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PROPERTY MARKET UPDATE

The latest figures show that the Australian property market has been off to a strong start in 2024.

Here are some of the latest statistics from around the country:

Overall 2023 performance

According to [CoreLogic](#), the home value index (HVI) rose by 8.1 per cent across the nation in 2023, and the combined capital cities rose by 9.3 per cent. [The national median house price at the end of the year was \\$757,746.](#)

Individually, at the end of 2023, the capitals looked like this:

- **Sydney:** 11.1 per cent; median price \$1,128,322
- **Melbourne:** 3.5 per cent; median price \$780,457
- **Brisbane:** 13.1 per cent; \$787,217
- **Adelaide:** 8.8 per cent; median price \$711,604
- **Perth:** 15.2 per cent; median price \$660,757
- **Hobart:** -0.8 per cent; median price \$656,947
- **Darwin:** -0.1 per cent; median price \$496,309
- **Canberra:** 0.5 per cent; median price \$843,171

January 2024 figures

Research found that the average house in Australia's capitals and regions value rose 0.4 per cent in January, marking 12 straight months of increases.

When broken down, capital cities experienced differing results. January figures were as follows:

- **Sydney:** 0.2 per cent increase
- **Melbourne:** 0.1 per cent decrease
- **Brisbane:** 1 per cent increase
- **Adelaide:** 1.1 per cent increase
- **Perth:** 1.6 per cent increase
- **Hobart:** 0.7 per cent decrease
- **Darwin:** 0.3 per cent increase
- **Canberra:** 0.2 per cent decrease

[CoreLogic](#) reported that house values are rising at a faster rate relative to unit values and that the gap reached a record high of 45.2 per cent in January 2024.

Meanwhile, the combined regional index rose 1.2% over the rolling quarter compared with a 1.0% rise across the combined capitals index.

The generally 'slow and steady' results have come from the continued lack of stock on the market and interest rates being on hold during the summer period.

If you want to know the value of your home, ask your agent for data at a granular level that takes into consideration factors such as size, outlook, floor plan and location.

Rental market 2024

The average rental price in Australian capital cities rose 13.2 per cent year-on-year in 2023. The biggest increases were seen in Melbourne (\$650 for a house), Sydney (\$850 average rent for a house) and Perth (\$550 for a house).

Perth, the city that showed the greatest increase in property prices, saw rental asking prices rising by 20 per cent over the past year.

In January, [rent.com.au](#) reported that the national median cost of renting increased by 1.69% to \$600 per week for apartments and increased by 3.7% to \$650 per week for houses. Canberra and Hobart are the only cities where rental prices are going backwards.

Australia's vacancy rate set a record low of 0.8% in January, but [experts are predicting](#) rent prices will stabilise this year.

Want to buy or sell in 2024?

Forecasts are for the market to experience a slower upwards trajectory overall in 2024, but outcomes will depend on how inflation affects interest rates. If there is a rate cut, prices may rise more sharply than expected.

If you are looking to buy, a strong offer will still make the biggest difference, but be careful not to overcapitalise.

For sellers, the advice is to work with an experienced agent who can help you determine the value of your home based on your local market.

Want property advice? Talk to your local [Professionals](#) representative today.



RENTAL PROPERTY LINGO EXPLAINED

If you are a first-time renter, or even if you have rented before, there are a lot of words and terms that you may come across but not understand.

The following list of rental property lingo will help you interact confidently with property managers or landlords:

Rental glossary for Australian tenants

Add these to your vocabulary and you'll be speaking 'tenant' in no time:

- 1. Arrears:** Arrears are any unpaid rent that you owe to your landlord. When you sign your lease, it will outline the procedures that will be taken if you fall into arrears. If you find yourself in arrears, talk to your property manager immediately.
- 2. Bond:** When you first move into a property, you are usually expected to pay a lump sum which the landlord or agency will hold onto to cover any possible damage to the property. The amount is usually one month's rent. If you have not caused any significant damage when you leave the property, the bond will be returned to you.
- 3. Condition Report:** The condition report is a document that outlines the condition of the property when you move in. It will show issues that were already present, so you can't be held accountable for them. When you first move in, it is wise to check this document and notify your property manager of any issues that may have been missed.
- 4. End Date:** The end date is the official day when your lease is up, your tenancy ends, and you will be required to vacate the premises. It is important that you and your property manager are aware of the date.
- 5. Inspection:** Often called rent inspections. Your property manager will inspect your property on a regular basis to ensure there has been no major damage, check that there are no issues that need taking care of and note that you are in compliance with your rental agreement. The time between visits can vary but is usually three months, meaning you'll have four inspections a year. You'll find [more information about rental inspections here](#).
- 6. Inventory:** Your property manager will arrange an inventory of the contents of the property, including fittings and appliances, as a way of reducing disputes when you leave. This list will be longer and more significant if you rent a furnished property.
- 7. Lessor:** The lessor is the owner of your property and, therefore, your landlord, as they are the holders of the lease. This is a term you will mostly come across in the paperwork. In matching lingo, you are technically the 'lessee' although tenant is the more commonly used word.
- 8. Per Calendar Month (PCM):** In a per calendar month (PCM) lease agreement, your rent will be broken down into 12 payments a year. This means you pay the same every month, even in shorter months like February.
- 9. Property Manager:** Unless you opt for private rental where you rent directly from the landlord, you will be dealing with a property manager. A property manager is a real estate professional who manages rental properties on behalf of their owners. They are the person who will conduct your inspections and are who you contact with any queries or maintenance issues. The benefit of using a property manager is that they have an in-depth understanding of rental legislation.
- 10. Quiet Enjoyment:** Quiet enjoyment is your legal right to uninterrupted living in your rented space. This means that your landlord or property manager is not allowed to visit unannounced and must treat the property as your space for the duration of your tenancy.
- 11. Renewal Option:** If you want to continue living in the same home after your lease agreement is up, this clause in the agreement allows you to extend your lease.
- 12. Residential Tenancy Agreement:** This legal government document outlines your rights and obligations as a tenant. It can also be referred to as a rental contract.
- 13. Utilities:** Utilities are your essential services, such as electricity, gas and water. Your lease documentation will outline your responsibilities and your lessor's responsibilities in paying for these services.
- 14. Wear and Tear:** This is the natural wear and damage that will happen to a property over the course of your tenancy. You will not be responsible for repairing this form of damage when you leave.

Now you know these terms, make sure the person you lease a property from does as well.

Many landlords take on the responsibility of leasing a home without really understanding the official terms and requirements. It's better to work with a professional property manager who is clear, not just on the language of renting but on the rules, regulations and requirements of a harmonious long-term rental relationship.

Have any other questions about renting? Reach out to your local Professionals office today.



SALE >

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SELL OR HOLD? WHAT TO DO IN 2024

While the value of houses in Australia is always on an upward trajectory, there are troughs and peaks along the way.

After the last four years of fluctuating interest rates and higher than average demand from buyers, now that we're getting into 2024, you may be wondering if the time is right to cash in on your investment property.

The decision is ultimately up to you, but here are some of the factors to consider:

What to consider before you sell your investment property

1. Your long term goals

How long have you had your investment property for and what did you want to achieve in the first place?

With property values rising dramatically since the pandemic but more 'slow and steady' results expected during 2024, now may be a good time to sell and make use of the capital gains you have made.

Is it worth holding on for another 1 or 2 per cent growth over the next two or three years or should you sell to free up some cash now? This is a question worth discussing with your financial planner.

2. Your holding costs

Interest rates have been left on hold in February and are likely to remain at high levels throughout the year while the Reserve Bank works to get inflation under control.

Even with good tenants who pay a great rate, you may do the sums and realise the costs involved with paying off and maintaining the property aren't giving you the returns you want. You could also be feeling the financial strain and recognise that you're better off investing elsewhere for the time being.

3. Recent and forecast performance

Do some research to see how real estate is performing in your area. While average prices in Australia are still rising, different postcodes are giving different results.

You may notice that prices have peaked and are beginning to drop in the areas around your investment property. If this is the case, it may be time to take advantage of the gains you have made and move on before you lose more money.

On the other hand, if you're in an area that is still experiencing a positive growth trajectory, it will be worthwhile to hold onto your property and even buy another one nearby if you can.

A real estate agent can help you figure out what your investment is worth in the current market and how much it might sell for by the end of the year, based on recent data and historic trends.

4. Demand from buyers

Selling an investment property can be tricky because you risk losing your tenants; they will often hand in their notice once they realise the place is for sale and you don't want to find yourself with an empty property if it means you will struggle to cover the repayments.

Your agent can advise you how long they think it will take for your investment to sell and you can base your decision to take action around this. Ask about average sale times not just for your suburb but for the style of investment property you own.

Many agents have buyers who have pre-approval and want to act quickly. They can even help you achieve an off-market sale so you and your tenants don't have to endure multiple open homes.

5. Is the place sale-ready?

Buyers move fast when they come across well-presented homes in good condition. Your rental property may be in need of a facelift before you put it on the market. In this case, you can work with your real estate agent, property manager and tenants to make some necessary repairs and upgrades. This will result in a much smoother process when the time comes to sell. If you fail to find a buyer, you can look into increasing the rent because the home is now more appealing.

Should you sell your investment property in 2024?

The final decision is up to you but will be influenced by advice from your mortgage broker, accountant/financial planner and real estate agent. Get in touch to review your options and you will find it easier to make a decision.

Ready to sell? Reach out to your local [Professionals](#) representative.

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WILL YOU QUALIFY FOR THE 2024 HELP TO BUY SCHEME?

Is 2024 your year to break into the property market?

If you're eligible to access the Help to Buy scheme, owning a home may be more accessible than you think.

What is the Help to Buy scheme?

[The Help to Buy scheme](#) is a major election promise of the Albanese government aimed at helping 40,000 Australians buy their first home.

Created for low and middle-income Australians, the scheme is an equity-sharing program where the government can contribute a significant sum towards a home purchase.

The sum can be up to 40 per cent of the value of a new home and up to 30 per cent of the value of an established home, which will cover the majority of the deposit.

Deposits are usually required to be 20 per cent of the home's value, and raising that amount can be very difficult in the current economic climate. However, if you're eligible for the scheme, you will only be expected to come up with a deposit of two per cent.

Who will qualify for the Help to Buy scheme?

Financial circumstances change in your life and it can be frustrating to not qualify for Government support because you have owned a home in the past. To resolve this, the Help to Buy scheme is intended to service any eligible Australian who needs help to buy a home, even if it isn't your first time making a purchase.

According to [the Government](#):

- States will need to pass their own legislation in order for Help to Buy to operate in their jurisdiction.
- Help to Buy will operate in the territories following passage of Commonwealth legislation.
- All states agreed at National Cabinet to progress legislation so the Scheme will run nationally from 2024.

Once a start date is announced, the scheme will be open to a total of 40,000 Australians, at 10,000 a year. It is based on income, with low to middle-income earners being eligible. This means that if you earn up to \$90,000 a year as a single or up to \$120,000 as a couple, you may be eligible to buy a home with only a two per cent deposit.

The following criteria also apply:

- You also have to be an Australian resident
- You can't currently own a home or have a share in a residential property
- You have to be eligible for a standard home loan

There is also a limit on the value of the property purchased under the scheme. This limit varies from state to state because of different average values:

- NSW: Capital city and regional centres: \$950,000
- Rest of state: \$600,000
- VIC: Capital city and regional centres: \$850,000
- Rest of state: \$550,000
- QLD: Capital city and regional centres: \$650,000
- Rest of state: \$500,000
- WA: Capital city and regional centres: \$550,000
- Rest of state: \$400,000
- SA: Capital city and regional centres: \$550,000
- Rest of state: \$400,000
- TAS: Capital city and regional centres: \$550,000
- Rest of state: \$400,000
- ACT: \$600,000
- NT: \$550,000

How big a saving can you make?

The benefit of the Help to Buy scheme, along with needing to save far less for your deposit, is that you can take out a smaller home loan. The Albanese government estimates participants could save from \$285,000 to \$380,000, depending on whether they buy a new or established home.

What you need to know

The Help to Buy scheme sees the government acting as an investor of sorts.

If you successfully apply for this scheme, the government will hold equity in your home.

This doesn't mean they have control over your life on the property, but it does mean that when you sell, they are entitled to a slice of the sale, equating to the percentage they contributed.

So the drawback is that your profits won't be as high when you sell as they would be if you purchased independently.

However, the options exist to buy a higher stake in the house from the government as time goes on or buy them out completely.

How to apply for the Help to Buy scheme

There are more details to come about how to apply. If you are unsure as to whether or not you would be eligible, keep in touch with your real estate agent. They can help you discover your eligibility and can connect you with a mortgage broker who will guide you through the paperwork.

Ready to buy a home this year? Talk to your local [Professionals representative today](#).



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