

*The magazine by investors for investors*



# SmartProperty

Investment

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**"IF SUCCESSFUL REAL ESTATE INVESTMENT IS ALL ABOUT LOCATION, BRENTWOOD'S ADVANTAGES CANNOT BE OVERSTATED"**

## Top yields

● **THE OUTLOOK FOR** the rental market across Western Australia is subdued, with the city and mining centres hit hardest.

Perth continued its decline in the first quarter of the year, with the median rent dropping by \$10 a week to a low of \$450, the Real Estate Institute of Western Australia (REIWA) reports. Over the past year, rents have fallen by 4.3 per cent.

The vacancy rate climbed up to four per cent in April as new stock flooded the market. The number of available rentals is now 56 per cent higher than one year ago. REIWA president David Airey attributed the downturn to a contraction of the mining sector and a rise in first home buyers.

RP Data figures show Perth was the worst performer in the rental sector over the year to April 2014, as rental growth fell by 0.5 per cent. In comparison, in the 12 months to April 2013, rental growth was at 10.4 per cent.

In regional areas, mining towns continue their descent.

Hotspotting.com.au's Terry Ryder warns investors that many towns dependent on coal are experiencing higher vacancies and dropping rents. In Port Hedland, for example, the median weekly rent for houses was \$2,500 at the end of 2012. Today it is down to \$1,799.

Meanwhile, rents for houses in the Goldfields region have plummeted by 17.7 per cent over the past year.

### HOUSES

Suburb	Yield
Kambalda West	10.1%
Newman	9.8%
Kambalda East	9.4%
Port Hedland	9.4%
South Hedland	9.1%

### UNITS

Suburb	Yield
Boulder	8.4%
South Hedland	7.6%
Orelia	7.2%
Broome	6.9%
Kalgoorlie	6.9%

Source: All data provided by RP Data

## In focus: Brentwood

● **WHEN ON THE** hunt for the ideal property, 'location, location, location' should always be a key consideration, and Brentwood has all the benefits a great location can offer.

Located 15 minutes south of the Perth CBD via the Kwinana Freeway, and with most of the suburb within walking distance of Bull Creek train station, Brentwood is easily accessible for workers commuting to the city.

The additional benefits of being close to Garden City Shopping Centre, several well-regarded schools and being on the Canning River add up to a suburb that has all the advantages of its very affluent neighbours, Mount Pleasant and Rossmoyne. The bonus for investors looking to purchase in these areas is that Brentwood still commands slightly lower prices.

With a median price around \$750,000, compared to Mount Pleasant's \$1,100,000, Brentwood is very attractive to families who are looking for a good quality area with all the conveniences.

However, land sizes tend to be on the smaller side than in the more expensive areas, meaning buyers may need to be happy with a smaller-sized block without a large garden.

Over the past decade, most of the developable sites in Brentwood have been subdivided into two lots. As a

result, the housing stock is a mixture of old and new properties, a majority of which are three-bedroom homes on small blocks.

These properties are tightly held with very few properties on the market at any given time, and this scarcity, coupled with the advantageous location, will continue to drive Brentwood's steady growth.

This growth and demand means there are still opportunities available for investors who have the capital to invest in the area. The ideal scenario would be to find one of the few subdivisible properties still remaining in Brentwood, and either buy and hold, or develop straight away.

These opportunities are very scarce now as the suburb is almost built out. Investors would also do well to purchase a villa or duplex property, which should grant them a slightly better rental yield at a slightly lower price. These properties still have the credentials to deliver long-term growth.

If successful real estate investment is all about location, Brentwood's advantages cannot be overstated. More affordable than surrounding suburbs yet still receiving all the same benefits, and with a scarcity of properties pushing prices up, Brentwood's outlook is excellent.



### BRENTWOOD BY NUMBERS

Median house price

**\$750,000**

Quarterly growth

**1%**

12-month growth

**30%**

Average annual growth

**9.3%**



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