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Need to relocate? Should you sell or rent your current home?

Are you about to embark on a new adventure and need to leave the family home behind?

Moving away from a home you have become attached to can be an emotional minefield and in many cases people decide that rather than selling they would like to keep their property as a rental.

But is this the best financial move? Before you decide what to do you will need to answer a few questions for yourself.

What are the capital growth prospects?

Feelings aside, the best reason to hold onto a property is for the hope of long-term capital growth, which will vary greatly depending on the desirability of the area

and the individual characteristics of the property.

Predicting future market values is hard to do but you can make an educated guess by conducting your own research and evaluating where the local market is sitting on the property clock.

What will your cash flow be like?

Holding onto your current property might sound like a good idea... until you figure out how much it's going to cost you.

A detailed budget may help you in your decision making process. Ask yourself how much money you will be left with after subtracting mortgage payments plus any payments you may need to make on a new home or rental.

Don't forget to account for other costs that can come with an investment property, such as insurance, maintenance and operating costs etc.

Is the property suitable to rent?

Just as you would likely do up your home ready to sell, you will need to get your home into shape to turn it into a rental.

Turning a property into a rental can require a lot of work sometimes because you'll want to ensure that it is safe and all maintenance work has been done. You may also need to renovate the property to help it attract tenants and maximise your rental income.

There's often not an easy answer in these scenarios and as much as you should try to think with your head and make the decision that makes the most financial sense, sometimes you need to do what feels right in your heart.

It may help to talk to a local agent about your options and discuss what is happening with property in your area. Visit www.professionals.com.au/find-an-office/ to find your nearest Professionals agent to help you on your property journey.

Should you wait for further drops before fixing your rate?

Australia's interest rates are currently sitting at historical lows after consecutive rate drops in June and July brought the official rate to a staggering 1 per cent.

Looking to the future there's a good chance that rates will remain where they are for a little while at least, with the Reserve Bank likely to sit back and gauge the full effects of their recent rate cuts before changing monetary policy again.

Further interest rate cuts before the year is out are still a very real possibility, but whether rates hold or drop a low interest rate environment is here to stay for a while.

With no indications that rates will be going up any time soon, many probably don't see the need to fix their home loan rate. But could a fixed rate still be a good idea?

Fixed rates are at record lows

There have been some huge reductions in fixed rate options recently, meaning there are some great deals available for those willing to look at a fixed rate.

Three of the Big Four (ANZ, Commonwealth Bank and Westpac) have cut their fixed-rate home loans by as much as 96 basis points, which is nearly double the size of the RBA's recent rate cuts.

Other lenders are also trying to lure mortgage



holders to a fixed rate with a number of them offering fixed rates of less than 3 per cent, with one lender going as low as 2.79 per cent.

A fixed rate is good for those who like security and want to have certainty when planning their financial future.

But before you fix...

Those interested in fixing their home loan rate should ask themselves how they would feel if there were further interest rate cuts and they ended up paying more than those who rode the variable wave.

Most people fix their rate when they think that rates might be on the verge of going higher,

which isn't the case at present.

A shorter fixed term of one year might be a good option for those who don't want to lock themselves in for a long time, or a split loan is another option worth considering.

It's important to keep in mind that everybody's situation is different so it's best to shop around and take your time looking at different mortgage options until you find one that suits you and your particular circumstances.

The current interest rate climate provides a good opportunity to negotiate with your lender, so whether fixed or variable, ensure you are getting the best deal you can.



5 ways to pet-proof your rental that will keep your landlord happy

Anyone that rents with pets will tell you that securing a property can be tricky. That's why many pet owners will make a special effort to look after their rental once it has been locked down, to ensure that it's easier for them and their pets to continue renting in the future.

Pets aren't always easy to control, but there are things that their owners can do to help ensure they keep their rental in good shape.

1. Invest in floor coverings

One of the biggest concerns with pets is that their sharp claws might scratch up floorboards or carpets. An easy way for a renter to prevent any potential damage is to put down rugs or mats in any areas that will be commonly used by pets.

A mat placed under a pet's food bowl, for example, is a good idea to help prevent food stains or any damage underneath.

2. Install baby gates

If there are any parts of your home that you don't want your pets getting to then the simplest thing to do is to prevent them from

getting there in the first place. Baby gates are easy to install and will help limit the potential for damage in the property.

3. Teach good habits

The better behaved your pet is the less you will need to worry about any property damage. Try to enforce good rules from the get-go and give your dog plenty of opportunity to get their energy out by taking them on regular walks so they don't feel as much of a need to cause mayhem when at home.

4. Ask you landlord about minor changes

Pet damage is common at entrances and one way to prevent this is to install a pet door that allows easy access between the inside and outside of the property. Chat with your landlord about the possibility of installing a pet door to keep your rental's doors in good shape.

5. Choose the right place from the start

Pets need safe spaces they can run around and play so keep this in mind when looking for a rental. It's a good idea to choose a rental that is fully fenced and has a decent backyard so your pet can roam freely. Also think about things like whether the flooring is suitable and where in general your pet will be able to hang out.

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