Investing In A Mining Region: Risky Or Resourceful?

Which Property Press Release

In the latest edition of Property Insight, Which Property shone a torch on mining regions and what to watch out for when considering investing in a resource-rich area. There are many decisions to be made when investing in property, but perhaps the most difficult is deciding where to invest. As with any investment, purchasing property in one of Australia's mining regions comes with an inherent risk factor. However, these growing areas can offer fruitful returns for investors if the location and property are selected with caution. Which Property recommends following three rules when investing in a mining region:1. Avoid locations with a single resource or mineWhen mining towns rely on a single resource or mine, there is a higher risk of the resource diminishing or sudden mine closure.2. Steer clear of one-dimensional regions Mining regions that are supported by various industries such as agriculture, tourism, education and manufacturing are much safer options.3. Review mining contracts By following the basic principles of supply and demand and ensuring several long-term mining contracts are in place, you can reduce the risk of a decrease in housing demand."The rules of engagement when selecting a property are the same as with any real-estate market: select a quality property close to core infrastructure. Don't fall into the trap of thinking mining towns only require basic accommodation far from the town and its facilities; remember that mining executives and well-paid operational staff actually have to live there and that higher-quality properties attract higher-quality tenants…" says Mark Borrill, Managing Director of Which Property.For the full article, read the latest Property Insight for your guide on how to choose a location that offers a lower risk. For more information on investing in a mining region or building a property portfolio, contact Which Property Phone: 07 3505 6000 Email: info@whichproperty.com.au

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