

Opportunities in the current environment

The economic environment is filled with uncertainty, doom and gloom; rising interest rates, falling property values, sky rocketing inflation, supply chain interruptions, material shortages and more of the same planned for the future. The risk is that this environment may lead to rising unemployment which is a key indicator of an oncoming recession or worse. It is easy to be negative but there are also opportunities to consider during these bleaker economic times.

First Home Buyers:

First Home Buyers (FHB) have an opportunity to negotiate favourable prices for properties which have not seen a decline in values for a very long time. The rising interest rates have spooked some investors who are 'dumping' properties as they take a negative and pessimistic perspective on the property market, thinking they can make better returns elsewhere. FHB are still benefiting from the incentives and grants provided by all persuasions of governments to help them getting into the property market for the first time.

Investors:

Investors are also beginning to view the falling property prices as opportunities. Money is still freely available and even with the current and prospective interest rate rises, investors are still seeing the long-term capital growth and rental yields as being worthy of considering. Long term investors are looking to capitalise on the more speculative investors who look to 12-month cycles for making money due to the astronomical rises in values and rents in the past couple of years.

Some investors are also seeing the falling sharemarket as an opportunity to capitalise on falling blue chip stocks whose fundamentals are not affected but their share price is dragged down by negative market sentiment.

Families:

Rising prices will be putting strain on family budgets therefore, it's a terrific opportunity to reset the home balance sheet. In other words, using this as an opportunity to clean out the numerous streaming services accumulated during the lockdowns, an opportunity to reset the family grocery list, teach habits like turning off lights and unused appliances etc. will serve all members well for the future.

The more meaningful opportunities will come from speaking to a Chocolate Money mortgage brokers about reducing your homeloan repayments, consolidating your credit cards, personal loans or car loan debts thereby potentially saving you thousands of dollars each month.

The window to do this is closing as lending criteria is tightening and money is no longer being flushed through the economy as part of economic COVID stimulus measures.

The current historical low unemployment rate signals a great opportunity for career progression and/or security. Organisations are screaming for staff at all levels which means it could provide an opportunity for you to jump quite a few career rungs into a position which was previously unattainable in the short term. It also allows you to calibrate career progression, wage increases with job security in a somewhat secure industry with solid prospects during an economic downturn.

Focussing on the things you can change is a healthy and positive way to get ahead during challenging times. To discuss these or other opportunities contact Harry Pontikis or the team at Chocolate Money on 1300 137 539.