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NEWSLETTER

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New Year, New Goals - Is it time to invest?

2020 was certainly an eventful year with many challenges faced throughout the Covid 19 pandemic.

Property expert and author Michael Yardney wrote back in May "While I don't want to make light of COVID-19, but based on my perspective having been involved in the property market for over 45 years, I believe the impact of this on our property market will ultimately be temporary. And in a recent article continues on with Well, it looks like my musings were correct...

A perfect storm for property.

While there is likely to still be weakness in certain sectors of our property market moving forward, it looks like there is now a window of opportunity for strategic investors and cashed up home buyers to get in the market as there is a "perfect storm" brewing for a period of strong property price growth in the second half of 2021 with a confluence of the following: –

- Federal Government initiatives, spending and infrastructure projects
- State Government spending and infrastructure initiatives
- Historically low interest rates making borrowing as cheap as it has ever been, thus making holding investments or taking out a home loan very affordable.

- The security that interest rates will remain low for a number of years will encourage people to borrow
- Easing of credit approval criteria in March next year could allow many people to borrow \$70-\$100,000 more than they could before.
- Consumer confidence will return as we work our way out of the recession and lives become more normal after CoVid19
- There will be an imbalance with the demand outstripping supply of properties in the short term since it usually takes a number of months before people feel confident enough to place their properties on the market for sale. They usually wait to see evidence that the market has bottomed, including higher prices, rising auction clearance rates and positive property news in the media.
- A return of international demand for Australian property
- A return of immigration and students to Australia is also possible later next year

If investing in property is part of your 2021 wealth strategy call the team at Cornerstone Home Loans and we can assess your borrowing capacity.

A NOTE FROM TRACIE

*Welcome to 2021!
We hope this year brings lots of great things.
If we can help with anything please reach out.
All the best,
Tracie*

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Should I Fix or Sell? Six Benefits of Selling a House As-Is

sourced from Better Homes & Gardens

When you've decided to move on — whether you're upsizing or downsizing, accepting a fantastic job offer in another city, or fleeing to (or from) the suburbs — think long and hard about what you really need to do to get your house market-ready. You may be tempted to go into renovation mode, but you might be better off selling your house as-is.

Anything that impacts the home's operation needs to be fixed before you list, including a leaky roof, a broken furnace, plumbing and the electrical system. These are all things sellers are legally obliged to disclose. If not, a home inspector will identify them to a potential buyer, possibly leading to an offer being withdrawn. Here are some things to consider when selling your house.

1. Renovation ROI may not be there

Most home renovations don't pay off instantly. Complete bathroom and kitchen renovations add the most value but also cause the most disruption and can be very expensive. If these rooms haven't already been renovated, don't start now. Focus on making sure the existing selling features of the home are in great shape.

2. Living in a renovation zone is stressful

If an owner is fortunate enough to own a larger home with multiple bathrooms and a spare room or two, renovating may not be quite as challenging as it is for those in smaller spaces. But unless personally doing all the work yourself (and sometimes even then), you're at the mercy of your suppliers' timelines. You have to live there while renovating even though you're not going to be the one to benefit. Before you sink \$20,000 into a last-minute kitchen transformation, consider just painting or replacing cupboard door fronts and adding new hardware.

3. There's no arguing with taste

If a potential buyer can't imagine living in a particular space, they're not going to make an offer, unless they plan to flip or gut and rebuild. One can't anticipate how someone else will want to use the space. A study may become a sewing room or a nursery. A small bedroom may become a big, luxurious bathroom. Concentrate on creating a space that suggests multiple possibilities rather than trying to anticipate the needs of someone else.

4. You've already made your decision

Don't let nostalgia influence your renovation decisions when you've decided to move on. It is no problem that you never got around to installing that skylight in the kitchen. Your next home may have different light exposure or floor-to-ceiling windows that let in tons of natural light. Don't just move — move on.

5. Curb appeal starts on the outside, not the inside

All the energy you spend on interior renovations will be pointless if you neglect your home's exterior. Now is the time to get rid of all the bikes your kids have outgrown, re-seed those patches of lawn where the grass is yellow and create an approach to your home that's welcoming. If you're going to invest in something other than landscaping for the exterior, make it something like new patio furniture that you can take to your new home.



6. Clean is more important than new

There's nothing more off-putting than the sight of someone else's dirt or evidence of hard usage. Grubby walls, scratched floors, torn carpet, cracked tiles, appliances with fingerprints and ratty towels are small things that unpleasantly remind prospective buyers that other people are using a home. You want them to see themselves in the space. If you really can't bear to paint over the door frame where you marked your children's heights over the years, replace it and take the old one with you. Selling your major life investment is about being pragmatic, not sentimental.

GET YOUR 2021

FREE INVESTOR SESSION

- REVIEW CURRENT EQUITY & RATES
- ASSESS BORROWING CAPACITY
- REVIEW POTENTIAL REPAYMENTS
- SET PROPERTY GOALS &
- RECEIVE YOUR FREE INVESTOR PACK

BOOK TODAY

Property Forecasts ... Always Apply Caution

When considering when to buy property, it is prudent to apply caution to property forecasts.

The NAB recently revised upwards their forecasts for future house price movements.

NAB's Chief Economist Alan Oster stated, "we forecast healthy gains of over 7% in each of Brisbane, Adelaide and Hobart in 2021, while Sydney and Melbourne should rise by 4.5% and 3.5% respectively,".

While this was positive news, it did represent a change in tune from the NAB, as identified by Coolabah Capital Investments recently.

In May 2020, NAB had indicated "our view is that dwelling prices will likely see significant falls over the next 12-18 months". "We expect house prices across the capital cities to fall by 10-15%... a sharp rise in unemployment to 11.7% by mid-year."

NAB is certainly not the only economic forecaster being forced to revise upward their house price forecasts recently as compared to earlier this year. Forecasting is a tough game at the best

NAB HEDONIC DWELLING PRICE FORECASTS (%)*

	2019	2020f	2021f	2022f
Sydney	5.3	2.2	4.4	6.0
Melbourne	5.3	-2.2	3.6	5.4
Brisbane	0.3	3.2	7.4	7.4
Adelaide	-0.2	4.6	7.4	7.4
Perth	-6.8	0.1	5.0	5.8
Hobart	3.9	5.1	7.4	7.4
Cap City Avg	3.0	1.0	5.0	6.1

*% change represent through the year growth to Q4 SOURCE: CoreLogic, NAB Economics

of times, let alone during a global pandemic.

It does raise some important questions however, especially around the level of faith you should place on any specific forecasts around property prices; particularly the sensationalist forecasts that often appear in the media.

The time tested approach of applying logic around market fundamentals, like property being an investment class that is best held through full cycles, should avoid any need to read deeply into short term price forecasts.

With interest rates at an all time low now could be a great time to invest.

If you are looking for some advice around investment please let us know and we can organise a complimentary investment strategy appointment.

BBQ haloumi & vegetable kebabs

- 2 Zucchini, peeled into ribbons
- 2 x 180g pkts haloumi, cut into 2cm cubes
- 250g cherry tomatoes
- 1 red onion, cut into thin wedges
- 1 tablespoon olive oil
- 1 tablespoon chopped oregano
- 1 teaspoon paprika
- Lemon wedges, to serve

1. Preheat barbecue grill on medium. Place zucchini in a heatproof bowl. Cover with boiling water. Set aside for 2 mins. Drain.
2. Place the zucchini, haloumi, tomatoes and onion in a large bowl. Drizzle with oil and sprinkle with oregano and paprika. Gently toss to combine.
3. Thread vegetables and haloumi onto soaked bamboo skewers (see tip). Cook for 2 mins each side or until lightly charred. Serve on a platter with lemon wedges.



Top 5 Tips To Keep Your Home Organised

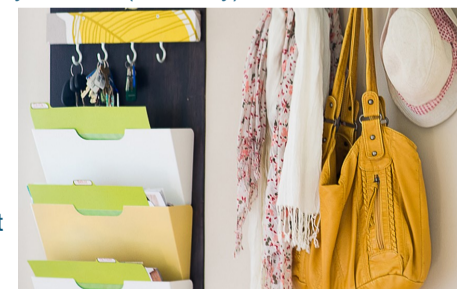
Homes don't clean themselves. But these easy-peasy routines will make you feel like they do.

Here are 5 tips;

1. **Dedicate 20 Minutes Every Day:** You don't need to set aside 20 hours one day to get things in order. You only need 20 minutes every day. Focus on tackling clutter in just one room. You might only pare down a single drawer or shelf, but "it will make you feel accomplished at the end of the day, and at the end of a week, you will see how much you can declutter," says professional organizer Helena Alkhas.
2. **Follow a 1 minute Rule:** Small tasks add up quickly when you're saving them to do all at once. So if it takes less than a minute to complete, do it immediately.
3. **Start a Load of Laundry Before Work:** If you have a full load in the hamper, toss it in the washer while you're getting ready for work. When you get home, you'll already feel ahead of schedule with just drying and a little fluffing and folding to do.

4. **Always Leave A Rom with Something in Hand:** Whatever room you're in, chances are there's a toy, cup, blanket or T-shirt that needs to be delivered back to another room. Every time you leave a room, take a quick scan for anything that belongs where you're going, and you'll start habitually keeping clutter under control.

5. **Do Chores In the Same Order:** Whether you're cleaning on a Saturday or Wednesday, your mind (and body) will move more quickly from vacuuming to mopping to dusting if you check chores off in the same order — making it easier to keep your home tidy and clean. Headphones and a throwback playlist are a recommended, but not required, part of the routine.





Tracie's update...

Welcome to our latest newsletter. We hope that all our customers are continuing to manage the stress and challenges that 2020 has brought us. We have settled nicely into our new head office and enjoy the more casual life of working from home as many of

you would attest to.

Thank you for all the referrals this last few months. We have been absolutely inundated with new customers and really appreciate the trust you place in us to help your family and friends. Lots of new first home buyers too, which we really enjoy working with. It is always very exciting to help someone to realise their dream of home ownership.

Just an update on lender timeframes. As mentioned in our last newsletter, Covid has had a major affect on the banks. Not only from the stand point of helping their customers through Covid, by placing many thousands of loans on repayment hold, but also their timeframes have exceeded the normal expectations of home loan processing. I just want to say a very big thank you to all of our recent customers who have experienced significant delays in loan approvals and settlements due to lender time frames. It has been very challenging to say the least.

However, working with such understanding, loyal and grateful customers has really warmed our hearts. Our team work very long hours negotiating with banks to have positive customer outcomes as best we possibly can. We understand the enormous pressure this places on our customers at times and honestly appreciate you trusting us to get the job done, despite the difficulties we are facing with the lenders. So a big thank you to all. On this topic, if you are planning to sell or purchase a property in the immediate future, it would be good to negotiate longer timeframes on your contracts to avoid disappointment and added stress. Call us if you want to check how your bank is fairing with this. All our appointments are now being conducted via Zoom and this has been welcomed by our customers. If you need anything or if it has been a while since your last review, please just reach out to us and we will be here to support you.

Take care,
Tracie and the team.



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