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## PROPERTY NEWS UPDATE: AUSTRALIA'S MID YEAR PROPERTY REPORT

Find out the latest Australian property market figures for each capital city and what it means for you as a seller.

The first half of 2023 defied predictions and produced mixed results in Australia's property market.

Property statistics firm CoreLogic released its latest monthly report, sharing intriguing figures that home buyers and sellers will find interesting.

Highlights and statistics from May 2023:

- Overall dwelling values in capital cities and regional areas were 6.8-6.9% lower than last year.
- Month-on-month statistics for May showed a 2.3% increase in national average prices.
- Quarterly growth accelerated.

The growth trajectory for housing across Australia's combined capital cities accelerated in May, although it slightly eased in the first week of June.

Capital city performance in May:

- Sydney: 1.8% growth for the month, 4.5% growth for the quarter
- Melbourne: 0.9% growth for the month, 1.6% growth for the quarter
- Brisbane: 1.4% growth for the month, 1.8% growth for the quarter
- Adelaide: 0.9% growth for the month, 1.1% growth for the quarter
- Perth: 1.3% growth for the month, 2.4% growth for the quarter
- Hobart: 0.5% growth for the month, -0.5% drop for the quarter
- Darwin: 0.4% growth for the month, -1.3% drop for the quarter
- Canberra: 0.4% growth for the month, -0.1% drop for the quarter

CoreLogic estimates 38,860 sales in May for all of Australia, representing a -21.5% drop compared to the previous year. The lower number of listings, except in Hobart, Canberra, and some regional centers, is helping to maintain strong property prices in Australia.

Additionally, the average time to sell a home is low, with the median being around 33 days. In capital cities, homes sell even faster, with a median of 29 days.

Regarding final sale prices, vendors are now offering less of a discount on their property across the combined capital cities markets compared to a year ago. Results are closer to asking prices.

For investors, rent value growth slowed in the 12 months leading up to May but remains high at 9.9%.

Lastly, Australia is building fewer homes. Monthly dwelling approvals fell by -8.1% in April, reaching the lowest levels since 2012. House approvals were 18.6% below the decade average, while unit approvals were -52.4% lower.

### What does this mean for homeowners?

If you're looking to sell, these figures indicate that now is a good time. Despite rising interest rates, there hasn't been a flood of properties on the market. Stock levels and building approvals are low, and there is still demand from buyers both domestically and internationally.

If you have a home in fair to good condition in a desirable suburb, it's likely you will sell close to or potentially above the agent's valuation.

Similarly, if you're able to invest, you should be able to find a home with good growth potential in almost any part of Australia.

**Need advice on selling your home in the second half of 2023? Talk to the Professionals today.**



## MAXIMISING PROFIT: SHOULD LANDLORDS KEEP OR EVICT TENANTS BEFORE SELLING?

The primary purpose of an investment property is to generate wealth, so when the time comes to cash in or switch strategies, selling becomes necessary. With property costs on the rise, many investors are opting to sell their properties. While your Professionals property manager can assist you in managing costs, there are important decisions that need to be made.

The first decision revolves around the tenants: should they be asked to vacate, leaving the property empty for sale, or should they be allowed to stay until the deal is finalised? To make an informed choice, consider the following factors:

### Selling without tenants:

- **Make upgrades before listing:** If the property requires repairs or cosmetic fixes, asking the tenants to move out allows you to make the necessary changes on your own schedule.
- **Market appeal:** An empty property presents better in the market, as potential buyers can more easily envision themselves in the space.
- **Flexibility:** Without tenants, scheduling open houses and private inspections becomes easier, accommodating the preferences of potential buyers.
- **Easier exchange:** Waiting for the tenants to vacate simplifies the settlement process, especially if the buyer intends to occupy the property.

### Why sell with tenants in place?

- **Financial considerations:** Asking the tenants to leave would result in a loss of rental income, so it's important to consider if you can cover the cost of an untenanted property during a potentially lengthy sale process.
- **Increased expenses:** Vacating tenants may require relocation costs or compensation, depending on local regulations and lease agreements.

- **Time to vacate:** If the sale is urgent, selling with tenants in place may be more practical than giving notice and waiting for them to move out.
- **Buyer profiles:** Some buyers may prefer an investment property with existing tenants, which could facilitate a faster sale.

Ultimately, the decision to sell with or without tenants depends on your personal circumstances and the advice of local property experts. It is advisable to consult with your real estate agent and property manager to discuss timelines, property condition, and how the tenants will accommodate a sale campaign.

**For expert advice on selling your investment property, reach out to your local Professionals real estate agent.**



## TIPS FOR GETTING YOUR HOME READY TO SELL IN THE SPRING

Timing is everything in the world of real estate, and while you have the freedom to list your home at any time, spring is traditionally the busiest season for selling homes. To take advantage of the active buyer market during this time, it's important to start taking action now. Here are some tips from the Professionals to help you prepare your home for a successful sale when the weather warms up and buyers are eager.

### Why choose spring for selling?

Spring is the preferred season for selling homes in Australia for several reasons:

- Buyers are emerging after the colder winter months and are ready to start house hunting.
- Statistics show that homes sold in spring tend to fetch higher prices.
- Your garden can showcase its beauty with blooming flowers and lush green grass.
- Many buyers aim to be settled in their new homes by Christmas, making spring an ideal time to buy.
- Buyers who have been searching since the beginning of the year often feel pressured to make a decision.
- Longer daylight hours provide more opportunities to showcase your home.
- Summer vacations may cause delays in attracting maximum buyer attention, potentially resulting in a longer wait until the new year for a sale.

### How to get your home ready for a spring sale

Follow these steps to ensure your home is market-ready within six to eight weeks:

1. **Consult with an agent:** Reach out to a real estate agent and request an appraisal. Discuss your goals, establish a sale timeline, and develop a strategy. Your agent will guide you through the process, create a task list, and provide an estimate of the time required before listing your property.

2. **Conduct research:** Take the time to explore recent sales in your area. This will help you understand market trends and prices, allowing you to identify ways to make your property stand out from the competition.
3. **Address repairs and upgrades:** Prioritise necessary repairs based on their potential impact on buyers. With limited time, focus on resolving major issues that could deter potential buyers. The fewer objections buyers have, the better.
4. **Repaint:** A fresh coat of paint can significantly enhance the appeal of your home. Opt for neutral tones to create a clean and inviting atmosphere that impresses potential buyers.
5. **Declutter:** Start packing, decluttering, and removing any items that may discourage buyers. While an empty property may be challenging for buyers to envision, one filled with personal belongings can also be off-putting. Store any cherished items until you move into your new home.
6. **Enhance the garden:** Maximise your curb appeal by investing in a stunning garden. Research winter plants that will bloom in spring, ensuring an attractive frontage. Pay attention to first impressions and ensure your front entry looks impeccable.
7. **Seek professional assistance:** In addition to your real estate agent, consider enlisting the help of a home stylist and tradespeople. Schedule their services in advance to avoid last-minute searches.

With housing inventory at unprecedented lows, spring 2023 is expected to yield favourable results for home sellers.

**If you're ready to list your home, contact your local Professionals representative today.**



## CONSIDERING THE PURCHASE OF A HOUSE OR AN APARTMENT?

When it comes to choosing between a house and an apartment, the answer depends on your financial circumstances. However, if you have the means to choose, there are certain factors that can guide your decision-making process.

To assist you in making an informed choice, we have outlined the benefits and drawbacks of buying a house or an apartment.

### Benefits of Buying a House:

A house is considered a status symbol in many cultures, providing a sense of security and peace of mind.

With council approval, you have the freedom to level and redevelop the land, making a house a potentially stronger long-term investment. Alternatively, you can subdivide the property or add a granny flat, offering strategic choices.

Land appreciates in value faster than structures, making houses likely to provide better returns over time compared to apartments.

Houses often come with gardens or backyards, which can be a lifestyle advantage for families or gardening enthusiasts.

More space in a house allows for accommodating guests and providing room for a growing family.

### Advantages of Buying an Apartment:

Apartments are generally more affordable to purchase, live in, and maintain. The smaller space results in lower energy consumption for heating and cooling, and as a resident, you are not responsible for maintaining the grounds.

Apartments offer enhanced security through controlled building access and parking, along with the comfort of having neighbours nearby.

Many apartment complexes provide shared amenities such as pools and gyms, which would otherwise be costly to maintain individually. This convenience comes at a slightly higher monthly strata fee.

If you have a specific suburb in mind, buying an apartment can be a more feasible option for entering that area.

Apartments are easier to lock up and leave, reducing the need for house sitters when you're away.

Apartments often offer proximity to amenities like public transport, shops, and restaurants.

### Drawbacks of Buying a House:

Houses require time and effort to maintain, including both the interior space and the yard or garden.

Compared to apartments, houses are generally less secure and more prone to break-ins due to their isolated nature and multiple entry points. Additional security measures may be necessary.

Loan repayments for a house tend to be higher than those for an apartment, potentially stretching your financial limits.

### Disadvantages of Buying an Apartment:

Living in an apartment complex means adhering to rules and restrictions regarding home modifications, and some complexes may not allow pets.

Strata fees are required to maintain the grounds and amenities, which could be considered wasteful if you don't utilise them.

It's important to inquire about any major repairs needed for the apartment complex before signing a contract.

The future appreciation potential of an apartment may be lower compared to a similarly-priced house.

Apartments are generally smaller in size, which may not suit everyone's lifestyle.

While the points mentioned above hold true in most cases, there are exceptions. For instance, it is possible to find a three-bedroom apartment that offers ample space and enhanced security similar to a house. Additionally, strategically located apartments can still provide excellent capital growth.

**If you need assistance as a homebuyer, reach out to your local Professionals real estate agent today. We can offer advice and ideas to simplify the purchasing process.**



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