

### Welcome to Mortgage Watch

I hope you find the information in this issue useful and informative. Please feel free to pass this newsletter to family or friends.

Regards,  
Brendan Gleeson



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# mortgage

## Cash rate remains at historic low.

The Reserve Bank of Australia (RBA) has kept the cash rate unchanged at a record-low 1.50%, continuing the longest run of inaction in almost 22 years. Governor Philip Lowe had this to say in his official statement:

“The housing markets in Sydney and Melbourne have slowed. Nationwide measures of housing prices are little changed over the past six months, with prices having recorded falls in some areas. In the eastern capital cities, a considerable additional supply of apartments is scheduled to come on stream over the next couple of years. APRA’s supervisory measures and tighter credit standards have been helpful in containing the build-up of risk in household balance sheets, although the level of household debt remains high.”

What does this mean for you? As the cash rate stands still at 1.50%, there have been a number of lenders including four of Australian’s biggest lenders who’ve changed their interest rates at their own discretion. Over the next few months make sure you keep an eye on any rate movement, and consider whether your current loan is still right for you.



## 4 renovation tips to boost your house sale prices

Looking to sell your property this year but unsure how to get the best price? Pre-sale renovations are a great way to make sure your property is snapped up for a better market value.

So, what do you need to know to help maximise your investment without breaking the bank?

### 1. Don't overspend

Renovations are like weddings, it's easy to overspend. Always remember that the name of the game is to get a return on your renovation investment, so only do what is necessary. Leaving some room for the new owners to do their own redecoration isn't a bad thing. Low-cost cleaning and repairs are a great way to get your property looking its best at a reasonable price.

### 2. Plan for your market

When renovating, it's important to know your market and target home improvements accordingly. Families are typically seeking multiple bedrooms, plenty of living space with outdoor areas and room for storage. Older couples will look for single-floor living, accessible bathrooms, and modern conveniences like air conditioning and double glazing. Aligning your repairs with the needs of your market will help your property get off the market sooner.

### 3. Focus on bathrooms and kitchens

A good kitchen and spotless bathrooms can sell a house. Though rooms with less plumbing like bedrooms and living spaces are much cheaper to do up, neither will return your investment like flawless bathrooms and kitchens. High end shower fittings, easy to clean surfaces and a neutral, uncluttered pallet are major attractions for bathrooms. A similarly calm, inoffensive colour scheme is advised in the kitchen with plenty of storage space and modern appliances.

### 4. Don't blindly follow trends

Trends are in every home décor magazine but avoiding trends more often than not gives you the best results. To get the right balance and aesthetically pleasing look you are better understanding the features of your unique property. For example, how can you work with the amount of natural light in certain rooms to make a more open feel and which colours suit the space in relation to fixed furnishings? By following trends, you risk distracting buyers from the unique characteristics your house has to offer.

For more information on how to maximise your property investments, talk to our team today.



## What is the ideal property type for your first home?

Getting ready to buy your first home is an exciting time. While saving for your deposit or wading through the intricacies of home loans can be a strain, it's all worth it when you can finally start picking out your dream home. But with so many types of property on offer, what do you go for first?

We've run through some of Australia's main housing types to help you decide what will work best for you.

### Apartment

An increasingly popular property, particularly in growing cities and commercial hubs, apartment blocks combine stunning views with the convenience of inner city living. Close to offices and downtown attractions, high-rise living can save you time and money on transport and ensures you're always within walking distance from the action. The smaller space can also get you a good location for a first-time buyer's budget. An added bonus is the ability to buy your apartment off the plan, which could qualify you for substantial savings on stamp duty.

However, apartments do lack outdoor space and though many come with certain amenities like pools or communal gyms, they often have corporate fees attached to them. Car parking can also be a major expense, particularly in crowded cities like Sydney and Melbourne.

### Townhouse

Townhouses or villas are usually two-story buildings located in complexes of fifty or more properties. They are often, though not always, owned by a strata manager and have onsite amenities such as gyms, tennis courts and pools. They are a great way to bag a good location alongside access to corporate maintained luxuries and are usually within the first home buyer budget.

However, like apartment blocks, amenities come with fees. For those wanting a secluded spot, these close-knit complexes may also not provide the privacy desired.

### Detached house in an outer suburb

The traditional dream house of Australia offers a large modern home on a spacious estate. Plenty of backyard space for children or pets and with several bedrooms, bathrooms and a garage, you can get a lot for your money. Land also gives you the potential to extend in the future, so you can upgrade without moving.

There are some drawbacks, however. Suburban locations can be a significant distance from workplaces, particularly those in the inner city. Estates on the outskirts can also have limited access to public transport and local amenities, making a car another crucial expense.

If you're looking for your first home and want some advice on the ideal home loan, speak to us today!



## Popular holiday spots to invest in

Australia's natural beauty, vibrant culture and outdoor pursuits make it the ideal destination to invest in a holiday home. A property that is not only an investment in your quality of life, renting it can be an income all of itself.

So, where are the best Australian holiday spots to invest in property?

### The Sunshine and Gold Coast

In anticipation of the Commonwealth Games, the local government has invested heavily in infrastructure improvements, giving this already vibrant local economy a further boost. A popular spot for holidaymakers with beaches famous around the world, the recent opening of the Sunshine Coast University Hospital is expected to create another rise to the student population, furthering the need for affordable rental accommodation. The regions airports and the areas direct links to Brisbane make it well connected for both commuters and travellers. Overall a thriving area ripe for investment.

### Hobart

Boasting low property prices and the nation's highest growth in rental returns, Hobart is a dream come true for property investors. Indeed, the Domain's December 2017 market report shows rental yields in the area has risen by 17.3 per cent over the year - the highest of any Australian city. Hobart really is a city of culture. Home to arguably the most interesting art gallery in Australia, the MONA, and host to some of the country's most popular arts festivals, Hobart consistently receives a lot of tourist attention, and there is no sign it's going to slow down any time soon.

### Canberra

Canberra offers a great opportunity for anyone looking to make their first plunge into the investor market. It's thriving public sector employment base, ideal location and quality universities are paving the way for future population and economic growth - ensuring rental demand for years to come. Property prices are currently very affordable with a high yield potential, combined with unrivalled access to national reserves and the sporting potential of open country.

If you're thinking of investing in an Australian holiday home and need a hand finding the best possible home loan for your unique situation, contact us today.



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