

Identity Property Buyers

NEWSLETTER #023

Why is Scarcity Important?

Welcome back to the next instalment in the IDentity Property Buyers Newsletter series. Today's chat is a look into scarcity in property and why it is important.

So why is scarcity important when it comes to buying a property and how does it affect capital growth over time?

The definition of property scarcity is not having 1 apartment out of 50 in a complex of high density 2 bedroom apartments in inner Melbourne is it? This would be abundance...

Scarcity is defined as a shortage of supply!



So in the case of property this could be defined as a house in a highly sought after area which has owner occupier appeal where available options are low.

When we start to tick all the boxes in relation to scarcity and appeal, the demand for this property increases and so does the value of the asset we are looking for.

Imagine having to compete with 10 or 20 other bidders at Auction in order to secure the very property you are trying to buy. There is very little chance you are going to get this property cheap isn't there?



When you are looking to buy a quality asset that has high demand you will have to be decisive and quick to act. Demand and competition will be high, so time will be off the essence.

In this situation however you will have to be extremely careful not to overpay by significant amounts just because other people want it as much as you do.

You need to make sensible and rational decisions which means leaving the emotion out of the buying or bidding process.

Don't fall victim to FOMO! (Fear Of Missing Out)



There are ways to improve your chances securing these type of assets and strategies that can be employed to reduce how much you need to pay when doing so.

A scarce asset such as a free standing house in a sought after location today will only become more scarce in the future. When property becomes more scarce and sought after then prices rise.

So capital growth rates of scarce assets will out perform the averages without a doubt and what's affordable to you today can quickly get out of reach.



If you can afford it, why wait until you can't?

Let our professionals at IDentity Property Buyers help you avoid all those costly mistakes and provide you with a fantastic experience and an exceptional end result....

Make contact today and schedule in a **Free, No Obligation** chat with one of our Buyers Agents & Property Strategists.

MAKE CONTACT

Don't get left behind when the market is moving, take control with your very next steps in a professional way today!

web: www.identitypropertybuyers.com.au
email: greg@identitypropertybuyers.com.au
Phone: +61 (0) 491 759 126



Written by Greg Egerton Buyers Agent & Property Strategist,
IDentity Property Buyers



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