

## Gold Coast and Sunshine Coast

Interstate migration into south-eastern Queensland is keeping the rental market relatively strong, the author of the Midwood Queensland Investment Report, Bill Morris, says. "You still have a lot of people moving from down south up here and when they get here they don't tend to buy straight away," he says. "They tend to rent first and that helps keep demand for rental properties pretty strong." The Gold Coast region has an annual net population growth of 17,000 people, which means about 6000 new dwellings are required every year. However, he estimates that only about 4500 are being built, pushing up demand for rental properties. Median weekly rents for one and two-bedroom Gold Coast apartments rose by about 10 per cent last year, the Midwood report says, but three and four-bedroom houses rose only by 4 per cent and 6 per cent respectively. However, investors can still achieve excellent returns in the inland suburbs of Highland Park and Molendinar. Units are in tight supply and demand is strong as they are cheaper to rent than apartments in the more glamorous beachside suburbs. Highland Park is the best suburb in which to gear an apartment positively, RP Data says. Molendinar, although already strong, will benefit further from the building of a public hospital nearby. Parrearra, on the Sunshine Coast, is another strong suburb. It is surrounded by canals and features many new properties.

### GOLD COAST AND SUNSHINE COAST

|                                       | Highland Park | Molendinar | Parrearra |
|---------------------------------------|---------------|------------|-----------|
| <b>Property type</b>                  | Apartment     | Apartment  | Apartment |
| <b>Weekly median rent (\$)</b>        | 440           | 410        | 460       |
| <b>Average gross rental yield (%)</b> | 8.0           | 6.7        | 6.6       |
| <b>Expenses (\$)*</b>                 | 18,285        | 20,507     | 23,148    |
| <b>Annual rental income (\$)</b>      | 22,880        | 21,320     | 23,920    |
| <b>Estimated cash flow (\$)</b>       | 4595          | 819        | 772       |

Source: RP Data Estimate\*

