fairly large property market and this insulates it from some of the wild supply-and-demand fluctuations typical of smaller regional centres. Easy access to Melbourne is a great bonus and adds an extra benefit for investors – many Bendigo residents are Melbourne workers who commute to and from the city.

-Your Investment Property

STATS & FACTS

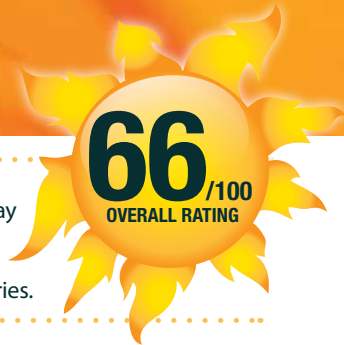
- Key regional centre now a 90-minute train commute to Melbourne
- Relatively strong ongoing population growth
- Solid, diverse economy – agriculture, manufacturing, health, tourism, services
- Significant upgrades to rail, road and air links, including the Regional Rail Link
- State government developing new hospital and master-planned community
- Families make up 70% of households, including 30% 'couples with kids'
- Property is affordable, with good growth rates and strong rental returns
- Worst long-term capital growth suburb is East Bendigo, at 7% p.a.



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FRANKSTON

LONG-TERM GROWTH
7-8%
 PER ANNUM



The city of Frankston is 40km southeast of Melbourne on the eastern side of Port Phillip Bay and at the beginning of the iconic Mornington Peninsula. About 130,000 people live in this area. Known as the 'Gateway to the Mornington Peninsula', Frankston is strategically placed as the activity centre for the peninsula and the nearby southeast growth corridor of Melbourne. It provides shopping, education, health, community services, financial, leisure and entertainment facilities for a population catchment far greater than its municipal boundaries.

KEY INDICATORS

INFRASTRUCTURE INVESTMENT COLD HOT

Leading infrastructure includes the EastLink and Peninsula Link highways.

VACANCY RATES COLD HOT

A potential weak point, with vacancy rates at 2.61%, though not a reason for concern due to its great lifestyle aspects.

POPULATION GROWTH COLD HOT

Frankston is popular with seachangers and retirees wanting to stay close to Melbourne. Families like it too.

PROJECTED CAPITAL GROWTH COLD HOT

Historically, Frankston is a good long-term performer and the traditional drivers of capital growth are intact.

PROJECTED RENTAL GROWTH COLD HOT

The suburb is a good long-term performer, with key drivers of rent increases still in place.

ESTIMATED RENTAL YIELDS COLD HOT

Returns are certainly more appealing than comparable areas in Victoria.

DIVERSITY OF ECONOMY COLD HOT

Proximity to Melbourne means the suburb benefits from the CBD's broad range of industries and economic drivers.

AFFORDABILITY COLD HOT

With a median house price of \$335k, Frankston rates high on affordability.

SUPPLY & DEMAND COLD HOT

Steady population growth is being managed well. Supply largely meets demand.

COUNCIL PLANNING COLD HOT

The council faces fewer challenges than Melbourne and is handling those it does have well.

WHY IT'S HOT

The Mornington Peninsula has in general been one of the better long-term capital growth performers in Victoria. With the well-documented oversupply issue in inner Melbourne continuing to grow, as an organising principle investors are better served by looking at a distance from the CBD. Suburbs around Frankston are serviced by relatively recent transport improvements, and they will see potential industrial growth if the Western Port expansion proceeds.

-NextHotSpot

Good growth prospects aside, Frankston ticks a number of boxes simply for its lifestyle options. It's close to the beach, has a direct train line to the Melbourne CBD, local amenities are good, and properties, for the most part, are affordable. This means that, even if new infrastructure developments weren't going ahead, buyers would retain an interest in the area for some time to come.

-Your Investment Property

STATS & FACTS

- Mornington Peninsula is one of Victoria's standout long-term performers
- Frankston has been one of the best performers, with 7-8% p.a. long-term growth
- Residex reports an 18% increase in house prices over the last three years and 19.5% for units
- Well separated from the chronic oversupply issues in inner Melbourne
- Will benefit from any significant development of Western Port
- Major transport infrastructure upgrades via EastLink and Peninsula Link expressways
- Road improvements have enhanced the area's appeal for Melbourne retirees
- Plans for marina development and a retail, commercial and restaurant hub

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GEELONG WEST



Located on Corio Bay (an inlet of the larger Port Phillip Bay), Geelong is 75km southwest of Melbourne and is governed by the City of Greater Geelong LGA. The population of Greater Geelong is about 180,000. The city has a variety of manufacturing and processing industries, including a Ford engine plant, Alcoa's Point Henry aluminium smelter, a Shell oil refinery, and a chicken processing plant. New residential, industrial and commercial developments are expected in the Southern Corridor, where there is abundance of available land.

KEY INDICATORS



INFRASTRUCTURE INVESTMENT



Transport infrastructure upgrades have led development in the area.



POPULATION GROWTH



Better transport links to Melbourne are set to attract more people to the area.



PROJECTED RENTAL GROWTH



The effect of enhanced transport in an affordable centre will push up rents.



DIVERSITY OF ECONOMY



Geelong has access to a manufacturing base of its own, as well as Melbourne's full spectrum of services.



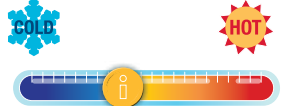
SUPPLY & DEMAND



Demand is growing stronger as the transport links improve.



VACANCY RATES



Currently, the vacancy rate is sitting at 2.26%, indicating a slight undersupply of rental properties.



PROJECTED CAPITAL GROWTH



Enduring importance within Victoria's economy and growing infrastructure suggest decent value appreciation.



ESTIMATED RENTAL YIELDS



Expect solid rental yields to improve from the current 4.3% level in the medium to long term.



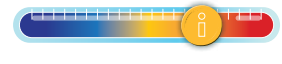
AFFORDABILITY



At a median house price of \$406k, the suburb is affordable, considering its location.



COUNCIL PLANNING



Public facilities have received healthy enhancements.

WHY IT'S HOT

The prime services and transport hub on the western side of Port Phillip Bay, Geelong is one of the main beneficiaries of Victoria's major infrastructure program – the \$5bn Regional Rail Link. Affordable and with a genuine industry base of its own, Geelong is not afflicted by the oversupply issued affecting much of inner Melbourne.

-NextHotSpot

On the surface, Geelong's rental yields are not the highest around, but don't be fooled. The city's diverse economy based on manufacturing, retail, tourism and health promises increasing demand for property, and people are cottoning on fast to the idea that you can live in Geelong but work in Melbourne. Great deals abound on older-style brick houses for reno projects, and interested investors should make a move soon.

-Your Investment Property

STATS & FACTS

- Victoria's fastest-growing region and a support centre for Melbourne
- Target of state government expansion and spending
- Major beneficiary of \$5bn Regional Rail Link
- Geelong Ring Road and Avalon Airport upgrades further enhance transport
- Residential and commercial building at record levels
- At least a dozen strong industry sectors, including growing innovation and research and advanced manufacturing in the Southern Corridor
- Strong stimulus from development of Northern Gateway transport and logistics hub
- Waterfront and Central Geelong developing a lifestyle, cultural, entertainment and recreation hub



HASTINGS

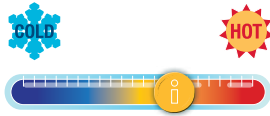


Situated on the eastern side of Mornington Peninsula, Hastings has a population of 9,000. It is 60km southeast of Melbourne and administered by the Shire of Mornington Peninsula. Hastings faces Westernport Bay and is surrounded by farmland. Esso and BlueScope Steel manufacturing plants are located in Hastings, and these industries provide many residents with employment. The naval port of HMAS Cerberus is 6km south of Hastings.

KEY INDICATORS



INFRASTRUCTURE INVESTMENT



Western Port development indicates Hastings is one of Victoria's leading areas in this department.



POPULATION GROWTH



Population inflow to the community will be high as soon as the Western Port gets underway.



PROJECTED RENTAL GROWTH



Well-paid workers as a result of the port expansion will create room for rental increases.



DIVERSITY OF ECONOMY



The local economy is supported by heavy industry, tourism, and other service-related businesses.



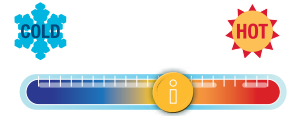
SUPPLY & DEMAND



It's fairly balanced at the moment. Demand will get stronger with the Western Port development.



VACANCY RATES



The rental market is currently balanced at 2.8% and is set to tighten as the infrastructure developments start.



PROJECTED CAPITAL GROWTH



Affordable prices will bring people into the buying market, aiding capital growth, and there's a chance of an extra kick from the port expansion.



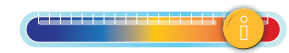
ESTIMATED RENTAL YIELDS



At the moment, the rental yield is just under 5%.



AFFORDABILITY



The median house price of \$332k is at least half of Melbourne's.



COUNCIL PLANNING



The council looks to be currently under-resourced.

WHY IT'S HOT

Hastings is a town with some local industry and is also close to areas of great lifestyle appeal with affordable real estate pricing. Current levels of activity are enough to support property growth and, if the proposed development of Western Port proceeds, Hastings will be one of the big winners – particularly if expanded to more than 150% of the Port of Melbourne's capacity.

-NextHotSpot

Capital growth on Hastings property could be slow out of the gates over the short term, but the longer-term outlook is great. The major infrastructure plans for the area should ensure local property values grow strongly, although the city's full potential won't be clear until the Western Port expansion is formally approved. In the meantime, some of the best rental yields in Victoria will mean investors can afford the wait.

-Your Investment Property

STATS & FACTS

- On the fringe of Mornington Peninsula, one of Victoria's best long-term performers
- House prices have risen about 3% since the GFC, against Melbourne's downtrend
- Service centre for Western Port, with both tourism and heavy industry
- Proposed \$10bn expansion of Western Port would make it Victoria's biggest
- Region is a major attraction for tourists and Melbourne retirees
- \$1.3bn Peninsula Link roadway has improved access to Melbourne
- High percentage of owner-occupiers at 63%, with only 15% renters
- Median house price in Hastings and Crib Point under \$350k, with 5% rental yields



LYNDHURST

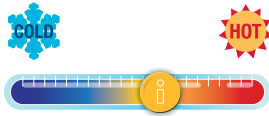


The Melbourne suburb of Lyndhurst is 35km southeast of the city's CBD. The Western Port Highway runs through Lyndhurst. The area east of the highway is governed by the City of Casey and is fully developed. The population is around 5,000. The area to the west is governed by the City of Greater Dandenong and, because it falls outside the urban growth boundary, is semi-rural. This part of Lyndhurst is known for the Taylors Road Landfill, the only facility in Victoria licensed to receive a broad range of hazardous waste.

KEY INDICATORS



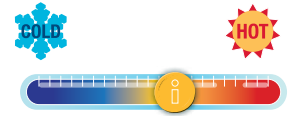
INFRASTRUCTURE INVESTMENT



Lyndhurst is a developing industrial and commercial centre.



VACANCY RATES



The vacancy rate of 2.74% indicates a relatively balanced market.



POPULATION GROWTH



As it is a newish centre with industrial growth, the suburb is seeing reasonable population increases.



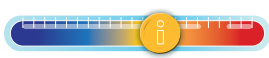
PROJECTED CAPITAL GROWTH



Expect growth in values to be relatively modest in the near term but likely to strengthen in the medium to long term.



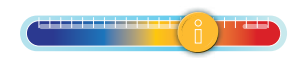
PROJECTED RENTAL GROWTH



This is a new area coming off a low base; rental growth will be relatively good.



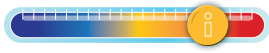
ESTIMATED RENTAL YIELDS



The lower price points mean investors reap higher yields. Currently they are sitting at around 5%.



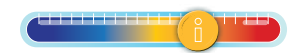
DIVERSITY OF ECONOMY



As a suburb of Australia's second-largest city, it has big potential for expansion.



AFFORDABILITY



The choice of housing is diverse, with value-for-money options available.



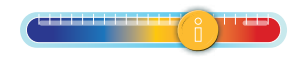
SUPPLY & DEMAND



New land releases have kept supply in line with demand, but the market is set to tighten as the population grows.



COUNCIL PLANNING



The local council has managed to stimulate investment and seed growth.

WHY IT'S HOT

This suburb is well located near the industrial drivers that have supported Mornington Peninsula so well in recent years. Additionally, with much of Greater Melbourne oversupplied with dwellings, Lyndhurst offers investors the opportunity to participate in house and land development. This does not ensure success in itself, but a well-managed process will deliver optimum results.

-NextHotSpot

Despite some of the dire warnings issued over the last year or so about the dangers of investing outside of Melbourne's inner and middle-ring suburbs, Lyndhurst is proof that all markets shouldn't be smeared with the same brush. The suburb's high yields – impressive considering the area is dominated by homebuyers – suggest a market due good value growth ahead.

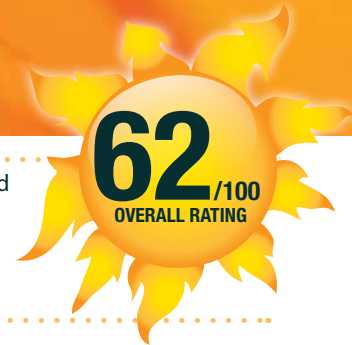
-Your Investment Property

STATS & FACTS

- Emerging suburb 35km southeast of Melbourne CBD, bordering South Dandenong
- Close to Mornington Peninsula growth corridor and straddles the urban growth boundary
- Lynbrook railway station opened in April 2012
- At the intersection of Western Port and South Gippsland Highways
- Access to employment centre at South Dandenong and benefits from Western Port development
- Woolworths opened a store in the Marriott Waters Shopping Centre on 6 February this year
- Neighbouring Hampton Park is good value, with median house price at \$320k, compared to \$450k in Lyndhurst itself
- Hampton Park has entry points to the unit market under \$250k



SALE

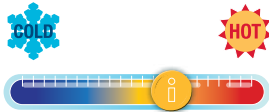


The Gippsland town of Sale is 260km east of Melbourne and has a population of about 13,000. It is located at the junction of the Princes and South Gippsland Highways. Administered by the Wellington Shire, Sale's economy is based on agriculture, retail and professional services. Companies such as Esso (Longford gas plant) and Nylex (plastics factory), and the Royal Australian Air Force Base East Sale, are located here. Sale is also known for its Swing Bridge and extensive wetlands ecosystem.

KEY INDICATORS



INFRASTRUCTURE INVESTMENT



Sale is a service centre of Victoria's biggest resources project.



POPULATION GROWTH



Development of the area's infrastructure is expected to bring more people into the suburb in the near future.



PROJECTED RENTAL GROWTH



Demand for rental properties is set to spike as soon as the industrial projects start.



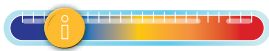
DIVERSITY OF ECONOMY



The economy has some exposure to resources, a robust agricultural industry and tourism.



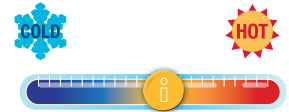
SUPPLY & DEMAND



Infrastructure development is expected to boost housing demand in the suburb.



VACANCY RATES



The vacancy rate of 2.28% shows a relatively healthy rental market.



PROJECTED CAPITAL GROWTH



Prices are set to grow solidly as soon as the infrastructure project gets underway.



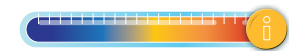
ESTIMATED RENTAL YIELDS



Rental returns at 5% are pretty solid, but this has the potential to get even better as demand for rental property increases further.



AFFORDABILITY



This is a large part of its appeal. Property prices tend to be under \$300k.



COUNCIL PLANNING



The council may struggle to manage growth in the face of significant investment.

WHY IT'S HOT

As the stepping-off point for workers in Victoria's largest industrial project, the Kipper Tuna Turrum gas development in Bass Strait, Sale obviously requires attention. The effect of employment growth is difficult to measure, but it is reasonable to suggest that Sale is a beneficiary of any uptick and, with its strong local lifestyle appeal, stands out from most Victorian centres in 2013.

-NextHotSpot

It's tricky assessing the investment potential of a location like Sale. Although the town has been growing and looks set to grow a lot more, such growth has been off a low base. For now, growth in local property values might fluctuate somewhat, and it's worth investors keeping an eye on how regional development progresses.

-Your Investment Property

STATS & FACTS

- Seachange location and stepping-off point for Victoria's largest resources project
- Key employing industries are health, education, oil and gas services, and retail
- Development of links to Western Port are key to growth of the area
- Multimillion-dollar development of Port of Sale in 2004 enhanced lifestyle and tourism facilities
- 2.5 hours from Melbourne, and western gateway to Gippsland Lakes
- Agribusiness in Gippsland is worth over \$1.3bn per year
- 67% of Gippsland is covered by national parks and forests
- 30% of Victoria's and 20% of Australia's dairy produce comes from the region

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WODONGA

POPULATION GROWTH
2%+ PER YEAR

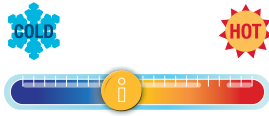


Situated on the southern banks of the Murray River within the boundaries of the City of Wodonga LGA, Wodonga has a population of about 35,000. Adjacent to the NSW city of Albury, Wodonga is 310km from Melbourne on the Hume Highway, the major Sydney–Melbourne road link. Considered one of the fastest-growing provincial cities in Victoria, it caters for those looking for a country lifestyle with high-quality facilities. Wodonga's economy is based on manufacturing, wholesale and retail trade, defence and community services.

KEY INDICATORS



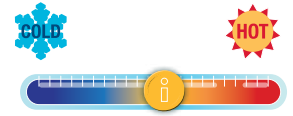
INFRASTRUCTURE INVESTMENT



Wodonga benefits from state and federal transport infrastructure spending.



VACANCY RATES



The market is pretty tight at a vacancy rate of just 1.6%.



POPULATION GROWTH



Itself a regional growth centre within Victoria, Wodonga's population growth also leverages off nearby Albury.



PROJECTED CAPITAL GROWTH



The value rise will be solid, though not as strong as in those areas exposed to the mining sector.



PROJECTED RENTAL GROWTH



Rents are cheap now, but as the area is a target of government development policy, this won't last.



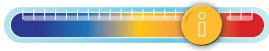
ESTIMATED RENTAL YIELDS



The demand for housing is likely to outpace any local capacity to build new houses, which indicates strong rental yield.



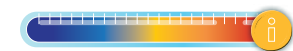
DIVERSITY OF ECONOMY



Multiple industries take advantage of the area's strategic location, strengthening the economy.



AFFORDABILITY



Superb. The median price (\$250k) is about half of Melbourne's.



SUPPLY & DEMAND



It's a hard call. The population is growing but there is also a lot of construction going on.



COUNCIL PLANNING



The council has been a lot less effective than in neighbouring Albury.

WHY IT'S HOT

Wodonga is as well placed as any Victorian centre to take advantage of the billions of dollars being spent on upgrading Australia's transport systems. Albury–Wodonga is a transport hub in itself and will also directly benefit from an alignment of Victorian and NSW standards. A diverse local economy and the potential of state-based benefits from two states will strengthen its outlook.

–NextHotSpot

Investors should keep close to the centre of Wodonga. This is where the best rental yields tend to be and where houses and units have had the best history of capital growth. Houses here are probably a better play than units. Buyers appreciate the larger sizes and there are more buying opportunities.

–Your Investment Property

STATS & FACTS

- Taking advantage of its location and changes to national transport grid
- Fastest-growing regional city in Victoria, at over 2% population growth per year
- Benefits from partnership with Albury and growing three times as quickly
- Diverse economy, with agriculture, manufacturing, retail, and business and transport services
- Albury–Wodonga gross regional product is \$5.4bn, with manufacturing contributing \$900m
- Over \$1bn spent on building developments in last decade; \$200m on current developments in CBD
- Median house price mid-\$200k's for older stock; up to mid-\$300k's for new estates
- Median unit price in Wodonga is around \$185k, with 6% yields; 1.9% vacancy rate in Feb 2013

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FLINDERS UNIVERSITY PRECINCT

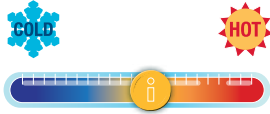


The area around Flinders University is roughly 6km south of the Adelaide CBD. It attracts a diverse tenant base because, apart from being close to the CBD, it houses a major university and the Flinders Medical Centre. The potential pool of tenants ranges from students and young professionals to families looking for affordable housing. The suburbs of Seacombe Gardens and Sturt are just west of the university. Clovelly Park is a kilometre north.

KEY INDICATORS



INFRASTRUCTURE INVESTMENT



Infrastructure includes major health and education facilities.



POPULATION GROWTH



Expanding education and medical facilities are bringing new people into the area.



PROJECTED RENTAL GROWTH



Students and professionals appreciate the area's attractive choice of amenities. Ongoing demand will push rents up.



DIVERSITY OF ECONOMY



The area is connected to Adelaide's full array of services and strong local education and health sectors.



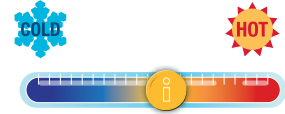
SUPPLY & DEMAND



Demand is reasonably strong at the moment but should pick up with the development of more industry.



VACANCY RATES



Vacancy rates are attractive for investors but have the potential to get much tighter.



PROJECTED CAPITAL GROWTH



Capital growth will keep ticking along because of the area's popularity, but the rate of growth will probably be low.



ESTIMATED RENTAL YIELDS



Students will keep strong pressure on the availability of rental properties, adding life to rental returns.



AFFORDABILITY



Prices are creeping up, although they remain easily within reach of most investor budgets.



COUNCIL PLANNING



The council faces upcoming challenges in managing infrastructure development.

WHY IT'S HOT

This area could well be the case study for the beneficial effects that educational and medical precincts have on the surrounding suburbs. The area around the university in Tonsley supports around 25,000 daily commuters – mainly students and workers who choose to live relatively close to their daily destination. Well-bought property in the surrounding suburbs has outperformed most of Adelaide and looks set to continue the trend.

-NextHotSpot

The area around Flinders University attracts such a diverse pool of tenants and buyers that it is hard to ignore as a place to invest in. Adelaide property, as a whole, may not perform as well as some of Australia's other capital cities over the next few years, but city regions like this are popular enough that they should weather any coming storms nicely.

-Your Investment Property

STATS & FACTS

- Flinders University and medical precinct provide the major stimulus, and this is growing
- 20,000 students and 5,000 staff in the precinct daily
- Surrounding suburbs Sturt, Clovelly Park and Seacombe Gardens have long-term growth rates of over 10%
- Still very affordable, with median house price well under \$400k
- Unit prices have grown more quickly, reflecting limited supply and student demand
- Vacancy rates are low and continue to tighten
- Good transport links to CBD with \$400m upgrade to Southern Expressway
- \$1bn Tonsley Park development planned as 'clean-tech industry hub'

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KILBURN

**RENTAL
YIELD FOR
UNITS
6%**

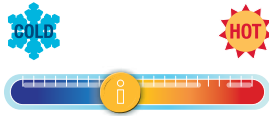


The small suburb of Kilburn is located 8km north of Adelaide's CBD. Kilburn covers an area of 2.9km² and is governed by the City of Port Adelaide Enfield. Compared with Port Adelaide Enfield, Kilburn has a younger population, its average household income is significantly lower, the proportion of family households is lower, and its unemployment is higher.

KEY INDICATORS



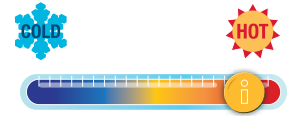
INFRASTRUCTURE INVESTMENT



Upgrades to the Gawler rail line are improving services, which remain fairly average.



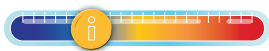
VACANCY RATES



Vacancies are rare at the moment.



POPULATION GROWTH



There's new land for development, but population growth won't be strong until SA gets much-needed industrial stimulus.



PROJECTED CAPITAL GROWTH



Compared with the rest of struggling Adelaide, value growth will be stronger in Seaford.



PROJECTED RENTAL GROWTH



Well-selected houses will perform solidly rent-wise, but rental growth as a whole will mirror the slow-moving SA market.



ESTIMATED RENTAL YIELDS



The mix of affordability and proximity to the CBD will maintain pressure on rents.



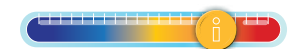
DIVERSITY OF ECONOMY



It's in Adelaide, so obviously the economy is diverse. The problem is that Adelaide itself isn't doing too well.



AFFORDABILITY



Kilburn property prices are a bargain compared to prices in neighbouring Prospect.



SUPPLY & DEMAND



Affordable prices close to the CBD keep demand high. Proximity to the CBD also limits new construction projects.



COUNCIL PLANNING



The council manages a range of property types and issues fairly well.

WHY IT'S HOT

Next door to Prospect and only a hop, step and a jump to the popular North Adelaide precinct, Kilburn offers many of the same benefits. However, a median house price of \$334,800 in March 2013 makes it around \$200k cheaper. Kilburn is also a stop on the Gawler rail line, currently the recipient of a \$366m federally funded upgrade.

-NextHotSpot

Kilburn will perhaps suit a very particular type of investor. It is probably best for buyers who are interested in SA and want to put a high priority on cash flow, but who don't want to risk their money in one of the state's emerging mining regions. Don't get us wrong: rental yields are not that high. Yields are simply higher than in most other low-risk Adelaide suburbs.

-Your Investment Property

STATS & FACTS

- Well serviced by public transport, and a 10- to 15-minute drive to the CBD
- Benefiting from the \$366m Gawler rail line modernisation
- Affordable entry to inner ring of Adelaide, with a median house price of \$334.8k and unit price of \$227k
- Rental yields relatively high for Adelaide, at 4.5% for houses and 6% for units
- Offers similar benefits to neighbouring Prospect but is \$200k cheaper
- Access to Port Adelaide employment, and benefits from industrial growth
- Wide-ranging calibre of property available, from \$200k to \$550k
- Vacant land available for \$150k, and 'knockdowns' around \$200k

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LONG-TERM CAPITAL GROWTH
9%

SEAFORD



The coastal suburb of Seaford is 35km south of Adelaide and comes under the jurisdiction of the City of Onkaparinga. The population of Seaford is about 4,300 and 20% of residents are aged 65 years and over. The majority of residents were born in Australia.

KEY INDICATORS

INFRASTRUCTURE INVESTMENT COLD HOT

Road and railway links are being upgraded and other services are improving.

VACANCY RATES COLD HOT

Vacancy rates are sitting at 1.4% and are set to drop in the medium to long term.

POPULATION GROWTH

The influx of new residents will be subdued until economic activity picks up in SA.

PROJECTED CAPITAL GROWTH

Price growth in Seaford will be strong by SA standards, thanks to solid demand.

PROJECTED RENTAL GROWTH

With population growth likely to remain subdued, the likelihood of rapid rent increases is weaker.

ESTIMATED RENTAL YIELDS

Keeping pace with capital growth in the future, yields are likely to be fairly close to the national average.

DIVERSITY OF ECONOMY

Seaford's proximity to Adelaide exposes itself to the CBD's diverse economy.

AFFORDABILITY

This is one of Adelaide's best areas for prices around the \$350k mark.

SUPPLY & DEMAND

Recent transport enhancements have strengthened demand.

COUNCIL PLANNING

Seaford has one of the best councils in Greater Adelaide.

WHY IT'S HOT

This is an affordable lifestyle district with recently enhanced transport links, which have made central Adelaide more accessible. Much-discussed issues associated with the 'one-way freeway' have been resolved, and the federally funded Noarlunga to Seaford Rail Extension was completed in December 2012. Rental yields are solid at around 5%, vacancies are dropping, and the area is better poised for growth than most around Adelaide.

-NextHotSpot

Expanding infrastructure and a growing population, along with attractive beachside settings – that's proof enough for us that property in the Seaford region has a bright future ahead. The added benefit of limits to further development into neighbouring suburbs strengthens the area's investment prospects.

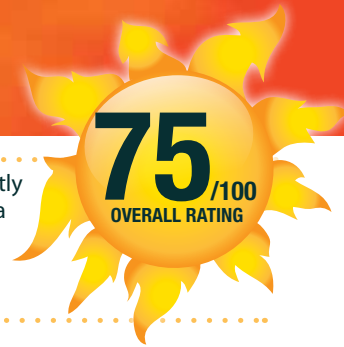
-Your Investment Property

STATS & FACTS

- Attractive beachside region of the growing city of Onkaparinga
- Over 20,000 residents expected to relocate over the next 20 years
- \$460m expansion of Southern Expressway to complete in 2014
- Over \$300m extension and upgrades to local rail links
- Family-based region; 45% of households are mortgagees (Adelaide 28%)
- Long-term capital growth rate of around 9%, with 5% rental yields
- Low historical vacancy rate of about 2% recently dropped to 1.4%
- Laws protecting viticulture will prevent urban sprawl into neighbouring McLaren Vale

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DARWIN NIGHTCLIFF, TIWI, NAKARA, WAGAMAN (CASUARINA)

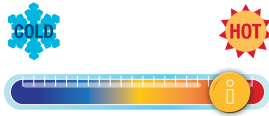


Darwin is the capital city of the Northern Territory. It is nearly 4,000km northwest of Sydney. The land is mostly flat and lowlying, and residents enjoy recreational reserves, beaches and fishing. The population includes a higher proportion of indigenous Australians than any other Australian capital. The Darwin City Council governs the CBD and suburbs. There is an RAAF base here, and mining and tourism are the main sources of economic activity. Tours of the nearby Kakadu and Litchfield National Parks and Katherine Gorge leave from Darwin.

KEY INDICATORS



INFRASTRUCTURE INVESTMENT



Hot? No. Sweltering? Yes. Measured on a per-capita basis, Darwin is Australia's leader in industrial investment.



POPULATION GROWTH



Industry is expanding, and the new influx of mining workers is bumping up growth rates, but there are limitations on space.



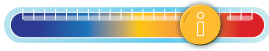
PROJECTED RENTAL GROWTH



Good population growth and increasing demand could drive rents up further; it's just that Darwin rents are already super expensive.



DIVERSITY OF ECONOMY



The economy has everything you would expect from a capital city, with excellent resources development and a growing defence component.



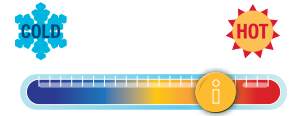
SUPPLY & DEMAND



There is still some inner-city oversupply, but demand is so strong that this shouldn't be a lasting issue.



VACANCY RATES



Vacancies are few and far between.



PROJECTED CAPITAL GROWTH



Growth will be inevitable, but currently expensive prices will likely be the biggest inhibiting factor.



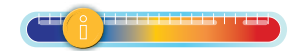
ESTIMATED RENTAL YIELDS



Considering strong capital growth, yields are likely to stay where they are, at around 5%.



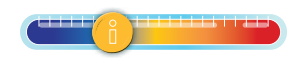
AFFORDABILITY



Darwin's median price is second only to Sydney's high prices.



COUNCIL PLANNING



Territory governments tend to be less effective than functional LGAs.

WHY IT'S HOT

Darwin has the strongest regional economy in Australia, with consistently low levels of unemployment a feature. With rental vacancy levels also habitually low, there continues to be pressure on Darwin property, despite its status as Australia's second most expensive capital city after Sydney. The top end is a law unto itself and, with strong drivers for the future, pockets of affordable housing look appealing.

-NextHotSpot

Darwin, oh Darwin. If only we could have purchased two years ago. That's probably what a lot of investors are thinking, considering Darwin median house values have gone up by nearly \$100k since this time last year. Perhaps the biggest concern is affordability – rapid increases like this can't continue forever – so keep an eye out for what stage of the property cycle your investment will be in by the time you settle.

-Your Investment Property

STATS & FACTS

- Strong, growing local economy in the best-performing capital in Australia
- Mining hub, tourism, government and defence are all strong sectors
- The Greater Darwin Plan projects 50% population growth by 2030
- Greatest concentration of resources investment in the nation, including WA
- \$34bn Inpex gas project starting to impact on house prices
- Imminent arrival of 3,000 construction workers for Inpex
- Second-highest capital city median house price in Australia, after Sydney



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PALMERSTON

HIGH PROPORTION OF RENTERS
50%

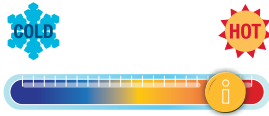


Situated near Darwin Harbour, Palmerston is a planned satellite city of Darwin. It lies 21km southeast of Darwin and has a population of 27,000 – this is expected to increase to around 42,000 by 2021. During the 1970s the supply of residential land in Darwin diminished, the cost of housing increased, and the site of Palmerston was selected for urban growth based on its proximity to existing transportation routes. Palmerston is home to a large contingent of defence personnel and their families.

KEY INDICATORS



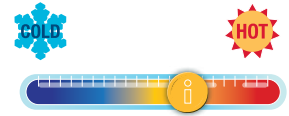
INFRASTRUCTURE INVESTMENT



Palmerston is next door to the Territory's largest project.



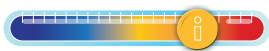
VACANCY RATES



Vacancies are non-existent, but there is more space to move than Darwin.



POPULATION GROWTH



This satellite city is the capture point for the bulk of incoming resources workers.



PROJECTED CAPITAL GROWTH



There's no doubting that solid capital growth is coming.



PROJECTED RENTAL GROWTH



Population growth and high demand will keep rents growing, but they are already pretty expensive.



ESTIMATED RENTAL YIELDS



Rental returns will remain good, but there's capacity for new supply to come onto the market, limiting yields somewhat. As it is, yields are attractive at 6%.



DIVERSITY OF ECONOMY



The local economy is basically an extension of Darwin, less some services.



AFFORDABILITY



Palmerston suburbs are expensive by Australian standards, but they are cheaper than Darwin.



SUPPLY & DEMAND



Strong population growth is keeping the demand side up, but supply is also being managed well.



COUNCIL PLANNING



Territory governments tend to be less effective than functional LGAs.

WHY IT'S HOT

The city was purpose built to accommodate overflow from Darwin, underlining the strong ongoing demand in the NT. Around 3,000 workers for the massive Inpex project are expected to start arriving this year, and Palmerston is both the closest residential point and the logical destination for those who choose to stay. Prices have risen quickly and the market is patchy, so you will need to pay close attention to grab a bargain.

-NextHotSpot

Your Investment Property has always been a big fan of Palmerston, but the key is choosing the right suburb. Some are a lot more affordable than others, yet amenities and appeal are not universal across the city. The suburb of Bakewell offers a little something for all sorts, but there are other great deals in similar suburbs, such as Rosebery.

-Your Investment Property

STATS & FACTS

- Purpose planned in 1980s to service overflow from Darwin
- Main beneficiary of Inpex investment and general population growth
- Marine Supply Base under construction on harbour 'East Arm' to service oil and gas industries
- Development of Wishart Business Precinct will provide 500 industrial lots
- Very high proportion of renters (50%) and mortgagees (42%)
- Severe undersupply of dwellings looming, even with 2,700-bed workers village
- NT's 'My New Home' scheme allows buyers to borrow up to 100%
- Multiple community services – immigration centre, prison, hospital – in development

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