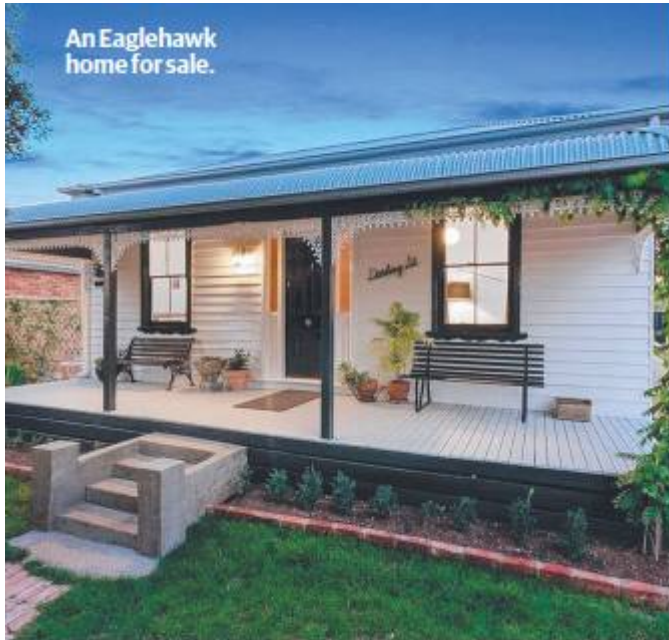


Bendigo is so hot right now

Regional Victoria gets investor nod

SAMANTHA LANDY



BENDIGO is being trumpeted as Australia's No. 1 "growth star" property market.

While the Melbourne market continues its slump, the regional city has been dubbed a top prospect for price gains in the coming months, in leading research firm Hotspotting's Price Predictor Index.

The report identifies affordable housing, strong rental yields and accessibility to Melbourne as Bendigo's main strengths. It also pinpoints 10 "rising" suburbs in the hot municipality — compared with just nine in metropolitan Melbourne, down from a peak of 127 in mid-2015.

They include Eaglehawk, Golden Square and Kangaroo Flat, which have median house prices just above \$300,000.

The report defines a rising suburb as one where home sales volumes are increasing, as this is generally a precursor to price growth.

"Investors can buy ahead of price growth by finding locations where sales volumes are rising," it said.

Report author Terry Ryder also labelled regional Victoria as a whole "the strongest market in the nation, both for rising demand and big price growth". He said that Ballarat and the City of Latrobe were other smart targets.

"A lot of demand is coming out of Melbourne," Mr Ryder said. "We saw it first in Geelong, Pakenham-Officer and Warragul, then Ballarat, and now Bendigo is rising. For people looking to buy now, Bendigo is a good option."

Ray White Bendigo's Mitch Balnaves said his market had been boosted by new infrastructure, including the \$630 million Bendigo Hospital upgrade and the \$31 million Kangaroo Flat aquatic centre, plus Qantas's new Bendigo-to-Sydney flight service. "We're seeing steady growth," he said.

Hotspotting found five rising suburbs in both Ballarat and Labrobe. They include Ballarat North and Buninyong, which have already notched 15 per cent annual median house price gains, and

Moe, Morwell and Churchill, where the medians remain below \$200,000.

Mr Ryder said Latrobe was a surprise, given the economic hit expected to follow Hazelwood power station's closure in 2017. "But the local economy has stayed strong because governments have invested in the area," he said.

The Melbourne market was long past its peak, he added, with just nine rising suburbs three in the Melton region and two in Hume. "Prices are still increasing in outer cheap areas

— most Melton suburbs have grown 20 per cent or more in the past 12 months," he said.

"First-home buyers are more active than they had been in six to seven years, and they're buying in those areas."

On the flip side, Hotspotting named the Melbourne CBD unit market and Toorak house and unit markets as "danger" zones investors should avoid, following dramatic falls in sales activity and rises in vacancy rates.

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