

Should investors stay on the sidelines?

The state of the current property market has many investors ducking for cover. But are they right to be scared? Should they stay on the sidelines and wait until the market picks up – or in doing so, could they miss out on a potential gold mine?

AFTER years of boom conditions, a number of factors have combined to result in price declines. It's resulted in a lot of negativity in the media.

But while it's true that prices in big cities such as Melbourne and Sydney have peaked, the same can't be said for regional Australia and some of the smaller capitals, such as Hobart. The localised corrections we're seeing in the major markets are skewing national results, but there are still great investment opportunities to be had outside of these cities.

But can you get credit?

Another issue for investors has been the availability of credit. Even if you want to invest, getting loan approval at the moment can be challenging. Between the banking royal commission and the macroprudential measures imposed by the Australian Prudential Regulatory Authority, credit has become a lot harder to come by in recent months, but this isn't necessarily a bad thing.

An influx of buyers priced out of the inner-city market as a result of restricted borrowing power means upward pressure on prices in the outskirts.

OUR EXPERT

Philippe Brach

is CEO of Multifocus Properties & Finance. He is an experienced property investment specialist, finance broker and author of *Creating Property Wealth in Any Market*



As an investor, this could be an excellent place for you to start looking for your next property before prices really take off.

Be sure to check vacancy rates and median rents in the area and familiarise yourself with the types of tenants you are likely to attract so you can choose a property accordingly – families, professionals or students, for example, will all

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have different wants or needs from a rental property.

Tune into changing markets

When it comes to buying an investment property in an outer suburb or regional area, transport is key. Provided renters can commute to the CBD, suburbs on the margins of the major cities are a workable solution for many.

They also provide a 'greener' lifestyle, a trend that is gaining in popularity thanks to increased awareness of environmental issues. The Central Coast in NSW is a good

example – Sydneysiders are flocking there to escape the rat race and raise their families in relative tranquillity, while still being able to get into the CBD should their job demand it.

Governments are really beginning to jump on board the decentralisation train, and they recognise that public transport is key. Large sums are being spent on the infrastructure needed to accommodate longer-distance travel in places like Geelong and Ballarat to reduce travel time to the Melbourne CBD to less than one hour.

Where to from here?

If you've been wringing your hands wondering how on earth an investor should proceed in the current market, here's the bottom line: take action. Don't sit on the sidelines. Instead, create a strategy today.

That strategy might specify that you don't buy anything for the next 12 to 24 months. Or it might suggest that you acquire more assets over this

period. A plan tailored to your budget and your goals will help you make decisions that put you on a path towards financial freedom, regardless of external market conditions. If you need assistance with creating a personalised strategy, contact us today. **YIP**

NEED HELP WITH YOUR PORTFOLIO?

Contact Philippe at Multifocus Properties & Finance and get a jump-start on your portfolio with expert advice.

Ph. 1300 266 350
www.multifocus.com.au