



WHICH CAPITAL CITY WILL OFFER THE BEST INVESTOR OPPORTUNITIES FOR 2012?

Smart Property Investment asked four industry experts for their views



PERTH

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"Perth appeals as a standout prospect in 2012. Following an extensive period of subdued house price growth, Perth house prices are set to resume growth soon.

The key driver of this revival will be the impact of the long-awaited resources boom. An influx of workers chasing high wages will increase demand in both the buyer and rental market.

Perth house prices have fallen by six per cent since the middle of 2010, and are below the prices of early 2007 when Perth was the most expensive capital in Australia. With strong underlying fundamentals expect Perth house prices to increase by up to 10 per cent in 2012, with rentals also to rise strongly over the year – investors take note."

"In my opinion, investors should be turning their attention towards Melbourne in 2012.

There are a couple reasons why. Firstly is the affordability factor: RP Data research shows that Melbourne's median house price currently sits at around \$550,000, which is around \$50,000 lower than this time last year. Secondly, there are the long-term prospects, as Melbourne is one of the fastest-growing cities in Australia, and population growth is going to put pressure on house prices.

My recommendation is for investors to stay in the affordability bracket of \$300-\$400,000, where you'll get strong rental yields and solid long-term capital growth."

"Considering both the current economic instability of the entire country and the turmoil of recent years, in combination with a study of impending infrastructure plans, industry development, population growth and the increase to the median household income, I believe that 2012 will be the year for Adelaide, most specifically the southern suburbs of the Onkaparinga Shire.

With a proactive council which is driving the growth, a limited amount of new land available for release and a town plan which is favouring medium density developments, the health of a diverse industry base in this area should result in growth in both property values and rental yields."

"Due to the falling property values, most investors and property companies have dismissed Brisbane as a great location. Then the floods in January occurred and consumer confidence dropped.

They have missed the fact that prices have bottomed out and rents have continued to increase significantly during this downturn. This is only possible in locations with strong population growth where demand far outweighs supply. And with very few new land releases, this strong demand will continue.

Cheap prices, hard negotiations, attractive fast rising yields on offer... watch the herds come flocking to buy once interest rates drop."