



Investment property to sizzle

Date: June 21, 2007

Publication: [Sydney Morning Herald](#) ([subscribe](#))



Demand for residential investment property is set to strengthen as seasoned investors who may have quit the market to take advantage of the superannuation contribution incentive are keen to return, a survey shows.

Wizard Home Loans says the number of Australians planning to buy residential investment property in the next 12 months jumped by 13 per cent to 878,000 in the March quarter, up from 779,000 in the December quarter.

The number of intending residential investment property buyers in Queensland rose by 32 per cent to 208,000 during the March quarter, up from 158,000 in the three months to December.

Wizard said this was almost double the level of 18 months ago after a series of consistent increases.

Despite a slight decline in New South Wales and the ACT, the number of would-be investors has jumped by more than 75 per cent since the September 06 quarter, following three years of persistent decline.

Demand for residential investment property was strong in most states, but dips were recorded also South Australia and Northern Territory.

And higher income earners continued to dominate the investor property market.

"This suggests intending property investors are a healthy mix of first-time investors and more seasoned investors who may have quit property to take advantage of the superannuation contribution incentive and are now keen to get back in the market," Wizard chairman Mark Bouris said.

The Tomorrow's Property Investors series, based on a survey of almost 6,000 respondents in the three months to March, found those who don't already own an investment property accounted for 65 per cent of all intending property investors - up from 58 per cent in the December quarter of 2006.

Higher income earners accounted for 57 per cent of all intending buyers.

The number of investors in the 'upper white-collar' sector increased to 504,000 in the March quarter, up from 312,000 in the December quarter.

"Upper white-collar workers recovered from last quarter's dramatic slide in investment intentions and continue to maintain their position as the dominant group of all tomorrow's property investors," Mr Bouris said.

Of the upper-white collar group, professionals posted the biggest increase among this occupation, with 267,000 intending to buy in the March quarter up from 159,000 in the December quarter.

In the same period, administrators and managers increased to 197,000 from 107,000.

The average household income of tomorrow's property investors dropped slightly in the March quarter to \$108,000 from \$109,000.

But their average household income has risen from \$95,000 since the March quarter of 2006.

In the latest survey, the number of intending investors in NSW fell by three per cent to 298,000 from 308,000 in the three months to December.

The number of intending investors in Victoria rose by 13 per cent to 169,000 from 149,000. In Western Australia their numbers were up 36 per cent to 114,000 from 84,000; while Tasmania posted a 225 per cent increase to 13,000 from 4,000.

South Australia and the Northern Territory experienced a slight decrease of one per cent to 75,000 from 76,000.

"With property returning as a key asset class in the investment portfolio, it's fair to say the chasm between demand and supply will be a key factor affecting the future vibrancy of Australia's property investment market," Mr Bouris said.

SOURCE: AAP

- [Top of Page](#)
-

StatesCapital CitiesCapital Cities - RentalsPopular Areas