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## Is it a good time to jump into the property market?

Common wisdom suggests that the best time to buy a property is as soon as you're ready to take the plunge – but does this advice still apply in the middle of a global pandemic?

While we may not be living in ordinary times the reality is that pandemic or not we all need a place to live in, and the current environment might actually provide some unique opportunities for those hoping to get on the property ladder.

Everybody's circumstances are different, but if you're in a stable financial position and want to break into the property market then there are plenty of good reasons to hit the pavement and see what's available.

Here are just a few:

### Lowest interest rates in history

Money has never been cheaper. The official cash rate currently stands at 0.25 per cent and doesn't look like it will be going anywhere, anytime soon.

There's a lot of competition amongst banks and lenders right now, so shop around to find the best rate.

Even a small saving now could potentially save you thousands over the life of your loan.

## You only need a small deposit if you're a first-home buyer

Saving up the 20 per cent needed for a home loan deposit has long been a huge barrier for first-home buyers, but the introduction of the First Home Loan Deposit Scheme has made things a little easier for some.

The scheme allows those eligible to get into the market with a deposit of as little as 5 per cent, and no need to pay expensive lenders mortgage insurance.

There are only limited places available in the scheme each financial year though, so those hoping to use it need to get onto it quickly.

### Government stimulus is on the table

There are some large financial incentives to get into the property market right now, particularly with the \$25,000 HomeBuilder grant on offer for those looking to build or substantially renovate a home.

While the HomeBuilder scheme has targeted a very limited market, it is the first time in history that the government has offered money to renovate so if you're looking to build or buy a doer-upper it could be a good time to look at your options.

There are a lot of first-home buyer incentives available too, from generous grants to stamp duty concessions, depending on what state you're in.



## There's less competition

Every market in Australia is different right now, but in general investors seem to be taking a backseat, which is helping to make way for owner-occupiers.

Do your research on the area you plan to buy in and if you find that buyer activity is lower than usual it could be your opportunity to get in for a very good price.

## Prices will improve eventually

Nationally, property prices have slowed down since lockdowns and restrictions began in March, but things have been improving since.

Predictions of major property crashes have largely been discounted, with most leading experts now forecasting minimal price falls before the property market sees a turnaround, with CBA's economists predicting that property prices could start going up by as soon as the second half of 2021.

It's always possible that there will be some fluctuations along the way, but if you do your research, find a property in a good location and plan to hold onto it for the long term then you won't regret buying in the current market.

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## What you need to consider before making a tree change

Now that working from home has become the norm, more and more people are considering leaving their urban digs behind to enjoy the clean country air.

But if you're about to uplift your entire life to head to a regional town there are some important things you should consider first.

### 1. What services will be available?

If you move to a remote location then you might not have some of the basic infrastructure that you've become used to in the city.

In some places you might not have access to town water, meaning you need to rely on rainwater tanks or water deliveries. Even energy connections can be shaky in certain locations.

You should also look into internet and phone connections where you plan on moving to, particularly if you will be relying on these to work from home.

### 2. Do you have time for maintenance?

Larger properties can be great, but they can be hard work too.

If you plan on buying a large acreage block to enjoy more space then you'll want to ask yourself if you're willing to take the time needed to maintain the property and stay on top of yard work.

### 3. What are the local schools like?

If you have children, or plan to in the future, then the quality of local schools should be top of mind.

Research the schools in the local area and make sure you are happy with them before making a move, otherwise you might find yourself wanting to move again in the near future.

### 4. Can you commute to the city if you need to?

While you may be able to work from home now, this may not always be the case.

It's worth asking yourself what you would do if you needed to change jobs or commute into the office occasionally?

A lot of city-based companies have very flexible workplace arrangements at the moment but it is still possible that this will change in the future, so this is something to keep in mind before planning a major move.

### 5. Do you know the local property market?

If you've been daydreaming about moving to a particular destination but haven't spent much time there before, then it's definitely worth trying before you buy.



Once you live somewhere for a little while you can get a better idea of the streets that are most desirable, or the types of property features to look out for.

While you might want to make a purchase right away, it's probably wiser to try renting first to get a real feel for the area and work out what you want out of a property there.

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### Should I renovate my property or sell it as is?

Are you looking to put your property on the market, but it's looking a little worse for wear?

Many sellers ask themselves whether they should invest the time and money in their property to make some improvements before putting it up for sale.

Most of the time spending a bit on improvements can lead to a much higher sale price, but there are occasions where it's not worth the bother.

So how do you know if renovating is the right thing to do?

#### Research the local market

The first thing you should do is look up properties that have recently sold in your local area.

Compare the price differences between properties that have been renovated to those that are un-renovated. If there is a large price discrepancy then you are likely to do well by making some improvements.

#### Figure out what buyers are looking for

There's no need to go overboard when it comes to renovating before selling, often only a few simple changes are needed.

Figure out what type of features are popular in your area – for example local buyers might be on the lookout for a home office or entertainment areas in the backyard.

Talking to a local real estate agent can be helpful as they have first-hand knowledge of what buyers in your area are on the hunt for.

### What if there is too much to do?

If a property looks like it's about to fall down then a fresh coat of paint probably isn't going to add too much value, but in most cases a few little cosmetic touches will be well worth the effort.

It does depend on who your targeted buyers are, but in general a well-presented property is going to sell for more. So even if you're selling a fixer-upper it might be worth tidying up the yard and cleaning inside to help potential buyers imagine what they might be able to turn the property into.

If a property looks like too much work it can scare buyers away.

A few basic tasks to consider before selling (but always ask your agent for specific advice):

- Clean, clean, clean
- Repair obvious issues, such as a leaning front fence or broken windows
- Tidy up gardens
- Paint
- Declutter
- Consider staging with furniture

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### Can I transfer my lease to a new tenant?

If you're looking to break your lease then you might be lucky enough to find somebody who wants to take it over for you – but can you simply transfer it to them?

While it's often helpful if a tenant has somebody in mind to take over their lease when they move out, it's worth noting that any new tenants will still need to apply for the property as would happen normally.

This means that an application form will need to be filled in, references will need to be checked and any other steps need to be carried out to make sure the new applicant is suitable.

The landlord is under no obligation to automatically accept a new tenant.



## What should you do?

As soon as you decide you want to break your lease it's worth getting in contact with your property manager to explain the situation.

They can discuss the steps that you and the person looking to take over your lease need to take.

If a new tenant is approved then it can work out well for all parties as the landlord doesn't have to worry about the property potentially sitting vacant once the lease is up, and the current tenant won't need to worry about continuing to pay rent.

Rules around transferring tenants do differ between states though, so for further information it's best to find out information from your state's rental authority, or to discuss issues directly with your property manager.

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