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Another win for Aussie first-home buyers

A number of government incentives and stimulus packages have been introduced this year in a bid to prop up the property market and construction sector, and no one seems to have benefitted more than first-home buyers.

While all home buyers have been able to take advantage of record low interest rates and subdued price growth, first-home owners can also take up generous first home owner concessions and make use of the federal government's First Home Loan Deposit Scheme, of which an extra 10,000 places have just been added.

The new places were announced as part of the 2020-21 federal budget and are for newly constructed homes.

First-home buyers who take up the offer are able to get into the property market with as little as a 5 per cent home deposit, with the government guaranteeing up to 15 per cent of the loan. This means that buyers can avoid paying the thousands of dollars that needs to be spent on lenders mortgage insurance.

Given that the new places offered under the scheme are for new homes only, the price cap on eligible purchases has also been increased.

The extra places will be available until June 30, 2021.

Successful applicants for the scheme may also be eligible for the HomeBuilder program, which provides \$25,000 grants for those building or substantially renovating a property.

The First Home Loan Deposit Scheme and HomeBuilder can also be coupled with state government first-home owner grants and/or stamp duty concessions. Depending on which state you live in there could be as much as \$55,000 in cash on offer to help build your first home.

There have never been more government incentives available for property buyers than there is now, so if you've been thinking about getting into the property market then now might be the ideal time.

But you'll want to be quick if you want to take up what's on offer.

The original 10,000 places that were made available in the First Home Loan Deposit Scheme for the 2020-21 financial year are already filling up fast, and the HomeBuilder program requires a building contract to be signed by the end of this year.

Visit the following websites for further details:

First Home Loan Deposit Scheme – www.nhfc.gov.au/what-we-do/fhlds

HomeBuilder – <https://treasury.gov.au/coronavirus/homebuilder>

First home owner grants - www.firsthome.gov.au



What to do when you're not happy with your house plans

There has been a noticeable rise in the popularity of renovating and rebuilding homes in 2020.

It could be because we've all been spending more time at home of late, or maybe because there's \$25,000 on offer from the government's HomeBuilder scheme, but whatever the reason behind it there has been a lot of people looking to make major changes to their home.

While this has led some to have some amazing new and improved homes, others might still be struggling as they try to get a good house plan together.

Good designs take time

If you've engaged a building designer or architect to help put your dream home down on paper then be prepared for it to take some time.

Even if all goes smoothly it could take upwards of 6 months to have plans that you are happy with, and ready for your builder to use.

Apart from the design work itself, which generally takes a lot of back and forth between you and a designer, you might need to obtain site surveys, engineering reports, certifications and council approval, depending on what you're looking to get done, meaning there is a lot of places where your designs can get held up.

Try not to get disheartened if your design isn't coming together as quickly as you initially hoped, particularly if you have a difficult site or there are a number of constraints with the original building on your property. It is quite normal for it to take time to nail a good design that encompasses everything you're looking for.

Make sure you communicate

Your design outcome will turn out better if you're upfront at the very start about the things that are important to you in your home.

Ask yourself the reasons you're renovating to help you get a clear idea of what you want to portray to your designer.

Do you want a better indoor/outdoor connection? Or perhaps you're hoping to create a more open plan living space that's suitable for entertaining?

Think carefully about your design brief from the very start and make sure you communicate what you want.

It's also important to be upfront about what you're willing to spend on creating your dream home.

It's easy for costs to blow out so you may need to reign in the ideas of an architect or a building designer if their plans are getting beyond what you're willing to spend.

Know when to cut your losses

Getting design plans drawn up for a home aren't exactly cheap, but going ahead with a bad design is going to cost a lot more.

If you go through the process of getting house plans done and you aren't happy with the end result then it would be foolish to spend hundreds of thousands of dollars because you don't want to have wasted a few thousand on getting the plans drawn up.

Designing a home is often a learning curve and it's not uncommon for people to use multiple designers or architects until they find a plan they're finally happy with.

In some cases the design process may even help home owners realise that renovating or rebuilding isn't for them after all and they are better off finding a more suitable block of land, or perhaps just moving somewhere where all the hard work has already been done.

Don't forget to do these things at the end of your lease

In the lead-up to the end of your lease your main concern might be where you're moving to next, but it's important that you also take the time to ensure everything is in order at your current property so you can leave it in as good condition as when you first moved in.

It can take a little bit of time organising a rental move so here's a few things you'll want to mark in your calendar.



Check over your lease

It's a good idea to dig out your property's lease agreement and look for any special conditions that are expected at the end of the lease.

For example, a lot of the time it is expected that carpets or other items are professionally cleaned before vacating the property.

Don't forget to keep a copy of your invoice if you do get anybody in for cleaning, just in case you need it as evidence to show to your property manager after it has been done.

Tidy up the yard

If you have a backyard at your rental then you'll want to give it a good tidy up before you leave.

Not will you want to mow any lawns, but you'll want to spend some time removing weeds and trimming back overgrown trees and hedges. You may also need to replace any dead trees or plants.

Leave the place spotless

It should go without saying, but you're going to want to ensure your rental is absolutely spotless before you leave.

Pay particular attention to kitchen, laundry and bathroom areas, as these tend to have the most build-up of grease and grime over time.

Everything in the property needs to be returned to the same condition it was in when you initially moved in.

If you don't want the stress of cleaning yourself then you may want to consider getting a professional bond cleaner, many of which will guarantee getting your bond back, or at least return if there is anything they have missed.

You may want to ask your property manager if there is a bond cleaner they recommend.

Cancel utilities

You'd be surprised by how often people forget to cancel their utility accounts before they leave their rental properties.

To avoid overspending on your utility accounts you should ensure you let your providers know about your move as soon as you have a date locked in.

Do a final inspection

Once you've packed up and moved out you should take the time to give the property a thorough look over.

Again, get out your lease agreement and check over every item to make sure you haven't missed anything before you hand over the keys.

Three reasons to use a mortgage broker

With interest rates at record lows there's possibly no better time to take a look at your mortgage options, but a lot of people don't know where to begin.

There's a multitude of different mortgage products available on the market at any given time and the thought of having to sift through and understand each one can seem like a very daunting prospect, particularly if you're new to home buying.

Brokers take away the confusion

That's why many home buyers turn to mortgage brokers to help them explore their options.

A mortgage broker can spend the time with you to figure out exactly what you're looking for and do the research needed to find the most suitable product.

Some people may think that finding the best mortgage is just about getting the lowest rate possible, but there are other things you might want out of a loan too, such as flexibility or access to your equity.



They offer the advantage of choice

If you go directly to a lender they will also be able to guide you on what is the most appropriate loan for you, however they will be limited by the interest rates and products they have available.

This is where a mortgage broker can really shine, as they will have a range of products from various lenders they can draw upon to find the best solution for you.

Do keep in mind however that some brokers have access to more lenders than others, in what is often referred to as their “lending panel”.

Ask the broker you intend to use what their lending panel looks like, because ideally you want your broker to have a wide range of lenders they can draw upon to offer you more choice.

They will guide you through the process

Once you've found a broker you're happy with they can take away a lot of the heartache of applying for a home loan by filling in all of the paper work for you and getting everything together that you'll need for a successful approval.

A good broker will speed up the approval process too, simply because they are prepared to deal with any of the common holdups that could occur during a loan application.

It's also handy simply having someone you can call up and ask for advice about your loan when you need it.

It is imperative that you find a good mortgage broker if you want to get the best service though, so don't be afraid to ask around for recommendations and ensure the broker you use holds all appropriate licences and qualifications.

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