

Power in Numbers

In the wash up of the last month's finalised data, September revealed itself as our biggest month for property sales for more than twelve months. Several properties that had been on the market for quite a while were snapped up during the month, many at heavily discounted prices.

The buyer activity is predominantly coming from one key segment – those who are looking for opportunities with an upside. It could be owner-occupiers looking for a place they can live in while adding value, or investors looking for properties that can be positively geared either immediately or with some renovation. These buyers are particularly attracted to deceased estates, mortgagee sales, or any other type of distressed sales.

And there are bargains everywhere, at every price point, just there for the taking. I met with an experienced buyer from interstate on the weekend who was initially completely overwhelmed with the oversupply of stock.

A while ago we noticed a new trend arising too. Groups of buyers are getting together to take advantage of the bigger opportunities in the market, including development sites in receivership, sites that have development approval but where the sellers can't afford to complete the project, or land developments that have ended up in a forced sale position. Generally these larger projects offer a bigger upside, and banding together is a great way for individual investors to both leverage their investments and spread their risk – harnessing the power in numbers.

We've recently started replicating this model for the benefit of our clients; first providing the initial education and support, then bringing interested parties together and overseeing the syndicates that are formed. I need to be clear; this is not a passive investment opportunity. Members are actively involved in the process, sourcing opportunities, presenting them to the group and making decisions about what to invest in. The model is exciting and we're already getting some good traction with it.

We're holding the next briefing on the 26th October, which we've called "Outsmarting the Recession" and we'd love to see you there. I'm also happy to talk about the program one-on-one if you'd prefer.

However you do it, make sure you take advantage of the opportunities that abound right now. Don't be one of those who are sure to say down the track "Oh I wish I'd bought in *before* the market recovered".

Looking forward to helping you make good property decisions,

Michael Knights