



## In this issue:

- Cost-effective home upgrades that will help you sell for more
- The beginner's guide to bidding at auction
- First home buyers: Don't start looking for your first home without these three things
- Which cities and suburbs are bucking the downturn 'trend'?

## COST-EFFECTIVE HOME UPGRADES THAT WILL HELP YOU SELL FOR MORE

If you have ever watched the TV show Selling Houses Australia, you will understand the benefit of sharing a beautifully presented home with interested buyers.

The challenge is finding the sweet spot between upgrading your property so it sells for more, and overcapitalising so your house is worth less than you have spent on it.

If you know your house could do with some upgrades to maximise buyer appeal, the first thing to do is speak with an experienced real estate agent. They will have an idea of how many interested buyers are in the area and what they are looking for.

In terms of cost-effective upgrades, the following should give you some easy wins:

### How to sell for more

- **Fresh paint**

A coat of paint can transform a home. Freshly painted walls rejuvenate any space, giving the home that 'good as new' feel.

Choose neutral colours like white and warm greys when you paint before you sell. You want potential buyers to walk in and be able to picture themselves living in the property. Vibrant and bold colours can be distracting.

- **Upgrade the facade and entryway**

First impressions can make or break the outcome when you want to sell for more. You want potential buyers to be wowed from the moment they see the home.

For a cost-effective face-lift, pressure-hose the facade. You should also tidy up the front yard and ensure easy access to the front door by cleaning or adding a pathway. Finally, and if you have watched Selling Houses Australia, you will know to make sure you have a house number that is easy to see.

- **Kitchen and bathroom**

Fresh bathrooms and kitchens are one of the best ways to sell for more. If these spaces can be used and enjoyed from the day the buyers move in, you will be offering a more appealing prospect.

The trick again is to walk that fine line between investing and overcapitalising. Don't completely overhaul your bathroom or kitchen unless it is absolutely necessary. Instead, add a coat of paint and replace cupboard doors and fixtures. Update countertops if you can afford it and try sprucing up your splashbacks with some tile spray.

- **Structural issues**

Structural issues like leaks or worn foundations need careful thought and consideration before you sell. If there are a number of structural issues there is a good chance that a buyer will use them to negotiate a lower price. The thing is to figure out whether it is worth spending the money to fix the problems beforehand or taking a slightly lower price.

The other factor worth thinking about is how a building inspector will see these issues. Smart buyers will have a building inspection carried out and if structural issues are serious enough that you wouldn't get the tick of approval from an inspector, you should almost certainly take steps to remedy this.

**Want to know which upgrades will help you sell your home for more? Contact your local Professionals representative today.**

---



## THE BEGINNER'S GUIDE TO BIDDING AT AUCTION

Many homes are listed for auction these days because the strategy generates excitement and allows the market to set the price for the home.

If you're a buyer, bidding at auction can feel overwhelming. Here are some tips to help you prepare and bid with confidence.

### Top tips to bid at auction

- **Attend as a bystander first**

Sticking your hand up to bid at auction can be surprisingly daunting. There will be a crowd of people, a fast-talking auctioneer and a lot of nerves.

Before you bid on a home you really want, go to a handful of auctions first to scope them out. Doing this will give you a good idea of how the process works and take away some of the stress of the unknown.

- **Know your budget**

You have to know what you can afford to spend before you ever bid at auction. You don't want to place a bid that is beyond your budget because you will be expected to sign a contract and hand over a deposit immediately after the final hammer falls.

Auction fever is a very real, though little-understood phenomenon that drives people to bid higher and higher. If you don't have a clear budget and know your stopping point, you won't put yourself in an uncomfortable position.

Speak to a broker and have pre-approval in place so you can quickly arrange the loan in the days after you win at auction.

- **Scope out the auction site**

Do a little groundwork before the day of the auction or before it gets started.

By going to a few practice auctions, you will have been able to see where the better places to stand are when you bid at auction. If you check out the auction site beforehand, you can figure out where the best place to stand is and get there early to stake your claim. The last thing you want is to be stuck at the back where the auctioneer can't see you.

- **Do your research**

Research is hugely important in real estate. In this case, you want to look into the market as well as the auction process.

You need to know the market because you don't want to bid over the value of the property. You may be within your budget but you still shouldn't overpay. The money you save in your budget can be put towards home improvement or invested in a different way.

- **Use a buyer's agent**

If you're too nervous or don't have time to prepare to bid at auction, you can enlist the services of a buyer's agent to do it for you. They will charge a fee but they can save you from feeling stressed or overwhelmed by bidding with confidence but not exceeding your limit.

**Speak to your local Professionals representative for more advice about bidding at auction.**

---



## FIRST HOME BUYERS: DON'T START LOOKING FOR YOUR FIRST HOME WITHOUT THESE THREE THINGS

A slightly slower property market and some enticing Government incentives mean there will be more opportunities for first home buyers to enter the property market in the near future.

### First home buyer advice

If you're planning to make a purchase in 2023, these are three things you need:

- **Pre-approval**

Pre-approval sets your budget and means you can quickly get home loan approval after you have had an offer accepted.

While pre-approval isn't an absolute guarantee that you will receive the loan you apply for, it should be fine if your circumstances don't change between being pre-approved and submitting your formal application.

The vendor won't care if you have pre-approval or not but if you have to go through the entire borrowing process with the bank after you make an offer, another buyer may come along who can move more quickly.

To get pre-approved for a loan, you need to contact your lender or mortgage broker and submit your application.

You will need to share the following details:

- Proof of your savings/deposit
- Your income
- Your living expenses
- Your debts
- Your residential status
- Information to confirm your identity

- **A budget**

Having a spending budget is essential before you buy a home because it will help you save your deposit and figure out how you will afford a home loan as well as your other expenses.

If possible, the budget you work with before your home loan should be similar to the one you have afterwards; this will help you prove you can manage all the associated expenses.

When you set your home buying budget, you need to understand that the price of the house is not the only thing you have to pay. An estimate by realestate.com.au puts the additional costs of a \$500,000 home for a first-home buyer at more than \$16,000.

Home-buying costs can include:

- Stamp duty
- Building inspection and pest inspection
- Mortgage registration fee
- Transfer fee
- Loan application fee
- Lender's mortgage insurance
- Council and water rates
- Conveyancing and legal fees

You may be able to avoid paying stamp duty as a first home buyer, depending on the amount of money you spend and the type of home you're buying. It's also important to speak to your mortgage broker about whether you are eligible for an additional first home owner grant which could help you buy a home with a lower deposit.

- **A plan for the future**

In all likelihood, your first home will not be your home for life. It will probably be smaller than you initially hoped for or in a suburb that is more affordable. Most homebuyers follow a journey where they make a purchase, pay off as much of the loan as they can, then use their equity to upsize to a larger place.

Keep resale value in mind when you purchase your first home. Talk with your agent about the potential to grow the value of your purchase and stay in touch with them over time. Your real estate agent will then be there for you when the time comes to move on.

**Ready to buy your first home? Get in touch with your local Professionals representative today.**



## WHICH CITIES AND SUBURBS ARE BUCKING THE DOWNTURN 'TREND'?

The headlines may say property prices are falling, but there is plenty of good news when you drill down to specific cities, suburbs and figures in different parts of the country.

While it's easy to be distracted by tales of doom and gloom, the truth is that if you're selling, you will probably be buying as well. If you're strategic, you can use almost any market conditions to your advantage.

Take a more in-depth look at property prices as they stand towards the end of 2022:

### Top performing cities

Not every postcode is experiencing a downturn. According to openagent.com, the top-performing suburbs in each state as of October 2022 were:

- Warners Bay, NSW
- Melton, VIC
- Dundowran Beach, QLD
- Burnie, TAS
- Armadale, WA
- Salisbury, SA

All these suburbs sit in the top ten performers thanks to their popularity with sea changers and family-friendly locations. Homes are still rising in price and are selling quickly because there is plenty of interest from buyers.

Meanwhile, there is little sign of a downturn in the territories. Investors and buyers continue to drive average house prices up in Darwin and Canberra.

### Price changes

Rising interest rates have led to a decrease in average national property prices but these figures look at Australia as a whole.

News of big price drops should be taken with a grain of salt. When you drill down into actual figures, you will see that some of the suburbs that have taken big 'hits' are the ones that rose stratospherically during 2020 and 2021. A slowing in the market is not as dramatic as it sounds when compared against year on year increases during the pandemic.

Many of the suburbs that are 'settling' are in higher-end parts of Melbourne and Sydney. These suburbs had astronomic growth during the pandemic. Values have dropped over recent months but their owners are still likely to be ahead financially.

If you're thinking of selling, take the time to speak with your agent about actual figures in your area. Compare average prices to the amount you initially paid and you'll have a clearer idea of how much profit you stand to gain if you sell.

### Make your move

While the headlines may trigger nerves over selling property due to the switch to a buyer's market, the fact is you are likely to become a buyer after you sell. If you are set to make a purchase in a similar or less costly suburb, you could still come out on top.

Instead of panicking about market fluctuations, reach out to a real estate agent and start working on a strategy together. You'll be able to identify the best way to take advantage of current conditions.

And remember that property is a long game. The market always goes up over time so if you buy a quality home in a good area you should find you can come out on top over time.

**Is it time to buy or sell? Get in touch with your local Professionals agent today.**



Visit [professionals.com.au](https://professionals.com.au)