



Blog #7 - 22 April 2020

You can't stop this

If you've invested a lot of time, effort and money into property investing, you may have heard this before *"The property market always finds a way."*

In Australia, we constantly hear (from experts) that we will tip into recession and real estate will *go down with it*.

And that we've hopelessly indebted first home owners that are unable to service their mortgages.

And now social distancing will mean *no more auctions on houses*.

Fear....it's powerful right?

It gets our attention every time.

It's been 30 years since the last recession in Australia. A study of real estate cycles shows a consistent and repeatable pattern of booms and busts across economies, stock markets and the land market.

History shows when these events happen the prevailing methods get disrupted or replaced entirely with the *seeds of recovery sown during such times*.

If you know where to look, you'll see exactly that occurring.....

The media's take is that fewer listings for auctions mean no sales and a resultant drop in asking house prices.

They infer that: *"the pandemic is what stops people from attending auctions...there's no way the property market as a whole can overcome this"*



Really....?

Recently a housing market update produced by US based real estate platform Redfin noted there was a significant uptake of the “virtual-tour” via a Smartphone app that allowed agents to take clients on a tour and answer questions onsite.

It also allowed the closing paperwork to be done electronically from home.

Meanwhile Zillow (US-based Real Estate Database Company) has reached similar conclusions and has accelerated a “*technology driven re-platforming*” which has seen a 191% increase in 3D home virtual tours over the last few weeks.

These changes, once implemented, are expected to stay for good.

This means a much more efficient market.

Think how many more viewings you’d be able to do in less time if you can first visit something “virtually”.

And if all the paperwork - of which there is plenty when you buy real estate - is done online.

It’s only a matter of time before similar concepts reach around the world.

Out of crisis comes opportunity, they say.

Our take on this.

The current crisis is proving this once again. Something always comes along to keep the property market turning, even while we’re in the middle of the cycle.

It pays to understand where we are in the overarching 18.6 year cycle and what’s likely to come next.



You can bow down to the fearful headlines **or** you can look for the opportunities that will lead the way forward. This is something that PSE specialises in.

You can find out more [here](#).

Akhil Patel
and the Property Share Market Economics team

The content in this document is for education purposes only. The content is not personal or general advice. If you are in doubt as to how to apply or even should be applying the content in this document to your own personal situation, we recommend you seek professional financial advice. The dates, trends or curves are not absolute but rather a guide. You must invest or trade with the market and not a forecast. The document including the words and all graphics/charts and images may not be copied, redistributed or used without the express written consent of Property Share Market Economics.
www.propertysharemarketeconomics.com