

Have investment property yields peaked?



Most pundits agree that global stock market volatility over the last few days has been primarily off the back of increasing bond yields.

The shift in bond yields coupled with wage rises in the US will likely see the Federal Reserve increase interest rates which will eventually flow on to the rest of the world.

Historically low interest rates in Australia in recent years have been the primary driver of the record low yields that we have seen in property.

As Australian interest rates rise, probably in the latter part of the year, so too will yields on investment properties, causing prices to weaken.

If you own an investment property and want to sell before yields rise, our advice is to act sooner rather than later.