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5 tips for buying during coronavirus lockdowns

We've all had to adapt and do things a little differently since social distancing became a way of life, and trying to buy a property is no exception.

But while open homes and gatherings for auctions aren't able to continue at this time, the property market is still very much open for business.

Properties are still being sold and there are a lot of people out there in need of a new home.

In fact, if you're in a stable financial position then low mortgage rates make the current environment an ideal time to get into the market.

But how do you go about hunting for a home with the current restrictions in place?

Go on virtual inspections

Viewing properties online has already been gaining popularity over the past few years, and now there's even more property information to be found online than ever before.

Most properties now offer photos, floor plans, videos and 3D virtual tours to help make it easier for buyers to decide if a property is right for them.

Another option available is a virtual walkthrough of a property. This allows you to inspect a property in real time with an agent, and ask them exactly what you want to look

at, and it gives you the opportunity to ask any questions you might have about a property as they come up.

Private inspections of properties are also still available and can be arranged at a time that suits you.

Research the neighbourhood

It is a little more complicated exploring a new neighbourhood with current restrictions in place, but there is still a lot you can find out online.

You can use Google Street View to take a look around neighbourhood streets and get a feel for the area without having to go for a drive.

It's also worth checking out online reviews of a suburb or community Facebook pages to see what locals have to say about the area. They can offer a lot of insights and valuable information that you might not have thought about.

Shop around for the lowest mortgage rates

Mortgage rates are the lowest they have ever been in history, meaning it's a great time to shop around and find a great deal.

Keep in mind that the home loan with the lowest mortgage rate isn't necessarily the best though. You should also factor in things like fees and features such as an offset account or redraw facility when comparing loans.



Bid at online auctions

Property buyers can now take part in auctions from the comfort of their homes using virtual auction platforms. The whole process is still live and you can see the bids as they happen in real-time.

The thought of bidding for a property online may seem a little daunting at first, so it's a good idea to watch some live auctions first and get a feel for how they work.

You might also like to have a chat to the selling agent to ask for advice and get them to help explain the process.

Talk to agents and stay up-to-date

There have been a lot of changes in the world of late so it's understandable if you're a little confused about what that means for buying and selling real estate in Australia.

If you have any questions or concerns about a property purchase it's best to get in touch with the selling agent who can offer you the most up-to-date advice.

What you can do now to prepare to sell later

Thinking about selling but not sure if it's the right time?

While selling amid the country's current coronavirus lockdowns and restrictions is still possible, understandably there are some property owners choosing to sit on the sidelines and see how things pan out over the coming months.

There's no reason to sit by idly though. If you're thinking about selling then there are plenty of things you can start doing today to get your property ready when the time feels right.

Get your property up to scratch

Presentation is everything when it comes to selling so you'll want to make sure your property looks the absolute best that it can.

Make the most of any extra downtime you have by making any needed repairs around your home, or completing some minor DIY projects such as painting or landscaping.

Even some simple cleaning and decluttering can give your property a quick facelift and get it ready for eventual property inspections.

If you have the time you may want to go one step further and plan out any renovations or projects that require you to bring tradespeople in.

Some trades businesses may be less busy than usual so it may be worth organising projects while business is quiet.

Consider where you'll live next

Think about the reasons why you're selling and ask yourself what you might want in your next home - are you looking for more space? Or maybe you want to live closer to family?

Do a bit of research to see what kind of properties are out there and what you might like to trade your current property for.

Keep in mind that if you're planning to buy and sell in the same market then there might not be much point in waiting. In fact, if you're planning to upgrade it is actually better to do so in a slow or falling market as you may end up spending less on your new property.

Find a local agent

Every property and every property market is different and so if you want the best advice you're going to want to talk to a local agent early on in the selling process.

They may be able to give you tips and advice on things that you may not have considered before, and keep you up-to-date with market movements.

There's plenty of ways to get in touch - you can use phone, email, social media - whichever mode of contact works best for you.

Visit professionals.com.au to find an agent near you.

Should you take a mortgage holiday?

Many lenders are offering their customers the opportunity to pause their mortgage payments to help them deal with any financial fallout from the coronavirus - but is this a good idea?

On first glance a “mortgage holiday” might sound like a welcome relief, but it doesn’t work as simply as freezing a mortgage and coming back to it later.

Pausing a mortgage can end up being quite costly because the interest is still accruing on the principal amount of the loan. This means that you will either need to increase your repayments once your deferral period is up, or make more frequent payments.

This could then add to your financial burden when the deferral period is up, making it more difficult to get financially ahead.

Another option that some lenders are offering is to extend the length of their loan (for example, from 25 years to 30 years), however this would still mean that you end up spending more on your loan in the long run.

In some cases a lender may use any funds linked to a redraw account to help make their payments, so if you think you’ll want to access this money this is something you’ll need to consider before pausing repayments.

Are there other options?

If you’re looking to save money on your home loan then you may have a few options available to you to help reduce your financial burden.

They include:

- Negotiate a lower rate – Your current lender may be willing to drop your rate. All you need to do is call up and ask what they can do.
- Refinance– Interest rates are ridiculously low right now so if your current lender won’t budge, shop around.
- Use your redraw facility – Those that are ahead on mortgage payments might be able to access existing funds in their redraw account (note that fees may apply).
- Switch to minimum payments – This may be an option for those paying more than they need to each month.
- Pay a reduced amount – This could be an alternative to completely stopping repayments and will help reduce the financial costs down the track.
- Seek good advice – To ensure you make the best decisions that will work for you both today and in the future it’s best to talk to a professional financial advisor who can make the best recommendations for your individual situation.

What the coronavirus means for renters

In response to the coronavirus the Australian government has announced a six-month moratorium on evictions to keep a roof over the heads of struggling tenants throughout the country.

This has come as a welcome relief to many, and means that those who lose their jobs during this difficult time will still have the security of a home to go back to.



While this is important to have in place during a public health crisis, Minister Scott Morrison has stated, “There is a moratorium on evictions. That doesn’t mean there is a moratorium on rents.”

There are many property investors that are facing difficult situations at present too, and they may struggle to cover mortgage repayments if they don’t receive rental income.

To help assist landlords and their tenants, states and territories have been offering relief packages.

The details in some states are still being worked out, but in Victoria for example there is a \$500 million package to assist commercial and residential landlords and tenants. Relief is available for landlords who provide tenants with rent discounts, while rental assistance will also be available for those in rental distress.

Tenants and landlords should check what is available in their state to see if they are eligible for any benefits.

Communication is key

Those who are struggling to meet rental payments at this time, or think they may need to in the future, should get in touch with their property manager or landlord as soon as possible to work through any potential issues.

While tenants are still responsible for paying their rent, they may be able to arrange something like a temporary deferral or rent reduction depending on what the situation is.

It’s also a good idea to get in touch with your state or territory’s tenancy support service. They can offer counselling and legal guidance and may be able to direct you on where best to go to get support or rent assistance.

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