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real estate

Sales News

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Timing the market - is now the time to buy?

by [CurtisCooper](#) | 19/04/2011

[Realestate.com.au](#)

Many property professionals are suggesting now is a good time to buy residential property. With fewer buyers in the marketplace there's more scope for picking up a bargain, with vendor discounting likely.

To make things clear, [Australian Property Investor](#) looks at the six factors you should consider when deciding whether it's a good time to buy a residential investment property.

'Time *in* the market' is often considered to be more important than 'timing the market'. Over a 10-year period or more, your property value will probably ride out some bumps in the property cycle and experience solid growth.

But if you purchase close to the bottom of the cycle, as opposed to the height of a boom, you obviously maximise your capital growth. This means you build equity sooner and therefore the opportunity to use that equity to get into your next investment.

After speaking to several of Australia's leading property experts, API has uncovered the most telling signs of when to buy residential investment property:

1. Interest rates

- Rate cuts tend to precede an upswing in property prices
- Rate rises tend to dampen house prices

Most of Australia's property booms have been preceded by a drop in interest rates, because this makes property more affordable. However, this isn't always the case. In periods where rates are relatively stable, other factors can drive prices up, such as population growth, undersupply of dwellings, or introduction of first homebuyer grants

2. Macroeconomic indicators

- An economy that has 'bottomed out' tends to precede an upswing in property prices.
- Indicators of an economy getting back on track include: increased employment, increased disposable income, improved economic growth and an upswing in the sharemarket.
- Conversely, an economy that's overheated tends to precede interest rate rises and a cooling of property prices.

There are lots of indicators that show an economy is getting back on track. But Steve McKnight of [propertyinvesting.com](#) says higher disposable income and employment levels are two indicators which impact directly on the property market.

"There is a massive connection between the disposable income that people have and their ability to borrow money," he says. For the same reason, "effectively you want to see an increase in job advertisements," he argues.

3. Median price/value growth

- When median prices start to pick up, it's a sign an upturn is starting to occur.
- High quality properties often lead the upswing, with other areas following later.

According to Angie Zigomanis of BIS Shrapnel, when property prices start to stabilise (perhaps after a rocky period), it's one indicator of a return to healthy economic conditions. Better quality properties will start to be snapped up, he says. So one way to spot the start of an upswing is a rise in median prices in blue chip suburbs.

5. Supply/demand

- Increased demand (driven by population growth) needs to be catered for with increased construction. When construction doesn't keep pace, a housing shortage can put upward pressure on prices.
- Conversely, you need to be careful not to buy into an oversupplied market.

A chronic housing shortage in a city or area will place upward pressure on property prices.



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Homeowners rejoice as RBA leaves cash rate alone

by [CurtisCooper](#) - realestate.com.au



Once again, homeowners have dodged an interest rate hike, with the Reserve Bank of Australia (RBA) leaving the cash rate unchanged at 4.75% today.

Despite rises in inflation over the March quarter, a rise of 1.6 per cent was reported by the Australian Bureau of Statistics (ABS), the RBA has deemed no rise is warranted at this stage of the year.

Experts believe the next rate rise will come in July or August, and have predicted a total of 50 basis points to be added to the cash rate by December, making it an even 5.0% heading into 2012.

Secure Your Home Over the Holidays

Article by Joanna Johnson – realestate.com.au

Holidays are for unwinding, taking a break from the day-to-day and for stress-relief. However, in the frenzy of packing and worry about how to get to our destination we often forget a crucial aspect of the holiday - securing our homes sufficiently.

So do yourself a favour and ensure you do as much as possible to relieve the tension of possible disaster when you leave your house empty over the holiday period.

Here are some great tips to consider when leaving your house empty this holiday period:

1. Cancel usual deliveries/services:

Don't forget to cancel your newspaper or grocery delivery and tell the gardener you won't be needing his services for a while. If you're away for an extended period of time you might also want to have the post office hold your mail.

2. Talk to your trusted neighbours

Ask them nicely to take out your rubbish bins and bring in your mail. Let them know where you'll be and when you'll be home so they can contact you if anything were to happen to your property.

3. Secure the property

Ensure the back and side gate are locked. Obviously make sure all doors and windows are locked as well! Set your alarm if you have one, or consider getting a dummy alarm - they come with stickers for windows to ensure high visibility to 'visitors'. Bring your spare set of keys inside or take them with you. Set sensor lights. Remove ladders and gardening tools - anything that might assist a burglar breaking into your home. Take valuables with you if possible, or lock them in a bolted down safety box.

4. Look as if you're home

Have some lights on timer switches so they automatically come on for a period in the evenings. Even put one on the tv so there is some noise and light. Leave a car in the driveway if possible. Have a friend mow your lawn and even housesit for the odd night. Hang some washing on the line - it looks like you're still home!

5. Cease any work on your property by outside trades-people

Where possible don't go away whilst you're building/renovating. However, if you must, just tell the tradies work has to stop for a while - don't tell them you're going away. It's more common than you think to have your house burgled by your very own tradie!

6. Be mindful of broadcasting your holiday plans

With the age of social networking firmly upon us, it's all too easy to forget that whilst we believe we are connecting only with friends and trusted souls, there are also some dodgy people out there who prey on the innocent. DON'T tell everyone on Facebook that you're going on holidays in 2 days' time, and DON'T Tweet about it either.

7. Don't forget your answering machine!

A continuously ringing phone is a sure sign to a burglar that noone is home. Make sure your answering machine is set!

Recent Sales



68 Gardenia Parade Greystanes

\$458,000



108 Canal Road, Greystanes

\$425,000



23 Dahlia Street, Greystanes

\$500,000



3 Gloria St, Merrylands West

\$495,000

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