Property's new look

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The GFC has fundamentally changed how property will perform in 2012 and beyond. Blue chip property no longer refers to property situated in the CBD of a capital city – it now means any property with the capacity to deliver strong growth in both yields and values, in the period that the investor intends to own it.

In the coming decade Australian employers will move toward providing flexible work options for all employees, and more and more business will be conducted from larger regional centres and the outer suburbs of capital cities. This will be facilitated by the capacity to work using a host of technological solutions, and result in a great impact on the values and vacancy rates of traditional city office space, and the surrounding residential property. Coming generations will choose to live where they play, rather than work, and design work options around this choice. We are already seeing many large regional centres, and thriving outer-suburban communities, plan their infrastructure projects to accommodate the population explosion expected.

These areas have the greatest capacity to grow and achieve prices closer to those of capital cities. Where inner city suburbs will plateau, having reached capacity with the greatest change in value behind them, large regional centres and outer suburbs of capital cities which display known growth drivers can expect an exciting decade, commencing in 2012.

This doesn't mean that all country towns will achieve growth. Many won't. This growth will centre mainly on those city-like regional centres, such as Bathurst in NSW, Townsville and Gladstone in Queensland, Ballarat and Geelong in Victoria, and suburbs found in the Onkaparinga Shire of Adelaide, the outer west of Sydney, the south-west corner of Brisbane, out to Ipswich, and the eastern corridor from Melbourne, all the way to Morwell.