



The withdrawal of first-home buyers from the market opens up opportunities for investors.

PICTURE: AAP IMAGE

Rising rates spur property investors

SYDNEY: Rising interest rates are discouraging first-home buyers and keeping them in the rental market, which in turn is good for property investors, a mortgage broker says.

Property investors, who themselves say they aren't deterred by rising interest rates, can look forward to strong rental returns as larger numbers in the rental market keep rents high.

A survey released by online

brokerage e-choice yesterday found that 41 per cent of would-be investors would reconsider if rates rose by two percentage points compared with 53% of current or prospective owner occupiers.

Executive director of e-choice's parent, Firstfolio, Mark Flack said the outlook was good for property investors as first-time buyers were shying away from purchasing.

"We believe more prospective first-home buyers will pull out of the market compared to property investors, and as such we see a great opportunity in the investment property market," Mr Flack said.

University of Western Sydney property lecturer Za Manaf said it was a "sellers' market", which made it hard for first-home buyers to find an affordable property. —AAP