

The Countdown Is On...

Those of you who know me personally are already aware that as well as running seminars to help others develop their skills, I'm equally focused on my own self development. The mentoring group I'm a part of meets four times a year in Melbourne and members include leading economists, bankers, financial planners, developers and business owners.

These are some of the hottest minds in the country and it's always thought provoking when we get together. For some time I've been telling them about the challenging times we've been experiencing on the coast. For some time I reckon they've been in a bit of denial that the southern states could suffer the same fate, but recently things have changed and the Melbourne market in particular has been hit hard. While some parts of Melbourne and Sydney are still holding up well, it's clear that the statistics we're seeing in the news are well out of date and Australian sellers wanting top prices in most areas have missed the boat.

With only a little more than four weeks to go until Christmas, the pressure's building for buyers and sellers keen to finalise a sale. We're leading into a traditionally busy part of the year for the local property market, although the past two years have been more famine than feast.

With an increasing level of interest from interstate buyers who are seeing real value at current prices, the chances are good that we'll see a healthy level of turnover over the next two months, although we're not expecting any growth in values. In the last couple of weeks, numbers of buyers coming through open homes have been rising, particularly in the \$250k-\$400k price segment. There are also a number of cashed-up buyers in the \$1-\$2 million segment who are waiting to pounce on properties priced well below market value.

All this activity is a good sign and early indications that confidence might be improving on the back of the interest rate cut and planned improvements in infrastructure is also encouraging. Regardless though, vendors who are serious about selling do need to be prepared to meet the market - buyers are still cautious and unwilling to pay a premium. The good news is, for sellers who are re-buying, whatever they perceive they're losing on the sale of their property they're likely to pick up when they buy back in.

For buyers on the coast, while the situation overseas is still unresolved and the future uncertain, with prices already seriously discounted it's a pretty attractive equation anyway. Unlike our southern cousins, we're not at the beginning of a downwards trend, it's more likely we're bouncing along the bottom already. While it's always important to remain prepared for anything, there's no doubt the doors are wide open on some fantastic opportunities right now.

Looking forward to helping you make good property decisions,

Michael Knights