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AUSTRALIAN PROPERTY MARKET UPDATE

Australia's real estate market has a combined value of \$10 trillion and represents 56.3 per cent of household wealth.

As shared on [CoreLogic's](#) recent monthly housing chart pack, the value of Australian residences rose by 2.5 per cent in the three months to August 2023. This represents a slight change from the previous quarter, when prices rose by 2.9 per cent.

Over the last twelve months, national average values are down by 1.1 per cent. However, results differ between states and cities.

August housing breakdown

Growth across all capital cities was 1 per cent in August, while regional markets held steady, with 0.1 per cent growth.

The top performers by city during the last quarter were:

- Brisbane: 4.2 per cent
- Sydney: 3.8 per cent
- Adelaide: 3.4 per cent
- Perth: 2.9 per cent
- Melbourne: 1.6 per cent
- Darwin: 1.6 per cent
- Canberra: 0.5 per cent

Meanwhile, Hobart values dropped by 0.5 per cent. In the regions, the top performers were:

- Regional SA: 3.1 per cent
- Regional Qld: 2.5 per cent
- Regional WA & Regional NSW: 0.1 per cent

Values dropped in:

- Regional Victoria: -1.4 per cent
- Regional Northern Territory: -1.6 per cent
- Regional Tasmania: -0.4 per cent

Year on year, Perth, Adelaide and Sydney have experienced growth, while average values in Canberra, Darwin, Hobart, Brisbane and Melbourne have all gone backwards. The only two regional areas to have experienced growth over the last twelve months are Regional WA and Regional SA.

It is interesting to look at where things are in comparison to record highs, and when those highs were achieved.

For example, Sydney dwelling values are now an average of 6 per cent lower than they were in January 2022.

- Melbourne prices sit 6.7 per cent lower than in February 2022
- Brisbane peaked in June 2022, with prices now down by 5.5 per cent
- Adelaide and Perth values are currently at a record high
- Darwin peaked back in May 2014 and prices are now lower by 11.2 per cent
- Hobart has dropped by 13 per cent since they peaked in June 2022 and Canberra has dropped by 8.6 per cent in the same time period.

Sales, property rentals and listings

The peaks in Australian property prices represent a trough in interest rates. Low rates mean higher affordability and it makes sense that prices have settled as rates have gone up because borrowers have less money to spend.

However, there is still plenty of activity on the property market and the average time to sell has extended only slightly, from 30 three months ago to 32 days in August.

As shared by CoreLogic, in the four weeks to September 3, new listings totalled 36,320 nationally. New listings trended 16.5% higher through winter relative to the end of Autumn, and they are now slightly higher than the historic five-year average.

Meanwhile, clearance rates are averaging 66.1% in the four weeks ending September 3 2023, compared to an average of 65.6% in the four weeks ending August 6.

Finally, Australian rent values increased a further 0.5% in August, taking the national annual increase to 9.0%. Annual growth in rent values remains elevated on the previous ten-year average, but has shown signs of easing. The uplift in national rents is finally slowing down and was the smallest since November 2020. National gross rent yield dropped slightly to 3.82%, from 3.83% in the previous month.

What does this mean for your property journey?

Average figures and trends are always interesting to look at but the amount you buy or sell for will depend on the condition of your home, its location and the number of active buyers in the area.

If falling prices in your postcode have you feeling disappointed in the leadup to a sale, remember the next place you buy is also likely to be cheaper than it was a year ago. If you are planning to buy, take action now so you can experience capital growth when interest rates fall in the future.

Want advice on your next property move? Contact your local Professionals representative today.



UNDERSTANDING YOUR RENTAL PROPERTY CONTRACT

There is a lot of paperwork involved when you lease a home in Australia, but it's worth signing a formal agreement to ensure your rights and the rights of the property owner are protected.

Once you have handed over information to prove your identity and employment status, you'll be expected to sign a lease / rental agreement. There are a few things that are important to know before you take this step.

Here's a handy guide to rental property contracts for tenants:

Types of rental property contracts

In Australia, there are two common types of contracts/lease agreements:

- **Fixed-term:** Fixed-term agreements have a fixed start and end date, usually 12 months or more. These agreements give both parties more security because landlords cannot evict tenants without very good cause before the end of the agreement period, and if tenants leave before the agreement is up, they risk losing their bond. Fixed-term agreements can be re-negotiated at the end of the term or changed to roll from month to month.
- **Periodic:** Periodic rental agreements run on a month-by-month basis. In a periodic agreement, the landlord is free to ask the tenant to leave at the end of any month just as the tenant can leave by giving 30 days' notice. It allows more flexibility but less security.

If you want the predictability of a fixed-term lease, speak to your property manager. When your current lease expires, you'll have the option to revisit the terms before you lock it in for another year.

Rental agreement clauses to take notice of

A rental property contract is usually quite long so here are the elements to pay close attention to.

- **Rent**

Your lease agreement will outline the amount of rent to be paid and how frequently you pay it, usually weekly or monthly. You will have to take careful note of this as it is the amount and times that you will need to pay. When you sign the lease, you are agreeing to pay the set amount at the set time. Failing to do so can put you in breach of your agreement and at risk of being asked to leave.

Take a look as well about when rental price increases can be applied. Make sure that any wording around price increases doesn't go against the law in your state.

Check details about how you will be notified about a rent rise; it should be in writing.

- **Bond**

Four weeks worth of rent is the maximum bond allowed in most states.

This money you have over when you move in is there to protect the landlord in case you cause any serious damage to the property. Most tenants will get their bond back when they vacate a property, but if anything has been damaged, the landlord may hold onto your bond to pay for repairs.

There are rules about how your bond money can be held and how quickly it should be returned to you when you leave a rental property. For example, in NSW, tenants and landlords are encouraged to use a system where bond money is submitted to the Department of Fair Trading. Once your tenancy has ended, you can put in a claim for a refund yourself.

- **Terms and Conditions**

The terms and conditions are the details that explain how you are expected to behave as a renter.

They specify your rights and responsibilities as a tenant, as well as provide an outline of rules regarding subletting, number of occupants, maintenance responsibilities and any restrictions on modifications to the property.

Breaking any of these terms and conditions can result in trouble with your property manager and landlord, so read them thoroughly before you move in.

- **Repairs and Maintenance**

One issue many renters have is the question of who is responsible for what when it comes to repairs and maintenance.

Generally, landlords are responsible for structural repairs, while tenants are expected to maintain the property's cleanliness and inform the landlord of any necessary repairs promptly. Always double-check that this is clearly outlined in the paperwork so there is no confusion when things break.

- **Property Condition Report**

Before moving in, both you and the landlord should complete a property condition report. This report documents the condition of the property, including any existing damages.

Review this report carefully because it will protect you if your landlord or property manager claim you caused damage that was actually there before you moved in. If you notice anything already broken or damaged, take a photo and store it somewhere in case you need it in the future.

- **Dispute resolution**

In the event of conflicts or disputes, your lease agreement might outline procedures for resolution. Many states offer services to help tenants and landlords resolve disagreements, so be sure to explore these options if you need to.

If the property owner or manager breaks any of the provisions of your lease agreement, you should first talk to them about the issue, then seek help from your local tenants association if necessary.

Don't skip the fine print

A quality property manager will be happy to walk you through a contract so you feel comfortable signing a lease, which is why it makes sense to lease a home through a real estate agency that applies best-practice standards.

Looking for a place to rent? Contact your local Professionals provider today.



WHAT YOUR BUYERS ARE THINKING ON OPEN HOME DAY

The spring selling season is underway and there has been a jump in listings in many parts of Australia.

While you only need one person or couple to buy your home, if you want the best price, you need to have as many people as possible putting in offers.

Frustratingly, Australian buyers can be incredibly picky. They usually have something very specific in mind and if a place doesn't tick their boxes, they will put in a low offer.

Before you put out the doormat for open home day, here's an idea of what goes through prospective buyers' heads when they come to have a look around, and how you can present your place so it overcomes the most common objections.

What Australian home buyers are thinking:

“Where is this place?”

If potential buyers are driving up and down the street wondering which is the right property, they are off to a bad start.

There are a couple of ways to combat this.

To begin with, ensure that your house number can be clearly and easily seen from the street. On or next to the letterbox is usually ideal, but your house number clearly marked on

a front fence or even sprayed on the curb, if your local council allows, will make it easier for buyers to identify the correct property.

The other two options can be carried out with the help of your real estate agent. Firstly, if possible, your agent should provide a clear picture of what your home looks like from the street in the advertising materials. This way, buyers will already have a visual to go by when they are heading to your home open.

Secondly, your agent should place signage outside the home and at a few key points on the street directing buyers to the front door. If you are selling an apartment and the access is confusing, your agent should have someone at the entrance or street to give directions.

“My first impression is...”

You want people to smile as they walk towards the front door so make sure your home for sale has 'street appeal'. Pathways should be clean and easy to navigate.

If you're selling an apartment, do what you can to make the landing and front entrance seem appealing, even if it means asking the neighbours to put their shoes out of sight (providing you get along well with them).

Never underestimate a first impression... some buyers won't look past the way they feel as they enter the building or even as they pass the real estate agent on the way in. Make sure you're working with a friendly agent who cares about getting you a good result.

“What's that smell?”

The last thing you want when potential buyers walk into your home is for them to instantly be put off by a bad smell. Even if the house is amazing, it will drop towards the bottom of their wish list because the smell is all they will be able to remember.

One of the biggest culprits for generating smells in the home is pets, so get rid of food and litter trays, and give your furniture a steam clean or thorough wash before open day. It's best to get rid of the smell instead of trying to mask it with deodorant or air freshener at the last minute.

Fresh flowers or a scented candle can also make the place smell inviting without being overwhelming.

“I don't like this furniture.”

You may think that home buyers would look at a home and see the furniture and decoras irrelevant because it won't be there when they move in, but this is far from the case.

It's frustrating, but picky buyers can be put off and distracted by poor furniture choices. They won't be able to picture themselves living there and will move straight on to the next place.

This is why agents recommend you declutter, upgrade old furniture or arrange for an interiors expert to style your property. It makes it look instantly more desirable and can add thousands of dollars to the final outcome.

“What would I use this space for?”

If your home has an unusual or distracting feature or room, find a way to minimise its impact by either directing attention away from it or setting it up so its purpose is clear. A desk and lamp can turn a nook into a study, or a smaller room can function as a storage space.

“Oh I could never manage this garden”

Most Aussies are looking for a low-maintenance outdoor space that they can relax in so look at your backyard with a critical eye and find ways to make the buyer think about unwinding, not weeding when they come for an inspection.

Be picture perfect on open home day

A quality agent will help ensure the best parts of your home stand out on open home day and will be there to answer questions so buyers are excited to take the next step. Don't be afraid to ask for advice and to try viewing your home from the eyes of a buyer before you put it on the market.

Want help to sell your property for more? Reach out to your local Professionals agent today.



NAVIGATING CONTRACTS AND AGREEMENTS AS A FIRST HOME BUYER

Buying your first home is an exciting milestone, but it also comes with a lot of legal paperwork and contracts that you may not have thought about when you were getting financial approval and finding a place.

To make things a little easier, here's a breakdown of the contracts and agreements you'll encounter as a first-time homebuyer in Australia.

- **The sale contract**

The sale contract is the foundation of any real estate transaction.

It outlines the terms and conditions of the sale, including the property's price, settlement date, and any special conditions. You'll find details such as whether the home comes with features like curtains, air conditioning, security screens and a dishwasher, etc. The contract will also outline the documents you will receive as part of the sale (e.g. building certificates or evidence of swimming pool registration).

Read the sale contract carefully and enlist the help of a conveyancer to help you so you don't overlook any game-changing clauses such as the seller's belongings being left on the property. If you have questions, don't be afraid to ask for clarification.

Be sure to look out for information about whether fences, decks and pools are compliant with regulations. If they are not, you should be clear on the cost of bringing them up to code.

- **Cooling-off period**

As important as the sale contract is, the good news is that you are protected by the cooling-off period.

The cooling-off period comes after you sign the sales contract and allows you some time to ensure you have made the right decision. If you do change your mind during the cooling-off period, you should be able to withdraw from the purchase without any significant financial penalties.

You may lose a small percentage of the deposit, though, so it is still best to be as certain as possible before you sign a sale contract.

Cooling-off periods vary from 2 to 5 business days depending on the state, and if you are buying in Tasmania, there is no cooling-off period at all.

Ask the selling agent what is expected from you under the terms of the cooling-off period.

- **Finance approval**

Your lender will provide a finance contract that outlines the terms of your mortgage, including interest rates, repayment schedules, and any additional fees. Ensure you understand these terms and seek advice from a financial advisor if needed.

- **Building and pest inspection**

It's wise to request a building and pest inspection before the end of your cooling off period or before you sign a contract of sale. Your real estate agent may supply one, but it's recommended you arrange an independent inspection to be on the safe side.

A professional will assess the property for any structural issues, leaks, water damage or pest infestations. You can also hire someone to confirm the pool and any additions like an outdoor deck are compliant with legislation; you don't want to end up with a non-compliant structure that you have to remove or change at your own expense.

- **Title deed transfer**

Once settlement is complete, the title deed is transferred to your name.

Along with conveyancing, this is the other part of the paperwork that makes the property yours.

The title deed proves your ownership of the property and is an essential legal record. Keep it in a secure place, as losing it can be complicated and costly to replace.

- **Home insurance**

Before settlement, aim to secure home insurance to protect your investment. This insurance covers the structure of your home and its contents and should kick in on the day you take

ownership. Shop around for policies that will cover your belongings and fit within your budget.

Get the right advice

Your real estate agent can give you introductory advice about contracts, inspections and other documentation but you will also need the help of other property industry experts like a solicitor/ conveyancer, building inspector and potentially an accountant.

If you need help to find someone in your area, your local Professionals representative can point you in the right direction.

Want to know more about buying your first home? Get in touch today.



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