



In this issue:

- Should you allow inspections before your home is officially on the market?
- How to buy before you sell
- Can you take advantage of the fixed rate cliff as a first home buyer?
- The suburbs and cities defying the downturn

SHOULD YOU ALLOW INSPECTIONS BEFORE YOUR HOME IS OFFICIALLY ON THE MARKET?

It's a conundrum that many home sellers face; do you let potential buyers in to see the property before it has officially hit the market?

If you are getting ready to sell your home, this is a question you may be faced with, so you need to know why it might happen and what to do about it.

Why agree to a property preview

The standard process for selling a home is to get it ready, have photos taken then host an open home.

However, your agent may have some keen buyers on their books who they know are a good bet for buying your property. These buyers are highly motivated and may not wish to wait a few weeks for you to be ready. It could be a matter of 'now or never'.

Your agent may also be in touch with a buyer's agent who has purchase-ready buyers on their books and might be able to find someone to make an early offer. Buyer's agents appreciate the opportunity to see a home ahead of the crowds, and they can be helpful to make the selling process much faster.

Pros and cons of letting buyers in before you are market ready

There are two potential negative outcomes to allowing buyers to view your home and make an offer before you have the place looking its absolute best:

- **You may not get the highest price:** If your home is not made ready, you may not get the full price. Simple things like a new coat of paint or decluttering can add value to your home in the eyes of potential buyers. Not having the chance to do this can hurt your sale price.
- **You may not get an offer:** With an unprepared home, potential buyers may not be able to see how excellent the property is and pass up the opportunity to buy.
- **Lost opportunity:** If a buyer says no on the first visit, they may not be back, even when you have put the work in to present the home well.

However, there are benefits to this strategy:

- **Getting it over with:** Getting an early offer before you even start getting ready can save you enormous amounts of time and effort. It may even be worth it to you to sell for slightly less if you don't have to go through the process of fixing up your home. Add to that the costs involved in preparing and marketing your home, and it can be a no brainer to sell early.

Consider that you may spend \$50k and four months preparing your home for sale, having it styled and covering marketing costs. If you can get an offer that is \$75k less than you want during the preview phase, it still may be worth your while due to the time and money you save.

- **The chance for feedback:** Even if your early buyers don't make an offer, there is still the opportunity to ask them for feedback to find out what you can fix when you get ready for market.
- **Privacy:** If you are selling due to a separation or you don't want people to know your house is for sale, the preview process can save you from putting up signs and advertisements.
- **Competition:** If your agent has good contacts amongst buyers and buyers agents, you may still end up with people bidding against each other, which will push the price up.

What to do?

If you want a quick sale and can be flexible on the final price, an early offer may make your life easier.

However, if achieving top dollar is your goal, it might be worth waiting until you are 100 per cent ready, and have invested in styling, repairs and a high quality marketing campaign.

Have a discussion with your agent to find out which strategy makes sense.

Need help to sell your home? Reach out to your local Professionals representative today.



HOW TO BUY BEFORE YOU SELL

When you are selling your home, you are probably in the process of buying as well. Sometimes, the situation will arise where you find your ideal place and need to make an offer before you sell your existing home.

Performing these two tasks simultaneously can be daunting because you don't want to end up with nowhere to live or with two mortgages on your hands.

Take a look at some solutions which can make it easier to buy before you sell:

Deposit bonds

When you are purchasing a home, you are expected to hand over a cash deposit, usually 10% of the purchase price. Of course, if you are still in the process of selling your home, coming up with this cash can be a tall order.

That's where a deposit bond comes in.

A deposit bond (also known as a deposit guarantee) is a form of insurance policy. It is a guarantee to the vendor that you will be able to pay the deposit when settlement comes.

Deposit bonds are available from a wide array of sources, including banks and other lenders. However, they are most commonly issued by insurance agencies. There is usually a fee involved to cover the costs.

Be aware: not all home sellers will accept deposit bonds. Have a discussion with the selling agent to find out if your deposit bond can be accommodated.

Bridging loans

The other option to deal with the gap between buying a new home and selling your existing one is to take out a bridging loan. This is a short-term solution that works by giving you a 'double loan' of sorts, for a period of 6-12 months.

Of course, a bridging loan means you will take on more debt but there may be an interest-only payment arrangement which reduces your outgoing costs.

A qualified mortgage broker will be able to provide specific advice about your options when it comes to a bridging loan arrangement. It is important to understand the terms and conditions of the bridging loan you choose before you sign on for it.

Extended settlement period

Before you buy your new place, you may wish to negotiate an extended settlement period. This will give you some more time to sell and it will give the person selling to you extra time to find and buy their own property.

Talk to your agent and solicitor about the possibility of settling over eight or ten weeks instead of six.

An understanding real estate agent

If you have found the home you want to buy, made an offer and had it accepted, you will need to sell your existing property sooner rather than later.

When you work with an experienced local agent and explain your circumstances, you will be able to arrange a speedy sale, for a price you are happy with. Your agent will understand the urgency and do everything they can to bring a motivated buyer to your door in as little time as possible.

Need to sell in a hurry? Contact your local Professionals representative today.



CAN YOU TAKE ADVANTAGE OF THE FIXED RATE CLIFF AS A FIRST HOME BUYER?

The fixed-rate cliff is a scenario you may have heard about recently if you own real estate or are looking to buy. The situation is expected to trigger a number of property sales, which may be a good thing for first home buyers.

Of course, it is impossible to predict the future with complete accuracy but here is why some people are actually in favour of the recent interest rate rises because it opens up opportunities in the property market.

What is the fixed-rate cliff?

The fixed-rate cliff is associated with fixed-rate home loans.

When taking out a mortgage, buyers have the option of choosing a variable or a fixed-rate loan. A variable loan means interest payments will fluctuate based on the numbers set by the Reserve Bank of Australia. A fixed-rate loan means the rate is decided in advance and is fixed for a predetermined time.

No fixed rate loan is fixed for the full term of a mortgage. That means that at some point, homeowners paying at a fixed rate will have to pay a rate more consistent with current interest rates.

Three years ago, interest rates hit record lows. Many investors opted into the property market, setting a low fixed rate. Now, those rates are set to expire, which may add as much as \$1,000 per month to the repayment costs of a home loan. Because of this high number of borrowers and home owners may decide they would rather sell their property than pay a much more expensive mortgage. In some unfortunate cases, the extra cost is unmanageable and will mean the bank takes over and sells the property for them.

What's going to happen

Most Australians are tightening their financial belts this year because there have been ten successive interest rate rises, and there are more to come.

Real estate data company CoreLogic says the 'hit' is most likely to start being felt in April 2023 as a result of high numbers of fixed rate loans expiring and other people putting their homes on the market because they cannot cope with mortgage costs.

How will this affect you as a first-home buyer?

For first-home buyers, the fixed rate cliff could be good news.

To start with, the fixed rate cliff, along with a few other factors, is making buyers tentative at the moment. This means there are fewer people looking to make a property purchase.

If investors decide to let go of their properties in higher numbers than usual, the result will be a surplus of stock on the market. First home buyers will finally have some more breathing room and the ability to negotiate.

It's never nice to benefit from someone else's troubles, but if you have a steady income and preapproval from your lender, this means you may be able to make the leap into home ownership this year.

Start speaking to agents today

Buyers who can accommodate the currently high interest rates should find they have the advantage in the Australian property market over the next few months. Even if values drop for the short term, history has shown they will start to rise before too long.

Now is the time to start building relationships with real estate agents to let them know your budget and your goals so you can take advantage of changing interest rates pushing more homes onto the market.

Want to buy your first place? Contact your local Professionals office today.



THE SUBURBS AND CITIES DEFYING THE DOWNTURN

While headlines are talking about a national property slowdown in Australia in 2023, the downturn isn't universal. Some postcodes are bucking the trend and holding steady or even rising in value.

Here's a quick look at some current suburbs in cities and regions that have experienced growth over the last twelve months.

Property in Australia

If you're planning to sell or looking to invest, it's important to do some research. These are some of the suburbs that have delivered impressive results over the last twelve months.

• NSW

In Sydney, the two suburbs to look out for are Austral and Melonba.

Melonba near Riverstone and Marsden Park has gone up by more than 25 per cent over the last year, while Austral showed a 36% change and is experiencing some of the highest growth for any postcode in the nation.

In regional NSW, look to places like Hunterview in the Hunter region to the north of Sydney, with 28% growth and Narrandera in the state's west, with 21% for houses in Muswellbrook, with 20.5% and Armidale, with 20.2%.

• VIC

The strongest Melbourne suburbs for house prices over the last twelve months were Elwood, with a 14.7% rise over the last six months, and Rockbank which rose 7.3%, bringing the average for the suburb to \$615,000.

Regionally, growth areas included Gippsland's Leongatha (+13.5%) and Lucas in the west of the state (+12.6%) for houses. Shepparton in the north east saw good growth in unit value (+30.5%).

• QLD

In Brisbane, some of the top suburbs for house price growth were the Logan City suburb of Greenbank (+21.5%), Upper Caboolture (+53.6%) and Eight Mile Plains (+30.5%). For units, Stones Corner grew by 12.5% and Beenleigh rose by 26.1%, pushing values close to the \$300,000 mark.

In regional Queensland Port Douglas (+10.4%) experienced strong growth for house prices. For units, the Gold Coast's Ashmore (+15.1%) and Main Beach (+33.3%) were top performers.

• SA

The best Adelaide postcodes for house price growth over the last twelve months were Munno Para (+15.1%) in Murraylands, Davoren Park (+32.6%), and Salisbury (+28.0%).

In the regions, South Australia's best-performing suburbs were Mannum (+37.7%) and Goolwa Beach (+35.4%) for houses and Port Lincoln (+11.9%) for units.

• WA

South Guildford (+13.3%) is performing well for house price growth. Unit price growth has been high in suburbs close to the city including Mount Pleasant (+12.5%) and Wembley (+11.5%).

'Winners' in regional WA are Jurien Bay (+19.6%) and Eglinton (+5.3%) for houses, and South Bunbury towards the Margaret River region (+22.0%) for units.

• TAS

In Tasmania, Penguin (+21.4%) and Trevallyn (+13.0%) have been high performers for house value.

• ACT

In the ACT, suburbs that are performing well include Taylor (+19.0%) and Watson (+6.3%). For units, look to Campbell (+15.7%) and Coombs (+19.8%).

Keeping perspective

The long list of suburbs and postcodes bucking any downturn trend is good news for property owners and investors in these areas.

However, if you're in a suburb that has decreased in value, take a look at its long term performance. Chances are there was a significant jump during the pandemic, which will put you ahead if you bought prior to 2020.

Consider that national growth over the last ten years is extremely positive, with overall value increase of more than 70 per cent.

If you're looking to sell your home or invest in a growth area, what's most important is to have quality advice and to work with someone local who can help you understand the value of your home and make decisions that will work for you.

Reach out to your local Professionals agent today.



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