

# BEST BUY SUBURBS AUSTRALIA-WIDE

Are you ready to invest in your next property, but you have no idea where to park your property dollars? This hit list of affordable growth suburbs could be just the inspiration you need to find your next best real estate find

**EVERY TIME** you invest in property, you are taking a leap of faith of some sort.

Will the property grow in value? Will it appeal to tenants? Will this particular property in this particular neighbourhood help you achieve your real estate goals, and put you on the path towards financial freedom?

These are just some of the many questions that go through your mind when you're weighing up your first or next property investment.

But with some solid research and a clear understanding of what you want to achieve, there are some fantastic deals in the current market that have the potential to put you in the driver's seat.

### Investing after Sydney's boom

Sydney may be the biggest property market in Australia but for many investors, the city's real estate market has reached 'unaffordable' status.

This could be the wrong perception, however, as some great deals may still be available in Sydney, according to buyer's agent Walter Nanni from Cohen Handler. He says there is "definitely lots of opportunity" remaining in the Harbour City.

"The Sydney market is certainly hotter than ever – but Sydney is a tale of two cities," Nanni explains.

"At the more affordable end of the market, we've been buying houses and granny flats – or properties with the potential to add granny flats – in areas like Blacktown for around \$700,000 up to \$1m."

These dual-income deals have the potential to deliver strong yields, but

Nanni says investors who are looking at buying into Sydney's market will need to brace themselves for an eventual market slowdown.

"At some point, the hand brake will go on. Whether it's APRA tightening lending restrictions once more, whether it's interest rate hikes, or whether it's something else entirely, at some point the market will level out," he says.

"I grew up out west and I used to have an office out there, so I know all too well that it's a different market in Western Sydney and it always will be, due to different supply and demand drivers. Realistically, the further you are from the epicentre [of the city], the more chance there is that you are in for a market correction.

"I'd be cautious about getting more than an hour away from Sydney city, and my advice would be, buy as close [to the city] as you can. You'd be amazed at what properties are available for – priced between \$500k and \$1m – in Sydney itself."

Nanni adds that in the city and eastern suburbs, any stagnation in the real estate market won't be felt as deeply, as these blue chip suburbs tend to attract ongoing demand regardless of prevailing conditions.

"These areas tend to still crawl up and make a gain of 2–5% per year, because they're blue ribbon suburbs," he says.

"But once the boom slows, I think the correction will be hardest felt in Parramatta, Penrith and the Blue Mountains; they may go backwards by 5–10% in value and sit still for five years, or longer," he predicts.

### Building your investment strategy

Whether you decide to set your sights on an investment in central Sydney or a more affordable suburb in a regional market, the one crucial ingredient for your success is a clear plan, Nanni says.

"You need to know the following: what's your strategy? Most people don't have a plan, and that's essential before you can even think about buying property," he says.

"When most people come to me, I work with them to come up with a strategy first and foremost – to help them build a portfolio that is ultimately going to help them make money."

The suburbs highlighted in this special feature have been researched and reviewed carefully to assess their investment credentials. They may be the perfect addition to your portfolio – or they could be the complete wrong fit.

Only you will know the answer, based on your:

- Budget
- Available cash/equity
- Cash flow requirements
- Short term (1–2 year) goals
- Long term (5–10 years+) goals
- Borrowing power
- Risk profile
- Current portfolio
- Life stage.

Before you buy your next investment property, make sure you're 100% clear on all these factors, so you can then tailor your property purchases to your goals. In the meantime, you'll find investment inspiration in abundance on the following pages!