

Picking the Market

Tuesday brought good news this week, with the Reserve Bank (RBA) showing great clarity in its decision to leave the official cash rate on hold once again. Most economists are now saying rates will stay on hold for the next few months, but our prediction is still that the next movement will in fact be downwards.

We're still in an uncertain environment, with the threat of further tightening still front of mind for many. Some economists are still saying rates will go up and the RBA keeps hinting at it too. The media, of course, is always happy to carry any stories of doom and gloom. All of this in our opinion is just scaremongering and totally out of touch with reality. Let's hope interest rates definitely don't rise - and realistically, that's the only sensible outcome.

Regardless, our message remains clear – there is more opportunity in the current market than ever and those who are being held back by fear are just missing out. We exchanged a high number of contracts last week, indicative of the fact that more and more buyers are realising the time is ripe for action.

There are some exciting possibilities on the horizon for the Sunshine Coast, not the least of which is The Gold Coast's bid to host the Commonwealth Games in 2018. If successful, experts predict the Sunshine Coast will attract hundreds, if not thousands, of athletes and their families prior to the event, providing a massive boost to the local economy.

Whether you're thinking of buying or selling, get out and see as many properties as you can to get a good understanding of where the market sits. Vendors particularly need to educate themselves as to what other properties are actually selling for, not what they're listing for. This is not a time to test the market - there's no point in going to market at all unless you are serious about selling.

For vendors who are re-buying, there are also excellent opportunities to profit in the changeover. It's critical not to get caught out by what we call "the first offer syndrome" though. That's where a vendor gets an offer early, and then thinks "Well, if that's the first offer I'll surely get a better one next". This is a dangerous fallacy - often the first offer is the best one, particularly in the present environment.

Making a good property decision is all about taking a macro view, while carefully considering your own unique personal circumstances. Expert advice simplifies everything.

We look forward to helping you,

The Team at Michael Knights Real Estate