

The good or bad news on Perth rents

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Good for tenants, bad for landlords - that's the result of a new study of Perth's residential rental market.

Research by property analyst RP Data reveals the average weekly rental in the city has not changed in the past year.

The figures for June were \$380 for houses and \$330 for units, and comes as the median property price has risen about 6 per cent in the past 12 months.

However, those rents have grown stronger in the past five years than for any other state capital, at 72.7 per cent and 83.3 per cent respectively.

A breakdown by number of bedrooms revealed the same pattern.

The median weekly rent for three-bedroom (\$350) and four-bedroom houses (\$420) remained unchanged in the past year.

Unit rents were mixed, with one-bedroom units down 1.9 per cent to \$260, while two-bedroom apartments rose 0.8 per cent to \$323.

Perth's rental yields have generally laboured among the lowest of the state capitals, as a surge in the median price has not been matched by rents.

According to RP Data, the yields were 3.9 per cent for houses and 4.2 per cent for units in May.

That compares to 4.4 per cent and 4.64 per cent nine months earlier, before property prices really started to take off again.

Much of the sluggishness has been reflected in the rental vacancy rate for the metropolitan area, which at 4.1 per cent, according to Real Estate Institute of WA figures, is about twice as much as other state capitals.

RP Data research analyst Cameron Kusher said the effect of the first home owner grant boost and lower interest rates in 2009 saw those people ditch renting to move on to the property ladder.

A REIWA spokesman said while rental yields were unattractive, there were still good capital growth prospects for investors looking at housing in the long term.

Meanwhile, rents in Australia's most expensive regional centre, the Pilbara, have fallen 6.7 per cent in the past three months.

But at \$1400 a week, they are still more than three times more expensive than any other region. Pilbara rents rose 16.7 per cent in the past year and 239.4 per cent in the past five years.

South-West WA rents rose 3.4 per cent in the quarter, to \$300, 1.7 per cent for the year, and 53.8 per cent in the past five years.