

Squeeze on CBD rents

OWNER-occupiers and new hotel operations are pricing tenants out of city apartments.

Residential Tenancy Authority figures for the December quarter show the median weekly rent for a one-bedroom apartment in the Brisbane central business district and Spring Hill jumped from \$280 in the 2005 December quarter to \$340 in the same quarter last year.

In the same period in New Farm and Teneriffe, the median rent rose from \$180 to \$250.

The median weekly rent for a

A shortage of supply and a trend towards owner-occupiers have pushed average rent prices through the roof in the inner suburbs

three-bedroom flat or unit went from \$500 to \$635 in the CBD and Spring Hill and from \$330 to \$580 in New Farm and Teneriffe.

A typical two-bedroom apartment now costs 22 per cent more than it did two years ago and a three-bedroom home has increased 25 per cent.

Bees Nees Realty managing director Rob Honeycombe warned tenants to expect double-digit rises in rents

this year due to a shortage of supply.

In the 2007 December quarter, the number of inner city rental properties dropped by 428. In the CBD and Spring Hill, for example, there was a 7 per cent drop in supply.

Mr Honeycombe said that while there had been a gradual decline in inner-city rental properties for several years, it was now on a much larger scale.

"Owner-occupiers are buying and moving into the inner-city suburbs in big numbers, often into previously rented homes," he said.

"In addition there's a continued trend for apartment buildings being converted to short-stay hotel operations."

Investors were attracted to short-term leases because they could get high rents.

He said owners could list on an accommodation website, which could bring in rent of \$200 a night instead of \$500 a week.

"It is a good time to be a landlord," Mr Honeycombe said.

Adding to the immediate problem is a slowdown in the supply of new units coming on to the market.

Approval has been given for five high-rise developments in the Brisbane CBD containing units to begin construction this year. However, this doesn't help tenants currently looking for somewhere to live.

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DISCLOSURES
MICHELLE COLLINS



Danish treat for Consul

THE Honorary Danish Consul in Brisbane, Lars Kirk, and his wife Dorte (pictured), have invested in an apartment in the first stage of the \$259 million Allisee development at Hollywell on the Gold Coast.

The development by Stockland will comprise seven six-storey buildings when completed and has a sheltered internal harbour with a 20-berth marina.

The Kirks' apartment, located in the Mondo building, one of the four buildings completed in Stage 1, is one of several investment properties owned by the couple, who live in Brisbane's inner north.

Mr Kirk said the apartment's open design and large balcony appealed to the couple as well as its views across the internal harbour and Broadwater.

In research compiled by Colliers International, Allisee was the best-performing project within the emerging north shore region of the Gold Coast, which