

# Geraldton is the best place to buy property in Australia

RAQUEL DE BRITO, The West Australian  
June 10, 2010, 2:25 am



Kalgoorlie Miner / Travis Anderson ©

Geraldton is the best place to buy property in Australia, national property analyst Terry Ryder says.

However, the Goldfields city of Kalgoorlie-Boulder did not fare so well, with Mr Ryder listing it among the nation's 10 worst areas to invest in his annual No-Go Zones report.

He said Kalgoorlie-Boulder did not compensate investors for the high-risk involved with buying in mining towns, because it offered poor capital growth rates and low rental returns.

"Mining towns are probably the most high-risk locations for property investors to buy in because they're so volatile, as we've seen in the past 18 months or so, many of those markets have died with mines closing or downsizing," he said.

"To compensate for that kind of risk, property investors need to receive pretty high capital growth rates and also high rental returns and Kalgoorlie doesn't provide either.

"You need a rental return of at least 8 per cent, preferably higher to compensate for the risk of buying in a mining location, but in Kalgoorlie, the rental returns are below 6 per cent."

Kalgoorlie-Boulder mayor Ron Yuryevich said there was no substance to Mr Ryder's report.

"Kalgoorlie has had a steady increase in values," Mr Yuryevich said.

"I've got a reasonable property portfolio and I'm not selling. I've had exceptional returns over many, many years and continue to do so.

"We're a mining town that's been here 115 years, so get a life."

Mr Ryder said Geraldton was his top pick because while it benefited from mining, it did not depend on it.

"It's a very well-rounded regional centre with a diverse economy," he said. "It's got a major fishing industry. It's got a tourism industry. It's got some manufacturing.

"I was speaking in a seminar in Melbourne a week ago and I said if I had to nominate one location that would be my No. 1 pick Australia-wide, it would be Geraldton."

Geraldton-Greenough mayor Ian Carpenter agreed, saying Geraldton's diverse economy underpinned key reasons for investing there.

Real Estate Institute of WA president Alan Bourke said Geraldton was a "go-ahead" area and would benefit in the medium-term from the development of the multi-billion-dollar deepwater port at Oakajee, 25km north of Geraldton.

Mr Bourke said while Kalgoorlie's market had been temporarily hit, it was still a lucrative gold-mining town with good long-term prospects.