

BLUECHIP & CHEAP!

Buying blue-chip isn't only for the rich and famous.
We reveal the nation's most promising premium
suburbs with huge upside potential.

DINAH LEWIS BOUCHER



small art deco and circa 1960/'70s apartments to choose from to get a foot in the door. The addition of parking can price many people out of the market but in this location, gen-Y is moving away from car ownership, so buying a one-bedroom apartment without a car space can be an excellent investment.”

Investors must be selective, however.

“Once again, you still have to be careful of exactly where you buy and avoid overdevelopment. For instance, we don't have the same fondness for Bondi Junction.”

LOOK FOR? One-bedroom apartments without parking.

Melbourne, Vic

Paul Osborne of Secret Agent, Cate Bakos of Cate Bakos Property and Real Estate Institute of Victoria (REIV) CEO Geoff White have defied the paradox and offered us their blue-chip cheapies list for Melbourne investors.

PAUL OSBORNE'S TOP PICKS



Suburb	Median price	12-month growth	10-year growth	Median asking yield
Preston	\$785,000	12.1%	8.4%	3.0%
Coburg	\$779,000	11.2%	7.8%	3.3%
Brunswick	\$855,000	14.0%	7.8%	3.5%
Seddon	\$818,000	5.9%	8.0%	3.2%
Footscray	\$688,000	14.6%	8.0%	3.2%

APM data for houses to May 2016

PRESTON: Family-friendly and under gentrification, Osborne says Preston is home to a strong mixture of housing stock from period homes such as Californian bungalows.

“The premium part of Preston is south of Bell Street, which has a rapidly changing identity.

“Be selective in this suburb. You want to be around High Street or below Bell Street in what is often referred to as ‘Preston West’ by locals.”

LOOK FOR? Houses! “A period home in Preston is the way to go. If budget allows, go for a freestanding Californian bungalow – it's pretty hard to beat,” Osborne says.

If your budget doesn't stretch this far, he does allow an exception for small villas, as long as you make sure it's located well for amenities.

COBURG: Priced out of Carlton and Brunswick, Coburg's the next suburb on that list.

“It's really offering a lot of value in comparison to its southern cousins,” Osborne says.

“With Coburg, I'd prefer an investor buy something south of Bell Street. I don't think the north side of Bell Street is as advanced, but I suppose you can view that as an opportunity or a liability.”

LOOK FOR? Double-fronted houses or single-fronted terraces.

BRUNSWICK: For best value in the six-kilometre CBD radius.

“In all other areas within this radius you're paying well over a million for a house,” Osborne says.

“Brunswick still offers us the ability to buy a home under a million.

“It's not in early stages of gentrification but I think there's still more going to happen in Brunswick from a development and employment point of view. It also has great transport links to the CBD and sits between more expensive Carlton and Fitzroy.”

It's also home to Brunswick High School, which Osborne says is rapidly becoming a top school.

LOOK FOR? A single-fronted terrace is really the standout in Brunswick or Brunswick east, according to Osborne.

SEDDON: With a strong village lifestyle and community, the inner west has always been underrated, Osborne explains, but people are beginning to make the switch.

“Seddon has one of the strongest village lifestyles I've come across, with

all the great cafes, restaurants and stores. Due to this, it's a desirable place to live.”

A tightly held market, a lot of the properties are single-fronted Edwardians or federations with heritage overlays, so it's very hard to expand in that suburb, Osborne adds.

“There's not going to be too much supply in Seddon over the next 10 to 20 years.”

LOOK FOR? A single- or double-fronted house.

FOOTSCRAY: Not quite blue-chip status yet, but located so close to the CBD and with huge infrastructure spending, Osborne believes Footscray is a contender for solid capital growth and huge potential. “It's got good transport links and a very diverse culture.”

LOOK FOR? “I'm worried about the apartment market in Footscray,” he says, “there's a truckload being built so I'd be reluctant to buy one. A double-fronted family home in Footscray would be exceptional.”

CATE BAKOS'S TOP PICKS



Suburb	Median price	12-month growth	10-year growth	Median asking yield
Williamstown	\$1,115,000	14.4%	6.4%	3.0%
Mordialloc	\$780,000	6.8%	7.7%	3.7%

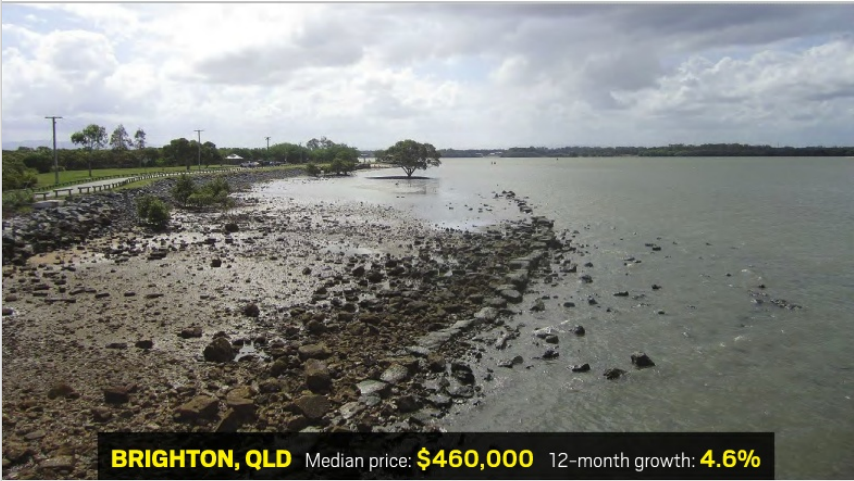
APM data for houses to May 2016

WILLIAMSTOWN: With city and water views, Bakos believes Williamstown is hard to beat in terms of value for money.

“I just love it. It has a stunning array of glorious period properties and its maritime feel is one of a kind.

WILLIAMSTOWN, VIC Median price: **\$1,115,000** 12-month growth: **14.4%**

COVER STORY ■ Blue-chip Cheapies



BRIGHTON, QLD Median price: **\$460,000** 12-month growth: **4.6%**

“If you’re looking for a low entry point to a waterfront suburb in Brisbane, Brighton (18 kilometres north of Brisbane) is a great option.”

KAREN YOUNG

“Compared to the suburbs on the other side of the river (St Kilda, Elwood), it’s completely undervalued.

“I wouldn’t call it a ‘cheapie’ if you compare it to the other inner-west locations, but when we focus on the demographic coming into the area, the neighbours across the water and all that it offers, it’s a bargain.”

LOOK FOR? “I recommend either townhouses or houses. Not so much apartments, but villa units can be good investments,” Bakos says.

MORDIALLOC: Beachside bliss in more affordable “Mordi”.

“Offering a great beach, a fabulous selection of amazing townhouses and a really thriving main street and cafe scene, this southern neighbour gives its Bayside cousins a run for their money and is a fraction of the cost,” Bakos says.

LOOK FOR? Houses, or if the budget doesn’t allow, go for townhouses or villa units instead. Just don’t go for apartments.

GEOFF WHITE’S TOP PICKS

Suburb	Median price	12-month growth	10-year growth	Median asking yield
Cremorne	\$1,000,000	-1.1%	8.5%	3.1%
Mentone	\$867,000	17.2%	6.9%	3.4%
Pascoe Vale	\$630,000	12.7%	6.1%	3.1%

APM data for houses to May 2015

CREMORNE: Wedged between the two blue-chip suburbs of Richmond and South Yarra, and located within three kilometres of the CBD, White says Cremorne is growing in value.

“Buyers priced out of desirable inner Melbourne’s South Yarra (with a near-\$2 million median house price) can purchase in neighbouring Cremorne for nearly half the price,” he says.

MENTONE: White says Mentone benefits from its exclusive location.

“Mentone offers the ideal combination of beachside living with access to quality amenities and infrastructure,” he says.

“Mentone is likely to benefit from the ripple effect over coming years, with buyers priced out of neighbouring Beaumaris and Black Rock, where the median is already in excess of \$1.4 million.”

Brisbane, Qld

Karen Young, founder of Property Zest, and Meighan Hetherington, director at Property Pursuit Buyers’ Agents, shine the light on Brisbane’s contenders.

KAREN YOUNG’S TOP PICKS



Suburb	Median price	12-month growth	10-year growth	Median asking yield
Mt Gravatt East	\$569,000	6.3%	5.8%	4.0%
Moorooka	\$574,000	4.3%	5.9%	4.0%
Morningside	\$650,000	5.7%	5.5%	4.1%
Wavell Heights	\$630,000	0.8%	5.9%	4.0%
Stafford	\$570,000	5.4%	6.2%	4.0%
Brighton	\$460,000	3.6%	4.6%	4.4%

APM data for houses to May 2016

Young focuses on the up-and-comers still offering affordable entry prices yet well located near amenities, transport and all the good stuff.

MOUNT GRAVATT EAST: Well priced and well located.

“Neighbouring suburbs, including Holland Park West and Carina Heights, all have much higher medians,” she says.

“Mount Gravatt East has great investment drawcards, with Westfield nearby as well as the Griffith University campus right next door in Mount Gravatt.

“It’s still a very affordable location, with entry-level houses in the \$500,000 range and it’s just eight kilometres from the CBD.”

LOOK FOR? Houses.

MOOROOKA: A suburb still under the radar, Young says neighbouring suburbs such as Annerley, Yeronga and Tarragindi all have much higher median prices.