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## **2020 the year of opportunity for astute buyers, says Perth property consultancy**

Perth-based property investment consultancy, Momentum wealth, has said 2020 is primed to present some lucrative opportunities for aspiring buyers in WA, but warns careful property selection remains critical for those looking to leverage market improvements.

Perth's property market recorded a significant decline in stock for sale and rent across 2019, with absorption of existing supply and rising sales transactions in the second half of the year leading to higher levels of buyer competition in some prime suburbs.

With stock levels expected to tighten further due to low levels of supply coming on stream, this activity is set to accelerate in 2020, with well-placed suburbs and their surrounding areas poised to benefit from increased demand.

However, with some areas still facing days on market of 120 days and above, Momentum Wealth Research Advisor, Shaun Strickland, said buyers need to target tightly held suburbs with key indicators that will allow them to benefit from the improving market conditions.

"Buyers searching for suburbs with strong growth prospects should look towards areas that are tightly held, where there are few property transactions occurring due to limited supply coming on stream," he said.

Mr Strickland said areas surrounding popular school zones could be well-positioned to benefit from limited supply.

"While these suburbs generally experience high levels of demand from owner-occupier markets, which offers greater stability during market downturns, the lower density zoning surrounding these areas also tends to favour family-style housing on larger lots, providing fewer opportunities for new developments and competing stock."

"Bateman and Carine are prime examples of this, with the suburbs recording annual house price increases of 2.4% and 5.3% respectively in the September 2019 quarter, despite house prices being down -2.9% collectively in the Perth market," he said.

### **Upcoming infrastructure a catalyst for capital growth**

Mr Strickland said buyers should also consider the potential impact of future growth drivers, such as impending infrastructure upgrades, in their property selection.

"Infrastructure upgrades such as new transport links can provide an important catalyst for capital growth due to the increased accessibility and amenity they bring to a suburb, both of which can help to drive higher levels of demand from buyers and renters," he said.

Perth is set to benefit from a number of infrastructure developments over the next five years as part of the Government's METRONET project, which will see the creation of up to 18 new stations across the Perth metropolitan region.

Mr Strickland said the first stage of the project, which includes the development of three new stations under the \$1.86 billion Forrestfield-Airport Link, could bring significant benefits to previously overlooked suburbs.

"For a suburb like Forrestfield which has always been on the fringe of the Perth greater region, having a direct transport route between Perth's airport and the CBD could be a major drawcard for city and FIFO workers, in turn promoting a new wave of buyer demand,"

"Investors who enter these suburbs at the right time have the opportunity to leverage the relative affordability of these areas before buyer competition starts to place upwards pressure on property values," he said.

However, selecting the right property type will continue to remain a key factor for buyers looking to take advantage of emerging opportunities.

"With the new zonings that often accompany these projects, it's important that buyers remain prudent in their choice of properties and avoid property types facing a significant influx of future supply which could compromise their own property's performance," he said.

### **Bridesmaid suburbs offering good growth opportunities**

Mr Strickland says investors looking to benefit from Perth's relative affordability should also look towards "bridesmaid" suburbs that could be next in line to areas already experiencing growth.

"What we often find is that buyers who are missing out on opportunities in aspirational suburbs, or equally being priced out of these markets, will start to look towards affordable alternatives in surrounding areas, many of which



offer similar demand drivers and high-quality investment opportunities, just at a lower price point."

"We saw this during the last market upturn, with suburbs such as Manning experiencing high levels of buyer demand following significant price increases in areas like Como and South Perth, with those who timed their entry into this suburb well benefitting significantly from ensuing price growth," he said.

While targeting these areas can form a strong strategy for investors looking to leverage future growth opportunities, Mr Strickland warns buyers need to ensure these suburbs still have the right growth principles in place.

"These areas can present great opportunities for the astute investor, but not all properties within them are going to be good investments, so buyers need to ensure they are still doing their research and steering clear of poor-performing pockets or red flags that could hinder their portfolio's long-term growth," he said.

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To arrange an interview with any of our spokespersons, please contact Megan Caswell via the details below:

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**About Momentum Wealth**

Momentum Wealth is a full-service property investment consultancy dedicated to helping clients accelerate their wealth through property investment by assisting them in the strategic planning, financing, acquisition, development and management of their residential and commercial investment properties.

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