

RENTAL MARKET TIGHT DUE TO CYCLONE YASI

Fears are mounting rents will rise as a result of the desperate search for temporary homes.

Tenants with rental subsidies from insurance companies are able to pay top dollar while others are forced to move away from schools, work and their communities while they wait for homes to be repaired.

While January is traditionally a busy month for rental properties throughout Brisbane, it has been made more difficult with flood-affected families now also in the market.

Real Estate Institute of Queensland managing director Dan Molloy said the problem was more focused on flood-affected suburbs and denied there was a big rental property shortage across the board.

He said while tenants may be offering above the asking rents, agents were legally required to

As at the December quarter, Brisbane's residential rental vacancy rate was only 3.4 per cent - about 4400 properties.

John Johnston of Johnston Dixon said January was always a busy time for the rental market in the southeast, with people relocating for work and students starting university.

"Normally as we head into January there is a certain percentage of vacancy that you have," he said. "We did not have this and January is obviously a busy month for people moving to Brisbane."

He said even before the floods, the agency had put a call out to investment owners for properties as they could see a shortage was looming.

Mr Johnston said finding somewhere to rent had become a huge problem with properties essentially being snapped up before they hit the market.

"We have had people who have made it very clear to us that they will pay an absolute premium as long as they get the first call," he said.

One property at Toowong was being offered for rent for \$1100 and Mr Johnston said they were offered \$1500 a week for it by a flood affected family.

Developer Tom Dooley was offered more than \$5000 if he would rent out a luxury apartment he was trying to sell.

Mr Dooley, developer of the luxury Aquila apartments at New Farm, said he had been contacted about the potential of renting the last remaining apartment in the multimillion-dollar development.

"It was the first week after the flood, we had a couple of people wanting to know if we would rent out an apartment in Aquila," Mr Dooley said.

He said they had been willing to pay around \$5000 or \$6000 a week but it was not the sort of product he would put in the rental pool.

There are mixed reports from other parts of Queensland, with rentals difficult to secure in cyclone ravaged centres in north Queensland and in flood-struck towns such as Rockhampton and Emerald.

Rental Express managing director Chris Rolls believes while there might be strong demand for rental properties in flooded areas now, there could be an oversupply in six to nine months when flood affected residents return to their repaired homes.

Mr Rolls said while some landlords were happy to take on flood victims as tenants, others were hesitant as it meant they would be searching for a tenant again halfway through the year.

Bettina Jude of Belle Property at South Brisbane has received an "extraordinary number of inquiries" for rental properties.

For most it was impractical for them to leave the area they lived in because of schools and work were nearby.

"I have some people at Indooroopilly who moved to Carindale because that is where they could find something," she said.

Ms Jude has received calls from owners of properties which didn't find buyers last year being offered for short-term rentals at high rents.

And they are also rushing work on houses which weren't quite ready to hit the rental market yet to get them on the books as soon as possible.