

In this issue:

- What is your home worth in 2022?
- What is an off market sale?
- Creating your property brief
- 2022: What's the property forecast?

WHAT'S YOUR HOME WORTH

WHAT IS YOUR HOME WORTH IN 2022?

After the significant price jumps of homes around Australia in 2021 (the average property value increased by 22%), you are probably wondering what your home is worth as we enter 2022. Whether you're planning to sell or looking to refinance, it's always helpful to have an idea of your property's value.

Real estate is an interesting industry because of the way the final selling price comes down to an agreement between buyer and seller. However, as a seller, you of course don't want to sell your home for less than market value.

Here are some steps to help you understand what your home is worth in 2022 and what it could potentially sell for.

- **Check out local prices:** A glance at the average house prices for your suburb via a portal like Domain or realestate.com.au will also help you get an idea of what your home is worth and how the value has changed since your last appraisal.
- **Research recent sales in your area:** The next step to figure out what your home may sell for is to research recent sales in your area. Trying out a tool like onthefirst.com.au will give you an idea of where local prices stand. However, remember to compare apples with apples. The sale price of a 5 bedroom, 3 bathroom home will not dictate what your 2 bed, 1 bath will sell for and vice versa. Look for sales of houses of comparable size and condition in your closest postcodes.
- **Have a valuation:** A valuation is carried out by a bank or other official financial institution. Valuations will tell you what lenders will believe your home could sell for in an emergency (for example, if the bank took repossession and needed to sell because you didn't pay your mortgage). More often than not, a valuation will be on the lower side of the actual sale potential.
- **Have an appraisal:** An appraisal is carried out by a real estate agent rather than a lender. It will be based on what the home will sell for with a number of factors taken into account, including the size of the home and garden, the layout, the location, recent outcomes of similar property sales and the number of interested buyers in the market right now.

Some real estate agents will share better and more accurate appraisals than others. If you believe an appraisal is too good to be true, make sure to ask why. A quality agent will set realistic expectations based on very up to date data.

So what is your home worth?

After doing some research, keeping an eye on what other homes are selling for and speaking with an experienced real estate agent, you should have an idea of the maximum and minimum your home could sell for.

If you are ready to sell, the next step is to ensure you can hit that maximum price. An experienced agent will show you the most cost-effective ways to improve the sales result, either by making small but impactful upgrades or by marketing the home so it appeals to highly motivated buyers.

As mentioned, the final value will come down to an agreement between you and your buyer. However, with the right help, it will be an amount you are thrilled with.

For an accurate appraisal based on current market conditions, contact Professionals today.



WHAT IS AN OFF MARKET SALE?

In Australia, not all property sales are listed publicly. Some are carried out privately and can't be found on a real estate website or in the agent's window.

To access an off market sale, you need to have relationships with local insiders. Here's what you need to know:

What is an off market property sale?

An off market sale is not advertised. It is usually handled through a real estate agent who will approach potential buyers directly on behalf of the seller.

Some properties are offered off market before a marketing campaign is created. Others are never shared publicly.

Why sell off market?

There are a few reasons why a seller might choose to stay off market:

- **A quick sale:** Off market sales are often quick because there are fewer interested parties and offers only come in from 'qualified' buyers. An off market property will be shared with one or two specific buyers who agents know are ready to move very quickly. There is no need for a drawn-out campaign or auction process. If the home seller wants to make a quick move, selling off market can be the best option.
- **Privacy:** Sellers may not want their home sale known to the public. They may be a recognisable personality who needs to avoid the exposure.

Some sellers may be put off by the idea of home opens and multiple people visiting their home. Couples who are going through a divorce also often choose to sell off market to avoid unwanted attention.

- **High demand:** When buyers are queueing up to make a purchase, there isn't as much need for a huge campaign. The real estate agent will introduce the seller to buyers who have just missed out on buying a home and will be quick to make an offer.

- **Specific criteria:** It doesn't happen a lot but sometimes a family has had a property for decades and is more concerned about it going to the right people, instead of selling for the right price. In this case, an off market sale makes sense.

To gauge interest: Sometimes homes are offered off market to get an idea of what buyers may pay. If an offer doesn't come in that the seller is happy with, the agent will share the property with the public to attract interest from further afield.

How to find an off market home

Finding an off market home can put you ahead of other motivated buyers in your area.

The best way to find an off market sale is to build a good relationship with your real estate agent. Speak to them about what you are looking for in your perfect home. Let them know as many criteria as you can including size, style, and of course price range.

Think about putting together a property brief with all your new home criteria together and sharing it with your real estate agent. If an off market home comes up, your agent will be in touch.

Don't forget to have pre-approval for your home loan. Once you have viewed a property ahead of other buyers, you need to be able to make an offer with confidence and act quickly to sign the contract of sale.

Want to get to know a local agent who will help you find your dream home, even if it is not advertised to the public? Reach out to Professionals today.



CREATING YOUR PROPERTY BRIEF

Ready to buy a home? Do you have a property brief? Taking half an hour to create one can potentially reduce the time you spend scouring the market.

What is a property brief?

A property brief is a list of features that make up your ideal home. You and your partner should agree on what's in the brief, then be prepared to share it with the real estate agents you meet while you're on the hunt for a house.

The major factors that you should take into consideration will usually be:

- **Budget:** Your agent needs to know the limits of your spending power. Provide a price range so you don't waste time looking at places you can't afford.
- **Style:** Detached home, apartment, townhouse, unit; make a note of whatever your desired property might be and which order your preferences are in. You should also consider whether you want a newer property or something with a little more history.
- **Size:** You will need to know how many bedrooms, bathrooms, living areas etc will best suit your family.
- **Location:** Your agent might find you the perfect property on paper, but if it is too far from family, transport, or schools it won't do. Let them know at least the facilities that you need nearby (schools, transport etc), and your most desired postcodes.

Beyond the basics

There is much more to your perfect home than these broad factors so list the features that will suit your lifestyle. Think about your 'must haves' and your 'nice to haves'. Perhaps you 'must have' decent security but it would be 'nice to have' a pool.

The features on your property brief might include:

- Off street/secure parking
- Garden or balcony
- Pool
- Views
- Security

- Private laundry
- Fixtures
- Lift access
- Aspect
- Ensuite bathroom
- Walk in wardrobes
- Air conditioning

Stairs or unsecure parking may fall into a 'can't have' category, depending on how selective you can afford to be.

When to compromise

It would be nice if your agent came back with an affordable property in the right area that ticks off every item on your features list. However, that is not reality (unless you're really, really lucky or have an unlimited budget).

When it comes down to a final decision, you will probably have to compromise. Sit down and figure out what is most important to you and your family. Will you give up ocean views for off-street parking? Will you forgo a bigger garden for an extra bedroom? Having these discussions early and being clear on your priority will make things less stressful during your property search.

Talk to a Professionals agent

After you have nussed out the draft of your property brief, it won't hurt to polish it off with the help of an agent. Your agent will help you to prioritise and to set realistic expectations. They may also have ideas you haven't thought of and be able to share ideas that make sense for your family.

Generally speaking, sharing a detailed property brief will speed up your house hunt, as you will have an agent keeping an eye out and potentially letting you know if an off-market listing comes up that matches your criteria.

Sometimes, even though they are familiar with your goals, an agent will reach out with a home that wasn't what you had in mind, but which is actually perfect. Think of your agent like a match-maker; they want to find your ideal home and sometimes they will recognise it before you do!

Contact Professionals to share your property brief or get help creating one.



2022: WHAT'S THE PROPERTY FORECAST?

2021 was a landmark year for property growth in Australia... so what is the property forecast for 2022?

Nationwide, 2021 saw a rise of more than 22% in average property values. While unpredictability has become the name of the game due to COVID, a few factors are likely to influence the market this year.

Australian property in 2022

Property prices here in Australia aren't expected to soar in the way that they did through 2021 but they are not expected to drop either. Instead of exponential rises, it is expected things will be more slow and steady.

December figures indicated the trend for 2022 by showing only 1% growth (the average high for the year was 2.8% in March). This change is partly due to the new Australian Prudential Regulation Authority (APRA) rules, which are limiting people's borrowing power.

According to corelogic.com.au, the variation between growth across the country is likely to become more pronounced in 2022. Sydney, Melbourne and Perth markets are now easing off somewhat after a very big year, while Adelaide and Brisbane continue to climb more quickly.

While every suburb and even every street has its own trend, here's an overview for each major city and the regions:

- **Sydney:** The Sydney market seems to have pumped the brakes after an enormous year. Most likely this is the result of borrowing power being capped by the APRA. Sellers can still take heart that their property value experienced significant growth in 2021.
- **Victoria:** The Victorian market is in the same position, with price growth slowing at the end of 2021.
- **Perth:** While the upward trend in Perth is also slowing, it may be for different reasons. The West Australian market has most likely been affected by border closures and a lack of new arrivals, which have reduced demand.

- **Brisbane & Adelaide:** Prices are still rising steadily in these cities. This is more than likely because both cities are more affordable than Sydney and Melbourne, meaning the cap on borrowing has not had the same effect on buyers' pockets.
- **Regional Australia:** Regional areas look set to see strong growth in 2022 as more families make the decision to leave larger cities in search of better work/life balance. As shared by CoreLogic, "Since March 2020, housing values across regional Australia are up 32.0% compared to the 20.0% lift in values seen across the combined capitals." This is great news if you are considering selling.

What's in store in 2022?

While COVID-19 remains a wild card that could send the market in any direction, in general, prices are expected to continue to rise albeit at different rates in different regions.

Prices will also depend on the number of properties for sale in the area. Over the last two years, the increases have been a result of low interest rates, high demand and fewer people putting their homes on the market. While interest rates are expected to stay low, if stock remains limited, prices will continue to increase, especially in areas where people have larger budgets.

So what does this all mean for you as a buyer or seller?

- As a buyer, it makes sense to act quickly to secure your next home.
- As a seller, you can still take advantage of low interest rates and limited stock. Book your initial discussion with a Professionals agent today.

At the end of the day, if you need to buy or sell, it doesn't matter what the forecast is. If you're investing, you can still be selective and find a property which should generate positive returns over the next five years.

To get an idea of whether the time is right to sell or buy, contact your local Professionals representative.



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