

Are you a PO or a PP?



While Australian investors have a lot to be optimistic about in 2014, the property pessimists will be out there looking for their typical excuses as to why it's still not a good time to invest.

Now, I don't have a crystal ball and I'm not an economist, but it appears that there are many indicators to suggest that interest rates are likely to remain low for a while.

What happens in a low interest rate environment?

Low interest rates encourage homebuyers and investors into the property market and also allow current homeowners to pay off their mortgages more quickly.

We all know that the property market isn't the same across the country. Some areas will flourish and others will languish, so research is the key to a good purchase.

With a mixture of:

- ★ low interest rates,
- ★ strong population growth,
- ★ job stability,
- ★ affordability and
- ★ increasing confidence

we may see more people being involved in property this year.

Is the market only for investors?

While astute investors are aware of good buying signs and are always on the lookout for a glimpse of a new property cycle they will take advantage of the current market.

The latest auction results and buying patterns indicate that there are many upgraders moving into bigger homes and many families and first home owners who have jumped back into the renovating cycle.

If you're a potential first home buyer you may as well face the fact that getting your foot into the property market isn't going to become any cheaper.

Our strong population growth will continue to provide the demand for residential property. Over the next 10 years, our now Gen Y's will become our growing 30-somethings who will be working hard, paying good taxes, establishing their families and continuing to drive the demand for housing.

The property optimists that I know - who have stood the test of time and have held for the long term - very rarely look back in a 10 to 15 year period and say their property decreased in value.

There are no risk free investments, including property, however if you follow the basic rules of investing in property MOST of us can look back with good fortune.

It certainly has been an interesting decade for the property market and, while there are no promises, it would certainly appear that now would be a great time to consider your first, or next, investment property.

If you want to discuss your property portfolio potential and you believe you are a Property Optimist we welcome your call.

If you think you are a PP and want to become a PO, of course we welcome your call as well.

We hope we have given you some food for thought. These conditions won't last and we take that into consideration with our recommended guidance for you.

As always, these decisions are not to be made lightly and thorough research and financial stability needs to be considered for all your finance decisions.

We look forward to hearing from you to discuss your views on the property market this year.

If you're sitting on the fence and don't know if investment property is for you, then please contact the office for our article 'Sitting on the fence.'