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MAY PROPERTY UPDATE FOR AUSTRALIA

Australia's housing market increased slightly on average in April and continues to reflect the push/pull of high interest rates and low availability.

Take a look at some figures from around the country.

Australian property market updates

According to [CoreLogic's latest figures](#), the latest month-on-month rise of 0.6% has added approximately \$4,720 to the national median dwelling value. Statistics show that the current growth cycle is in its 15th month, with housing values up 11.1% since the most recent trough in January last year.

Month on month, every capital city except Melbourne demonstrated an increase in April, although numbers are beginning to flatten in some parts of the country:

- Sydney: 0.4 per cent
- Melbourne: -0.1 per cent
- Brisbane: 0.9 per cent
- Adelaide: 1.3 per cent
- Perth: 2.0 per cent
- Hobart: 0.3 per cent
- Darwin: 0.6 per cent
- Canberra: 0.2 per cent

Year on year, growth figures look like this:

- Sydney: 8.7 per cent
- Melbourne: 2.8 per cent
- Brisbane: 16.1 per cent
- Adelaide: 14.0 per cent
- Perth: 21.1 per cent
- Hobart: -0.4 per cent
- Darwin: 1.9 per cent
- Canberra: 2.1 per cent

Combined regional area growth was recorded at 0.8% in April.

Top performing areas

Across the country, CoreLogic noted the best-performing districts over the last twelve months. These include:

Greater Sydney

- Mount Druitt (14.1% growth)
- Blacktown (13.5% growth)
- Eastern suburbs south (13.3% growth)

Greater Melbourne

- Darebin - North (7.4% growth)
- Moreland - North (6.9% growth)
- Nillumbik - Kinglake (6.9% growth)

Greater Brisbane

- Springwood - Kingston (23.5% growth)
- Forest Lake - Oxley (22.0% growth)
- Sunnybank - (21.6% growth)

Greater Adelaide

- Playford (20.4% growth)
- Prospect - Walkerville (18.7% growth)
- Salisbury (17.3% growth)

Greater Perth

- Armadale (31.6% growth)
- Kwinana (28.6% growth)
- Rockingham (27.9% growth)

Greater Hobart

- Hobart - North East (1.0% growth)
- Brighton (0.7% growth)
- Sorell - Dodges Ferry (0.6% growth)

Greater Darwin

- Darwin City (4.5% growth)
- Palmerston (1.9% growth)
- Litchfield (1.7% growth)

ACT

- South Canberra (4.3% growth)
- Weston Creek (3.5% growth)
- Tuggeranong (3.2% growth)

What is driving the market?

Recent CPI figures surprised some forecasters by coming in ahead of expectations. In Australia, while inflation is easing, [year on year CPI figures](#) for March were still slightly higher than expected.

This was partly due to increased rental property prices. According to the [Australian Bureau of Statistics](#), average rental costs increased by 8.5 per cent in capital cities and 5.4 per cent in regional areas between March 2023 and March 2024.

Inflation is a big factor influencing interest rates and the latest CPI results put a dampener on hopes for rate cuts in the near future. As a result, it's likely Australia's property prices will not take off dramatically in the near future.

However, as mentioned, the lack of supply is keeping prices buoyant. As the rental market has demonstrated, the reduction in available properties continues to push prices skyward and keep vacancy rates low.

The good news about current home values in Australia is that we are not going backwards. If you're looking to sell, auction clearance rates are still strong and there are plenty of active buyers out there. Meanwhile, if you're buying or investing, the relatively stable nature of property prices should give you more confidence about what you will get for your money.

Looking to buy or sell in 2024? Reach out to your local [Professionals](#) representative.



SEVEN BENEFITS OF STRATA LIVING

The Australian dream is to live on a quarter-acre block, but achieving this goal can take some time. To get there, consider taking a 'stepping stone' journey, and start by buying a unit or apartment.

Securing a smaller place can have a lot of benefits. Here's why strata living can be something to look forward to.

1. Lower entry point

The first benefit of a strata apartment or unit is that it is more affordable than a freestanding home. If you make a strategic purchase in a suburb that's in a growth area and you can afford to make additional mortgage payments, the eventual sale of the property should give you a larger deposit for your next place.

Even a one bedroom apartment can help you get your foot in the door as you build up to your next purchase. If you can't afford an apartment in the city where you live, consider investing in a more affordable area and leasing to tenants.

2. Lock up and leave lifestyle

Purchasing an apartment in a strata building gives you the flexibility to spend time on holiday or travel for work without worrying about overgrown lawns or security, particularly if your building has swipe card access to each floor.

Many people point to security being a reason they enjoy apartment living; these smaller homes have more barriers to entry than freestanding ones because there are more people coming and going.

3. Urban location

Apartments are often in a convenient spot, giving you good access to transport and amenities. When you're purchasing your first home, this can put you somewhere closer to work so you spend less time commuting. If you're heading out for drinks or a meal after office hours, getting home is less of an issue.

4. Cost-effective upgrades

When you buy in a strata building, generally the inside of your unit is yours to do what you please with, unless you plan to make changes to the layout by removing walls etc. An older apartment's value can be improved by adding storage or upgrading the kitchen and bathroom. There are usually a lot of things you can DIY in order to increase the value and sell for a higher profit.

Note that if you do decide to make changes it's worth checking with the body corporate to confirm you don't need approval first.

5. Lower maintenance costs

Smaller apartments usually require less energy than houses when it comes to temperature control. You also have the benefit of paying a fixed monthly cost for building and ground maintenance. Unlike a house, when something goes wrong, the cost of fixing it won't be completely up to you; it will be shared between all owners.

6. More free time

The next benefit of apartment living is not having to worry about maintenance and upkeep yourself. Shared areas are maintained and cleaned by the building's strata management provider. You won't even need to put the bins out.

7. Shared amenities

These days many strata blocks include outdoor BBQ areas, swimming pools and gyms, giving you resort-style living without the high costs. Because of this, you may find living in an apartment so enjoyable and convenient that you decide to stay for the long term.

According to research from the University of NSW, one in six Australians are living in strata titled properties such as apartments and townhouses. With housing being in high demand around the country, this is set to increase.

Of course, like anything, strata living can have its drawbacks. Before you buy, talk to the selling agent about the community within the building and take a look at the strata by laws to make sure you are comfortable with them. Don't forget to request details of the most recent strata meetings and reports so you can see if there are any major issues that might cost you money in the future.

Finally, be aware of how much the strata fees will be as this will add to your monthly costs.

Looking to buy an apartment, unit or townhouse in a strata complex? This can be a smart move as a first home buyer. Reach out to your local Professionals representative to see what's available in your area.



PROPERTY INVESTORS: PREPARE FOR TAX TIME

As the financial year draws to a close, one task if you're a property investor is to prepare your income and cost statements to share with the tax department. Property investing is a tax-deductible exercise in Australia, so you have the potential to reduce your taxable income by declaring your expenses.

Here are some tips to help you be prepared at tax time.

1. Share your records

Throughout the year, every dollar you spend on your investment property should be kept track of so you can share the details with your tax accountant.

Your property manager should be able to help with this by keeping hold of receipts and other information. The details you will need to share at tax time include:

Property management fees: Any fees paid to property managers for their services.

Repairs and maintenance costs: Expenditure on repairs and maintenance to keep the property in good condition.

Some loan costs: Interest payments and fees on loans taken out to finance the property may be tax-deductible (speak to your accountant for details).

Council rates and strata fees: Charges associated with local council rates and strata fees for apartments or units.

Insurance premiums: Premiums paid for insuring the property against damage or loss.

Utilities: Costs for utilities such as water, gas and electricity (if not covered by tenants).

Advertising costs: Expenses related to advertising the property for rent.

Travel expenses: Travel costs incurred for property-related matters, such as inspections or meetings with agents.

If these expenses mean you have had financial loss over the year because of your investment property, you can note them in your tax return and reduce your overall taxable income.

2. Purchase a depreciation certificate

Depreciation is a tax deduction that allows property investors to claim the decline in value of assets over time. This can include the building structure (capital works) and the assets within the property (plant and equipment).

To capitalise on depreciation benefits, you can purchase a depreciation schedule from a qualified quantity surveyor (there should be plenty of providers in your city). This is a one-off expense, giving you a document that outlines the depreciation allowances applicable to various assets within the property.

Many investors fail to be clear on what's depreciating in their investment property and this can cost them at tax time.

3. Work with a good accountant

The tax rules around investment properties are constantly changing and it can be confusing to try to handle everything on your own. Having a good accountant on hand will help you manage this area of your investment.

If you don't have an accountant to help you declare your investment property income and deductions, ask your property manager who they recommend.

4. Beware of overclaiming

While claiming deductions is a legitimate aspect of property investment in Australia, overclaiming can attract unwanted scrutiny from the Australian Taxation Office (ATO).

[Recent reports say](#) property related expenses will be an area of focus for the ATO this year. The tax office will be keeping an eye out for excessive claims, such as where someone's holiday house has been claimed as a rental property for the entire year.

If you occupy your investment property for part of the year yourself, be upfront with your accountant so they can prepare an accurate tax return.

As shared in the [Sydney Morning Herald](#), Assistant Commissioner Rob Thomson said ATO analysis found nine out of 10 landlords were getting their income tax returns wrong. He explained that, "We often see landlords making mistakes when it comes to repairs and maintenance deductions on rental properties, so we're keeping a close eye on this."

Compliance with tax regulation is key as a property owner but you should still be able to use your investment to reduce your overall tax bill. Don't forget the cost of a property manager is tax deductible, and your property manager is a key asset to help you keep track of all the costs related to your investment

Need a reliable property manager? Reach out to your local [Professionals](#) office today.



HOW TO PREPARE YOUR HOME FOR A WINTER SALE

Selling a home during winter in Australia comes with a few challenges, but the right preparation and support can still deliver a successful outcome.

From choosing the optimal time of day for viewings to creating a warm and inviting atmosphere when buyers step through the door, there are several steps you can take to trigger a bidding war.

Winter home sale: timing is key

One of the first sale considerations when preparing your home for a winter sale is timing. With shorter daylight hours and cooler temperatures, it's important to schedule viewings during the brightest and warmest part of the day and when you can maximise the natural light that hits your property.

This typically means mid-morning or early afternoon but it will depend on the orientation of your home. Talk to your agent about how important natural light will be when it comes to the first impression of your home.

Make sure your home feels cosy

It's hard to consider buying a house that feels draughty on a cold day. Once you have chosen the time for your viewing, make sure your heaters are switched on and any places where cold air can come in are sealed off.

Light the fireplace or have some candles (electric ones are best) in the bedrooms to create an inviting feel. Soft furnishings like cushions and throw rugs will make the place more appealing as people step in from the cold. Make sure the home doesn't look dark by turning on the lights before you leave and adding lamps to dimly lit corners.

If your home really comes into its own in summer, you might want to talk to your agent about offering a preview to a smaller number of buyers in winter. This can give you some feedback as you prepare for a campaign later in the year, or you may find you are surprised with a genuine offer.

Add some greenery

A splash of colour will brighten your home's appeal, especially if the trees on your street are bare because of the season.

There are plenty of plants that flower in winter so see what you can put in place to greet people in the front and back garden. Some examples to choose from are lavender, cyclamen, banksia, grevillea and camelia. If you have a unit, they can go in pots on the balcony.

Beat the competition

The real estate market in Australia tends to slow down during the winter months, with fewer homes for sale. However, this can work to your advantage as a seller. With less competition, your home is more likely to stand out to motivated buyers who may have missed out during the busy autumn selling season. This presents a unique opportunity to attract serious buyers who are eager to make a strong bid, potentially leading to a favourable outcome.

Enlist the help of a Professional

Sometimes 'right now' is your only option when it comes to a home sale. If you need to have your home sold before the end of winter, what's most important is that you reach out to a professional for support. A strong marketing campaign and a strategic approach to your home opens can deliver the results you are hoping for.

Need to sell your home this winter? Reach out to your local [Professionals](#) representative.



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