

HOME BUYER'S GUIDE 2010



Sunday 14 February, 2010

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Canberra property market



ACT market on the rise

THE final quarter of 2009 has seen Canberra's property market increase in prices according to the Real Estate Institute of Australia.

The Real Estate Institute of the ACT's president, Michael Wellsmore, is positive about the latest figures.

"The Canberra market has performed better compared to other cities in the long term. Financially Canberra is much stronger and Canberrans have a higher income," he said.

"Canberra is a great place to live. It offers a great lifestyle and is a pleasant city. You can get around with ease."

Canberra is also the most affordable city in Australia according to the Affordability Index. The Affordability Index is based on the percentage of income committed to buying a house.

While the Housing Industry Association's Affordability Index for the country dropped 3.3 per cent in the September 2009 quarter, the ACT improved by 3.8 per cent. Compare this to the biggest drops – Victoria recorded a 9.3 per cent drop, followed by 5.5 per cent in New South Wales and 3.9 per cent in Western Australia.

"Home buyers can look at Canberra very confidently. In the long term it has always been a good city to live and invest in," Mr Wellsmore said.

House prices in Canberra are also on the increase, with the average median house price up 3.3 per cent, now sitting at \$465,000.

"So the ACT is rocketing ahead in both median house price and in the affordable index," he said.

"The most important thing is to get people into the housing market. About one-third of people have a mortgage, one-third own a home and have little or no mortgage left to pay, and the other third rent."

One way the ACT Government is trying to do this is through the Affordable Housing Plan.

"There are many new subdivisions in Canberra's new suburbs. Some are government subdivisions run by the LDA, some are joint ventures between the LDA and private sectors, and others are solely private sector ventures. About 15 per cent of these meet the affordable housing plan of being under \$300,000," he said.

Mr Wellsmore is looking towards the future of the regional property market. "At the moment, Canberra

is still suffering from a housing shortage. The ACT Government has released more than 9000 lots in the last two years, but at the moment only about 1000 have finished homes on the lots. There is still a long way to go," he said.

"The Real Estate Institute would like to see an adequate supply of land. There needs to be more flexible planning guidelines to meet market demand. One of the demands in recent years is higher density housing."

Another change he would like to see is regarding stamp duty.

"The Real Estate Institute understands why states and territories have to have stamp duties, but I believe it's flawed in its nature as is taxes people for choosing to own their own home. The government ends up as an investor in your house."

Despite this, Mr Wellsmore believes that the current market in Canberra is strong and the region is a great place to buy a home.

"Home ownership is a desired goal in society and has follow-on benefits, including offering financial stability."

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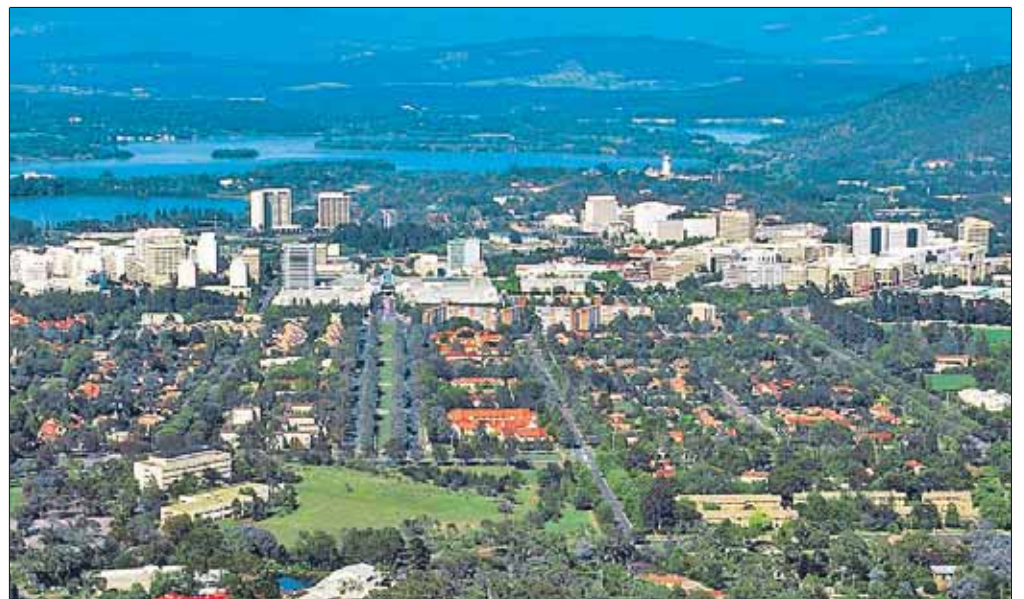
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Strong demand: The Canberra property market is performing well.



Popular Canberra regions

WHILE the Canberra market as a whole is a great place to buy a home, some parts of the area may be more appealing than others at the present time.

The Real Estate Institute of the ACT's president, Michael Wellsmore, knows that certain areas of Canberra may become more desirable as Canberra continues to grow.

"The best area has always been the inner south of Canberra, but it can be expensive," Mr Wellsmore said.

The REIA's September Quarter 2009 report showed that the inner central area, which covers both the inner north and south, does indeed generally come with a higher price tag. The median house sale price for the quarter was \$696,000 for this area, with the closest district being the inner south suburbs of Woden and Weston Creek at \$575,000.

The inner central area also has the highest sale prices of other dwellings at \$430,000.

"There are a number of suburbs on the move - in the inner north there are some good home opportunities, and look around Woden as well. Hughes, Curtin and Lyons are all becoming popular," he said.

According to ACT Government's Land Development Agency, new suburbs such as Bonner are suited to new

Investor advice

REIACT's president, Michael Wellsmore, advised that when buying an investment home, people should look for transport systems, assess the home's value compared to similar products, visit websites and do their research.

"Try to retain the property for at least five to seven years and buy where the demand is to improve your occupancy rates. Occupancy is the most important issue, as well as choosing the right tenants," he said. "It's better to have great tenants than bad tenants who will pay \$10 or \$20 more."

home buyers and families.

Mr Wellsmore advised that Tuggeranong is a well established area with all the facilities you could need in the one place.

"Gungahlin is a brave new world, however there are not many employment opportunities there currently. The town centre is significantly smaller than Belconnen's and it doesn't currently allow for additional development," he said.

"Some of the new suburbs in Gungahlin have great views and while some prices are high, there is obviously a demand because people like the area.

Mr Wellsmore has some

further advice for home buyers.

"When you buy a home, it is important to look for transportation and try to find a property close to town centres and employment areas."

"It's all about supply and demand. I know some people go on about location, location, location but the demand is the important part, especially for investors," he said.

"To give you some context, I grew up in Yarralumla, which was quite working class. Now the location hasn't moved but the context of the suburb in relation to Canberra has. Now prices are through the roof."



ACT house sale prices, September Quarter 2009

| City/zone | Number of sales | Median price | Change over the quarter % | Change over the year % |
|---|-----------------|--------------|---------------------------|------------------------|
| Canberra | 415 | 465,000 | 3.3 | 6.9 |
| Inner central - Canberra north and Canberra south | 59 | 696,000 | 5.7 | 15.3 |
| Inner south - Woden and Weston Creek | 54 | 575,000 | 4.6 | 16.7 |
| West and north - Belconnen, Gungahlin and Hall | 219 | 420,000 | 1.9 | 3.4 |
| Outer south - Tuggeranong | 83 | 439,000 | 3.3 | 7.1 |

Current preliminary median compared with revised medians in earlier quarters

*Information supplied by Real Estate Institute of Australia
 Some of the information has been supplied by the ACT Government's Office of Regulatory Services

THE Real Estate Institute of Australia released its review of the Australian marketplace for the last quarter, and almost across the board prices were on the increase.

The median house price for the Australian Capital Territory increased over the September quarter 2009 to \$465,000, an increase of 3.3 per cent over the September 2009 quarter and 6.9 per cent over the year.

The median price for other dwellings increased 1.3 per cent over the quarter, taking the figure to \$390,000; an increase of 9.5 per cent over the year.

Property values increased for all regions in the Australian Capital Territory, however the major contributions to the increase in the median house price were the inner central and inner south, increasing by 5.7 per cent to

The Australian Capital Territory remained the most affordable state or territory in which to buy a home, where the proportion of income required to meet loan repayments increased slightly to 17.2 per cent; 11.8 percentage points below the national average.

\$566,000 and 4.6 per cent to \$468,800, respectively.

All regions of Canberra recorded an increased median house price over the year, with the most significant being in the inner south, increasing 16.7 per cent.



Median house prices reach two year high

THE Real Estate Institute of Australia has announced that median house prices have highlighted the resilience of the national property market and have continued to climb over the September 2009 quarter; this is the third consecutive quarter that has recorded increases in median prices across all Australian capital cities.

Darwin, Sydney and Melbourne have reported the highest median house prices, while the lowest were recorded in Adelaide, Hobart and Brisbane.

This quarter has seen the Australian weighted average median house price increase

by 4.1 per cent to \$481,310; this is compared to an increase of 7.7 per cent over the year. This is the highest median price recorded since December 2007, when median house prices in Australia reached their peak.

Over the September quarter, the Australian weighted average median price for other dwellings increased by 3.5 per cent to \$387,572. This is an increase of 9.2 per cent when compared to the September quarter 2008.

Housing affordability improved slightly in the Australian Capital Territory. The proportion of income required to meet monthly loan

repayments decreased to 17.2 per cent in the September quarter, from 17.5 per cent in the previous quarter; a decrease of 0.3 percentage points. Over the year, this proportion decreased by 4.7 percentage points.

The Australian Capital Territory remains the most affordable state or territory in which to own a home.

Median rents for both three-bedroom homes and other dwellings have shown increases in most of the capital cities this quarter; increasing in Canberra, Melbourne, Sydney, Darwin and Adelaide. Median rents for other dwellings remained

unchanged in Canberra and Sydney.

Darwin remains the most expensive capital city in which to rent a three-bedroom home at \$570 per week, and also in which to rent a two-bedroom 'other' dwelling, with a median rent of \$425 per week.

In Canberra, in terms of rental affordability, the proportion of income to meet median rent payments recorded a marginal increase of 0.1 percentage points, from 17 per cent in the previous quarter to 17.1 per cent in the September quarter. Over the year, this has increased by 0.3 percentage points.

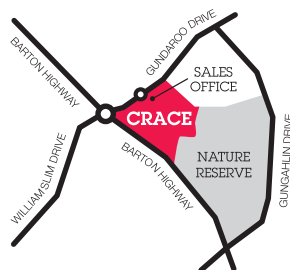


The Australian Capital Territory remains the most affordable state or territory in which to own a home, and this can be attributed to the high average weekly family income. – REIA

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National market

THE quarterly Australian weighted average median house price was \$481,310 in the September quarter 2009:

■ **Median house prices up:**

Sydney – 3.5% to \$569,000
Melbourne – 6.7% to \$480,000
Brisbane – 2.6% to \$430,000
Adelaide – 2.8% to \$370,000
Perth – 2.2% to \$460,000
Canberra – 3.3% to \$465,000
Hobart – 3.4% to \$347,500
Darwin – 15.4% to \$607,200

■ **Median other dwelling prices up:**

Sydney – 3.8% to \$399,000
Melbourne – 5.1% to \$410,000
Brisbane – 2.5% to \$365,000
Perth – 1.9% to \$385,000
Canberra – 1.3% to \$390,000
Hobart – 0.7% to \$272,000
Darwin – 5.0% to \$401,600

■ **Median other dwelling prices down:**

Adelaide – 1.4% to \$290,000

■ **Vacancy rates:**

Sydney 1.3%
Melbourne 1.3%
Brisbane 3.3%
Adelaide 1.3%
Perth 4.8%
Hobart 2.1%
Darwin 1.7%
Canberra 1.0%

**Information supplied by Real Estate Institute of Australia*



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Canberra Times Feature Sunday, February 14, 2010



Budget advice

How to choose the right home loan

THERE are two boxes you need to tick when you're looking to enter the property market; you need to find a property that meets your needs and appeals to you, and a finance arrangement that suits your circumstances.

Most people who buy a home will have to borrow money to complete the purchase and the lender obtains a legal claim or mortgage to the property until the loan is fully paid out.

Before you approach any lenders, you should carefully assess your financial situation. This will enable you to determine a loan amount that you can comfortably afford and that will allow for any changes that may happen in

the future. There are additional costs to consider with a house purchase, such as:

- Legal fees
- Loan establishment fees
- Government charges
- Body corporate fees for a unit purchase
- General rates and water rates
- Reimbursing property inspection fees
- Moving costs
- Furniture and fittings
- Insurance on buildings and contents

Although lenders have their own way of assessing clients, they generally use similar methods to work out how much they will lend you.

The major considerations are:

- Your income and ability to repay the loan
- The 'loan to value ratio', which is the percentage of either the purchase price or the value of the property that lenders will agree to lend

A lender will work out the maximum amount you can borrow. However, it is up to you to choose a finance package that you can comfortably and realistically afford.

A general rule is to spend less than one-third of your gross income on mortgage repayments.

Generally you will be required to contribute to the purchase price of a property. The amount you will need to contribute may vary from lender to lender and can be affected by the type of loan available. A deposit of at least 10 per cent of the purchase price is a common requirement.

Some lenders require you to provide bank statements to prove that a certain amount of the deposit came from your own savings.

Other institutions now recognise a contribution to the purchase price or security offered by the borrower's parents or relatives.

If you are borrowing 80 per cent or more of the purchase price, lenders usually require you to buy mortgage insurance. Mortgage insurance is usually a once-only premium, paid at the time the property purchase is settled. It is designed solely to protect the lender's investment if you default on the loan. Consumer credit insurance is insurance that protects your property in case you are forced to default on loan repayments due to sickness, accident, unemployment or other unforeseeable events.

To ensure fair dealing and

to protect the interests of borrowers, all lenders must abide by the Consumer Credit Code. This code sets down rules on all credit for personal, domestic or household purposes. Under this code, before you sign a finance contract, lenders must provide you with:

- A statement outlining your rights and obligations
- A pre-contractual statement setting out certain financial information, which must be included in the finance contract document
- A schedule of comparison rates

This not only protects you and other borrowers, but also helps you to compare loans and lenders and make an informed choice.

Choosing the right home loan can be as important as choosing the right home. Keep in mind that the loan that offers the lowest interest rate may not always be the best option when fees, ongoing charges and penalties are included.

Lenders may offer you a variety of different loans. The most common forms of home finance are:

- Variable loans, where the interest rate varies throughout the life of the loan. The lender adjusts the rate according to the official interest rate set by the Reserve Bank of Australia
- Fixed interest loans are set at a fixed rate for a certain period, generally somewhere between one and 10 years
- Split loans allow you to split the loan into a partly fixed and a partly variable rate

Remember, making lump sum payments, higher loan repayments or more frequent payments will help you pay off your loan more quickly.

**Information supplied by the ACT Government's Office of Regulatory Services.*



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Think it through: Once you have found the house of your dreams, you need to find a loan that suits your needs.

Understanding finance brokers

A FINANCE broker or mortgage broker is a person who can arrange finance for you from one or more lenders.

Before engaging the services of a broker, you should ask for some information about the way they do business. For example:

- Are they a registered finance broker in the ACT?
- Do they have professional indemnity insurance?
- Do they charge you a fee for their services?
- Do they belong to a reputable industry association?
- Do they offer a wide range of loans from a variety of independent lenders?
- Are they a lender as well as a broker (as this may affect their recommendations)?
- Are they independent or do they deal only with a certain lender?

Then be sure:

- They disclose any fees, commissions and other benefits they obtain from you signing up for a loan through them
- They justify their recommendations
- They show you a copy of the application and any financial details they will send to the lender on your behalf
- They provide you with a comparison rate calculation for each of the lending options they give you

It is important to note, you do not have to pay an upfront fee to your financial broker. However, a fee for valuation, if required, may be charged up front, but the broker must hold the money in trust.

Know your rights as a buyer

THE best way to ensure you know your rights and obligations when buying a home is to find out more about the laws that govern the Canberra market.

■ *The Civil Law (Sale of Residential Property) Act 2003*

This Act applies to all residential real estate sales in the ACT, whether they are undertaken by private sellers or through real estate agents.

The Act offers protection for you by setting down clear disclosure requirements for sellers and agents when a property is offered for sale.

A seller must provide reports about the physical condition and special provisions that apply to the property.

As a prospective buyer, you can inspect the contract for the sale of residential property. This will detail the particular conditions that



Rights: The Canberra property market has a number of Acts.

the seller wants to apply to the transaction.

By having this knowledge when properties are inspected, prospective buyers can quickly make an offer for the property, and sellers can obtain the benefit and convenience of a rapid sale.

■ *The Agents Act 2003*

This Act requires all real estate personnel in the ACT to be of good character, to possess prescribed com-

petencies and qualifications and to conduct themselves professionally and ethically at all times.

These laws are a source of protection for you as a real estate buyer.

However, your greatest protection is your knowledge and awareness of your own circumstances and being disciplined to make realistic and honest property and financial decisions.

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Home buyer advice

Do you qualify?

BUYING a home can seem to be a daunting task, but knowing what you are entitled to can make the decision of buying property that much easier.

■ First Home Owner Grant (FHOG)

The FHOG scheme was introduced on July 1, 2000 and provides a grant of up to \$7000 to first home buyers to purchase their first home.

The grant is not means tested either by income, assets or property valuation, however, there is a residency test and purchasers are generally required to be at least 18 years of age to be eligible.

■ Home Buyer Concession Scheme (HBCS)

Is your annual income less than \$120,000? You may be eligible for the HBCS which is an ACT Government initiative to assist persons in purchasing a residential home or residential vacant land by charging duty at a concessional rate.

Successful applicants are generally required to be at least 18 years old, must satisfy a current and previous property ownership test and a residency test. The property purchased

must be less than the upper property value threshold for the appropriate HBCS and the household income must be below the upper threshold. This scheme offers an additional allowance if you have dependant children.

■ Pensioner Duty Concession Scheme (PDCS)

The PDCS is to assist eligible pensioners, who own property, to move, for example from a house to a townhouse, by charging duty at a concessional rate when they purchase a residential home or residential vacant land.

They must sell their current home within one year of purchasing the new property. Successful applicants must satisfy a current and previous property ownership test and a residency test, and the property purchased must be less than the upper property value threshold for the appropriate PDCS.

■ Deferral Of Duty Scheme

Are you eligible to defer payment of the duty? You can defer the payment of duty if you are eligible for the FHOG or the HBCS and purchase a property priced at or below the relevant

HBCS upper property threshold. The amount that can be deferred must be at least \$1000. No payment is required for the first five years, and duty plus interest must be paid over the next five years.

■ Affordable House And Land Packages including Ownplace

Are you buying an Affordable House and Land Package? This is an arrangement covered by one contract, or separate related contracts, which results in a new house being built on a new block of land in the ACT. The total contracted price for the purchase of the land, and the construction of the home on that land, must not exceed \$300,000. The number of, and eligibility for, these packages is determined by the Land Development Agency (LDA) and other developers. Payment of duty on the land is not required until the house is ready to be occupied. Where the package is provided by the LDA under the Own-Place Program, you may choose to apply for a Land Rent lease.

How to move from one home to another

YOU may already own a home and are looking to upgrade or expand. So how do you go about getting organised in time to buy the dream house before selling your present one?

The first step is to act fast. If the house is desirable enough to make you considering moving, then others will probably be interested as well, so you need to act quickly.

If the owners have decided to go to auction, this only gives several weeks to get everything lined up. While there are no deadlines if the home is up for private sale, there will be competition from other buyers.

After the emotional high of finding the perfect house comes the reality of having to get the money together to pay for it. If you already own a home and don't have spare cash, you have two options:

■ Taking out a second loan, called a bridging loan, to tide you over until you can sell your existing property, or

■ Negotiating a long settlement with the vendor to enable the sale of your current place first and avoid the expense of two mortgages.

To be considered for a bridging loan, most lenders require 'good equity' in the buyer's existing house. This varies depending on the size of the loan. Typically, lenders

offer bridging loans for between six and 12 months.

As well as getting the loan approved, buyers have to get the deposit.

A popular alternative for those without cash is a deposit bond. This is usually issued by an insurance company and is a financial guarantee in lieu of cash. However, no money changes hands until the full purchase price is paid at settlement.

To qualify for most deposit bonds, buyers need to have been approved for a home loan, while other types of deposit bonds require enough equity in the buyer's existing house.

Then there is the question of how to buy it. If it's an auction campaign do you hang out for the big day or do you put in an offer beforehand? It may come down to attending as many open homes for the property as possible to gauge the level of competition on the big day.

While moving from one house to another may seem like a daunting task, it can be made easier by being prepared, doing the ground work, understanding the market and asking for advice. Know what your options are financially and if it's really worth it, make the move.



Big move: After the emotional high of finding the perfect house comes the reality of getting the money together to pay for it.

No change welcome news for Australians

FEBRUARY 2 saw the Reserve Bank of Australia leave the cash rate unchanged at 3.75 per cent, giving home owners a surprise reprieve from higher mortgage repayments by choosing to keep interest rates on hold.

"The Reserve Bank of Australia's (RBA) decision to leave interest rates unchanged following three consecutive increases is great news for home owners," said Real Estate Institute of Australia (REIA) president, Mr David Airey.

"It's great to see that the Reserve Bank is listening to the market evidence and taking note of the downturn in lending," he said.

"REIA was critical of the RBA decision in December to lift official interest rates for the third time and are pleased to see the RBA taking a cautious approach," Mr Airey said.

REIA notes that increasing interest rates reflects an improving economy, however, believe that another rate rise would have dampen-

ed the market and threatened consumer and business recovery.

"Four rate rises in as many months would have been too much too soon, especially since we do not yet have the full picture on December quarter economic activity or property sales," Mr Airey said.

"The reality of the market is that housing lending has dropped along with business loans and a month with no change is definitely what was needed."

With the boost gone, what now?

IN the May Federal Budget 2009, the government announced the First Home Owners Grant (FHOG) Boost would be extended a further six months for both new and existing homes. The six month period has now passed and the phasing out of the FHOG Boost has finished as well.

From January 1, the FHOG returned to the \$7000 previously provided to first home buyers of new and established housing.

Be it a grant, a boost or a concession, there is helpful cash available to realise the great Australian dream.

If you are buying or building your first home you can still apply for grants of \$10,000 or more and transfer duty concessions worth thousands of dollars.

The FHOG is administered by state and territory governments and has been available since 2000. The boost to this grant was wound back progressively, so that for contracts made between October 1, 2009, and December 31, 2009, first-home buyers pur-



First home buyers: Get into the market with ACT concession.

chasing established homes would receive \$10,500 and buyers of a newly-built home would receive \$14,000.

On January 1 the boost was cut out altogether. Grants reverted to the old FHOG scheme plus the benefit of any additional state or territory supplements.

FHOG works the same way in each state and territory and applies to houses, townhouses and apartments. Supplementary schemes have rules that vary from state to state.

In the ACT, the government has a scheme called Home

Buyer Concession, which offers concessions on transfer duty for dwellings with a dutiable value of up to \$422,000 and vacant land with a dutiable value of up to \$233,300.

There is an income test for eligibility, which starts at \$120,000 and increases to \$136,650 according to the number of children in the household.

First-home buyers can also apply to defer payment of their duty for up to five years.

If you would like additional information, visit the website www.revenue.act.gov.au

REIA offers long-term solutions

THE Real Estate Institute of Australia (REIA) has urged the Australian government to review the amount of the First Home Buyers Grant (FHOG) in its pre-budget submission, so that it maintains its relativity to when it was introduced.

When the FHOG was introduced in July 2000, the Australian quarterly weighted average median house price was \$220,443. REIA president, Mr David Airey, said that the Australian weighted average median house prices in the most recent quarter for which data is available, September 2009, is now \$481,310.

"We are calling on the government to increase the FHOG to \$15,000, for both new and established homes, and then index the grant to median house price movements annually," Mr Airey said.

"The FHOG is one of the most important housing policy instruments in assisting first home buyers with housing affordability

but it needs to be relative to the current market. The median house price has increased by more than \$250,000 in less than 10 years and the grant has not maintained relativity."

Additionally, as part of a package of measures to address the affordability problem, REIA has proposed that the government establish a scheme that would encourage young Australians to contribute to voluntary superannuation by allowing access to these resources for the purposes of raising a deposit for a first home. The scheme would be an adjunct to the First Home Savers Account but would allow flexibility for the saver to decide whether all or part of the voluntary superannuation payments were needed.

"Although the boost has helped the participation of first home buyers in the market, it was a short term measure and we need to be looking at long-term solutions," Mr Airey said.

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Landlords – know what you're getting into

LANDLORDS are expected to return to the market in larger numbers this year, lured by the prospect of rapidly increasing rents and widespread predictions of rising house prices.

A report by property analyst Australian Property Monitors (APM) forecast house and unit rents would rise this year and pundits expect the figures to be followed by even higher growth in 2011.

According to APM, population growth, climbing interest rates and taxes, and low market supply would push up rents as more people are priced out of the owner-occupier market.

If this sounds enticing, be warned that there can be sizeable problems for unwary investors, and no one should think that being a landlord means money for nothing.

make sure you do your research on investing in property and becoming a landlord.

■ Repairs/maintenance

Landlords can be hit with big bills at any time and these can reduce returns. If your rental property is a stand-alone house, the bills are your problem, though they are tax-deductible against your rental income. Unit owners in strata premises benefit from a centralised, pooled ownership structure, which means expenses are shared between owners.

■ Tenant disputes

If you are faced with a tenant more than 14 days in arrears, you are entitled to give them notice to vacate, but to do so for such a short lapse would be inadvisable.

Try to come to an agreement with the tenant, but if you do want them to leave there are strict rules govern-

ing the eviction process and if you breach any of them, the law could land on the tenant's side.

■ Rising interest rates

After a period of record lows, rates are rising and each 25 basis point rise will add about \$75 a month in payments on a \$350,000 mortgage.

Some forecasts have interest rates as high as 7.8 per cent this year. The financial markets are forecasting the cash rate to rise by 0.75 per cent this year to 4.5 per cent, although many economists think it could be higher at 4.75-5 per cent. That means mortgage rates up to 7.6-7.8 per cent.

Vital: It is important for landlords to find the right tenants.



The rules of buying a home at auction

MORE and more sellers seem to be choosing auctions as a means of selling their homes, so it is important for home buyers to understand what to expect at an auction.

There are strict rules that apply to the conduct of an auction. These rules ensure the auction is a fair and transparent process for all.

The marketing campaign for the sale of a home by auction is similar to that of a private sale. The house will be advertised and open house inspections will begin about four weeks before the auction date.

Before the auction, the agent may contact potential buyers to gauge their level of interest. This gives some idea of the possible attendance and bidding range on the day.

On the day of an onsite auction, the property will be open for inspection, for at least half an hour before the bidding starts. This allows prospective buyers the chance to have one final look at the property and the paperwork.

The agent or auctioneer must display a copy of the conditions of sale at the place of auction for a minimum of 30 minutes before the auction begins. The contract for the sale of residential property and required documents must also be available. For your own benefit, read these carefully before bidding.



Inspection: Prospective buyers the chance to have one final look at the property before the auction.

If you have any questions about the auction rules, don't hesitate to ask the agent in attendance.

When an auction is conducted off-site, a number of properties may be auctioned in succession. The contract for the sale of residential property and required documents must be available for each of the properties listed for auction.

Offers may be made through an agent prior to the auction. The process of negotiation is the same as for a private sale.

Buying property in the ACT by auction requires all potential bidders to register prior to making a bid. This is usually done prior to the

auction. The agent will write your name, address and the details of your proof of identity on a registration sheet together with details of any other person or company for whom you may be acting. This creates a bidder record for each property being sold at an auction.

Before bidding starts, you should decide on a definite upper limit.

It is important to note a key rule of the auction process – if the property is passed in below the reserve, the owner through the agent or auctioneer will first negotiate with the highest bidder for the purchase of the property.

If you have participated in the bidding or have been

Buyer's tip
 Although you are able to register if you arrive late, it is advisable to arrive as early as possible to register and prepare for the auction. It can be a stressful event; therefore, it is a good idea to be prepared and allow time to compose yourself.

sitting back watching how it is progressing, and the auctioneer announces the property is going to be passed in, it is a good strategy at this point to make sure you are the highest bidder to secure the option to negotiate with the vendor.

Once the property's passed in, it is too late. The auctioneer can't reopen the auction to accommodate a late bid and override the right someone else has secured ahead of you.

If you are not confident about bidding at auction you should consider using a buyer's agent to assist you. Find a buyer's agent who is a member of the Real Estate Institute.

Did you know?
 ■ Canberran's enjoy the highest average weekly full-time income of any capital city in Australia.
 ■ The average commute time in Canberra is under 20 minutes.
 ■ Canberrans have the highest participation in sport and recreation activities and also the longest life expectancy.



Relieve the property pressure with research

BUYING a house is one of the most important and costly decisions anyone ever makes. It is a time consuming and complex process and it is important you know exactly what you are getting into beforehand.

The problem is there are huge traps waiting for those who simply don't do enough research before entering the property market.

To make sure you are prepared to buy a home and know the most expensive and potentially disastrous traps to avoid, here are some tips to help make buying a home the exciting and enjoyable time it should be:

■ Research the price

Many people still don't do any research on the price of property, which can prove costly in the long run. It's one of the most common mistakes – the estate agent tells you how much the vendor expects and you take that to be the market price. But that doesn't mean the property is worth what the vendor wants.

It is important to check all



Process: Make sure you are prepared to buy a home and do your research.

the information you are given and be aware that at the end of the day, the sales agent is working for the vendor. The vendor is paying the agent to achieve the highest possible price, so you need to ensure you're getting a fair price.

Make sure you have all the information you need with a property report. A property report will provide you with an instant price estimate on

what the home is worth in today's market and how it might perform in the future. For more information, visit www.homepriceguide.com.au

■ Check the neighbourhood

It's important to know exactly where you're going to live. Are there any primary and secondary schools close by for your children, plenty of public transport options and

a good range of community facilities?

■ Inspect it again

It's not enough to go along to a general inspection. Before you buy a new property, be sure to visit it at different times of the day so you know exactly what you are buying into. There is nothing worse than buying your dream home that was quiet and peaceful when you

visited it during the day, only to find that the neighbours or local traffic keeps you awake all night.

■ Get to know the locals

Have a chat to the council, to police and to neighbours to see what might be the major problems in the area. The council will be able to tell you if there's a current development application in the works. The police can tell you if you're moving into the worst area for crime in the region, and neighbours will be able to tell you everything else that's good and bad.

■ Don't miss inspections

A combined building and pest inspection, which will usually take about two hours depending on the size and the type of house, can unearth all sorts of hidden nasties, such as structural defects, dry-rot and termite infestations. To protect yourself from a home buyers nightmare, a building and pest inspection from someone suitably qualified and licensed, is a must.

A better deal on your home loan starts with talking to Scott.

Challenge the Home Lender of the Year today.



Whatever your plans for the future are, be sure you speak with Scott first. He could make a huge impact on how things work out by getting you a better interest rate, more flexible payment terms and better features to suit your needs. Scott will even come to your door to make it all happen smoothly. So challenge the Home Lender of the Year today to see how we can help you save on your next home loan.



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What you need to look for when buying a home

Choosing a home to buy can be harder than you think, so make sure you know exactly what you are looking for in a home.

Once you have established that you want to enter the property market and you know how much you can borrow, your expenses and what cash you can contribute, it is time to start looking for a home.

Drawing up a wish list of what you would like in your first home is an important step. Make a list of the features you are looking for before you start searching for a property.

A wish list serves as a guide for the first home buyer and it can help you resist sales pressure and stop you from just buying the first home you see.

When creating your list, you might want to ask yourself a few basic questions about what you really need and want from your new home:

- Do you want a townhouse, an apartment or a house?*
- Where would you like to live?*
- How many bedrooms do you want?*
- Will the property accommodate your changing needs over time?*
- Are you happy to renovate or extend?*
- How close do you wish to be to facilities such as schools, shops, childcare, parks and hospitals?*

Once you have worked out your wish list, it is time to search for properties that tick the boxes.

The first and most important thing about being informed is to work out what you 'need' and what you 'want' in your new home. Needs are essentials. Wants are features and fittings that can be acquired over time.

Important things to consider are location, proximity to facilities and services you need, the required size of the home and the area of the land the property is on.

- Do you want a new or old home – renovating is fun, but it can be expensive and disruptive.*
- Are gardens and grounds for you – maintenance of grounds and gardens may be time consuming, and possibly expensive.*

You can look into real estate values in your preferred areas by attending auctions and speaking with different real estate agents. Newspapers will give you auction results and the prices of properties listed for sale.

Once you have found a few, it is a great idea to check them out. A good tip is to check out the houses you are interested in at several different times of the day.

Never rush or be pressured into hasty decisions. Think of the money involved and the number of years you will spend paying off your mortgage. Remember, this is a big financial decision and a hurried decision could cost you greatly.

Don't feel defeated if you miss out on the first suitable property you find because, generally, another equally appealing property will come on the market in the near future.

Your chances of finding the right property will improve if you continue to do your real estate research, and also register your interest with a number of agents.

Once you have decided whether the house meets your specifications and there are no nasty surprises, the next step is to consider its on-sale value. A good tip is to compare home prices in your area to make sure you are paying no more than market value.

Negotiate on the price. If it is a buyers' market, you will be in a position to drive a hard bargain.

When budgeting, don't forget to take into account costs such as stamp duty and conveyancing. Stamp duty varies from state to state and is scaled according to the cost of the property.

Last but not least, during the real estate process you will come across many formal and binding documents including finance applications, loan agreements and the contract for the sale of residential property. Do not sign any documents without reading and fully understanding their contents, including all the terms, conditions and fine print.

Be sure that any promises or statements about the property are put in writing. You must know exactly what you are committing yourself to.

If you are unclear about something, ask for it to be explained to you. If you are still unsure, then seek professional advice before signing.

Some information supplied by The ACT Government's Office of Regulatory Services

Documents

There are a number of documents that must be available when the property is offered for sale. These provide the buyer with all the technical and legal details they will need to know about the property. The documents you need to see are:

- ***The contract for the sale of residential property:*** A seller must have a draft contract for the sale of residential property ready when a property is first offered for sale. The seller or their solicitor can prepare the draft. Section 11 of the Civil Law (Sale of Residential Property) Act 2003 describes conditions that must be included in this contract and will be implied in the contract even if not stated.
- ***The Crown Lease:*** Sets out the conditions upon which the land is held and how that land may be used, for example, residential, rural or commercial use.
- ***The Certificate of Title:*** Sets out who the legal owner of the property is and in what manner they hold the land, for example, as a joint tenant with another person. It will also indicate whether anyone other than the registered owners claim an interest in the property.
- ***A copy of any encumbrance shown on the Certificate of Title:*** Shows the details of any caveats or restrictive covenants over the land.
- ***A statement about any encumbrance not shown on the Certificate of Title:*** This gives details of any unregistered mortgage or other unregistered encumbrances.
- ***Asbestos advice and website:*** Owners and occupiers of premises (including people renting or leasing who have an obligation to repair and maintain the premises) need to give tenants and prospective tenants, prospective buyers, tradespeople, and maintenance workers, written information on what they know about asbestos at the premises.
- ***The deposited plan:*** Will show the plan of the land and any easements on the land. An easement is a defined area over which another person or organisation has permanent access rights. An easement normally takes in the land above and adjacent to electricity cables, water and sewage pipes. An easement cannot usually be built over or under, so the location of easements will affect the position where a home, garage or extension can be erected.
- ***A Building Conveyancing Inquiry:*** Conducted by the ACT Planning and Land Authority and will provide copies of the certificate of occupancy, survey certificate, approved building plans, drainage plan and building file summary sheet.
- ***A Lease Conveyancing Inquiry:*** Conducted by the ACT Planning and Land Authority and will provide information, if any exists for the property, about heritage listing, outstanding rent under the crown lease, development applications affecting the property, breaches of the crown lease, any orders issued against the property, the compliance certificate (compliance with provisions of crown lease), applications for dual occupancy, and a contaminated land search.
- ***An Energy Efficiency Rating Statement:*** Gives details about the energy efficiency of a property.
- ***A Building and Compliance Inspection Report:*** Provides details about the structural soundness of a property and information about whether structures on the land have been approved under the relevant legislation.
- ***A Pest Inspection Report:*** Provides details of any termite or other pest infestations.
- ***A copy of the units' plan or proposed units' plan:*** Applies only to unit title property and shows the plan of the unit and the common property within the unit development.
- ***A copy of the minutes of meetings of the owners' corporation and executive committee for the last two years:*** Is required for a multi-storey unit instead of a building conveyancing inquiry, building and compliance inspection report and pest inspection report.
- ***A Section 75 Certificate:*** Issued by the body corporate for a unit to provide information about any outstanding levies for the unit, resolutions that affect the proportionate contributions for the unit and a copy of the articles for the body corporate.

Some information supplied by The ACT Government's Office of Regulatory Services



Energy-efficient homes

Home buyer's energy checklist

- CHECK if the long side of the house, with windows to the main living areas, faces between five degrees east of north and 30 degrees west of north. If it doesn't, the house will not be able to use the winter sun for warmth and will be more expensive to run.
- In the northern rooms, find out if low-angle winter sun will be able to enter for most of the day. Also check that external shading devices can exclude high-angle sun from these rooms during summer to save cooling costs.
- Make sure all the windows

and doors in the house are well sealed against draughts.

Try to choose a home with double-glazing on the windows.

- Remember that if your house sits on a concrete slab floor, timber or carpet over the concrete reduces its ability to store solar heat. Tiles, brick or slate are alternative options.

If the floor of the home is a traditional wooden floor, ensure it has been insulated.

- All ceilings and exterior walls must be insulated.

- You may consider installing solar hot water panels on your roof if you don't already have them. To install the panels you will need a north-facing roof with a slope of between 15 and 30 degrees.

- Be aware that reverse-cycle or evaporative air conditioning and in-slab heating use a lot of electricity to run.

- In the area of water, things to consider include metal leaf guards on the gutters; adequate water tanks for domestic use and if laundry and bathroom grey water can be re-used on the garden.

Make the most of solar hot water rebate

THE Australian Government is offering a rebate of \$1600 to install a solar hot water system or \$1000 to install a heat pump hot water system.

This is to help eligible home-owners, landlords or tenants to replace their electric storage hot water systems with solar or heat pump hot water systems. This offer is part of the government's Energy Efficient Homes Package which came into effect on February 3, 2009.

The Solar Hot Water Rebate will help people save money on their power bills and reduce their household's greenhouse gas emissions. Water heating is the largest single source of

greenhouse gas emissions from the average Australian home, accounting for about 25 per cent of home energy use (excluding the family car).

Installing a climate-friendly hot water system can save a family up to \$700 off their energy bills each year.

The Solar Hot Water Rebate is only available to people who have not previously received assistance to install ceiling insulation through the Home Insulation Program or the Home owner Insulation Program at this address.

To find out if you qualify, visit www.environment.gov.au/energyefficiency

Government putting insulation in Australian homes

IF you have your heart set on an older home, you may be concerned about its energy efficiency rating, but with the government's new program it is easier than ever to insulate your home.

The Home Insulation Program offers ceiling insulation worth up to \$1200 to owner-occupiers, landlords and tenants.

The program targets homes that are currently uninsulated, or have very little ceiling insulation and were built before the mandatory thermal performance requirements under the Building Code of Australia were introduced commencing in 2003.

If the total cost of installation is less than \$1200, there will be no more for the householder to pay. This will be the case for most households. If the cost of the insulation is more than \$1200, the householder will ordinarily have to pay the difference, or the full amount if they are ineligible.

The program commenced February 3, 2009 under a rebate scheme. From July 1 to August 31 there were separate arrangements for owner-occupiers and rental properties. This program now covers all eligible households and is in effect until December 31, 2011 or until the date when the program funds have been fully allocated.



Insulation: The Home Insulation Program offers ceiling insulation worth up to \$1200.

Audit and Compliance Program

Site inspections are now being undertaken on households where ceiling insulation has been installed to ensure compliance with the Home Insulation Program. United Group Services has been contracted to undertake the site inspections.

Initially a letter will be sent to the householder and this will be followed by a phone call to arrange a mutually convenient time for the inspection. The inspections will involve appropriately qualified roofing inspectors conducting ceiling inspections of random samples of households to confirm that:

- The insulation has been installed effectively, and

- The appropriate records have been provided to, and are retained by, the householder.

If any installation is found to be substandard in any way, the householder will normally be provided with a letter from the inspector and information about how to seek remediation through the installer.

These inspections are essential to provide the government with an assurance that the program is being effectively implemented.

Getting started

Householders who wish to participate in the program must read the program

guidelines before arranging insulation.

The insulation must be installed by an insulation installer who is registered on the Australian Government's Installer Provider Register.

The \$1200 insulation assistance is an alternative to the \$1600 solar hot water rebate.

Householders cannot access both assistance packages for the same home.

Product and installation requirements

To be eligible to obtain the assistance the ceiling insulation must:

- Cover the entire ceiling area of the living space;
- Be new ceiling insulation

material installed in an existing dwelling;

- Meet relevant Australian Standards outlined in section four of the program guidelines; and

- Comply (as a minimum) to the specified R-value outlined in section four of the program guidelines for the climate zone where the dwelling is located, and the direction of heat flow.

How to arrange installation

To arrange installation you will need to:

- Carefully read the program guidelines and assess your eligibility;

- Select at least two installers from the Installer Provider Register; and

- Contact your selected installers and arrange for physical site inspections and written quotes for the installation of ceiling insulation.

Retain your copy of the written quote, tax invoice, completed and signed work order form and any other proof of purchase documents provided to you by the installer for Australian Government audit purposes for a period of five years. The Australian Government has a stringent compliance and audit program in place and is monitoring compliance with all program requirements.



Land releases

MBA welcomes release of extra ACT land sites

MASTER Builders ACT has welcomed the ACT Government's announcement that it will be releasing up to an additional 1000 home building sites before the end of the current financial year.

The executive director of the MBAACT, John Miller, said the announcement was welcome in circumstances where housing affordability remained an issue in the national capital, particularly for first home buyers.

"When this latest release is taken together with the land release program outlined during and after the ACT budget, some real benefits will be delivered not only to Canberra home buyers but also to the broader ACT economy," he said.

Mr Miller cautioned, however, that the benefits of the ACT Government's land release program risked being undermined by the manner in which successive interest rate increases had already begun to temper consumer sentiment.

"We have already been witness to the latest Australian Bureau of Statistics

data which has revealed national seasonally-adjusted falls with respect to both building approvals and housing finance," he said.

"While no one can question that the Australian economy is recovering faster than most from the global financial crisis, interest rate rises represent a blunt economic instrument."

He said the reality confronting the home building industry was that the three successive rate rises announced in the closing months of 2009 would have implications for consumer sentiment and activity levels for the home building industry well into the new year.

"That is why we will be urging the government to closely monitor the roll-out of the land release program to ensure it does not outstrip demand," Mr Miller said.

"Notwithstanding our concerns about the impact of monetary policy on consumer sentiment, the government's latest announcement on land releases is very welcome."

New ACT department

THE Property Council of Australia welcomes the announcement by the Chief Minister of the creation of a new ACT Government department to drive better alignment and coordination of land release, land development and sales and major project facilitation functions for the territory.

Property Council ACT executive director, Catherine Carter, again confirmed the property industry's support for the establishment of a new Department of Land and Property Services, saying

that the alignment of ACT Government property services within a single department should facilitate efficiencies and generate cost savings for both government and industry.

"The Property Council again confirms that industry looks forward to working positively and cooperatively with the new Department of Land and Property Services, to achieve positive outcomes for the territory," Ms Carter said.

Crace heralded as a model of sustainability

CANBERRA'S latest suburb, Crace, was a showcase for sustainability when builders and developers from across the Riverina and southern New South Wales recently toured the suburb as part of a HIA tour of leading residential developments.

Crace was included in the HIA's tour because it is the only GreenSmart accredited estate in the region and the first to incorporate a range of innovative green features into its design and development. The visitors had the chance to take a sneak preview inside Crace's new display homes and terraces, which incorporate features such as energy efficient lighting and heating and new measures to reduce water consumption, and to experience the suburb's clever urban design.

Crace project director, Ian Dawkins, said the visit also gave developers working in rural and regional areas a chance to see some of the newest developments in eco-friendly urban design, which will encourage them to think outside the box when planning for their own residential developments.

"We have worked very hard with Crace to ensure that every aspect of the development will be as sustainable and environmentally friendly as possible," Mr Dawkins said.

The vision for Crace is to attract residents who would not normally consider a new suburb.

"That includes making sure we design and build use environmental sustainability as our foundation and that quality, beautiful and liveable design principals influence every aspect of the development."

"That means looking at everything from reducing and offsetting carbon emissions during land construction to the solar orientation of our housing blocks, how people build their homes as well as how we design the streets around them.

"We've learned a lot of lessons about sustainable design along the way, so we're very happy to share that knowledge and expertise with people from across the region and hope this will lead to more housing developments that follow Crace's example," he said.

The new ACT suburb of Crace is being developed in a joint venture between the Territory's Land Development Agency and Crace Developments Pty Ltd. The latter is a consortium with CIC Australia as lead partner and project manager. The other consortium partners are Defence Housing Australia, Community

Housing Canberra and Tatebrook Pty Limited.

The vision for Crace is to attract residents who would not normally consider a new suburb. It offers a range of living options from terrace homes to spacious family homes in the surrounding suburban precinct.

To ensure harmonious streetscapes, buyers need to choose a pre-approved house design, or have their house design approved, before being allocated a block of land.

"We've designed many different housing styles and sizes to suit all life stages — from young singles to couples, families, investors and retirees," Mr Dawkins said.

"That means clever, quality homes that meet the living and lifestyle demands of all sectors of the market and also stand up to the test of time."

A carbon trading agreement with Greening Australia is offsetting emissions during the construction stage, making the land development activities carbon neutral.

CIC has also committed to providing a comprehensive response to the affordability challenges of the current ACT market, by making at least 15 per cent of homes at Crace available at prices below the government's affordability threshold.



Vision: Crace is being developed in a joint venture between the Territory's Land Development Agency and Crace Developments Pty Ltd.



Success: Brindabella at Macgregor was the national HIA Boral Greensmart Resource Efficiency winner.

Affordable home of the year

VILLAGE Building Co has won the 2009 HIA ACT/Southern NSW Affordable Home of the Year for its Brindabella at Macgregor homes.

This is the second year running that Brindabella has been awarded Affordable Home of the Year, in addition to being the national HIA Boral Greensmart Resource Efficiency winner.

If an energy-efficient and affordable home is what you are looking for, now could be your time. A further stage of homes at Brindabella at Macgregor is selling now, with products including two-bedroom townhouses and three-bedroom adjoined and freestanding homes.

Two- and three-bedroom house and land packages are available with a variety of floor plans and layouts, including a fully-landscaped front garden, a solar panel system with mains backup, a gas heating system, and an Environmental Efficiency Rating (EER) of five and above.

The Brindabella at Macgregor community offers a number of environmental initiatives, including:

- Solar hot water systems
- Rain water tanks for some homes
- Low volatile organic compound paints
- Water efficient fixtures and appliances

■ Building methods designed to minimise waste, with 100 per cent onsite recycling

■ Water efficient landscaping

Nature is at your doorstep in this new development and the project has the aim of increasing biodiversity and wildlife habitats through providing a variety of plant species within verges to attract native wildlife and bird species; the addition of large planting beds to allow for wildlife movement throughout; and green spaces, which have been incorporated into each block as planted verges to encourage wildlife to continue to use the suburb as a habitat.

Affordable Housing Action Plan

THE ACT Government released its Affordable Housing Action Plan in April 2007, containing 62 initiatives to provide more affordable housing and rental accommodation for Canberrans.

The plan focuses on home ownership, private rental, community and not-for-profit housing, public housing, and supported accommodation, which includes emergency housing.

The government has accelerated the new land release program to address demand for land, with more than 3400 dwelling sites released in 2007-08 (the largest residential land release program since self government), a further 4200 new dwelling sites released in

2008-09, and an average of 2750 dwelling sites to be released per year in the following four years.

As part of the Affordable Housing Action Plan, land developers will make available 'affordable house and land packages'.

An affordable house and land package is an arrangement, whether covered by one contract or separate related contracts, which results in a new house being built on a new block of land in the ACT.

The total contracted price for the purchase of the land and the construction of the home on that land must not exceed \$300,000.

The number of, and eligibility for, these packages is

determined by the Land Development Agency, and other developers responsible for preparing and releasing new blocks of land in the ACT.

The new duty arrangements, designed to accommodate those packages, will mean that generally, people taking up these packages will not have to pay duty on the land until the house is ready to be occupied.

A Conveyance Lodgment Form and relevant documents, together with an Affordable House and Land Package declaration form, must be completed and lodged for stamping.

For more information, visit www.actaffordablehousing.com.au

Move into your new home with ease

ONCE you have bought your new home and survived the flood of paperwork, it will soon be time to move in.

Moving home can be a very time consuming and stressful process, but with the help of planning and a reliable team of helpers it doesn't have to be a nightmare.

It is important to remember that when you are moving home, you are also changing your address, so there are a lot of people that need to be informed of the move.

Advise your children's school and have transfer documents sent to your new school, contact government agencies and notify them of your new address and inform your doctor, dentist and other medical specialists of your move.

You will also need to notify businesses, colleagues and service providers of your change of address and don't forget to arrange your mail to be directed to your new home.

Once you have all your affairs in order, it is time to get down to business and clean your house from top to bottom. Throw away anything you don't want to take to your new home.

When the big day comes make sure you have had plenty of sleep the night before because you'll need it.

Place all your suitcases and essential items you need in one specified place so they are not loaded in the removal van. You should also carry all valuables and important papers and passports with you.

Ensure children and pets

Tips and tricks

- **Fridges and freezers:** Defrost one week before moving as the water in the trays causes problems. On your moving day the fridge should be emptied.
- **Very heavy items:** Make sure you let your movers know what heavy items you have such as pianos or pool tables.
- **Flat glass items:** Items such as plate glass, paintings, prints, table tops and wall unit shelves should only be handled by professional movers. Never pack plate glass or glass front paintings in boxes.
- **Items to empty:** Desk drawers and wardrobes must be emptied. Chests of drawers need to have breakable, loose, and heavy items removed.

are safe and out of harms way and have something to entertain them.

Turn off the gas at the meter, the electricity at the switchboard and water at the tap, but make sure all the cleaning is finished first.

Do a final walk through with the packing team to make sure you have everything and the house is in order. Lock all doors and windows and make sure the house is ready for the next family to make it a home.



Process: Prepare in advance for moving house.

Bold development at a landmark position

KNOWN as a restaurant and café centre for Canberra, Kingston is undergoing a great transformation with the development of the Kingston Foreshore and new apartment developments including Abode and Kingston Place.

Kingston Foreshore is an award-winning urban renewal project on the shores of Canberra's Lake Burley Griffin. The 37-hectare site was acquired by the ACT Government in 1995 as the result of a land swap with the Federal Government; the land has been released for development by the Territory's Land Development Agency.

Quayside Kingston Harbour is the latest exciting project from CIC Australia, one of Australia's most progressive development companies.

In 2007 CIC acquired a prominent site on the precinct's main boulevard, Eastlake Parade, one block from the future waterfront promenade and marina and adjacent to

the area's principal park. With the harbour civil works completed in late 2008, the Kingston Foreshore development has now entered one of its most intensive stages of activity with prospective residents and investors appreciating the amenity that will be offered by the location.

Quayside has been designed by Cox Humphries Moss, the Canberra arm of The Cox Group Pty Ltd. The company has developed a reputation for innovative and exciting design and its success has been demonstrated by the numerous national and international awards it has received over the years.

Both CIC and Cox Humphries Moss have expressed a firm commitment to sustainable design and development and this strong environmental design philosophy will allow Quayside residents to benefit from this commitment, with the building as a whole and the individual apartments designed to pro-



Live by the lake: Kingston Foreshore is an award-winning urban renewal project.

vide a minimum five-star energy rating.

Quayside Kingston Harbour offers an exceptional lifestyle with a location close to the Parliamentary Triangle, the café culture of Kingston and Manuka and the city. The cosmopolitan café precinct planned for the harbour boardwalk will be virtually on the doorstep, making it an exciting feature of the Can-

berra property market. The area offers cycle paths and green open spaces, while public transport, shopping, markets and entertainment options are nearby.

It combines 96 one- and two-bedroom apartments and six three-bedroom penthouses with double-car garages. The building includes studio and split-level apartments, ideal for people

who want an easy-care 'pad' in a prime location.

Quayside also includes approximately 2000sqm of commercial and office accommodation and a restaurant.

Quayside is set in an exceptional location, and will provide you with a rewarding lifestyle and a sound investment for the future in one of Canberra's most thriving suburbs.

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Building a home

Choose the right builder for the job

CANBERRA is Australia's capital city and offers many reasons why you should call it home.

With lovely parks to explore and the changing seasons bringing brilliant colours to the city, it is a wonderful place to enjoy stunning scenery, fine dining and world-class facilities. Being so close to Sydney and yet far away enough to have its own identity, is another reason why people are making the move to Canberra.

Many people are finding it beneficial to buy a home that needs some renovating or extending. There are also plenty of people who choose to knock down and rebuild.

The decision that is the best for you will depend on your budget and what finishes you are looking for and whether you want to do some of the work yourself. These are the important answers that you will need to be mindful of when looking for a builder.

Choosing a reputable Canberra builder is an important decision. Your new house is not only a place you will call home, it is also a major asset, so it is important to choose the right builder.

Sometimes a good way to find a builder is through your friends. Find out about their experiences. Did they find their builder to be experienced, professional and prompt? Were they happy with the building process?

Asking friends and family is also a good way of finding out which builders to avoid. Unfortunately, many people have horror stories when it comes to building a home, so ask around and get a general feel for who may be a right for you. However, do take what you hear with a grain of salt. Everyone is different and has different expectations when it comes to builders, so use word of mouth as a guide only.

A great place to look for a reputable builder is through the Master Builders Association (MBA).

The Master Builders Association of the ACT represents all sectors of the ACT building and construction industry.

MBA offers a service to connect you with Canberra builders; Dial-a-Builder can help you find the right builder or trades person for your project. The free service is a great place to scout for a builder.

Once you have found the person or company you think is right for the job, it is important to meet them face-to-face and find out where you both stand. Do they understand the vision you have and do you think they will act in a professional and understanding manner?

Remember, when it comes to building a home, you are entitled to be selective about who you choose to make this dream possible.

Buyer's tip

If buying off-the-plan, try to get a firm date in writing from the selling agent or developer of when the property will be finished.

It is very important to seek legal advice from your solicitor before signing a contract for the sale of residential property for this type of purchase.

Canberra home buying experience



Kylie Turnbull

■ **Is this the first home you've bought?**

Yes. I bought a three-bedroom townhouse.

■ **How did you go about looking for a property?**

I first started looking at houses in April 2009 and had chosen the house that I wanted by June 2009. I already knew where I wanted to buy, so I had a really good starting point. I then went to a mortgage broker to get an idea of how much money I would be able to borrow.

After looking on the internet for houses that were within my price range, I went and had a look at a few properties. In the end I decided to buy off the plan from a builder that I was referred to.

■ **What appealed to you**

about the type of property you bought?

The main thing that made me choose the house that I bought was the fact that it was going to be low-maintenance. It is a reasonably large house on a smaller-sized block, but still with a backyard that's big enough to have a family or a few friends over for barbecues, but that doesn't require a lot of work.

It was also important to me to have a property with open-plan living spaces and a decent-sized living area.

The location of my property added to its appeal as it's in a really good location – close to shops, bus stops, petrol stations, schools and sporting fields, which means that it will be great to turn into a rental property in the future.

■ **What influenced you to choose to build/buy off the plan?**

As I was eligible for the \$21,000 first home owner's boost it was a great opportunity for me to buy a new home rather than buy a 'pre-loved' one, plus I was felt like I could make the house my own as I was at liberty to have some minor input to the design of the house and choose all the colours of the walls, carpet

and tiles which was great.

■ **What did you find was the easiest part of the buying process?**

The easiest part was choosing which property that I wanted to buy as I had a pretty clear image in my head of what I wanted.

■ **What was the most challenging part of the buying process?**

The most challenging part was waiting for it to be built and also dealing with the solicitors – it was a bit of a tough process and didn't go as smoothly as I would have liked.

■ **What advice would you give potential home buyers?**

Seek financial advice on what you can afford before you start looking at houses and ask your friends who have already bought houses for referrals to a good solicitor.

■ **Did the builder meet your expectations?**

The builder was great – he was always willing to listen to my questions and requests and he was happy to accommodate me where possible.

It all came together in the end and becoming a home owner has been worth any hurdles I experienced during the process.

First time buyers drag on sales

ACCORDING to the latest Housing Industry Association (HIA) survey of Australia's largest builders, the number of new home sales fell by 4.6 per cent in December 2009 as interest rates rose and the impact of the end of the First Home Owner Boost continued to wane.

HIA's chief economist, Dr Harley Dale, said that while a lift in new home sales in the calendar year 2009 signalled a first round recovery in residential construction, there remained a big question mark over whether such a recovery could be sustained beyond 2010.

"New detached home sales increased by 7 per cent in 2009 with that recovery driven in large part by first time buyer-related activity. After seven years of trend decline we will finally see an increase in housing starts in 2010," Mr Dale said.

"It is clear that momentum is coming out of new home sales as the stimulus from first time buyer-related



Decline: Detached new home sales fell by 6.2 per cent in December in Australia.

activity recedes. We don't as yet, however, have evidence of trade-up buyer and investor activity gathering sufficient momentum to propel us into the second round of a new home building up cycle."

"This evidence is going to be harder to come by as interest rates move higher. Without a broad based recovery in private sector

new residential construction we will face undue upward pressure on existing home values and unrelenting tightness in rental markets," he said.

Detached new home sales fell by 6.2 per cent in the month of December 2009, while the volatile apartment sector saw a rise of 10.4 per cent.



Insurance

Understand the true cost of owning your own home

ONCE you buy a house or an apartment you enter into the property market, which can be an exciting new adventure.

It is important to remember that owning your own home doesn't just have the price tag of the property — there are many fees, rates and costs associated with owning your own home that continue long after the initial purchase.

ACT property owners pay rates to provide funding for a wide range of municipal and other essential services to the ACT community.

Under the Rates Act 2004, an 'owner' includes the registered proprietor of a parcel of land, a mortgagee in possession or a person holding the parcel of land under a sublease from the territory.

In the ACT, the municipal services provided include:

- Additions to and maintenance of main roads, bicycle paths and footpaths
- The establishment, maintenance and upkeep of recreational areas, swimming pools, public libraries, halls and community centres
- Garbage and waste disposal services, stormwater drainage, street lighting and cleaning

If payment of rates is not received by the due date you will be liable for interest, charged and compounding on a monthly basis, on any amount that remains unpaid.

Land tax is a general revenue measure that is used by the government to provide a range of essential services to the community. Generally, land tax applies to all rateable commercial properties and any residential properties that are rented or owned by a trustee or a corporation.



Prepare: Know what fees, rates and costs are associated with your home.

If you own a residential property that is rented, you are liable for land tax on that property. This also applies to boarding houses and multiple dwellings, including dual occupancies and granny flats that are rented.

Land tax is imposed under the Land Tax Act 2004. The marginal rates used to calculate land tax are determined under the Taxation Administration Act 1999.

Duty in the ACT is payable on the transfer, agreement for sale, declaration of trust over, or grant of, certain property. The rate of duty payable will depend on the type of property and its value.

People who purchase property located in the ACT must pay duty on that purchase.

This is where the First Home Owner Grant can help. With the addition of the boost, this money can help new buyers to cover additional costs. If you are interested in buying your first home, make sure you speak to experts and fully understand your responsibilities and entitlements.

Did you know?

- Canberra has more restaurants per capita than any other capital city in Australia.
- The ACT has the highest percentage of nature reserves (based on area) than any other state or territory in Australia.

Insure home and contents

YOU have found the home of your dreams, gone through the process of securing a loan and managed to beat the competition and now the home is all yours, but the home buying process doesn't end there.

St George's bank managing director Southern NSW and ACT, Andrew Moore, warns Canberrans that once you have the house and the furniture, it's time to insure both.

"For many Australians, the family home is one of their most important assets. During the rush and excitement of buying your home, it's important that you don't forget to protect it," Mr Moore said.

House insurance provides coverage to a property owner from financial losses connected with a property such as a house, townhouse, or an apartment. A typical house insurance policy will cover

the building itself and typically includes fittings and fixtures. In some cases, policies will also cover any contents left within the property such as a fridge, washing machine, dryer and other furniture if the property is tenanted.

Most house insurance policies will cover standard perils such as fire, theft, accidental or malicious damage, natural disasters such as storm and in some cases flood, lightning and earthquake. Arson and explosion can sometimes also be covered.

Each insurance policy is different and may or may not include all of these items, so you need to do your research into what best suits you.

It is important to take out enough insurance cover to ensure that you are able to rebuild your dwelling in the event that the entire building is destroyed.

Given the amounts of money people spend on their home and contents, it's definitely worth protecting.

"If you already have home and contents insurance, it's also worth making sure that your current level of insurance covers all of the assets that you would like protected," Mr Moore said.

"In addition to protection for your home and its contents, St George can also help you protect your family with insurance for your car or investment property, travel insurance and life insurance."

Whether you're a home owner, a tenant, or have a weekender/holiday home, residential home and contents insurance offers you a range of ways to help you protect what it is you cherish about your home.

Home buying experience



Edward and Emily Boettcher

■ **Is this the first home you've bought?**

Yes.

■ **What sort of property do you own?**

A double-storey townhouse in Narrabundah.

■ **How long did it take before you found 'the one'?**

We were looking tentatively for a long time, close to six months, and then a rare opportunity presented itself and we took it with both hands.

■ **What appealed to you about the type of property you bought?**

The main driving factor was the return on investment. Additionally, the house is well designed so it is easy to maintain and as it is brand new it contains all

the facilities that we could ever want. It is also in a beautiful area and close to lots of shops.

■ **Did you buy a new/old home?**

It is a new home that we bought off builders and landscaped ourselves.

■ **How long did it take you to make the decision to buy?**

It was a very quick turn around of less than a week.

■ **What sort of things were you looking for in your property?**

Return on investment, close to amenities, comfortable living, easy to maintain, and room for the dogs.

■ **What did you find was the easiest part of the buying process?**

Sorting out the financials was the easiest part of the buying process. Once we'd bought, the landscaping, due to my university degree in the subject and practical abilities, was fairly simple.

■ **What was the most challenging part of the buying process?**

Finding homes you can afford to buy, knowing what the return on them will be long term and what it will cost in total.

■ **What advice would you give potential home buyers?**

Research, research,

research and think long term. Very rarely do you live in a house you buy for a short period of time. Consider what living there on a day-to-day basis will be like.

■ **What are you enjoying most about owning your own home?**

Being able to do whatever you want to it, and any improvement you do is made knowing that it will also make you money.

■ **Did the builder/sales agent meet your expectations?**

Yes, they were informative, personal and very professional.

■ **Was the home buying process longer or shorter than you expected? How so?**

Shorter only because of the circumstances — I was approached with the opportunity. However, prior to that, there was lots of research involved and many, many open-house visits.

■ **Were there any hidden or unexpected surprises you discovered during the process?**

There are always things that you don't notice, such as heat of a place or leaks that you don't notice until it is a really hot day or there's a massive storm.



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