



John Johnston - CEO

## *Final Word*

### **Quality Property Sells Well**

Whilst recent interest rate rises may have taken some wind out of general residential property sales, the quality end of the market continues to perform well.

This should not surprise. The middle and top end of the market are traditionally less affected by interest rate movements than the bottom end or 'mortgage belt' which is affordability hypersensitive.

In the upper ends of the market other factors such as strategic capital growth, return on investment, even convenience, are greater considerations in purchasing.

That is not to say that the upper ends of the market are totally immune to interest rate movements. Were inflation and therefore interest rates to really take off as they did during the Hawke Keating era where rates over 20% were common and you could get high double digit returns from the bank, then property and share investments would obviously lose some of their appeal.

Fortunately, despite the many trillions of new dollars brought into circulation by governments during the GFC, a return to these real bad old days appears unlikely.