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### IS 2023 A GOOD YEAR TO SELL YOUR PROPERTY?

As we enter the new year, you may be wondering if now is the right time to sell your home.

While the final decision is up to you, reviewing the following questions will help you find your answer:

#### Why do you need to sell your home in 2023?

If you are in a position where you need to sell for financial or personal reasons, there is no question — the time is right. In this case, you may as well take action sooner rather than later and find an agent so you can sell your home and move on with your life.

On the other hand, you may simply have an idea in mind that you'd like to move. Speak to your mortgage broker, accountant and/or financial advisor to weigh up your options and figure out if selling will impact your finances in a positive way. Take the time to see what's available in the area where you want to live as well, it may be that your existing home actually has everything you need.

#### How is your local market performing?

On the fence as to whether or not to sell your home in 2023? Take a look at how property prices are performing in your area.

If forecasters are predicting a drop in house prices in the coming months and you want to stay local, you may be better off selling sooner rather than later. This way you can make fair money on your sale and potentially have slightly more to spend in a slowing market.

Rising prices may impact your strategy. It might be wiser to buy, arrange a bridging loan, then sell.

#### Where do you want to live next, and will selling allow you to get there?

Just because you sell your home doesn't mean that you will be able to afford to buy in your dream suburb.

Do your research before you count on the fact that the sale of your property will give you the cash you need for a deposit on your next home.

If the value of your current home won't cover the switch to a more upmarket town or suburb, you might want to consider holding out and building your savings up before you put your home up for sale.

### How ready are you?

Selling your home can be a lengthy process, especially if you are pushing for top dollar.

The work that takes place before a property goes on the market is as important as the time it is open to the public to view. Before you sign a contract with a real estate agent, make sure you have the time and energy in 2023 to deal with everything selling your home entails.

Selling a property involves:

- Conversations with real estate agents
- Decluttering and packing
- Cleaning (lots of cleaning)
- Fixing things up around the home
- Upgrading some parts of your home
- Having photos and videos taken
- Preparing for open home day
- Going through the auction process (if you choose to go down this road)
- Negotiating with interest buyers
- Preparing to move

The process can take weeks or even months so factor this in.

### Who is your real estate agent?

The aim of selling your home is to get the highest possible price for the market you're selling in. To ensure this happens, you need to work with an experienced local real estate agent.

Your agent will know how much to set the asking price for and will give you advice to help you decide if it's a good time to sell that is based on current information. They will also be able to provide tips on improving your home in order to generate competition from buyers.

Before you make your decision, speak with two or three different real estate agents. See whose opinions resonate with you and ask questions about their most recent sales.

At the end of the day, the decision to hold onto your home or sell it in 2023 is up to you. Remember autumn is always a busy time for property sales in Australia... if you start conversations now you can be ready to list your home when buyers are out in force.

**Contact your local Professionals representative for personalised advice on whether to sell in 2023.**



## **AVOID THESE COMMON BUYER MISTAKES TO FIND YOUR IDEAL FAMILY HOME**

Your first place is your starting point as a property owner but the stakes are a little higher when you're buying your 'forever home', with a plan to stay in it while you raise your family and potentially as an empty nester as well.

You don't want to get it wrong, so keep the following costly mistakes in mind:

### **Mistake #1: Not having room for growth**

One of the biggest mistakes buyers make when choosing their 'forever home' is not giving themselves space to grow.

As kids come along, they need more room. Obviously, the more kids you have, the more space you need.

This doesn't mean you have to buy an enormous house. Instead, look for a home that has the potential to expand. A small home on a larger block that can accommodate additional rooms or a granny flat in the yard may be a wise investment. As your equity grows, you'll have the potential to refinance and pay for extensions.

### **Mistake #2: Location location location**

If you plan on having kids and raising them in your new home, it needs to be in the right suburb.

Think about which school your children will get to and how they will get there. Are there bus and train stops nearby? Will they be able to play safely and take short walks without you feeling worried about them?

Keep your future lifestyle in mind when looking for a longer-term home and check out local playgrounds and child-friendly spots, even if you don't have kids yet.

Consider what you *don't* want as well, for example, noisy venues that will interrupt sleep.

### **Mistake #3: Trying to perfectly time the market**

You want to buy your forever home, but you want the perfect price.

Is the market going up or down? Do you pounce now or wait another six months? While these are questions that should be addressed, getting too bogged down in buying at the 'perfect' time is a mistake.

The real estate market is unpredictable by its very nature, and there is no way to get it just right, but we see many people hesitating for so long that they miss dozens of great opportunities.

The sooner you buy a home, the sooner you can pay it off and grow your equity.

### **Mistake #4: Being guided by emotion**

While you obviously want to like the home you are buying, it is still vital to strip away some of the sentimentality.

You need to buy with your head as much, if not more than your heart.

The best way to do this is to write down a list of must-haves, would-like-to-haves, and bonuses. This way you won't be distracted by a single feature that you feel you can't live without, only to realise the place doesn't actually suit your long-term needs.

### **Mistake #5: Not getting to know your local real estate agents**

When you're a buyer, real estate agents are not the enemy. It's their job to match buyers with houses, plain and simple.

If you see a home that doesn't tick enough boxes, have a chat with the selling agent anyway. They may have a place coming up that is more suitable but they can't let you know if they don't have an idea of your budget and what you are looking for.

**Want help buying the perfect family home? Contact your local Professionals agent today.**



## THE ESSENTIAL GUIDE FOR FIRST HOME BUYERS IN 2023

Buying your first home is exciting, but the landscape looks different in 2023 due to changing interest rates, first home buyer grants and other opportunities.

Here's what to consider as you work towards making your exciting first purchase.

### How much can you afford?

Before you can buy a home, you need to know what you can spend.

This will depend on:

- The deposit you have
- Your budget and expenses
- Your debt
- Your income
- Any other savings or assets you have
- Interest rates
- The other costs associated with buying a home (legal fees, building inspections etc)

The first step is to speak with a mortgage broker, who will help confirm your budget and work with you on a plan for home loan approval.

### Keep changing interest rates in mind

In 2023, it is important to keep changing interest rates in mind.

The Reserve Bank has indicated that it will keep increasing rates this year, which means the minimum cost of a home loan is going up. If you take out a variable-rate loan, your mortgage repayments may increase over the coming months.

You need to take this into account when figuring out how much you can afford to borrow, and more importantly, pay back. It's a good idea to make sure you can afford to accommodate a few payment jumps without being under too much financial strain.

Talk to your broker about locking in a fixed rate or choosing a split loan that keeps part of the rate fixed for a certain amount of time.

### Explore First Home Owner Grants

If you are buying your first home, you should definitely find out what grants you may be eligible for.

For example, in NSW, the FHOG (First Home Owner Grant) applies when you buy or build your first new home, although

conditions apply. There is also a Regional Relocation Home Buyers Grant, which provides a one-off payment of \$7,000 to approved applicants to assist with the cost of relocating from a metropolitan area to a regional area.

The other incentive is the Regional First Home Buyer Guarantee, which can give you access to a home loan with as little as 5% deposit. Again, conditions apply, but it's worth having a chat with your broker about what's possible.

### Consider stamp duty vs land tax (NSW only)

If you are a first home buyer in NSW, you now have a choice between paying stamp duty on your home or opting to pay an annual fee/land tax.

The recently introduced First Home Buyers Choice scheme allows first-time buyers to choose between these two options. Your choice will depend on a number of factors including how long you intend to maintain ownership of the property and how much you pay for it. The benefit of paying the land tax/annual fee is that you will need less of a deposit. The drawback is you will have to pay ongoing costs.

The NSW government provides a handy tool to discover whether you will be eligible for the choice and how much stamp duty you would have to pay as opposed to the annual bill.

### Don't skip the details

When you're buying your first home, it can be tempting to skip important details like structural and pest inspections because you are excited about making a place your own.

If you buy a place, only to find that there are serious structural issues that need addressing, you will find yourself out of pocket.

### Find a quality real estate agent

Buying a home is a huge task, even if you have done it before.

As well as working with a mortgage broker to secure finance and explore your options for grants etc, connect with a few local real estate agents in the area where you want to buy. Your agent will share valuable advice and let you know when a property that matches your criteria comes up for sale.

**Get help to buy your first home in 2023. Contact your local Professionals representative today.**



## AUSTRALIA'S NEW YEAR PROPERTY OUTLOOK

The Australian real estate market has experienced some roller coaster ups and downs over the last few years.

In the last twelve months, prices in many cities dropped, but this followed meteoric rises during 2020 and 2021. At the same time, interest rates increased significantly as the Reserve Bank attempted to counter inflation.

According to CoreLogic, a -5.3% drop in housing values through 2022 marked the first time since 2018 that national home values fell over the calendar year. The 12 months to December also marked the largest calendar-year decline since 2008.

So what is ahead for 2023?

While it's impossible to say exactly, here are some of the forecasts from economists and experts:

### Shifting prices

When it comes to property values, opinions are divided.

According to the Property Tribune, in big-picture terms, home values are predicted to remain sluggish and even drop in many cities, at least during the first half of 2023. It's forecast that Sydney, Melbourne and Brisbane in particular will be hardest hit, while Perth may see some slight growth.

However, this counters a report from a week earlier by realestate.com.au, which predicted prices in Sydney will increase in 2023. Apparently, an increase in demand for housing will see the Sydney market grow by 5 - 9%.

Over at Propertyupdate.com.au, confidence is high that predictions of a major fall in the Australian housing market are over-exaggerated. Well-known expert Michael Yardney suggests in his recent article that prices will fall, just not by a significant degree.

### Interest rates

One of the most significant factors influencing house prices through 2023 will be the state of interest rates.

At the end of last year, ratecity.com.au reported on the predictions of the big four banks when it comes to interest rates in 2023:

- **Commonwealth Bank:** 3.35% by December 2022, then dropping to 2.85% by December 2023
- **Westpac:** 3.85% by May 2023, then dropping to 2.85% by November 2024
- **NAB:** 3.60% by March 2023, remaining steady into 2024
- **ANZ:** 3.85% by May 2023, then dropping to 3.50% by November 2024

The Reserve Bank has stated that changing interest rates will depend on whether or not inflation comes under control, which is why it's hard to know what will happen.

### What does it all mean?

There are some 'doom and gloom' predictions but after reviewing the opinions of multiple experts, it seems like the average forecast is for a mostly steady market during 2023, with a chance of price rises later in the year.

Final results will depend on buyer confidence and the performance of the local and international economy. If interest rate rises put too many homeowners under pressure, urgent sales may keep average prices from rising. However, rising numbers of migrants and expats returning home are likely to keep demand for dwellings strong, which will in turn help prices to hold strong, especially in popular cities.

### Should you buy or sell in 2023?

While general forecasts are always interesting, it's more important to focus on the areas where you want to buy or sell.

Get to know the local agents in your area so you can find out exactly what's going on in terms of prices and make a decision that reflects your own goals and budget.

**Planning a property transaction? Reach out to your local Professionals agent.**



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