



# WILL OUR HOUSING MARKET COPE?

If you live in a capital city you would be familiar with seeing the endless cranes on the skyline and may be wondering where on earth are people going to come from to occupy this continual development. But they will fill – and fill fast.

We hear that Australia is in the throes of a housing shortage yet builders are going broke!

Rents are so high that more people are fast tracking their purchasing decision simply because they can't find rental accommodation.

Immigration projections are exceeding our housing capacity with migrant population expected to have grown by more than 700,000 between 2022 and 2024 financial years. Where are they going to live?

With net overseas migration at record levels and rising, there is a chance more permanent or long term migrants who can afford it will skip the rental phase and fast track a home purchase simply because they can't find rental accommodation.

Home owners are holding waiting for the next wave before they sell, and astute investors are preparing to pounce on a good buying opportunity.

Although we don't have a property crystal ball, there are certainly signs that property prices across the country have bottomed out. In April we saw the first sign in nearly 12 months where there was an increase in the Home Value index reported by Core Logic two months in a row.

CoreLogic's Research Director, Tim Lawless, said that, despite the divergence, the figures suggested Australia's housing market downturn had passed.

"Not only are we seeing housing values stabilising or rising across most areas of the country, a number of other indicators are confirming the positive shift," he said.

"Auction clearance rates are holding slightly above the long-run average, sentiment has lifted and home sales are trending around the previous five-year average."

## So what does all this mean?

It pretty much means that our housing market simply won't be able to cope.

How many times have we said to ourselves "I wish I had bought that property back then", or "I should not have sold when I did" or any of the other comments we hear from the voices inside our heads.

Of course, not everyone can jump onto the property ladder right now. And you should never rush into a situation without doing all your due diligence.

Contact us for our article on [How to determine if you are ready to buy an investment property](#).

However, if there is an opportunity you believe in and have thoroughly researched, it can be advantageous to act early and position yourself before the market takes off again.



It is crucial to carefully evaluate the risks and potential rewards associated with any property purchase. Here are a few considerations:

### 1. Research and due diligence

Take the time to thoroughly understand the market and factors driving the expected growth. Investigate the potential risks and any economic factors that may impact your property growth.

### 2. Planning

Assess your own financial situation and determine how much you can comfortably invest without jeopardising your financial stability. Set clear property goals and establish a realistic timeline to hold your property for potential capital appreciation so you can achieve maximum gain.

### 3. Diversification

Consider diversifying your properties across different types of property (unit/villa/townhouse/house/commercial) or another state to spread your risk. This can help protect your portfolio if a particular property type does not perform as expected.

### 4. Seek professional advice

If you are unsure about making property purchasing decisions or lack expertise in this area, consider consulting with a property advocate or other property professionals who can provide guidance and tailor a solution to your specific situation.

### 5. Keep emotions in check

Don't let FOMO (fear of missing out) or short term market fluctuations dictate your property decisions. Maintain a long term perspective and make rational choices based on thorough analysis.

Remember, investing in property always carries some level of risk and markets can be unpredictable. It's essential to make informed decisions based on your own research and risk tolerance.

As always, we are here to help you with your finance options.

We can talk about your property purchasing plans for now and in the future.

Make sure you read our article **'Are you ready to buy an investment property?'**

