

Coast rents top state

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SOARING rents are causing major pain for tenants trapped in a private rental crisis.

The Gold Coast is now Queensland's most expensive place to rent a house.

The cost of renting a two-bedroom unit has jumped from \$310 to \$340 a week in the past year, a hike of 9.6 per cent.

The rent on a three-bedroom house has climbed from \$360 to \$390, an increase of 8.3 per cent, in the year from September 2007 to 2008.

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Releasing the data from the Rental Tenancies Tribunal yesterday, Housing Minister Robert Swarten said renters were doing it tough around the state.

"Skyrocketing rents, coupled with record low vacancy rates, demonstrate that the private rental market is in crisis," he said.

It is now cheaper to rent in Brisbane than on the Gold Coast.

The cost of renting a three-bedroom house in Brisbane rose from \$325 to \$360, a hike of 10.8 per cent, while a two-bedroom unit rose 13 per cent from \$305 to \$345 a week.

"The pain is widespread but major centres ... have seen the cost of renting skyrocket," said Mr Swarten.

Real Estate Institute of Queensland Gold Coast chairman Peter McGrath said there was no sign of the rental crisis easing.

"The reason rents are more expensive on the Gold Coast than in Brisbane is, firstly, that our sales market volumes slowed quicker than in Brisbane, putting pressure on the rental market," he said.

"Secondly, investors pulled out of the Gold Coast market late last year, took their profits and decided to sit on their hands to wait and see what would happen to the property market. That left an undersupply of rental product.

"Tenants don't like to hear it but the rental market is dependent on supply and demand.

"There is not enough housing out there to keep up with the demand for housing so the rental market gets squeezed at the other end."

Mr McGrath said an undersupply of housing on the Coast, a huge built-up demand for rentals and continuing strong migration levels from interstate and overseas meant the rental market would stay tight.

He said the rental vacancy rate had now dropped to under 2 per cent.

"I don't think the rental situation is going to change for some time yet, there is still too much uncertainty, and it will be quite some time before the investors come back," he said.

David Stringer, from DJ Stringer Property Services, which has one of the largest rent rolls on the Coast, said he hoped there might be some relief for renters from the Federal Government's first home buyer incentives announced yesterday.

"If that helps to get more first home buyers out of the rental market and into buying their own property it will take some pressure off the rental market," he said.

Australian Property Monitors is predicting rents will rise by up to 50 per cent in most capital cities over the next four years, while economic forecaster BIS Shrapnel believes the average cost of renting will climb higher than the cost of buying in 2008/09 and 2009/10.

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