

## Latest News

### **Time to buy: investors**

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By: Staff Reporter

A vast majority of investors believe **now is a good time to purchase an investment property**, a new survey has revealed.

According to the latest Bankwest/Mortgage and Finance Association of Australia Home Finance Index, 77 per cent of investors see now as a good time to buy, citing **steadier house prices, higher rental incomes and rental demand as key reasons** to invest.

“Despite a few cash rate rises throughout 2010, there are encouraging signs for investors in the property market,” commented MFAA chief executive Phil Naylor.

“Rents have increased and vacancy rates are low. These are the type of signals investors look for in their property decisions.

**“We are seeing savvy investors come back into the market as a long term investment strategy that’s underpinned by expectations of income growth.”**

But while many investors may think it’s a good time to buy, few are expecting a boom in price growth.

According to the survey, just over 35 per cent of Australians expect property prices to rise in the coming quarter – this compares to 80 per cent this time last year.

Bankwest head of specialist banking Ian Rakhit said Australians are more pessimistic about capital growth and will start 2011 expecting steadier rather than rising prices.

“Part of this is clearly driven by their expectations of higher interest rates in 2011,” he said.

The index found that investors and home buyers are still wary of higher interest rates, with 85 per cent of respondents stating rates will rise again this year.