

The bargains are out there

GC Bulletin 14/6/08.

PROPERTY POINTERS

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IT IS a little investment secret that the best time to buy real estate is when it's the worst time to sell.

So while For Sale signs are springing up like weeds in front yards, you can rest assured there is a legion of shrewd investors standing in the shadows with their cheque books at the ready.

With negative media sentiment, a global credit crunch and uncertain economic times, it may seem like the wrong time to plunge money into the property market.

But if you understand property prices move in cycles and a buy-and-hold strategy often delivers the best results, you will know the merits of counter-cyclical investing.

For buyers with their finances in order, today's market presents some fantastic investment opportunities.

Firstly, properties are taking longer to sell.

According to Australian Property Monitors the average time on market for a Gold Coast property in April was 73 days.

Secondly, there is more movement on the asking price of properties, and it's the buyers who are holding the upper hand in the negotiating process.

APM's research reveals that the average seller discount on private treaty sales rose to 7.3 per cent in April, compared to 6 per cent for the same month last year.

Put another way, a house listed for \$550,000 could be negotiated down by \$40,000, as opposed to the \$33 thousand discount it might have attracted last year.

As a reader of this column pointed out, there are plenty of motivated sellers willing to drop their prices even further to clinch a sale.



From one end of the Gold Coast to the other, there is no shortage of listings

He cited an example of a three-bedroom home in Nerang, originally asking \$359,000 and eventually selling for \$315,000 (although unfortunately not to him).

His isn't a unique story. Another encouraging sign for investors is that rental returns are improving. A cocktail of poor affordability and an undersupply of housing is pushing vacancy

rates down to record lows and driving demand for rental properties. Some landlords of more sought-after rentals in central locations are seeing increases of up to \$50 a week, sometimes even more.

The reasons why the Gold Coast should be considered a relatively safe haven for investment dollars are compelling. According to research by PRDnationwide, we are the

fastest growing municipality in Australia and would need to create approximately 133 new dwellings a week to satisfy population growth.

The Gold Coast offers a lifestyle which is world class and is predicted to be home to more than 760,000 residents by the year 2026. Even the commercial market has shown continued demand for property, with limited availability of quality stock.

The industrial market is also experiencing low vacancy rates across all of its sectors.

We have a buyers' market on our hands and there is plenty of opportunity amid the doom and gloom for those in a position to act.

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