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## SHOULD YOU TAKE THE OFFER?

Selling your home is stressful, particularly when it is difficult to predict the outcome. Many sellers find themselves facing a 'bird in the hand' type decision when an offer comes in that is strong but not as high as hoped or expected.

Do you accept an offer... or hold out in the hope of a better one? Here are some questions that will help you decide.

### Does the offer reflect market conditions?

Unless you're in an urgent position, you should never sell your home for less than it is worth.

The condition of the market will play a decisive role in your decision. Your agent will be able to tell you if they think the offer is a good one. They will know the prices and movement in the local area and use their knowledge to give you an educated valuation.

### Who is buying right now?

Some parts of Australia are in hot demand so it's possible that another, better offer could come in after an additional home opens. There is also the possibility of an expat discovering the property online and making an offer via a buyer's agent (depending on where your home is located).

Being closely connected with current buyers means your agent will let you know if there is a surplus of interest in properties in your suburb. If this is the case, it might be worth seeing if you can hold out.

### What's your timeline?

How much of a hurry are you in to sell? If you have already purchased another home or if you are selling because of a relationship breakdown, time may not be on your side.

Not taking an early offer can potentially leave your home on the market for longer than you might think. Before you know it, your home is 'on the shelf'. Buyers will assume there is something wrong with it and either pass it over or make even lower offers.

Work out your timeline and talk it through with your agent at the start, and you will know whether it is worth holding out for a better offer or not.

## What's your next move?

You want the offer you accept to help you move forward.

Your next step will be to buy another property, so the offer you accept will have to be suitable for this move.

Consider what the market is like where you intend to buy and how competitive it is. This can factor into your decision to accept an offer.

If you are upsizing in a slow market, sometimes accepting a lower offer will be made easier by the fact that whoever you buy from might find themselves in the same situation. However, if you're downsizing, check carefully to make sure your decision will free up the cash you are hoping for.

### What does your agent say?

If you decide to turn down the first offer that comes in for your property, you need to figure out your next steps. Talk to your agent about making your home more appealing and see what you can do to increase the next bid price.

Agents will have lots of ideas to help bring in good offers. Maybe a small cosmetic upgrade or some styling will make all the difference.

With that being said, a reliable, experienced agent will be honest about the offer you receive. If they believe it is reasonable and the best you are going to get, they will explain why so you can make a fully informed decision about whether you accept it.

**Need the help of a knowledgeable selling agent? Contact your local Professionals representative today.**

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## BUYING A HOME: WHY IT HELPS TO BUILD RELATIONSHIPS

*Don't try to buy a home alone*

Many buyers set out to buy a home with the impression that the real estate agent is the 'enemy'.

This couldn't be further from the truth.

In reality, real estate agents are there to provide a win/win situation for the seller and the buyer. They can't achieve a good outcome for the people selling the home unless they have the enthusiastic (and literal) buy-in from the people who want to buy it.

If you are seriously in the market for property, it makes sense to build relationships with local real estate agents as well as some other providers. Here are some of the people you will work with when you buy a home or investment property:

### The people who help you buy a home

- **Your real estate agent**

Your real estate agent should be all but your best friend when you are on the hunt for property.

Think of this expert as being like a matchmaker whose job it is to connect you with your dream home. As already mentioned, they are representing the seller but they can't achieve an outcome without buyers like you involved.

Reach out to a few local operators and be specific about what you're in the market for. Talk about your budget and what you hope to achieve, be it a family home, a starter apartment or an acreage in the country. When a home that meets your requirements comes on the market, you'll be one of the first people to know about it and may even be granted early access, ahead of other buyers.

A fast sale is a good one in real estate so if you have the right relationships and demonstrate that you're purchase-ready, you'll put yourself ahead of other buyers.

- **Your mortgage broker**

While your agent helps you find your dream home, your broker is there to help you pay for it.

Again, their job is to find the best solutions for you. You need to share your plans and your position with them so they can find you the best deals.

While all decent brokers will do their best for you, having a quality relationship will inspire them to go the extra distance to help you buy a home. This includes going into bat for you with lenders and ensuring you get pre-approval quickly.

Ideally, this will be a long term relationship. Your broker will be able to let you know when you have paid off enough of your original home loan or built up enough equity to finance an investment.

- **Your conveyancer**

A conveyancer helps you buy or sell a house, flat, land, commercial building, or any other type of property. They will take care of the legal side of the transaction, including preparing contracts and reviewing them in detail.

Without a conveyancer, you risk overlooking a detail in the contract that will potentially cost you money. For a small investment, you can be saved a great deal of stress.

- **Your community**

Not all properties are publicly advertised. Getting to know the local community, especially if you are moving suburbs, can be helpful when trying to buy a home.

Join Facebook groups and ask around. People are much more open than you might think, and you could get some good leads (even if it is just people recommending the best real estate agents).

If you come across a private sale, tread very carefully. Bringing someone on board to at least help you negotiate is a wise move.

### Final words

It takes a village to buy a home. Remember, your real estate agent is an essential team member with the power to connect you with your dream home sooner.

Most real estate agents are in the industry because they love making connections, getting to know people and creating those perfect matches. They can't help you unless they know what you want so have some honest discussions and you'll make a friend for life.

**Looking for the best quality local real estate agents? Contact your nearest Professionals representative today.**



## ALP PROMISES TO HELP FIRST HOME BUYERS

*What is Labor doing for first home buyers?*

The ground-shaking 2022 federal election saw Anthony Albanese sworn in as the Prime Minister and a majority Labor government now in charge.

With a new government comes change, and the real estate sector is not missing out.

One of the most significant changes the Labor government has promised will impact some eligible first home buyers and hopefully make owning a home a more realistic prospect.

Here's a breakdown of the homebuyer incentives Prime Minister Albanese and his party have on their agenda.

- **Help to Buy**

The Labor government's major scheme is the Help to Buy scheme.

The scheme is a 'shared equity' arrangement, which means that the government will chip in up to 40% of the price of a new home and up to 30% on an existing property.

At this stage, up to 10,000 eligible Australians will be granted access to this scheme each year. Along with the government's contribution towards the home price, eligible applicants will also only need as little as a 2% deposit. They will also save on Lender's Mortgage Insurance.

For those wary of co-owning a home with a federal superpower, there is even a buy-back clause that will allow homeowners to pay off the government's share of their property over time. There are also price caps on the properties purchased through the scheme, which differ from state to state.

To be eligible, you must:

- Be an Australian citizen over the age of 18
- Earn less than \$90,000 a year as an individual or less than \$120,000 as a couple
- Make the property you buy your primary residence
- Not own any other land or property (in Australia or overseas)
- Have at least a 2% deposit saved
- Be able to cover additional costs like stamp duty and other fees

Be aware that if your income increases past a certain threshold, you will be expected to start repaying the government for their share in the property.

You can find out more by visiting the Labor website, and by speaking with a lending specialist (either a mortgage broker or the bank).

- **Regional first home buyer scheme**

Labor will also be implementing a regional version of the Help to Buy scheme.

Available for up to 10,000 Australians living outside the capital cities, the scheme will cover up to 15% of the purchase price. Successful applicants will only need a 5% deposit and will enjoy the same Lender Insurance reductions as the Help to Buy scheme.

If you're a regional dweller or hope to become one, you'll find more information here.

- **The Housing Australia Future Fund**

The Housing Australia Future Fund is in its infancy, but some details are already emerging.

The \$10 billion plan is intended to help all Australians to have a roof over their heads.

Labor plans to build 30,000 affordable housing properties over the next five years.

They are promising:

- 20,000 social housing properties
- 10,000 affordable homes for the frontline workers

The social housing properties will be aimed at women and children escaping domestic violence and older women with low incomes.

The frontline worker homes will be for police officers, nurses, cleaners and other frontline workers, enabling them to live closer to their jobs. This will improve life for these workers and make for better services for all Australians.

### **Are you eligible?**

Reach out to your broker or bank to find out more about these schemes then connect with a real estate agent to find a home that meets the criteria.



## HOW INTEREST RATE RISES WILL AFFECT THE PROPERTY MARKET IN 2022 AND BEYOND

Interest rates are finally going up. The change was inevitable but all the same, the impact is being felt across Australia after a rise in May and a significant jump in June. This has left many buyers and sellers wondering what their next move should be.

The major impact being seen right now is a levelling off of house prices. However, after record growth over the last few years, this flattening is not actually a major reason for concern.

While it is always your personal circumstances that dictate your decision to buy or sell property, here are some perspectives to take into account in 2022.

### For Sellers

If you are looking to sell your home in 2022, it is recommended to take action sooner rather than later.

In terms of the 'property clock', many areas are now past or about to reach their peak. This means prices will cool and markets will transition from being in favour of sellers to being preferable for buyers.

Right now, prices are still relatively strong. You can never know when the exact peak hits until it has passed but you still have the opportunity to get a good price before further rate rises take hold.

### For Buyers

The most important thing if you're planning to buy a home this year is to keep interest rates in mind. They will impact how much you can afford to borrow so talk to your broker about getting the most competitive rate.

You may wish to discuss locking in a fixed rate or choosing a split loan so you aren't hit with increases you can't handle. Your broker and lender will factor higher rates into the amount you can borrow, which will hopefully give you room to accommodate a higher monthly mortgage in the future.

If you do decide to hold off on purchasing while you wait for prices to 'fall', consider that a lower home price may be offset by higher interest. Again, it pays to work with your broker and your agent to figure out what you can afford.

### Still on the fence?

If you are unsure whether it's the right time to sell, keep in mind that you will most likely be a buyer too. Especially if you are upsizing, a flatter market can work in your favour.

While you might not get the price you hoped for your current, smaller home, the fact is, your next home will be selling for less as well. In terms of percentages, if there is a 5% market drop, you'll be the one who comes out on top.

Confused? At the end of the day, when it's time to buy or sell, it's time to buy or sell. What matters is getting the best outcome for the current conditions, whether that includes high interest rates or stabilising property prices.

**Talk to your local Professionals property agent for information about current home prices in your area.**

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