GOT A QUESTION FOR ONE OF OUR EXPERTS?

Then send it to – **editor@spionline.com.au** (50 words max)

I have been looking for a bargain property for some time, and have been told by many investor friends to look for "distressed" property. What is this and how do I find it?

A DISTRESSED property is a situation where the vendor is highly motivated or under 'financial stress' and needs to sell the property quickly to meet their financial obligations.

You can find them by doing specific keyword internet searches, scanning the papers or engaging a buyer's agent.

There are various levels of 'distress' for each property. Don't buy something just because it is a bargain or distressed! There may be a good reason why the property needs to be offloaded quickly.

Bargains are not always all they're cracked up to be! While we all like to shop around and get the best deal, when it comes to buying property, it's vastly different to buying a new t-shirt or a pair of shoes at a bargain price. Price is a reflection of what other people (the market) are prepared to pay. A property may be a bargain because it's located on a busy road, has structural or termite problems or it's a mortgagee sale.

Investors and homebuyers alike should focus on the fundamental selection criteria when choosing the right property – not just focus on buying a bargain. You could be waiting two years to find that 'bargain' and miss out on high quality property that will grow at a faster rate than your so-called 'bargain'.

Investors must look at the key demand and supply drivers, such as population growth, rental demand, yield, infrastructure development, employment, local amenities and attractions.

Rich Harvey, founder,
Propertybuyer

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