

In this issue

- What you need to know about the First Home Loan Deposit Scheme.
- Hosting Christmas lunch? Top tips for entertaining at your rental
- Will the property market calm down over Christmas?

What you need to know about the First Home Loan Deposit Scheme.

First home buyers will get a leg up into the property market from next year thanks to the federal government's new First Home Loan Deposit Scheme (FHLDS). The scheme will come into effect from January 1 and allow 10,000 first home buyers each financial year the chance to secure a property with as little as a 5 per cent deposit.

Those taking advantage of the scheme will also be exempt from having to take out lenders mortgage insurance (LMI), which could be a saving of up to \$10,000.

Who is the scheme open to?

The scheme is aimed at low and middle income earners buying their first property.

It will be available for singles with a taxable income of up to \$125,000 per year, and couples with a combined income of less than \$200,000 per year.

Applicants will also need to undergo the normal credit check process to ensure they can afford repayments and take out an owner-occupied loan on a principal and interest basis.

Those taking advantage of the scheme will also be exempt from having to take out lenders mortgage insurance (LMI), which could be a saving of up to \$10,000.

Are there price caps?

Support is being targeted at entry-level properties and as such

there will be price caps, which will be dependent on the state the property is located in, as well as whether it's within a capital city, a large regional centre, or in a regional area.

For example in Sydney, the nation's most expensive market, property prices will cap out at \$700,000, whereas it will be available for properties up to \$450,000 for the rest of New South Wales.

At the lower end of the scale, just \$250,000 will be available for properties purchased in South Australia, outside of Adelaide.

Further information on the property caps can be found at www.liberal.org.au/latest-news/2019/10/27/supporting-first-home-buyers.

Will the scheme affect other buyers?

As with any stimulus, it's expected that the new scheme will help bolster property sales when it is introduced next year, making for fierce competition between buyers of all kinds.

Properties most affected will be those that come in under the cap levels, so expect properties just under the \$700,000 range in Sydney to be popular come the start of next year.

The second wave of the scheme will be released in July, the start of the next financial year, so a further influx of new buyers is expected then.

However, there has been criticism that the 10,000 loans that will be supported by the scheme is an insignificant amount compared to the nearly 110,000 first home buyers across the country in the past 12 months, according to ABS figures.

Therefore we will have to wait and see whether the introduction of the scheme has any significant impact on the market.



Will the property market calm down over Christmas?

Low interest rates, relaxed lending conditions and improved buyer confidence have seen the property market make a dramatic turnaround over the last few months, but will it continue?

Figures from October's CoreLogic Home Value Index showed a 1.2 per cent national property price increase, making it the fourth month in a row of rising values.

Sydney and Melbourne have been leading the property charge, with prices up 1.7 per cent and 2.3 per cent for the month, respectively.

The last few months have seen buyer confidence return in spades. First homebuyers have been trying to get their foot on the property ladder and investors are returning too. There have also been a lot of sellers coming into the market.

Will things settle over Christmas?

The property market typically slows down over the Christmas and New Year period, as a lot of buyers and sellers will take a break for the holidays.

However while there may be a couple of weeks with less market activity than usual, it won't come to a complete standstill.

Serious buyers will still be out in force hoping to snatch a property while there is less competition, and there will still be sellers keen to lock in a sale.

Those hoping to get into the market may actually want to use the Christmas period as a good time to get in before prices heat up next year.

There are widespread expectations of another rate cut in 2020 and this will likely lead to further price increases, and there will also be the introduction of the First Home Loan Deposit Scheme on January 1, which will stimulate certain parts of the market.

Keep your eye on the property pulse

The property market never truly sleeps so don't get complacent as we get to the end of another year. There's no time like the present to make the first steps, whether it's to buy or sell a property, if you're ready to do so.

Hosting Christmas lunch? Top tips for entertaining at your rental

'Tis the season for parties and get-togethers and while it can be great to have your family and friends over to celebrate, it can present some challenges for renters.

Depending on where you live you may be faced with having to host in a small unit or townhouse, or perhaps with keeping noise levels down so as not to irritate your neighbours.

Nobody wants their party to get out of hand, so here are some tips to help you prepare for your gathering:

Be realistic about guest numbers

Know the limitations of your space and ensure that everyone has plenty of room to move around.

The guest list will be a particularly important consideration for those who live in a small space such as an apartment, where a party will start to feel overcrowded very quickly.

Try to keep your guest numbers to a minimum if you can, and remember that small intimate gatherings can be more fun than large parties a lot of the time anyway.

Make the most of communal areas

Don't forget to make the most of communal areas where you live, whether it's a BBQ area, pool or maybe even a rooftop hangout.

A lot of newer buildings and townhouse complexes have large entertainment areas that were made to host residents' parties, just make sure that you follow any applicable rules and make bookings if you need to.

Consider the neighbours

Loud parties that run late into the night can easily get neighbours offside.

To be respectful of your neighbours you may want to warn them ahead of time of any types of parties that have the potential to get rowdy, though you should always try to keep noise levels to a minimum as much as you can. This might mean you need to keep windows and doors shut, or that you need to set an end-time for the party so guests know when it's time to leave.

Keep decorations simple

While it's fun to get into the spirit of the season with a few festive decorations, you may want to hold off on hanging too many things on the walls.

When renting you need to keep in mind that any damage done to the property will need to be fixed when you move, so you may want to steer clear of putting anything up that will need anything more than Blue-Tack or a 3M hook (although these have been known to take paint off too).



Visit us online at [professionals.com.au](https://www.professionals.com.au)