

# Rental experts predict spike in executive properties

## Tenants Crunch

**Michelle Collins**

ANY increases in rents because of the floods, will be short-lived and driven by desperate tenants and not greedy landlords.

RP Data estimates that the pressure of rebuilding, along with higher interest rates, could push up rental costs more than 5 per cent this year.

But real estate agents and property managers expect the shortage of accommodation caused by an influx of tradespeople to Queensland to work on repairing and rebuilding houses and units will be short-lived.

Emily Sim, the national operations manager for property management technology provider Apmasphere, likens it to the situation in Sydney during the Olympic Games.

"With the Olympics in Sydney the demand for rental accommodation was enormous

but after the Olympics the market was flat," she said.

"There was high vacancy and landlords had massive expectations because they had been achieving high prices.

"For example, they were getting \$1000 a week for two-bedroom apartments that before the Olympics were getting \$500 a week and post Olympics was worth \$400.

"That is what is going to happen here."

Ms Sim said there had consistently been high vacancy rates in some parts of southeast Queensland, particularly Logan, and she expected these rentals would be taken up first.

"People are not going to pay an extra \$100 or \$200 a week to live in Brisbane," she said.

"They will move further out and find something they can afford.

"That might mean the problem then moves from one



of accommodation to transport, and how people get into the city.

"The correction will come when properties are rebuilt, repaired or replaced."

Lachlan Walker, of Place Projects Business, agreed there

would be a jump in rents in the short-term.

"It will be a little spike and it will be driven by potential tenants, not the owners," he said.

"I do not think people will be trying to profit because of

anyone else's misery. Instead tenants will barter and offer to pay above the asking rent to secure the property."

He expected a higher spike in executive rental properties.

"A lot of these properties are riverfront homes," he said.

**SHORTAGE:** Property experts anticipate a higher spike in executive rental properties, especially those along the Brisbane River.

"And executive rentals were already few and far between." Rob Honeycombe, from Bees Neees City Realty, said the trend already was in place for small increases to rents through the inner city.

"Without new construction in recent years the market was always going to catch up to some extent," he said.

"The pressure is now really on for short-term accommodation and especially fully furnished homes.

"But we believe the number of Brisbane residents who will seek a new permanent address has been highly overestimated.

"Government estimates of inundated homes appear to include high-rise towers for example, and most of these have just had basements or lobbies affected.

"While that's really annoying to residents and many have needed short-term alternatives, they won't be moving."

Apmasphere has set up a clearing-house for property managers to offer their time to support their colleagues affected by the floods.

Businesses and willing volunteers should visit [floodsupportapmasphere.com](http://floodsupportapmasphere.com)