

## **MEDIA STATEMENT**

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### **APARTMENTS GIVE WINDOW OF OPPORTUNITY FOR ASTUTE FIRST HOME BUYERS**

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Established apartments give astute first homebuyers a low entry price into high priced suburbs with good capital growth potential.

Currently, there are a large number of apartments across good locations in Perth which can be bought at a fraction of the cost of buying a traditional home.

For first home buyers buying an established apartment can be an attractive financial alternative to buying a new home in the outer Perth suburbs.

REIWA figures show that during the March 2009 quarter, the median price of a home unit in Perth was \$348,000 which was around \$80,000 lower than the median price of an established home.

By buying an affordable apartment in a good location, first home buyers can achieve high levels of capital growth which can provide an important first step on the property ladder.

First home buyers purchasing an affordable apartment will also be under less financial stress if interest rates begin to rise compared to first home buyers who purchase a more expensive family home in the outer Perth suburbs.

There are a number of locations in Perth where astute property buyers can secure an older style apartment in high capital growth areas for the fraction of the cost of buying a larger family home in the same area.

Because these older style apartments are located in areas building land scarce, the capital growth rates of these apartments tend to mirror the capital growth rates of larger family homes in the same location.

Prime suburbs to purchase these older style apartments include Scarborough, Doubleview, Wembley, Leederville, South Perth, North Perth, Victoria Park, Como, Rivervale, Fremantle and Shoalwater.

Apartments which have been leased for a long period of time and have been neglected by their owners can offer very quick capital returns for property buyers providing they are purchased at the correct market price and are located in a high demand area.

Un-renovated, older style apartments in coastal, riverside and inner city areas offer the best potential for capital growth because property buyers are generally purchasing these properties for near land value.

Through cosmetic improvements, such as new paint and carpet, these older style apartments can be transformed. For investors, median weekly rents can be substantially boosted through these cosmetic improvements.

If you are considering buying an older style apartment in a complex, you should consider taking an active role in the management of the complex and encourage improvements such as improved security and landscaping. This will greatly enhance the value of your apartment.

For younger first home buyers, these units can give them the option of renting these properties out if they choose to travel for an extended period of time. Because these apartments are located in coastal, river or near city locations, vacancy rates are generally low with high rental returns.