



City News (Milton)

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Bargain basement

City properties are going cheap and we tell you where the best buys are.
The Read [Pages 12-13]

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Great Australian dream still alive

BEST BUYS: THE PRIORITIES OF GENERATIONS CHANGE ALMOST AS FREQUENTLY AS FASHIONS AND SOCIETAL ATTITUDES. BUT THE GREAT AUSTRALIAN DREAM, HOME OWNERSHIP, REMAINS A CONSTANT. DESPITE REPORTS TO THE CONTRARY THE NEXT GENERATION ARE EMPLOYING THEIR NOUS, CREATIVITY AND INGENUITY TO MAKE IT A REALITY.

IN the 21st century, the uber-cool lifestyle is an inner-city one with coffee shops, bars and boutiques all within easy reach.

With this cosmopolitan ideal in Brisbane centring around the inner-city and surrounding suburbs many first home buyers struggle to reconcile this lifestyle desire with increasingly out-of-reach property prices.

But some are finding a nest in the city heart need not cost a king's ransom with a little slice of inner-city property selling for a little as \$175,000 last year.

Real estate research company RP Data has released statistics on the cheapest property in the *City News* readership area in 2010 with many selling for well below the \$432,900 greater Brisbane median price.

Figures show a three-bedroom, one-bathroom, two-garage property in Auburn St, Brisbane City sold in July for \$380,000 while a two-bedroom house in the nearby Judge St sold for \$425,000.

CBD unit living is even more affordable with the 10 cheapest apartments in the region located in Brisbane City, Kangaroo Point, West End and Fortitude Valley for under \$235,000.

A unit with one bedroom, one bathroom and a garage on Petrie Tce sold in May for \$175,000 and several more inner-city apartments sold for about \$220,000.

Ayda Shabanzadeh, managing director of property investment company Grow Consulting Group, is one of the city's most successful buying agents and was a finalist in the Buyer Agent Of The Year category at 2011 REIQ Awards for Excellence.

A property investor herself, the 27-year-old has helped hoards of first-home buyers cross the threshold of their very own property, despite the belief that a real estate purchase is becoming out of reach for many.

The Newstead-based business acts on behalf of buyers to purchase properties.

"The prices definitely are increasing in suburbs closer to the inner-city," she says.

"It's not unattainable, it's just a matter of looking further out for their first property, if you consider it, it's a matter of taking steps to home ownership.

"What we are finding with first home buyers is they all want to move into the inner-city but see that sometimes it is best to start off buying houses in the suburbs at Runcorn or out Ipswich way."

A proud member of Generation Y herself, she says what often prevents young people entering the market is their generation's renown expectations of things happening instantaneously.

"I'm Gen Y myself and while I do share some of their traits, I don't have that one," Ms Shabanzadeh says.

"I really believe the best way is to budget and maybe start with an investment property, a rental offers all sorts of offsets and we're finding that when people come in, it increases how much they can borrow.

"If they bought a property to live in, they may only be able to get a \$200,000 loan but if it is an investment they may get up to \$350,000."

While typically impatient Gen-Ys are keen to buy the property of their dreams and move straight in, Ms Shabanzadeh said from her experience renting or living at home with the folks, while renting a property out can be beneficial.

She said a few years ago a nurse came to her wanting to break into property.

On a wage of about \$50,000, the nurse invested and now has numerous properties in her portfolio.

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"Whether your income is low or high, you can still make a mistake, it's about getting good advice," she says.

Lots of singletons, keen on securing their own patch of dirt, are even teaming up with friends or siblings to track down and fund a purchase.

"That's definitely a way people are doing it and it can be quite successful now because major banks are now offering loans to two people where each are liable for their own loan, not each other's," she said.

"They are completely separate, so, in other words, if one person defaults on the loan they don't both default.

"What I would say that if you do buy something with someone who has the same goals like wanting to keep the property for the same amount of time."

Rob Honeycombe of Bees Nees City Realty, South Brisbane said his best tip for would-be first home buyers is an obvious one: save like crazy.

"It's not common but you do get friends or siblings coming in and buying a property together," he says.

"But what is key is that you need to do your research and if you want some space you will have to move further out from the city, but if you want to buy something in the inner-city it may be comfortable but on the small side in the \$300,000s."

First home buyer research released by the Real Estate Institute of Queensland last month found Generation-Y property buyers are prepared to make sacrifices to gain a foothold in the market.

REIQ managing director Dan Molloy says the snapshot of buyer and seller behaviour in late 2010 found, contrary to some media reports, that first home buyers are being patient and working hard.

"Saving a decent deposit - especially in times of tighter lending criteria - is one aspect of home buying that continues to take both time and commitment and today's first home buyers are prepared to make that commitment," he says.

"The REIQ research found that on average, Queensland first home buyers are saving for 21 months for a deposit and about 35 per cent of first-timers are actually saving for more than two years before approaching a lender."

Across Queensland, the average first home buyer deposit usually represents about 12 per cent of the total purchase price of their first property with 16 per cent of first-timers indicating they managed to save a deposit of 20 per cent or more.

The most common deposit size was between five to 10 per cent of the purchase price with the most common of buyers between 26 to 35 years with a combined household income of \$80,000 to \$100,000.

One third of potential first home buyers say it is their inability to service a mortgage that is the main barrier to home ownership followed by property prices.

"First home buyers are often spending more than four months searching online listings and visiting open homes in their quest for their first property," Mr Molloy says.

"The number of first home buyers in the Queensland market is gradually starting to strengthen after hitting historical lows last year and we expect their numbers to increase further this year as interest rates and prices have stabilised."

So, is owning a property still the great Australian dream?

"It is," Ms Shabanzadeh says, "but I think the dream now is not having just one property, they want several properties."

CHEAPEST CITY PROPERTIES SOLD IN 2010

HOUSES

STREET/SUBURB	PRICE	MONTH SOLD	NUMBER OF BEDROOMS/ BATHROOMS/ GARAGES	
Auburn St, Brisbane City	\$380,000	July	3/1/2	
Judge St, Brisbane City	\$425,000	July	2/1	
Judge St, Brisbane City	\$475,000	March		
Princett St, Brisbane City	\$505,000	September		
Hale St, Brisbane City	\$525,000	February	3/1/1	
Main St, Kangaroo Point	\$550,000	January		
Belgrave St, Brisbane City	\$555,000	September	10 - 3/1/2	
Harriet St, West End	\$570,000	August	4/2/2	
Princess St, Kangaroo Point	\$590,000	February		
Copeland St, Milton	\$595,000	March	2/1	

UNITS

STREET/SUBURB	PRICE	MONTH SOLD
Petrie Tce, Brisbane City	\$175,000	May 2010
The Abbey, Roma St, Brisbane City	\$220,000	March
Olims Hotel, Main St, Kangaroo Point	\$220,000	March
Cathedral Place, Wickham St, Fortitude Valley	\$222,000	September
Olims Hotel, Main St, Kangaroo Point	\$222,500	February
Admiralty Towers, Howard St, Brisbane City	\$225,000	May
Olims Hotel, Main St, Kangaroo Point	\$230,000	August
Central Brunswick Apartments, Brunswick St, Fortitude Valley	\$232,000	July
Albert Apartments, Albert St, Brisbane City	\$235,000	April
The New Yorker, Ann St, Brisbane City	\$235,000	September

SNAPSHOT

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