



NEWS - JANUARY 2014

Our Tips for First Time Renters.....

Searching for your first rental home can feel like quite a daunting experience. In fact, many first time renters come to us not knowing where to start or what their rights or obligations are? With many school leavers about to leave home before embarking on their first year of Tafe, University, or an apprenticeship, we know our Property Managers are about to enter their peak time of year. We thought we'd put together this little tip sheet for those about to take their first step into the world of renting real estate:

- Search in the price range you can afford. This may sound really obvious, but it can be very tempting to keep jumping up to the next price bracket. Just remember, your first rental home doesn't have to be your dream home - and paying an extra \$20-\$30/week in rent may not seem like much, but actually equates to around \$85-\$130/month. Work out what you can afford, then find the property that most closely meets your needs, while staying within your budget.
- If you're moving out of mum and dad's to be closer to University, work or Tafe, make sure you're looking at properties that have easy access to it, or that you're nearby to the public transport that will get you there.
- Read the fine print. Most internet advertising will tell you the property price, available date, and if the owners want a short term tenancy. The advertising will also let you know the viewing instructions and open home times. You may be able to quickly eliminate properties from your shortlist if they're not available until after University starts, or if the owners only want a 6 month lease.
- Be prepared. When viewing properties between now and early 2014, expect that competition will be tough and it may take a few weeks. Start looking early, take a completed application form and photocopies of ID and payslips with you, so you can submit your application as soon as you've been through the property you want.
- Have your bond money ready to pay. Assume your tenancy application will be accepted, and make sure you have the bond money ready to deposit. A bond is usually equal to one month's rent.

If you're ready to find your first rental home, or if you have any questions about renting, please contact our friendly team at Professionals Real Estate today - we'd love to help you.

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Which Loan Should you Pay off First?

How often do you look at the balance owing on your mortgage and feel instantly deflated? You're not alone. While it's always very important to speak to a financial expert about your specific circumstances, we can offer a couple of thoughts that may help. There are a couple of things to consider when deciding which of your loans to pay off first:

The first concerns the facts and figures of each loan. Typically, a home loan will be the loan you have with the largest balance owing. However, it will also generally be the one with the lowest interest rate. If you want to cut down on the money you're throwing away on interest, (i.e. the money you're charged on top of what you are actually borrowing), it makes more sense to pay off those smaller loans with the highest interest rates first.

The second thing to consider is the psychological impact. Paying off multiple loans can negatively affect your mood just as much as your bank balance. By paying off the smaller, high interest loans first, you will feel as though you're actually getting somewhere. Each time a loan is paid off, you have that extra money sitting in your account, and you can mentally check it off your list of financial burdens.

Finally, it pays to be aware of the tax deductions available when paying off a mortgage, particularly when it's an investment property. You may be familiar with the tax benefits you can receive when owning a negatively geared investment property, but there are also depreciation benefits too. It seems there really is good debt and bad debt... who would have thought?!

Of course it would be wonderful to own your slice of real estate outright, but if you're struggling to make your monthly pay stretch across all of

your multiple debts and payment plans, now might not be the best time to focus on it. If you're in a bit of a financial mess, we encourage you to speak to an expert who can help you to understand how to make your money work best for you.



When Selling, it Helps to Think Like a Buyer!

When you're opening your home to a potential buyer, it's easy to get caught up in the detail – 'Have I swept all the floors in the last 5 minutes', 'Are all the curtains straight', 'Have any leaves fallen onto the driveway' – yes it's true, we can drive ourselves crazy in the details. But truth be told, the number one rule to preparing for an open home is fairly simple... just think like a buyer.

Is a buyer going to notice a few tiny specs that have blown in onto your floor, a couple of stray green leaves that have dropped onto your driveway from the overhanging branches, or a curtain that has unfurled as it blows in the breeze? No. What they will notice is a home with no personality, no substance, or that doesn't offer anything for their lifestyle. This is essentially what we need to sell! We're not selling a clean floor (although it helps), or straight curtains (although this may also help), we're essentially trying to sell the lifestyle your home will afford its new owner.

When preparing your home for sale, we ask that you let us come and chat to you about how we can market and style your home to maximise its charm to help it make an emotional connection with buyers, and ultimately achieve you the best sale price.

If you're in the market to sell, please contact our team at Professionals Real Estate today.



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