



Hilton Parkes
An Agent You Can Trust

The Week in Real Estate



Buyers Value Garages Above Pools

A double lock-up garage and a short commute to work are more important to around 70-75% homebuyers than water views and swimming pools, says Westpac's "What Aussies look for in a new home" report.

Other prized features include access to shops, schools, public transport and the NBN - as well as a quiet, safe location.

The survey found that more than 70% of home-buyers were willing to pay more for a double lock-up garage. About two-thirds of those surveyed valued a short commute to work.

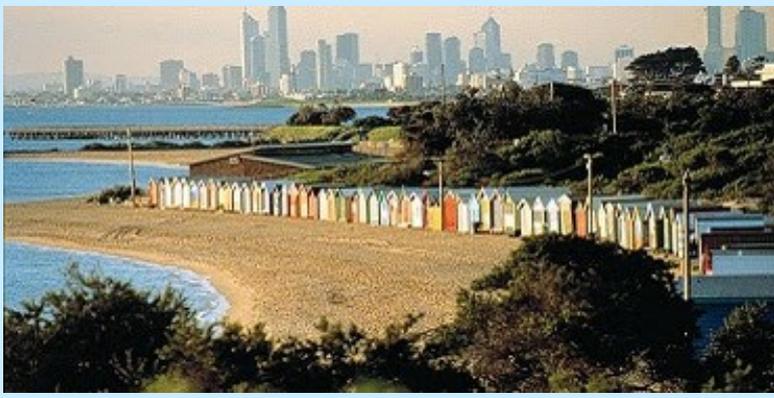
The bank's head of home ownership Nathan McMullen said unlike cosmetic renovations, it was not easy to add on a double garage and it was impossible to change the location and distance to work, which is why people are prepared to pay more for these features.



Save \$20,000 by choosing right month

You can save more than \$20,000 when selling or buying a property, simply by choosing the right month, says new research from Monash, Griffith and Swinburne Universities. The best time to buy a house in Sydney or Melbourne is May/June. Buying a house in Melbourne in May can save you \$20,000.

The research found that the best time to sell a house is now July. Vendors can expect to pocket (on average) an extra \$26,000 in Melbourne and \$23,000 in Sydney in July. The research shows the warmer months are no longer the domain of best property deals. Data extracted from 1995 to 2015 found the key measures that affected buying patterns were: the start of the new school year, beginning of public service contracts, weather, tax time and holiday periods.



Best buyers/sellers markets revealed

Sydney and Melbourne offer the best prospects of selling a property because of a shortage of stock for sale relative to the number of active buyers, according to the latest Commonwealth Bank CoreLogic RP Data Home Buyers Index. Good opportunities to sell also exist in Adelaide, Canberra, the Victorian Central Highlands and the Ovens-Murray Region on the New South Wales-Victorian borders.

However, the 10 best buyers' locations come with a warning because of their connection to the mining and resources sector. The Report says even though there are plenty of properties for sale, demand is low – few people want to buy there.

It lists five locations in Queensland: Wide Bay-Burnett, Central West, Mackay, South West and West Moreton. Northern South Australia, Far West New South Wales, the Pilbara, Mersey-Lyell region, Tasmania and Southern Tasmania also make the list.

The Darwin and Perth markets are described as weak and not recommended as buyer's markets.

Nationally, the regions with the best opportunities to buy can all be found in Queensland. The Caboolture Shire and Redcliffe City ranked in the top two places, followed by Inner Brisbane, Ipswich City, Logan City and Redland Shire.

Rental Yields Rise in Most Markets

Canberra has seen the largest gains in rental yields as houses rose from 4.2% in November 2014 to 5.1% in November 2015, while units rose from 4.1% to 5%, says CoreLogic RP Data.

The median rental yield for Adelaide houses rose from 4.2% to 4.7%, while units climbed from 4.1% to 4.9%.

In Perth houses climbed from 4.1% to 4.4%; units rose from 3.9% to 4.7%.

Hobart's houses remained unchanged at 5.4% while units climbed from 5.4% to 5.7%.

In Brisbane houses fell from 4.5% to 4.3% and units remained steady at 5.3%.

Melbourne's houses dropped from 3.3% to 3%, with units unchanged at 4.2%. In Sydney rental yield for houses fell from 3.5% to 3.2%, while units rose from 4% to 4.4%.



Duty Leads to Higher Loan Payments

Stamp duty has a detrimental effect on household finances because it indirectly forces mortgage payments up, says the Housing Industry Association Senior Economist, Shane Garrett.

"Home-buyers have smaller deposits after stamp duty is paid and must bear larger mortgage debt," he said. "As a result, significantly higher LMI charges must then be paid. On a standard home purchase of \$527,000, stamp duty can push the LMI premium up by another \$7,855. If that's not bad enough, a further layer of mortgage interest is added on top of the LMI premium if it is capitalised.

"The end result is that the typical stamp duty bill of \$19,045 can snowball up to about \$50,000 once LMI and mortgage interest are factored in."

During November 2015, NT homebuyers paid the highest stamp duty (\$25,600), followed by Victoria (\$24,700) and NSW (\$23,600). Queensland had the lowest stamp duty (\$6,300), followed by Tasmania (\$9,300). Stamp duty bills are the fourth highest in the ACT (\$18,400), with WA in fifth place (\$16,300) and SA in sixth (\$15,400).

Quote of the Week

"It's a big hit, especially when you've got a big deposit. It's a pretty big blow to receive. What it effectively does is force people to take out bigger mortgages than they would have to in the absence of stamp duty."

- HIA senior economist Shane Garret, speaking about the impact of stamp duty.

