

South-West homes a lifestyle investment

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perth **now**

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This Thurston Lane house in Dunsborough, with an absolute beach front, is the sort of property that catches the eye of holiday home buyers.

WITH the school holidays starting on Saturday, many families will be heading to getaways around the state.

And in the glow of fun, it's understandable that some will think of buying their own private holiday home.

Experts say there are two ways to look at that and the better approach is to consider it an investment in lifestyle more than an investment in potential profit.

The Sunday Times Realestate columnist Andrew Winter says the GFC and strong Aussie dollar mean both international and domestic tourists are finding it cheaper to holiday abroad.

So does that mean it could be a good time to buy?

"Maybe," said Mr Winter, who is also host of *Selling Houses Australia* on the Lifestyle channel.

“But there are pros and cons to owning a holiday home.

“Nowadays a holiday home will rarely be a great investment from a financial point of view, but it’s a great lifestyle investment, especially if you’ll make regular use of it.

“But that means going back to the same place year after year, which doesn’t suit everyone.

“Unlike a regular house, buying a holiday home means a high initial outlay, as you’ll need a 20 per cent deposit if you want to avoid expensive mortgage insurance.”

Mr Winter said in order to claim interest on any loan as a tax deduction, the property would need to be rented out for part of the year.

“Popular holiday periods are when you’ll make the most cash,” he said.

“So if you need to make money, be prepared to take your holidays off-peak.”

Mr Winter reminded investors to factor in the cost of cleaners and a management agency.

“The rising tide of sea and tree changers means you’ll pay more for properties within commuting distance of cities, so consider places two to three hours away in less popular locations,” he said.

“Lastly, what facilities do you want and how much time will you spend there?

“Often you can snap up a bargain if you’re prepared to take on an older property, but you may have to spend your holiday doing it up.”

Property Wizards Buyers Agency spokeswoman Liz Sterzel said: “The best areas don’t rely on tourism alone to drive rental demand as some holiday spots can fall out of favour.

“Stable towns with a sizeable resident population and factors to draw both residents and tourists are ideal.”

“Infrastructure, major facilities or attractions, shops and amenities, solid job-producing industries and tourist demand out of season, as well as good transport options, were important.

Ms Sterzel said the average annual capital growth over the past 10 years for the main holiday towns had been similar to that of metropolitan Perth, according to REIWA data.

Coastal areas from Jurien Bay to Exmouth, at just over 10 per cent a year, had performed slightly ahead of the South-West, from Busselton to Albany, which averaged 9 per cent over 10 years.

But northwest areas had fewer sales and that, combined with the driving time to Perth,

increased the investment risk, Ms Sterzel said.

For more info, see propertywizards.com.au.

SOUTH-WEST PROPERTIES SOLD IN PAST 12 MONTHS <small>Source: RP Data</small>								
MOST AFFORDABLE			TOWN	SOLD	MEDIAN PRICE	TOWN	SOLD	MEDIAN PRICE
TOWN	SOLD	MEDIAN PRICE	WEST BUSSELTON	204	\$406,000	BUSSELTON	44	\$425,000
BOYUP BROOK	14	\$182,500	MARGARET RIVER	179	\$430,000	COWARAMUP	33	\$415,000
MOST EXPENSIVE			SOUTH BUNBURY	164	\$393,500	WALPOLE	12	\$395,250
TOWN	SOLD	MEDIAN PRICE	DALYELLUP	158	\$377,750	GEOGRAPHE	87	\$372,000
YALLINGUP	11	\$1,675,000	DUNSBOROUGH	156	\$562,500	DONNYBROOK	58	\$335,000
			EATON	146	\$349,100	BRIDGETOWN	50	\$325,000
			BROADWATER	109	\$424,000	HARVEY	39	\$310,000

Property sold in WA's South-West over the last 12 months. Source: RP Data.