



Will your property double every 7 - 10 years??

A recent study put together by API answers many investor's question, is real estate a good long term investment? is it possible for a house worth \$400,000 today, be worth \$800,000 in 7-10 years and again \$1.6 million in another 7-10 years?

The best way to get an indication of house prices in the future is to look at history, looking at the following two tables of Sydney & Melbourne house prices over the past 35 years as a guide, gives confidence to an investor that real estate is a good long term investment.

Sydney

1970	1980	1990	2000	2005
\$18,500	\$64,500	\$185,500	\$308,000	\$495,000

Source: Real Estate Institute of Australia, BIS Shrapnel

Melbourne

1970	1980	1990	2000	2005
\$11,800	\$40,800	\$140,000	\$241,000	\$363,000

Source: Real Estate Institute of Australia, BIS Shrapnel

Many investors have only entered the market over the past few years and they are not familiar with housing growth being slow, if you take a long term view you can't go wrong.

Monique Wakelin, from Wakelin Property Advisory says "We are now at the bottom of the market and entering a new property cycle in 2006 we will see modest growth".

We are now at the buying stage of a property cycle as you are purchasing at the bottom of the market, smart investors are now taking advantage of the current opportunities available.

Just remember the investors who make the majority of the money out of a property boom are the ones who have acquired all of their properties prior.