

Residential property - in a class of its own.

Why is so little serious attention given to residential property investment in either the popular or financial press? Why is it so few "experts" understand the principles of successful residential property investment?

One of the reasons is also one of the main advantages of residential property as an investment...

Almost 70% of the residential market is made up of people who own outright or are paying off their homes (this level of home ownership has not changed much over many decades despite some pundits constantly lamenting home ownership is a thing of the past).

As investors, this level of home ownership is one of our magic ingredients. The majority of participants in the market in which we invest do not act according to, or are motivated by, normal investment criteria. It is a market that is not dominated by investors.

If times get tough the majority of those homeowners do not panic and rush to sell as can happen in virtually every other medium where we might potentially invest our hard-earned funds.

This is a benefit of residential investment that is absolutely unique and is one of the reasons the residential market tends to be less volatile than others yet delivers solid returns over time.

Maybe the fact it isn't volatile is why the general media don't have much to say about the subject of residential investment...it's boring...but you know what? I've met a few people lately who could do with a little less excitement in their lives!