



Smart buyers market

From the desk of ...

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RECENT interest rate increases, combined with the threat of further rises and a dip in consumer confidence are causing some home buyers to hold back. As a result demand for property is lower than it has been for the past few years.

Consequently the Melbourne property market is experiencing a transition in which the balance has shifted from a vendors market to a buyers market.

This has translated into housing prices experiencing a cooling down effect in an otherwise strong environment of demand.

This is great news for those who are in a position to buy as they no longer have to compete with as many buyers. Astute homebuyers and investors who do their research and understand the underlying factors that influence prices take advantage of such a transitional market and buy at competitive prices.

There is however an increasing need for more housing in Melbourne, caused by the underlying substantial shifts in population. Melbourne's population increase is forecast to hit 4M by the year 2020. Our building industry cannot build enough houses and apartments

to accommodate the influx of new people choosing to live in Melbourne. In the long term the demand for housing will be greater than supply and the after effect of this is that prices will inevitably be pushed up.

Did you know that Australia's population increased by a record 320,000 in 2007 with numbers in 2008 expected to be even higher.

If you are well acquainted with an area and are well researched and know what to look for you can identify and pick up good properties in any market. You don't have to wait until the market has bottomed to pick up a good buy. By

the way, you will not know when it has bottomed because by the time you realise it has, it would have already moved.

There is good opportunities to buy well in any market, but the uncertainty in the current market could prove to be a good time to enter the market.

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