

PRONNEWS

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THE PROPERTY MARKET IS BOOMING - HERE'S HOW TO MAKE THE MOST OF IT

Record low interest rates, attractive government incentives and an improving economic outlook are all contributing to one of the fastest growing property markets that Australia has seen in almost two decades.

Property prices in February 2020 surged by 2.1 per cent, according to CoreLogic data, the fastest recorded month-on-month that's been seen since August 2003.

And with the Reserve Bank all but promising that low rates are here to stay for the next few years at least, it's looking like Australia's obsession with property will be with us for awhile.

Several economists are predicting property prices will see strong growth over the coming years, including Westpac who have forecast prices will rise by as much as 10 per cent this year and a further 10 per cent in 2022.

So, what can you do to make the most of the property boom?

If you're thinking of selling...

It's undeniably a sellers' market right now, but that doesn't mean you shouldn't still make every effort to get the most value out of your property.

Just as in any other market you should make the effort to present your property at its absolute best and find the best agent for the job.

Even simple things like painting and styling can help make a property appear a cut above the rest, and may draw out emotional buyers who are more likely to make strong offers.

It is worth keeping in mind though that the property boom is not being experienced equally across all areas and property

types, with houses seeing much stronger growth than apartments for example.

No two properties are ever the same, so chat to local agents to find out what is happening in your area and what you should be doing to make the most of it.

If you're thinking of buying...

Buying conditions are a little challenging at present, but with property prices on the rise, the sooner you can get into the market the better off you're likely to be.

If you want to give yourself an edge over other buyers then get yourself as prepared as you can before you start heading to open homes.

The first thing you should be doing is talking to lenders and working out what your borrowing capacity is, so you know how much you can offer.

Then it's important to do your research on the market you want to buy into by following sold prices, heading to open homes and auctions and chatting to local agents.

Some properties may get sold before they ever get a chance to be listed online. To avoid missing out you'll want to let agents know the types of properties you're looking for so you can be alerted of any potential off-market sales.

When you do find a property you want you should make your moves quickly. Properties aren't lasting long right now so if you delay making an offer then you might miss your chance.



WHAT IS BRIDGING FINANCE? AND SHOULD YOU USE IT?

One of the common dilemmas homeowners face when they are looking to purchase a new home is whether they should sell or buy first.

Many people would prefer to be able to buy a property before selling their current one so they don't risk a long period of being without a home, but this can make financing tricky - which is where bridging finance can come in handy.

A bridging loan is essentially when finance is provided to purchase a new home before your old home has sold.

It is usually an interest only loan that covers a period of up to 12 months, though sometimes it is shorter.

During this time, or until your property sells, you will need to be able to make payments on your existing home loan and on the bridging finance loan.

If your existing property doesn't sell in the specified period then the lender will sell your property and take whatever offer is best at the time.

Pros of a bridging loan:

- Makes juggling a purchase and sale easier.
- You can take your time getting a good price on your existing property.
- You can avoid the need to move twice.

Cons of a bridging loan:

- You will be paying interest on two properties - which may add up to a lot if it takes you a long time to sell.
- May not be available with your current lender - meaning you may need to switch your loan to a new lender to make it work.

- May make you settle for an offer on your existing property quickly, leading to a lower sale price than hoped.
- Not everyone qualifies. Normally at least 20% equity is needed in your home, plus you will need to be able to finance the cost of both loans.

What are my options if I don't use bridging finance?

There's nothing to say you need to use bridging finance to manage a purchase and a sale.

In many cases it can be less stressful to sell your current property first, so you know exactly how much you have to spend on your next home and you don't need to worry about servicing two loans.

Selling first can be made easier by negotiating a long settlement period, which will buy you some extra time.

The new owner may even be happy to let you rent at the property for a time as a condition of the sale.

If you think a bridging loan may be for you though then it's a good idea to have a chat to your lender to find out what your options are.



5 THINGS TO DO BEFORE VACATING A RENTAL

As much as you might love your rental property there is likely to come a time when you'll have to say goodbye.

While moving homes can be challenging, if you're aware of your obligations before leaving your rental then things are likely to go a lot smoother for you.

1. Give adequate notice

Unless you're the one that has been given notice to leave, you're going to have to let your landlord know of your intention to vacate the property in writing.

The amount of notice you will need to give will depend on the state or territory you live in, and whether you are on a fixed or a periodic lease, but you may need to give up to a month's notice.

If you are breaking a fixed term lease keep in mind that you may be liable for rent until the end of your lease is up, plus potentially other fees too, unless you can come to a mutual agreement with your landlord.

Consult your relevant state legislation for more information on the amount of notice that is required and the potential repercussions of breaking a lease early.

2. Look over the lease agreement

It's well worth giving your lease agreement a look over to see if there are any special terms or conditions that you may have forgotten about.

Most lease agreements are pretty standard but it may stipulate for example that you need to have carpets professionally steam cleaned before vacating.

3. Make the property spotless

It should go without saying, but before you leave a rental property you're going to want to return it to the same state that it was when you moved in.

While you may feel confident cleaning the property yourself, a lot of renters choose to use professional bond cleaners to save themselves some of the hassle. A lot of renters also like that some bond cleaners offer a guarantee and will return to the property to re-clean anything if there are any issues.

4. Check for damage

You are responsible for repairing any damage that has occurred at the property, beyond fair wear and tear.

Examples of damage may include marks or holes in walls, or appliances that are faulty. If it wasn't already that way when you moved in then you will be liable for fixing it.

Once you move out of the home it's a good idea to take photos that can be used as evidence in case there are any disputes about the state the property was left in.

5. Hand over the keys

After you've moved all of your stuff out and returned the property to its original condition, it will be time to hand the keys back in to your property manager.

Make sure that you return all keys that were provided at the start of the lease, as well as any garage remotes, otherwise you will likely incur a charge for their replacement.

If you have any issues at all with your move then contact your property manager who will be able to help resolve them with you.



PREPARING YOUR HOME FOR THE COOLER SEASONS

Summer has left us for another year and while you might still be experiencing warm days, depending on where you are in Australia, it won't be too much longer before autumn's chill starts to set in.

While you might be busy getting rugged up as the cooler weather sets in, it's important not to forget to get your property ready too, so you can enjoy cool nights in comfort.

1. Inspect heaters and fireplaces

You're probably going to want to start using your heating devices as soon as it starts cooling down, so it's a good idea to make sure they're in good repair before doing so. Depending on the heating system you use, you may want to call a technician in to look it over for you.

If you have a fireplace then it may be worth getting it inspected by a chimney specialist to make sure it's free of blockages or other potential hazards. You may also want to start building up your firewood supply now.

2. Make sure the heat will stay in

Your home will have a hard time staying warm if there are any gaps around windows or doors letting that cool air in. If you find any leaks or gaps you should be able to seal them up using caulking or weather stripping.

3. Check smoke alarms

The colder months are generally associated with a higher incidence of home fires due to people spending more time inside and using heating appliances.

To protect your home and family you should make it a regular practice throughout the year to check your smoke alarms are in working order and that batteries aren't in need of replacement.

4. Clean out gutters

While falling autumn leaves can look pretty, they can also lead to blocked gutters.

Cleaning gutters isn't the most fun job in the world, but if they do become blocked they can cause drainage issues or even roof damage, which is definitely something you don't want.

If you're worried about climbing up to the roof to clean them out then bring in somebody to do it for you.

5. Get out the winter woollies

It's a good idea to start getting out all of your old winter quilts and blankets. If they've been stored away for almost a year there's a chance that they may be a bit musty and may require a clean before using.

6. Do a little gardening

It's a good idea to head into the garden at the start of every season to assess what plants need to stay and go.

Plants that have been struggling to make it through summer may not make it through the cooler weather, so it could be worth finding some colourful autumn blooms to replace them with.



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