

## Australian Property News

### Safer to avoid regional areas

Posted on Tuesday, July 07 2009 at 1:50 PM

**While it can be cheaper to buy property outside major cities in regional areas, it's not necessarily the best investment move, according to property professionals.**

Patrick Bright, buyers agent and director of EPS Property Search, believes properties closer to a capital city will perform better in the long term.

He notes that most people buy in regional areas because it's what they can afford to get started and typically the rental yields are higher.

But he says they're not safer in an economic downturn; in fact they're at a higher risk.

"Most regional areas rely on a few major industries," he points out.

"If one or two of those major employers goes bust then the town's economy is significantly affected which drives workers to new jobs in other areas pulling down rental rates and property values."

For investors looking at buying in rural or regional areas of New South Wales, WBP Property NSW branch manager Chris Lackey recommends not purchasing above the middle market.

"When the Sydney market cools affordability will improve at which time rural values will deteriorate," he says.

"Property investment is a long term strategy and thus this approach is perhaps more appropriate for lifestyle changes rather than any perceived short term gains."