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MARCH PROPERTY UPDATE

Australia's property market has been off to a slow and steady start in 2024. Take a look at some of the latest facts and figures.

The latest numbers

Average property values slightly rose in February 2024, which is giving experts and economists an optimistic outlook for the rest of the year.

According to [CoreLogic](#), every capital except for Hobart saw a rise in the Home Value Index (HVI) in February, with the nation's overall HVI up by 0.6%.

Here is how the capitals performed last month:

- Sydney: +0.5 per cent
- Melbourne: +0.1 per cent
- Brisbane: +0.9 per cent
- Adelaide: +1.1 per cent
- Perth: +1.8 per cent
- Hobart: -0.3 per cent
- Darwin: +0.1 per cent
- Canberra: +0.7 per cent

Perth is continuing last year's positive growth trend, with the most substantial value increase of any capital city in Australia during February.

Meanwhile, regional areas are holding strong on average, with combined performance seeing an increase of 0.6 per cent.

Year on year, figures look like this:

- Sydney +10.6% | Average value \$1,128,155
- Melbourne +4.0% | Average value \$778,941
- Brisbane +15.6% | Average value \$805,593
- Adelaide +11.8% | Average value \$727,142
- Perth +18.3% | Average value \$687,004
- Hobart -0.6% | Average value \$652,645
- Darwin -0.1% | Average value \$499,834
- Canberra +1.6% | Average value \$840,103

What is influencing the market?

Property prices are holding steady thanks to continued housing shortages and confidence about interest rates.

After Inflation [hit record heights](#) in 2022, the Reserve Bank of Australia (RBA) raised interest rates [13 times in 15 months](#) in an effort to counter increasing prices. This has put a strain on household budgets and slowed buyer activity in comparison to previous years, but the lack of available homes for sale has meant that prices have not gone backwards.

In 2024, signs show inflation is slowing, which has promoted the RBA to pause interest rate hikes. Predictions are that the cash rate may begin to fall later in the year, which is making buyers more cautiously confident.

The [rental crisis](#) also continues to impact the real estate market. Rental prices are higher than ever, and the supply is low. This is driving many Australians to make a purchase as they fight to escape the unpredictable nature of renting by taking advantage of grants and buyer incentives.

It is time to sell?

While stock remains limited and building activity is low, selling is likely to deliver a positive result, however it comes down to your exact location, the amount of competition on the market and the prices in your area.

You will also need to think about where you plan to buy next and whether the outcome of your sale will give you the budget you need to make your ideal move. If, for example, you're moving from a capital city like Sydney or Brisbane to a different city or regional area, you should find your sale outcome gives you plenty of options.

Market movements aside, the price you achieve will also depend on how well your house is presented and the numbers of buyers who notice your marketing campaign. With this in mind, reach out to your local Professionals agent to discuss a valuation and sales strategy.

**Need help to understand your home's value and sell in 2024?
Get in touch with your local Professionals office today.**



TIPS TO GET YOU INTO YOUR FIRST HOME IN 2024

There is nothing like the feeling of owning a home, but the process of getting there may feel daunting the first time.

Here's a breakdown of how to get on the pathway to purchasing your first home in 2024.

Be prepared

The first step in buying a home, whether it's your first or your fortieth, is to get your finances in order. You need to know how much you can afford to borrow and how much you can pay towards the deposit.

You'll need to bring an expert on board, but the good news is you don't have to spend money at this stage. Mortgage brokers help connect you with lenders that will approve a loan at a competitive rate. They will either charge you a very small fee or nothing for this service.

Your mortgage broker will give you an idea of how much you can borrow based on your savings and income, and work with you to get pre-approval from a lender. Pre-approval is not essential to buying a home, but it will help you research what's available and place bids with confidence. Once you have made an offer, you can reconnect with your broker to finalise your loan.

The pre-approval process can be involved in itself, but your broker can tell you how to be prepared. Be aware that you will need a few weeks or even months to confirm pre-approval, and that it's not advisable to put down a deposit for a home unless you have it.

House hunting

With your finances sorted out, you should now have an idea of your budget for a home. You need to shop within this range.

Along with shopping within your price range, you should also allocate your must-haves, want-to-haves, and bonuses. These are the three levels of what you are looking for in a home. Must-haves are things you cannot do without, like the number of bedrooms you need. Should-haves are less necessary but are something you will do very favourably in a home like air conditioning or undercover parking. The bonuses are things like a swimming pool that are not necessary but will sweeten the deal if a home is in your price range.

The best way to successfully house hunt is to get to know some local real estate agents and work with them to find the right property for you. Agents are looking to match buyers with the right property so don't be shy about having some honest discussions about what you're looking for and what you can afford.

Check for grants

Talk to your mortgage broker or real estate agent about what grants and incentives are available when purchasing your home.

States will have their own first home owners grants worth looking into, but keep an eye out as well for the Federal Government's [Help-to-Buy Scheme](#), which will benefit many first-home buyers across the country.

In this scheme, the government will contribute as much as 40 per cent of the value of a home as a sort of co-buyer. Depending on your income, you may also be eligible to pay as little as a two-percent deposit. Saving the full 20 per cent deposit that most vendors require to buy a home is very difficult in the current cost-of-living crisis, so any way to reduce your deposit can be helpful.

You don't need to pay any rent on the Government's portion of the loan, but you must be aware that they will own a percentage of your home, leaving you with less when you sell.

Again, your broker is a good port of call to explore the grants available.

Start small

If you're struggling to find a house in your price range, think outside the square and look at smaller apartments. As you pay down your loan and experience an increase in value, you'll end up with more to spend on your next home.

There are also the options of 'rentvesting' and buying with a friend or family member so you can spend less but get your foot onto the property ladder.

Getting ready to buy your first home? Get in touch with your local Professionals representative today.



WHAT SMART HOME UPGRADES WILL HELP YOU SELL?

Look at the new properties being developed in Sydney and you will see many feature 'smart' elements and apply the latest technology to reduce energy use and support electric vehicles.

When you're selling an existing place, adding similar features will attract attention from buyers.

What is a smart home?

A smart/automated home has features that can be controlled remotely via your phone or computer, or even with voice control. The term to know when it comes to a smart home is IoT connectivity.

IoT connectivity means that you can use one central system to operate items in your home that are connected to the internet. For example, you can set the oven to preheat for 20 minutes before you get home. You can use voice control to play music throughout the house. You can even pre-program shutters or blinds to open and close at set times of day.

Smart homes even have doors that can be locked or unlocked with a PIN or swipe card instead of a key, and they have cameras that will notify you via your phone when someone is at the door.

Smart features that sell for more

Another feature being introduced to modern homes in the 2020s is a charging station for electric vehicles (EVs). EVs are becoming increasingly popular, and being able to charge a car at home with a proper station is now a selling point.

The other area to explore is solar panels and batteries. An investment in these will reduce a home's ongoing electricity bill, which is another drawcard for buyers. However, you should speak with an agent about whether such an investment will help you sell your property faster and for more.

What does it cost to turn your home into a smart home?

[Choice Magazine](#) explains you can spend as little as \$100 to add a feature like turning lamps on with your phone.

The amount you spend on a home automation upgrade will depend on how seamless you want your connections to be and how many devices you want connected. If you're planning to sell, think about automating lights, security, temperature control, and locks/doors as these are features you are less likely to take with you. The investment will start from a couple of thousand dollars and can go up to \$15,000, depending on what you need. Speak to an electrician who specialises and ask for a quote.

Installing an EV charger

According to drive.com.au, the price of an EV wall charger unit ranges from around \$500 to \$2000. Installation costs aren't included, so you will need to pay up to \$1250 to an electrician who knows how to do the job.

The cost of the investment highlights the importance of knowing your target audience. If you're in a suburb with a high number of EV drivers, putting a charger in could be a smart move for a faster sale. However, the endeavour won't be worth it if it's not a point of interest for buyers.

Your best source of advice is a real estate agent. They can explain if adding smart features and home automation before you sell is the right strategy to achieve a better outcome.

Talk to your local Professionals representative for information about the best way to prepare your home for sale.



CAN YOU STILL RENOVATE HOUSES FOR PROFIT IN AUSTRALIA?

The trend of 'flipping' property involves buyers purchasing older homes, making cosmetic upgrades, and selling them for profit.

If you want to do well at this and make decent money in a short period of time, you need to be strategic about where you buy, how much you spend and the types of upgrades to implement.

Find out more about the 'buy to renovate' strategy:

Flipping property in 2024

If your goal is to make money from a fast renovation project, the first step is to do your research and be adequately prepared.

You need to know how much you can spend and make sure you have access to the funds. Think about how much work you can do yourself and how much you will outsource to others, and be realistic about what's achievable. Don't forget to find out which tradespeople are available in the area, and what the wait times to access their services are.

Just as importantly, you'll need to explore how much a renovation and upgrade will add to the property's value. It needs to be worth the time and effort that you put in, and you don't want to be left with a stunning home that won't sell.

Be a savvy buyer

To get the most out of flipping a property, the home needs to be structurally sound and not in need of major upgrades.

A property with 'good bones' won't have huge problems with plumbing, waterproofing, electricity, rising damp or walls that need replacing. Making changes will cost less because you don't have to reinstall expensive internal systems or spend a lot of money on upgrades that don't impact the look and feel of the property.

Before you buy a home to renovate and sell, request a building inspection. This will save you from any nasty surprises.

Another factor to check is heritage listing; this can make renovating extra difficult.

Minimum effort, maximum achievement

Look for homes where you can create a significant impact with as little work as possible. The 'sweet spot' is dated homes that have been well looked after.

Properties that only need a fresh coat of paint, some new flooring and a fresh kitchen and bathroom will be the easiest to upgrade and sell for profit. If you can do as much of the work as possible yourself (provided you know what you're doing), it will cut back on the current issues surrounding the supply of skilled labour.

Don't spend too much when you renovate; if you want to buy a home and sell it quickly, there is no need to purchase top of the range tiles or tapware. Go for solid, reliable products that match the feel of the home, and keep things neutral to appeal to a wider range of buyers.

Final tips

Here are some more tips if you're planning to renovate for profit:

- Decide if you will live in the property while you renovate it or if you can afford not to
- Don't rule out a renovation project in a regional area, just make sure to do your research
- If you're working with your partner, be clear on who will take responsibility for what
- Aim to get some builder or tradespeople quotes before you make the purchase
- Have a backup plan in place if something happens and you can't sell when you want to
- Speak to a local real estate agent and let them know you're looking for a fixer-upper and what your criteria are.

Ready to flip a property? Get in touch with your local Professionals representative today.



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