

## Retirement strategy essential

SIGNIFICANT investment is needed if people want to retire on more than \$1000 per week, according to a Townsville property investment group.

Prudent Property Group, which is headed up by Townsville property identities Paul Gedoun and Chris Vitale, said only 4.8 per cent of Australians retired on more than \$1000 per week in contrast to 74 per cent of people who will take in just \$400 per week.

Mr Gedoun and Mr Vitale, who have more than 20 years experience in property investment, development and finance, said most people would need to own their home and have about \$1 million in net invested assets by retirement in order to fit into the 4.8 per cent category. Mr Gedoun said most Townsville home owners who bought property before or during the region's record price growth would have built up substantial equity in their homes.

"Despite further potential interest rate rises, investors are still in a favourable position to jump back into the market," Mr Gedoun said. "While we advise people to consider a balanced investment portfolio, there is no question that property has proven itself as a key component of any long-term investment strategy."

"Investors who missed out on buying during the last upward cycle should now be looking at opportunities to buy while house prices are stabilising and competition from first-home buyers will start to cool off."

"Securing an investment loan against the equity in a property is just one way that home owners can expand on their property portfolio."

Mr Vitale said after last year's share market meltdown the property sector had attracted renewed interest from investors.

"More seasoned investors have not turned away from the new home market because there is a separate set of tax and depreciation benefits associated with buying new properties," Mr Vitale said.

# House prices to climb over next three years



Sales Statistics	Townsville Thuringowa LGAs			Townsville Thuringowa LGAs	
	2004 (* half year)	2009 (* half year)	Avg % growth pa over 5 years	Avg % growth pa over 5 years	2009 (* half year)
<b>HOUSES</b>					
Median price	\$182,990	\$363,250	14.7%	14.7%	\$363,250
Number of sales	1,224	1,607			1,607
<b>UNITS</b>					
Median price	\$164,200	\$289,750	12.0%	12.0%	\$289,750
Number of sales	248	346			346
<b>LAND</b>					
Median price	\$71,375	\$167,125	18.5%	18.5%	\$167,125
Number of sales	404	782			391

Medians and number of sales based on six month period ending March 2009

Where less than 5 sales have been recorded during a period the median has been carried over from the previous period. Source: RP Data

HOUSE prices could rise nationally by up to 22 per cent during the next three years according to an economic forecaster. National researcher and industry analyst BIS Shrapnel has forecasted house price growth of as much as 22 per cent from 2009 to 2012. PRDnationwide Townsville director Bruce Goddard said residential property markets across the country weakened throughout 2008, but 2009 had shown promising signs of rejuvenation.

"In recent months we have noted lower interest rates, an extended first home owner's boost and a slow but sure recovery in buyer confidence as stimulating the residential property market, and we are now witnessing increased activity in all sectors," Mr Goddard said.

"BIS Shrapnel's forecast of 22 per



cent over the next three years is by no means shocking, especially when we consider Townsville's strong economic and population growth in

recent years and that this growth is expected to continue for years to come.

"Even with the recent interest rate rise and forecasted gradual increases, the housing market is still on track to perform well."

Townsville's median house price growth figures from the past five years show steady and consistent growth and support property commentators' prediction of continued increases.

"Deeragun alone has grown by an average of 21.5 per cent per annum over the past five years, and there is still room for price growth in this fertile market," Mr Goddard said. A national survey by the Australian Property Monitors shows house prices rose nationally by 3.3 per cent alone in 2009's second quarter.

Mr Goddard said Townsville's median



house price increased by 2.96 per cent during the March 2009 quarter.

"Here in Townsville we appear to experience a bit of a lag effect," Mr Goddard said.

"What happens in the southern markets generally takes a few months longer to impact our market."

"This was true for the economic downturn, resulting residential market halt and now the recovery."

Mr Goddard said that while Townsville was a little behind the rest of metropolitan Australia, this lag could be handy in predicting short-term market performance.

"And southern market trends are telling us that residential property is continuing its climb," he said.

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