We may dodge a recession after all!

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CHOCOLATE MONEY

With China out of lockdowns, we could expect the population to react as we did after lock down – spending, celebrating, partying and travelling!

Our unemployment rate is still at historical lows with businesses struggling to find workers in most fields and industries! As long as people have jobs, they can tighten their belts to ride through the higher interest rates and mortgage costs but they can't do that if they have no job.

The thawing relations between Australia and China should see an increase in trade and tourist numbers once again and a more normalised economic situation as the RBA hopefully pauses its rate rises to give the effects a chance to flow through the economy mid year.

Property prices have experienced a slow down signalling a great time to invest as people under financial pressure have offloaded surplus investment properties and definitely a time for developers and builders to consider land-banking their next projects!

Buying planning, designing and then building projects during slower property cycles definitely makes sense so that when the cycle goes into 'high gear' and property prices go for another run, your newly built and completed stock is on the market and taking advantage of the higher demand and prices.

Obviously in property, it's how you buy not how you sell so purchasing over priced properties is never a good idea but as a builder, timing projects for release at market peaks is a great way to build wealth. The secret is organising your funds where if you happen to mistime the rise of the market, you have the finances to hold onto the projects for better periods.

Dealing with Chocolate Money which specialises in builder's finance and funding for developments is a good step in the right direction. Setting up funding to help with the planning, construction and sale of properties is where you realise the profits of a project and not squandering money trying to appease the banks or lenders.