



Tips for buying in a hot property market

Buying a property in a hot market can be very intense and often frustrating.

Here are a few things you can do to buy well during a competitive market.

1. Get finance pre-approved – this is non-negotiable! In this type of market you do not have the luxury of time so having this in place is a bare minimum. Being in a position where you know your budget and can make an offer with a standard finance clause could put you in the box seat.

2. Ducks in a row – with time being of the essence, having your solicitor and building & pest inspector on standby as well as having your deposit ready so that you can act fast and catch your competition on the back foot are very important factors.

3. Understand value – it's important to physically inspect as many properties as you can and know what recent comparable sales results have been achieved so that you can keep your finger on the pulse and know what good value is in your preferred suburb(s). Professional buyers never rely on the agent price guides as their basis for value since they will do their own independent research to form their own view. In a hot market, you may need to pay a premium for A grade and B+ properties given the additional interest that is likely.

4. Be proactive – once you've found the property you like, act fast! Don't wait for the Open for Inspection but instead call the agent and make an appointment to view ASAP and be prepared to act swiftly if the property satisfies all your criteria. Don't be afraid to make the first offer either. By doing this you are likely to give yourself the chance to have the final right of refusal after all competing offers are considered by the agent.

5. Dangle the carrot – if you have a property to sell then let the agent know that if you're successful then they could get the second listing. You don't necessarily need to give them the listing but it could give them extra incentive to help you.

6. Be flexible on settlement – ask the seller if they need a shorter or a longer settlement to best suit their needs. If you are one of two or three competing offers but your settlement date perfectly aligns with the owners requirements then this could be your edge.

A final cautionary word on a hot market – don't get caught up in the hype of it all! Apply a very simple rule... if you wouldn't buy the property in a balanced or quieter market then you shouldn't buy it in a hot market either!

A NOTE FROM TRACIE

*We hope you have had a great Easter break - hard to believe we are already in April!
Please get in touch if I can help at any stage.
All the best,
Tracie*

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7 Tips for Maximising Your Tax Return Every Year

Are you missing out on your hard-earned money? When you are trying to maximise your tax return, many people fail to take advantage of potential deductions either through not knowing or simply being disorganised.

How do you get started, especially if you're not a tax professional?

We've come up with 8 essential tax tips to make submitting your tax return easier once 1 July rolls around. Make sure you're not giving up any more of your hard earned money than you have to!

1. Create a Receipt System

Receipts are something that are very easy to lose so you have to establish a system. Also, sometimes the ink can fade over time and you end up with a blank piece of paper!

Tracking and saving receipts is one of the best ways to save money during tax season. You'd be surprised just how many things you can claim that you might not have even known about.

Moving forward, you should try to file away every relevant receipt and talk to your accountant to find out exactly what you're able to claim. Thankfully, there are now apps available that help you to digitise receipts if you prefer a modern solution to keeping them safe.

2. Make a Charitable Payment

Doing good is always something to be proud of, but did you know it could also pay off during tax season? Making a charitable payment is a great way of reducing your taxable income and doing a good deed at the same time.

To help you get ahead in the next EOFY, you could always consider setting up a monthly donation to a charity of your choice. It feels great to give back!

3. Review Your Deductions

Although this seems like one of our more obvious tax return tips, it's surprising how many Australian workers fail to claim their deductions. There are all kinds of things that you can claim during tax season such as:

- Business travel
- Work training events
- ATO interest
- Educational courses
- Work-related supplies

The list goes on, so be sure to check with the ATO to see what you qualify for. In addition, working with a tax specialist can help you claim all of your possible deductions.

4. Home and Car Expenses

If you drive your car to work or have a home office, there are some additional expenses you can claim. Why is this? When you use

your car for work or dedicate a room in your home for your office, you're taking on a cost of running or working for a business.

First, you'll need to create a strategy for calculating your car allowance. The most common method is to use a mileage tracker app to calculate costs and distance throughout the year. In addition, you might be entitled to claim a number of your home office expenses such as equipment, utilities, and so on. Again, tracking and keeping receipts is key.

5. Travel Expenses

While you can't write off your family trip to the beach, you might be able to qualify some of your travel expenses. Mainly, we're talking about work travel. If your employer requires you to travel for work, you can deduct a number of expenses, especially if you stay overnight. You can even deduct meals as long as your employer isn't also reimbursing you.



7. Get Paid to Read News and Magazines

Do you read an industry magazine or journal online? You might be entitled to a deduction. If you subscribe to an online or offline publication that helps you stay up to date in your line of work, and you can show a direct link to the subscription and your assessable income, then it's highly likely you can claim a deduction.

7. Put Your Money in a Super Fund

Super contributions might be one of the best ways to make the most of your tax return. This is especially true for workers who earn less than \$52,000 a year. For each 1\$ put into your super, the government will contribute 50 cents.

In addition, if you're married and one partner makes less than \$40,000, the higher earning partner can contribute up to \$3000 to the lower earning partner's super fund. This results in a tax offset of 18 percent. This is a kind of saving that really pays off in the long run!

PLANNING ON BUYING YOUR FIRST HOME?



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Has the housing market entered a "boom" phase?

Australia's housing market has reached its highest monthly price growth since 2003, hitting 2.1% in February, according to the latest report from CoreLogic.

The median price of dwellings in Australia hit \$598,884 in February, growing at the fastest monthly rate since August 2003. On an annual basis, the median dwelling price grew by 4%.

Tim Lawless, research director at CoreLogic, said Australia's housing market is "in the midst of a broad-based boom.". He said a phase like this has not been seen in the country for more than a decade.

"The last time we saw a sustained period where every capital city and rest of state region was rising in value was mid-2009 through to early 2010, as post-GFC stimulus fuelled buyer demand," he said.

Sydney and Hobart led the monthly gains as both markets registered a 2.5% growth in median dwelling prices.

Homes in Melbourne also recorded an increase in median dwelling value at 2.1%.

Lawless said it is unclear whether Sydney and Melbourne's growth can be sustained, as both cities are still recording

values below their earlier peaks.

"However, at this current rate of appreciation it won't be long before Australia's two most expensive capital city markets are moving through new record highs. With household incomes expected to remain subdued and stimulus winding down, it is likely affordability will once again become a challenge in these cities," he said.

In quarterly terms, smaller cities posted the highest gains, with Darwin recording the strongest growth at 5.5%.

During the month, regional markets continued to outperform capital cities. However, the gap has narrowed compared with the earlier phase of the growth cycle.

The table from CoreLogic below shows the performance of capital city markets over the month:

Index results as at February 28, 2021

	Change in dwelling values					Median value
	Month	Quarter	Annual	Total return		
Sydney	2.5%	3.6%	2.8%	5.3%	\$895,933	
Melbourne	2.1%	3.5%	-1.3%	1.8%	\$717,767	
Brisbane	1.5%	3.5%	5.0%	9.3%	\$535,618	
Adelaide	0.8%	2.7%	7.3%	11.8%	\$478,587	
Perth	1.5%	4.2%	4.6%	9.3%	\$491,795	
Hobart	2.5%	4.8%	8.7%	14.0%	\$535,994	
Darwin	0.7%	5.5%	13.8%	19.4%	\$438,645	
Canberra	1.9%	3.7%	9.7%	14.6%	\$706,454	
Combined capitals	2.0%	3.6%	2.6%	5.9%	\$675,014	
Combined regional	2.1%	5.4%	9.4%	14.4%	\$438,185	
National	2.1%	4.0%	4.0%	7.6%	\$598,884	

Quick Creamy Chicken & Sweet Potato Bake

- 1.1kg sweet potatoes, peeled & sliced 5mm
- 300ml Crème Fraiche
- 125ml (1/2 cup) Cooking Cream
- 2 garlic cloves, crushed.
- 1 tablespoon olive oil
- 1 tablespoon chopped fresh tarragon
- 200g meat from BBQ chicken, shredded
- 2 green shallots, chopped
- 105g (1 1/4 cup) grated cheese

1. Preheat oven to 200C/180C fan forced. Place the sweet potato in a large microwave-safe bowl with 60ml (1/4 cup) water. Cover with two sheets of plastic wrap. Cook in the microwave on High for 8 mins or until tender. Drain & set aside.

2. Meanwhile, lightly grease a 6cm-high 30 x 20cm (base measurement) baking dish. Combine the creme fraiche, cooking cream, garlic and tarragon in a jug. Season.

3. Layer the sweet potato, chicken, shallot and 80g (1 cup) of the cheese in the prepared dish,



pouring a little of the cream mixture between each layer. Pour the remaining cream mixture over the top. Scatter over the remaining cheese and bake for 30-35 minutes or until golden and the cheese is melted and bubbling. Set aside for 10 minutes before serving.

5 Ways to Pay Your Home Off Sooner

If like most Australians, you want to pay your home off sooner, here are a few tips to help;

1. **Switch to Fortnightly Repayments.** If you're currently paying monthly, consider switching to fortnightly repayments. By paying half the monthly amount every two weeks you'll make the equivalent of an extra month's repayment each year (as each year has 26 fortnights).
2. **Make Extra Repayments.** Extra repayments on your mortgage can cut your loan by years. Putting your tax refund or bonus into your mortgage could save you thousands in interest. On a typical 25-year principal and interest mortgage, most of your payments during the first five to eight years go towards paying off interest. So anything extra you put in during that time will reduce the amount of interest you pay and shorten the life of your loan.
3. **Find a lower interest rate:** Work out what features of your current loan you want to keep, and compare the interest rates on similar loans. If you find a better rate elsewhere, ask your current lender to match it or offer you a cheaper alternative. If

you decide to switch to another lender, make sure the benefits outweigh any fees you'll pay for closing your current loan and applying for another.

4. **Make Higher Repayments:** Another way to get ahead on your mortgage is to make repayments as if you had a loan with a higher rate of interest. The extra money will help to pay off your mortgage sooner. If you switch to a loan with a lower interest rate, keep making the same repayments you had at the higher rate.

5. **Avoid an Interest Only Loan :** Paying both the principal and the interest is the best way to get your mortgage paid off faster. Your principal does not reduce during the interest-only period. This means your debt isn't going down and you'll pay more interest.





Tracie's update...

I hope every one had a wonderful Easter and got to enjoy some down time with your family and friends.

Well hasn't the past 12 months been a crazy ride for all of us? Despite the uncertainty that Covid-19 brought us, we have continued

to grow and assist many new customers.

I am delighted to have helped so many first home buyers to achieve their dream of home ownership, especially during such challenging times.

A special mention to all my long term clients who have sent their now adult kids to me for assistance to buy their first homes. I just love working with them and the excitement that comes from that first home purchase. I feel really blessed to be recommended by you to your family and friends.

This year has seen a sharp increase in the amount of business we have completed. Some of you might think that is strange given the current global health pandemic. The property market in Brisbane has continued to flourish and we have witnessed the exponential increase in property values across the South East. Now is a good time to review your current home loan if you have some time. We are able to negotiate better rates with your own bank

sometimes and if not, we can look at other lender options for you to save some money. Quite a few of my clients have been taking the opportunity to leverage off their new found equity to jump into the property investment market. We would love to help you if that is something on your bucket list. Others are busy doing home renovations at the moment and this is another area we could assist you with. So, whatever your finance needs are, turn to us for support and assistance. My team and I would love to hear from you. Till next time, take care and stay safe everyone. Regards Tracie

Disclaimer: This Newsletter has been prepared by Tracie Palmer. Every effort has been made to ensure the contents are accurate at the time of publication. Tracie Palmer /Cornerstone Home Loans takes no responsibility for any subsequent action that may arise from the use of this Newsletter.

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