

SHOULD WE WAIT TO BUY?

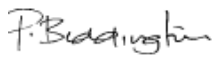
Many homebuyers think that if they put off buying a property for a bit longer, they are likely to secure themselves a 'bargain' as the market declines.

While bargains do exist, of course, for people who are in the right place at the right time, there are often more people who miss out by using this strategy than gain. Most homebuyers buy their family home and live in it for, on average, seven to ten years. And when we're looking at averages, the property market continues, in the big picture, to rise. Based on historical property cycles, property may undergo periods of static growth and periods of galloping growth, but on average, well-located, well-selected residential property doubles in value every ten years or so. Certainly, if we could always pick the lowest time to buy and the highest time to sell we would do very well indeed, but the only buyers who need worry about the immediate state of the market are the real estate speculators who wish to buy then sell again straight away, or those who are too highly geared or who have entered into unrealistic amounts of debt. For everyone else, the chances of strong long-term capital gain are virtually assured, provided they buy well-selected property in well-selected locations.

Buyers who are unsure of how their chosen location is likely to perform can ask a Simes Agent Specialist to chart the capital growth path of a typical property in the area based on previous sales and growth. While there is no guarantee that areas that have performed well in the past will continue to perform well, it is reassuring that historical data suggest that the state of the market is cyclical. And of course, other growth indicators (investigate transport, retail and public services available as well as major development activity and land use in the area that may enhance or detract from value growth in the future) are considered, reasonable if not infallible projections can be made.

Purchasers who wait too long for a 'bargain' or the 'lowest point of the market' often only realise that the lowest point has already been reached once they can look back on it with the 20/20 vision of hindsight.

Regards



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