

Looking to Invest – then there is no better time than NOW
By Dickens Real Estate Sales Manager, Gerard Gray

As an investor, you may be focusing on either income or growth. In recent times, capital growth has been the major focus for investors. However, as the market tightened the focus shifted, as it always does, to income. This was true for both existing investors as well as new investors entering the market for the first time. Also in recent times the rental availability has been shrinking and has put upward pressure on rents, helping to equalise the disparity between sale prices and rent returns.

Of course, in reality all investors buy for profit, so ultimately only a rising market is of interest to investors. However this does depend on whether one takes a short term or a long term view. Quite often the best value can be found when the market is flat or falling. Every property sells when the market is rising, but properties with flaws can under perform in a weaker market. When the market is slow and the days on market lengthens, properties requiring work can get left on the shelf. This then presents opportunities to renovators and developers who where perhaps squeezed out in the rising market.

Prior to purchasing, it is a good idea to establish the objective of the purchase. Are you chasing a certain percentage return? Are you “investing” purely for capital growth? (this of course could be speculating not really investing). Are you buying & renovating with a view to obtain a certain profit margin?

Buy in gloom and then sell in the boom, not the other way around.

Call our team to further discuss investment opportunities available right now. Keep well,
Gerard

