

What if....

There's so much uncertainty at the moment. Every day people are asking me what's going to happen with the property market and it's a tough question to answer definitively. But behind that standard question, each of these people is actually asking me a far more important question – what should I do? Although the answer to this question is usually more straightforward to determine, it's different for everyone, depending on their personal circumstances.

See, while it's important to keep an eye on the big picture, what's happening with the Greek bailout or the US credit ceiling issue isn't nearly as relevant in making decisions as your own personal circumstances. There are a number of things to think about, starting with the true motivation behind your desire to buy or sell. Are you looking to create wealth, are you downsizing, upgrading, divorcing, in financial trouble, buying your first home? How stable is your job? Do you have any savings? Do you have an exit strategy? What is your backup plan if things go wrong? What would you do if things unexpectedly go right? These are just some of the issues which matter, much more so than whether or not interest rates go up or down by 1%.

I met with a client during the week who owns two very nice properties. He was worried the market was falling and thinking he should sell them both to avoid losses. After a long chat, we discovered that underneath the fear of short term loss, he actually had a strong desire to live in one of the properties and financially, is able to keep both indefinitely if needs be. On my advice, he will live in the one he loves while the other property will be sold or leased out until things improve, depending on what the market is currently prepared to pay.

Every property must be treated as a business, factoring in the opportunity cost of acting or not acting now. Most importantly, you have to have a team of good long-term advisors around you to develop a plan that's right for you, not just right for the advisor's hip pockets. With clear objectives and solid advice, making property related decisions is easy.

I look forward to helping you make yours.

Michael Knights